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I. Korean Society & the Global Context: An Urgency for Less Blame, More Empathy

Business leaders around the world start the Year of the Black Rabbit amid grave concerns. They are confronted by an overwhelming number of unfavorable business challenges and global issues that cannot be resolved by the individual efforts of separate companies alone. The never-ending COVID-19 endemic, escalating Russia-Ukraine conflict, unstoppable global inflation, soaring interest rates and the energy crisis, plus the burden of rearranging global supply chains – all combine with fears of the approaching ‘R’ word (economic recession).

The complex uncertainty of the economy and global security is reminiscent of Nouriel Roubini’s somber warnings presented in “The Age of Megathreats.” Even more threats exist from a sociocultural perspective. According to Dayk Jang, dean of Gachon Startup College who studies the philosophy of science and evolution, the pandemic amid the era of quickly spreading social media reinforced concepts of the ‘infodemic’ (information + epidemic), which brings about societal panic due to false information and lack of evidence, and the ‘emodemic’ (emotion + epidemic), which spreads negative sentiment such as hate and contempt among social groups.

Originated in the United States, the phenomenon of ‘woke capitalism’ — an overarching mindset that recognizes values of race, sexuality, environment, abortion rights, abuse of public power, and same-sex marriage — is a stricter version of ‘political correctness’, demanding a higher sensibility for business leaders. Similar to the political split between men and women in their 20s during the South Korean presidential election, radical woke voices may attack moderate groups and draw back corporate efforts to embrace diversity and inclusion.

According to poll results, South Korean professors identified ‘과이불개’, or “gwa-i-bul-gae” as the four-character idiom of the year, which translates to “not correcting a fault.” This idiom perfectly reflects the tendency today of not taking responsibility or apologizing for wrongdoings, but rather criticizing others. The tribalization of choosing a ‘side’ within Korean society creates polarized views of ‘blame’ on a social issue and strengthens confirmation bias, birthing a vicious cycle of castigating and demonizing others.

There lie great misunderstandings at the core of blaming others. In *Skin in the Game*, Nassim Taleb articulated the risks to those who do not take responsibility. The hypocritical illusion, which justifies one’s flaws while highlighting the flaws of others — “I am going to be fine. This time will be fine. We will be fine.” Another is the illusion of elitism, which pardons oneself on all occasions — “I have no fault. I am different. We are not the same.” These two illusions lead to a greater problem in our society: scapegoating a person who is considered responsible for a certain issue to close the case. The act of scapegoating allows one to easily denounce others and evade accountability, causing serious aftereffects.

- Firstly, many problems are often not caused by one particular person or a single organization. Yet, when we scapegoat others to evade punishment, the blame game begins.
- Secondly, even if a person fairly decides to take responsibility, he or she may end up taking more responsibility than one deserves. For instance, in the case of the 2009 Hudson River midair collision incident, U.S. pilot Chesley Sullenberger saved 155 passengers and cabin crew by making an emergency landing on the water after a bird strike. Despite the fact that Sullenberger made the right choice, he had to endure a harsh investigation by the National Transportation Safety Board (NTSB) on why he did not land at a nearby airport instead of taking the risk of landing on the river.
- Thirdly, avoiding the fact, that people can make mistakes under uncertain conditions and trying to crucify the person in charge, cannot prevent the repeat of similar problems in the future. This is because the core problem has not actually been resolved. As Kwang-weon Seo, head of Human, Nature, and Vitality Research Institute presents in a *JoongAng Sunday* column, we must shift our focus from 'who created' the problem to 'what is' the problem. We can then properly analyze the problem of gaining lessons learned, of improving our system to prevent its recurrence, and moving on to the next step. I believe many people agree with this.

We must <Stop the Blame Game> before it gets too late.

Specifically, we must first take a look at our own responsibility before blaming others. During his lifetime, the late Cardinal Stephen Sou-hwan Kim led the famous 'Mea Culpa' movement, which is something we urgently need today. Just as many sounds can form a musical harmony, we need to acknowledge each other's differences and place ourselves in others' shoes to drive empathy and cohesion as the zeitgeist.

But just how much do we know about empathy, an indispensable value for everyone?

Empathy is composed of emotional and cognitive parts. Emotional empathy is the ability to understand the feelings of others. Cognitive empathy is the ability to understand others' perspectives (positions, ideas). Cognitive empathy can only be developed through a conscious effort. Additionally, excessive empathizing with the in-group may cause disparaging views and discrimination against people in the out-group. Therefore, we must consciously recognize the double-sidedness of empathy to avoid even more crises.

As division and anger have consumed Korean society, it has become more difficult to resolve conflicts, and the country has long become a republic of filing legal complaints. In the age of global 'megathreats', it is critical to develop an open, logical perspective of empathy that considers the out-group, rather than developing deep, emotional empathy that only creates more intense in-group bias.

The 2023 World Economy Forum (WEF, Davos) will be held under the theme of "Cooperation in a Fragmented World." The main agenda is to seek a solution plan based on public and private sector cooperation to overcome the system risks caused by the COVID-19 pandemic and Russia-Ukraine conflict.

In the new year, I sincerely wish everyone to approach the challenges before us with a humble heart towards others, a lifelong enthusiasm for learning, down-to-earth attitude to seek realistic solutions, and great care, communication and cooperation with unfamiliar external stakeholders to widen your radius of empathy. With these values, I am certain that you will find a way of success for robust growth, even in an era of crisis.

Sincerely,
Yvonne Park
President of FleishmanHillard Korea

II. 10 Trends Business Leaders Should Know in 2023 (Technology, Economy, People, Media)

Trends	Communication Insight
<p>1. Generative AI & AI TRiSM</p> <p>Generative AI is a recently popular AI tool that creates writings, drawings, music, video, and design through simple images and written commands, while also accompanying issues including copyright infringement and the dispersal of harmful contents.</p> <p>Gartner’s recommendation is to put effort into AI model governance, reliability, fairness, robustness, efficiency, and privacy protection, and proposed the AI TRiSM (Trust, Risk, and Security Management) framework to avoid misuse or side effects of AI.</p> <p>In April, an essay, "Why the Past 10 Years of American Life Have Been Uniquely Stupid," in <i>The Atlantic</i> by Jonathan Haidt, professor of Social Psychology at New York University, has drawn huge attention. In particular, it addressed the urgent need for collaborative efforts on architecture that can reduce the confirmation bias of social media for children and teenagers — it could help find ways to reduce addiction, as well as the side effects of fake accounts and anonymity.</p> <p>(Refer to link for a collection of resources on social media and democracy and teenage mental health.)</p>	<p>Tech companies should cooperate with stakeholders in the business ecosystem and experts from various fields to find ways to continuously reduce side effects and increase the benefits through in-depth discussions on the impact of AI technology on users and society.</p>
<p>2. Quantum Computing</p> <p>The smallest unit of quantum computing is called 'Qbit' by adding the first letter of 'Quantum.' Qbit is capable of two data processing, which can quickly solve problems that were unable to be solved or took a long time with computing power beyond imagination. For example, it can be used for new drug development, urban maintenance, and financial product development. In terms of global companies IBM, Google, and Intel are leading the race. Meanwhile, China and France are focusing on developing quantum computing as major nationwide technology endeavors. In South Korea, there is active development of quantum cryptography led by telecommunication companies.</p>	<p>Those in the government, industry, and academia should closely monitor global initiatives, maintain security to enhance the stability of a quantum computing environment, and communicate consistently to develop plans for ecosystem expansion and promote collaboration.</p>
<p>3. Energy Cost Crisis & Clean Tech</p> <p>The TGI Research Team at FleishmanHillard conducted a survey targeting 900 business leaders from nine countries (South Korea, China, India, United States, United Kingdom, Germany, France, Italy, Spain) to reflect on their positions regarding the response strategy to climate change amid both the global economic crisis and Europe’s energy cost crisis. Leaders expressed their concerns in order of inflation, tensions between the West and Russia, Europe's energy crisis, the climate change, and U.S.-China relationship. Countries that are highly dependent on Russia’s oil and natural gas, including the UK and European countries, saw a reduction in investment for climate change as inevitable and expected the government's energy transition policy to proceed smoothly, while 59% of the leaders responded that increasing investments in renewable energy was the best option. A majority of executives globally (72%), including nuclear-averse Germany (76%), believe consumers will become more</p>	<p>Despite the challenging economic and energy supply challenges today, business leaders generally agree that governments and industry should remain steadfast on climate and decarbonization efforts.</p> <p>In the case of South Korea, the government, National Assembly, industry, and citizens should all take responsibility</p>

<p>accepting of nuclear power due to the energy crisis.</p>	<p>and ownership to participate in reasonable impact-oriented discussions, rather than political decisions, to bring about policy changes that reduce energy consumption, normalize electricity price, and promote strategic clean-tech investment.</p>
<p>4. Hidden Dragon & Dry Powder</p> <p>“Unicorns are shows, dragons are money.” This is an expression often used by venture capitalists in the analogy that even with a spectacular drive shot in a golf game, they must succeed in putting to win the prize money. At university special guest lectures up until just a few years ago, I have met many students who want to become civil servants. Now, they are more interested in start-ups. In ‘Start-ups, Beautiful Success’ published in December by Hyo-sang Ryou, Head of the Unicorn Institute of Management and Economics, it was stressed that “start-ups, whether sold or listed, become zombies, go bankrupt, or are liquidated if they are not successful in their exit strategy.” It advised to “do business as if there is no tomorrow, and prepare to sell today.” When knowing how to draw the exit picture that customers and target companies want through constant pivoting and business model innovation, the possibility of becoming a valuable exit dragon that raises the overall return rate of the fund increases ‘slightly.’ It is important to become a necessary partner when companies pivot in line with social change. Consider time traveling 10 years from now and coming back – where are our unmet needs? Solutions for elderly care, preparing for dignified end-of-life, and reducing energy consumption and waste that you and your family want to meet in an era where lonely people, dementia, and solitary deaths are on the rise are a 'known-knowns' area that will never go wrong.</p> <p>Just because interest rates are high does not mean investors do not have money. It is known that solid private equity funds, family offices, and large company CVCs possess a considerable amount of ‘dry powder’ that can be immediately used for investment. As companies seek a change in direction during times of economic downturn and uncertainty, various M&A opportunities are expected to increase, and start-ups will seek to exit at an early stage even if they are small. It is time for the South Korean government to pursue systematic improvements to invigorate start-up M&As.</p>	<p>There is a very important element besides legal, accounting, and compliance due diligence when proceeding with various M&A deals. Cultural Due Diligence from the angle of reputation, ESG, and DE&I risks and strategic Deal Communication between stakeholders are becoming more important.</p>
<p>5. Self-immersion & Index Relationship</p> <p>According to Macromill Embrain’s “<i>Trend Monitor 2023</i>” analysis, many people lack the belief and opportunity for ‘an individual to make a change in politics and society’ and believe that the only factor they can ‘bring change to’ is ‘themselves’ in an environment of uncertainty. For this reason, they are passionate about actively caring for their health, time, spending, and relationships. If someone feels that they are lacking in something in comparison to others, they will efficiently take a stab at it to feel the joy of achievement, albeit being a little overly immersed in finding and expressing themselves. As there is more meaning in doing something for the first time, new and personalized services are becoming more important than general, mass-produced services.</p>	<p>It is important for companies and brands to provide solutions (pricing policies, personalized experiences, etc.) that help customers practice self-care and self-discovery, while communicating with consumers so that they enjoy the feeling of having made a smart purchase.</p>

<p>Human relationships also tend to be categorized and organized as if they were indexed since it has become possible to meet and communicate according to various personal tastes and purpose-oriented ways on social media.</p>	
<p>6. Conspicuous Non-Consumption & ‘Temaedori’</p> <p>Non-consumption was selected as a megatrend in “<i>Life Trends 2023.</i>” Having gone through revenge spending, people in their 20’s and 30’s are participating in the idea that a consumerism diet is needed in consideration of the unstable economic situation and the response to the climate crisis. Yet, it is analyzed that the urge to be ‘hip’ leads to conspicuous consumption, and at the end of this trend is <i>conspicuous non-consumption</i>. Since people’s lifestyles are easily shown through social media, they would rather show off their non-consumption lifestyle in a grand way.</p> <p>‘Temaedori’ was included as this year’s buzzword selected by the Japanese publishing company, Liberal Citizen. This is a campaign targeted at changing consumer perceptions on reducing food waste to minimize unnecessary energy from being used in environmental pollution and food disposal. The Japanese Ministry of Agriculture, Forestry, and Fisheries (MAFF) in collaboration with the Franchise Chain Association, the Consumer Agency, and the Ministry of Environment promoted to actively select products that are near the sell-by date. According to the MAFF, food loss in 2020 was 9% lower than the previous year. It has been managing its targets since 2012 and is also running a ‘Tabekiri’ campaign to not leave food waste during the year-end and New Year holidays.</p>	<p>Even with the same goals, the motivation behind a communication campaign can be more effective when the strong individual identities of Koreans and the collective thinking of the Japanese are both taken into account.</p>
<p>7. Quiet Layoffs & Workcation (Work + Vacation)</p> <p>With the anticipated global economic recession, many companies are on red alert and forced to cut expenses by reducing human labor. There has already been a series of news reports abroad regarding layoffs by big tech companies and startups disclosing their difficult company circumstances, some of which have even notified dismissals through e-mails and zoom calls. Unlike companies overseas, South Korean companies tend to be more self-conscious and have no choice but to resort to quiet layoffs due to the rigid labor market and intertwined political interests.</p> <p>Since the pandemic, companies are showing slightly different styles of work, yet the common trend is that they provide a degree of flexibility in consideration of the nature of work and productivity. Workcation is a combination of the terms work and vacation, referring to working remotely while resting at a tourist site or holiday destination. Holiday resorts and regional cities like Bali are using this as an opportunity to revitalize tourism and the economy by attracting the workcation population.</p>	<p>It is nearly impossible to establish a system that can satisfy all employees. When layoffs occur, the remaining employees may also rethink their own relationship with the company. It is particularly important to embrace the employees’ emotions and deliver careful communication to prevent discomfort, just as we would respectfully hold a graduation ceremony when a long-serving colleague resigns. It is also important to communicate about the company constantly and transparently to find the best setup by collecting employee opinions.</p>
<p>8. Personalization, Diversification, and Segmentation in Media Consumption</p> <p>The most distinguishing trait of traditional media, such as TV or newspapers, was to set key agendas and influence public opinion. Then, a small group of people selected by these media would act as celebrities or opinion leaders and</p>	<p>Platforms that produce, distribute, and allow consumption of news are using</p>

<p>influence the general public. With the development of digital technology, however, we have fully evolved into an era in which anyone can become a creator or a citizen journalist. And as anyone can use new media and platforms to tell their stories and share information or insights, various perspectives that had never been covered by traditional media have begun to emerge.</p> <p>Audiences are no longer forced to wait for the morning paper or tune into the 9 o'clock news. Rather, they can choose the type of media or platform they prefer the most and become active users who engage in conversations via comments, as opposed to having no choice but to accept information fed by the media. Moreover, content segmentation has helped to strengthen audience loyalty, making it possible for creators to earn income on top of influence through content.</p>	<p>AI to personalize content and the user experience, while at the same time promoting DE&I values and fostering creators with diverse perspectives. This change in media consumption trends is expected to further accelerate, which is why it is critical for leaders to identify stakeholder interests and tendencies in advance. Mapping which channels can be used effectively to communicate with stakeholders and which influencers can become potential collaboration partners is also an important step to stay ahead.</p>
<p>9. The Popularity of Short-form Content</p> <p>Short-form refers to short video content between 15-60 seconds, and it has become all the rage among the MZ generation who prefer images or videos (the shorter the better) over text. More recently, this short-form craze has spread to journalism and led news media to also debut on TikTok. TikTok, which has been at the center of attention as an entertainment channel that serves short-form videos for pleasure, is now rising as a news media platform on which major media outlets are actively producing short-form video news to target Gen MZ. Although TikTok is encountering limitations in certain markets, it is expected to grow as a news media because of its ability to induce the intended flow of thinking and make information stick by conducting storytelling using catchy images and videos in a short period of time. Facebook is also following suit with new short-form options that are attracting quick uptake.</p>	<p>It is time for our leaders to think about how short-form content is being used to communicate with the younger generation and how to effectively use Reels/Shorts as new forms of communication. Of course, we must also consider the need to overcome risks such as fake news, omitted context, and aggressively provocative visuals, as well as reflect DE&I and social sensitivities at all costs.</p>
<p>10. Universe & Content Universe</p> <p>With the term 'universe', you may think of astronomical images like stars, galaxies, and outer space, or perhaps imagine a philosophical orderly universe as in <i>Cosmos</i> written by Carl Sagan. For the MZ generation, however, 'universe' is used to describe their worldview. They build and expand their own universe by subscribing to and consuming content tailored to their identity. They actively reveal their taste on reviews and comments, while also referring to other people's content to gain perspective and experience.</p>	<p>To 'lock-in' subscribers, they must be offered benefits that allow them to feel as though they are getting a more unique, special experience. Stronger community loyalty and bonds must be created through steady instigation of cultures which can be enjoyed by those who share a connected worldview together.</p>

III. The Playbook for Ambidextrous Leadership: Taking Care of Today While Seeking a New Path for Tomorrow

Over the past three years, it was important not to act as if there were unknowns about facts that were actually known to some extent, such as healthcare scientists' response to viruses in the past and human's adaptation of digital technology. The year 2023, however, seems to be a year of 'unknown unknowns', where there will be many 'unexpecteds' that were never anticipated.

For a leader, there is a certain expectation of ambidextrous leadership, which shows how to successfully take care of today while seeking a new path for tomorrow. From this perspective, I present a playbook listing three overarching sections with questions for leaders to keep in mind.

PURPOSE MANAGEMENT

What is the true value of my job?

If an economic recession creates more challenges for society, then is the mission of our organization really useful in the process of building a better world? How many people will appreciate our efforts to support them to live a happy life? With our innovation, is there a possibility that it will have rather harmful consequences?

In the process of achieving my goals, what kind of culture am I establishing within our organization?

Am I properly excavating tasks perceived as worthwhile? Have I considered game-changing options that turn the table? Am I fact-checking the critical presumptions/hypotheses that underlie our strategy? Am I believing just what I want to believe? Is our selection of priorities right for our clients and stakeholders? Can I be held accountable for my decisions? Am I intentionally turning a blind eye to one-time demands of morally troublesome compromise?

LEARNING MANAGEMENT

What do I, my organization, and our industry know and not know?

Life is a path from knowing nothing to enlightenment; knowing is always relative. There are things that a) I know and others do too, b) I do not know but others do, c) I do not know and neither do others, and d) I know but others do not. With regard to all the above, we must continue to update our knowledge and widen the scope of our wisdom as a leader, organization, and industry.

Do I have a personal playlist or yellow page that can be a foundational source for learning?

Do I effectively make use of prior research, theories, insights, and accumulated experience? Have I rid myself of my confidence of past thoughts and previous experiences of success? Am I humbly embracing new perspectives and facts with learning, and sharing them with others? Do I have a network of trusted professionals in a variety of fields to receive the best assistance when in need?

MINDFULNESS MANAGEMENT

Was I a kind person today?

This is not to suggest that you suppress your anger. In some cases, anger can be a catalyst to pave a new way. Just remember that it is not always necessary to express everything you feel. When you are feeling angry, stop for a moment, take a deep breath, reflect on yourself, and try to see the situation in a new light. How much of a conscious effort did I make to expand my empathy? Do I have a DE&I communication guide so that I can communicate without making mistakes in today's generation and changing society?

Let's strengthen our resolve for 2023 with the words of Yoon-chan Lim, a famous Korean pianist who inspired us last year:

*"The scary thing about music is that it can be a mirror of the performer's heart.
When the musician plays with a malicious heart, the music becomes tainted;
when the musician plays with an authentic heart, the music contains authenticity."*

In the new Year of the Black Rabbit, I wish you all good health, happiness, and success both at work and your homes.