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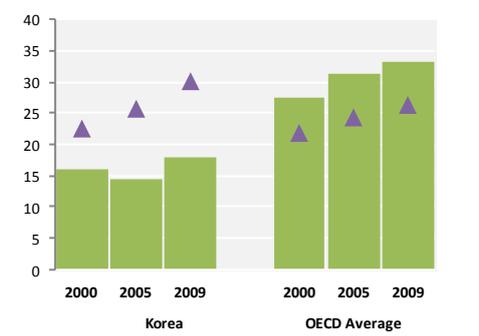
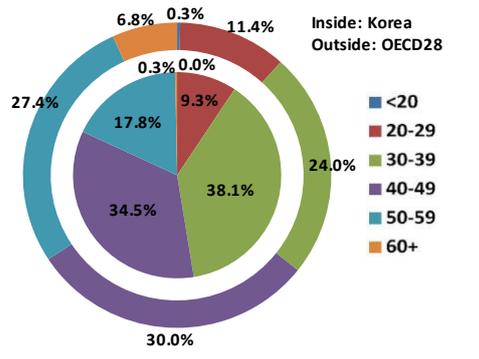
Background

<p>Employment in central government under the main General Employment Framework (GEF):¹</p> <p>2008: 154 317 Full-time equivalents (FTEs)</p> <p>Total employment in the general government sector as a percentage of labour force (2010):[†]</p> <p>5.7%</p>	<p>Central human resources management body:</p> <p>Ministry of Public Administration and Security</p> <p>Government production costs (2010)^{††}</p> 	<p>Government centralisation (2008)^{††}</p> <p>Data unavailable</p> <p>Type of recruitment system (2010)</p> <table border="1"> <tr> <td>Career based</td> <td>Position based</td> </tr> <tr> <td>■ Korea</td> <td>◆ OECD33</td> </tr> </table>	Career based	Position based	■ Korea	◆ OECD33
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Legal Framework

<p>GEF covers all employees: Yes</p> <p>GEF includes fixed-term contracts: Yes</p> <p>Private law applicable in public sector: No Data</p>	<p>Employment under the GEF in the Korean civil service is governed by the National Civil Service Act (Revised 2004) and Contractual Civil Service Act, the latter of which allows up to five year fixed-term contracts. Employment under the GEF is split into two categories: career staff whose status/job security is guaranteed and are expected to work as civil servants until retirement; and non-career staff</p>	<p>whose job security is not guaranteed. Casual employment is permitted but falls under the private sector regulation of the Labour Standards Act. Regulation of private and public sector employment differs on several issues. Some categories of civil servants, such as educational officials, police officers, members of armed forces, and diplomats, have their own consolidated employment system.</p>																														
<p>Staff have the right:</p> <table border="1"> <tr> <td></td> <td>to unionise</td> <td>to strike</td> </tr> <tr> <td>Public sector</td> <td>No Data</td> <td>No Data</td> </tr> <tr> <td>Private sector</td> <td>Yes</td> <td>Yes</td> </tr> </table>		to unionise	to strike	Public sector	No Data	No Data	Private sector	Yes	Yes	<p>Benefits, to which employees are entitled to, are:</p> <table border="1"> <tr> <td></td> <td>Full funding of social security</td> <td>Partial funding of social security</td> <td>Some funding of pensions</td> </tr> <tr> <td>Public sector</td> <td>No Data</td> <td>Yes</td> <td>No Data</td> </tr> <tr> <td>Private sector</td> <td>No Data</td> <td>No Data</td> <td>Yes</td> </tr> </table>		Full funding of social security	Partial funding of social security	Some funding of pensions	Public sector	No Data	Yes	No Data	Private sector	No Data	No Data	Yes	<p>Firing rules provide:</p> <table border="1"> <tr> <td></td> <td>Different guarantees about job protection / dismissal</td> <td>Guarantees in favour of life-long employment</td> </tr> <tr> <td>Public sector</td> <td>No Data</td> <td>Yes</td> </tr> <tr> <td>Private sector</td> <td>Yes</td> <td>Yes</td> </tr> </table>		Different guarantees about job protection / dismissal	Guarantees in favour of life-long employment	Public sector	No Data	Yes	Private sector	Yes	Yes
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Composition of Employment

<p>Central government employment (2009)¹</p> <p>Total employment under GEF: 154 317 FTEs</p> <p>Part-time employment: 21 FTEs</p> <p><i>Part time is defined as those working 15-35 hours per week and was only introduced in February 2007.</i></p> <p>Gender in central government (2011)¹</p> <p>Female participation in central government workforce: 35.3%</p> <p>Share of top and middle positions who are women: 10.3%</p>	<p>Percentage of employees aged 50 years or older in central government and total labour force (2000, 2005 and 2009)*</p> 	<p>Age structure of central government 2008</p> 
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Part-time employment accounts for a very small fraction of overall employment under the GEF, partly because it has only been recently introduced, in February 2007. Korea has a very young civil service compared to the OECD average. There was a particularly high proportion of 30-39 year olds, 38.1% in 2008, compared to the OECD average of 24.0%, and Korea also has the lowest proportion of employees aged 50 or older out of all OECD countries, 18.1% in 2008. In addition, the civil service does not show a clear trend regarding age composition whereas the total labour force is clearly ageing, and at a higher rate than the OECD average. Finally, there is low representation of women in the civil service, both overall and within management. Women account for 35.3% of overall central government staff and 10.3% of management, significantly below the OECD averages of 49.5% and 34.7%, respectively.

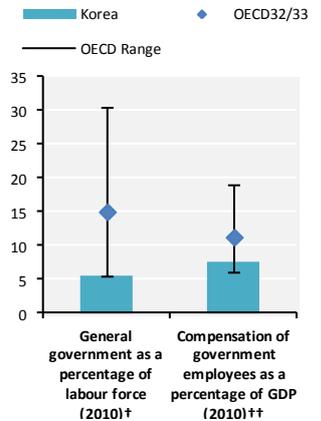
Public Sector Restructuring

Korea is one of only five OECD countries to report that there are no anticipated changes to public sector employment levels. A range of measures have previously been implemented, including restructuring of government agencies, outsourcing and privatisation, but they are not expected to impact public employment in the future. The National Fiscal Management Plan is implementing a considerable consolidation plan; however, reductions in civil service employment levels or expenses do not feature as part of the strategy.~ In the case of restructuring, the government is required to propose reallocation before dismissal, and voluntary departures with attractive allowances are regularly encouraged. General government sector employment (excluding public corporations) as a percentage of the labour force is the lowest of all OECD countries at just 5.7% in 2010. In addition, compensation of government employees as a percentage of GDP, 7.6% in 2010, is close to the OECD minimum of 6.2%.

Anticipated reforms' effect on employment level: No change

Implemented changes in employment levels affecting more than 50% of ministries/agencies since 2000:

- Change in retirement age
- Devolution of authority over other levels of government
- Contracting out
- Delegation to other public or semi-public organisations
- Reorganisation / restructuring



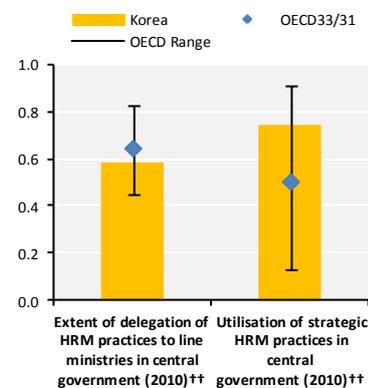
Organisation of HR Management

Decentralisation of HR Management (2010)

Central HRM unit:	Ministry of Public Administration and Security
Role:	Responsible for defining HR policy
Location:	Ministry of Interior
Responsibilities:	<ul style="list-style-type: none"> • Manage HRM at central/national level • Provide leadership and guidance • Design HR strategy • Coordinate and supervise HR policy/strategy • Provide advice on legal framework • Design the pay system • Transmit public service values • Define and control the payroll • Standardise recruitment and skills profiles • Define salary levels and benefits • Provide training • Promote diversity • Manage retirement and pension plans
Personnel, budget and pay delegation:	<ul style="list-style-type: none"> • The central HRM body sets and monitors pay systems. • Some latitude is given to ministries/agencies in managing budget allocation, bonuses and the number and types of posts.
Classification, recruitment and dismissal delegation:	<ul style="list-style-type: none"> • The central HRM body sets and monitors the post classification system. • Some latitude is given to ministries regarding recruitment decisions. • Employee contract duration, career management and dismissal decisions are delegated to ministries. • Contract duration of posts is set by the unit/team.
Employment conditions delegation:	<ul style="list-style-type: none"> • Some latitude is given to ministries regarding the flexibility of working conditions, performance assessment, the code of conduct and equal opportunity issues. • Adjustments to working conditions are delegated to ministry and unit/team level.

Strategic HR Management

Existence of HRM accountability framework for managers:	Yes, and HRM is fully linked to strategic objectives.
HRM targets feed performance assessments:	Yes
Regular HRM assessment of ministries and departments:	Yes
Framework requires top & middle management to plan and report on:	<ul style="list-style-type: none"> • General people management • Compliance with HR rules & targets for employment and pay
Forward planning use:	Yes, with framework design left to discretion of different organizations.
Forward-planning horizon:	4-5 years
Key aspects explicitly considered in forward planning:	<ul style="list-style-type: none"> • New issues in policy delivery • Civil service demographics

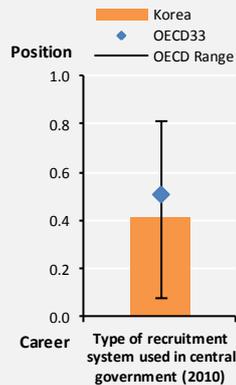


Korea delegates HRM practices to line ministries to a slightly lesser extent than the average OECD country. The central HRM body shoulders a full range of responsibilities but allows ministries' some latitude to apply principles regarding many issues. Delegation has led to a broadly comparable framework across the whole civil service. The utilisation of strategic HRM practices is significantly greater than the

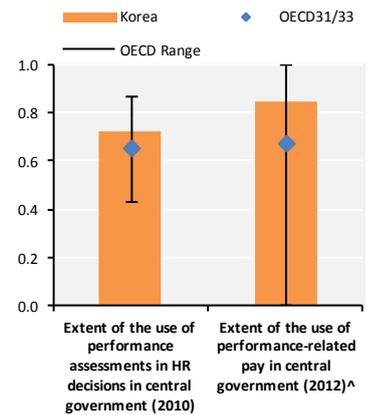
OECD average and lies in the upper region of the range. Key practices include an accountability framework that feeds performance assessment, regular HRM assessment of departments and a forward-planning system with a relatively long horizon. Managerial reporting and forward planning cover a small range of issues, however.

HR Management Practice

RECRUITMENT: The recruitment system in use in Korea is slightly more career based than the OECD average but is firmly in the middle of the range. The open competitive recruitment process is usually managed by the central HRM unit through centrally conducted examinations, while a career-based recruitment system is managed by the central HRM unit and also other related agencies. The ratio of competitive recruitment was 44.7% in 2010. There are hiring targets regarding gender, disabled persons and low income groups. If the proportion of one gender passing a recruitment examination is less than 30%, additional applicants of that gender will be recruited. In addition, there is a 1% quota for all new recruits to be from low income backgrounds and a 3% quota for disabled people.



PERFORMANCE: Korea uses performance assessment to a slightly higher extent than the OECD average. Almost all public employees are obliged to undergo performance assessment, which takes the form of a meeting with, and written feedback from, a superior two levels above every six months or annually. Assessment covers a wide range of criteria, including activities undertaken, timeliness and quality of outputs, and values. It is particularly important for remuneration, and of medium importance for career advancement and contract renewal. Korea uses performance-related pay substantially more than the OECD average, and lies in the upper range of the composite measure. It is used for most employees, as both one-off bonuses and permanent increments, and can be as much as 6-10% of base salary.



PAY SETTING: There are no negotiations, neither collective nor individual, regarding salary or bonuses in Korea and remuneration is set by the government in power. Base salary and bonuses are revised annually and are set taking into consideration standard living expenses, inflation and the average wage of the private sector. Seniority is of key importance to pay rates in most posts and performance is also factored in. Seniority pay is still used but has been reduced in recent years.

Most important factors to determine base salary	Top Management	Middle Management	Secretarial Level	Technical Support
Educational qualification	○	○	○	○
Job content	○	○	○	◐
Ministry	○	○	○	○
Performance	◐	◐	◐	○
Age	○	○	○	○
Seniority in the position	●	●	●	○
Relevant experience	○	○	○	◐

● Key importance ◐ Somewhat important ○ Not at all important

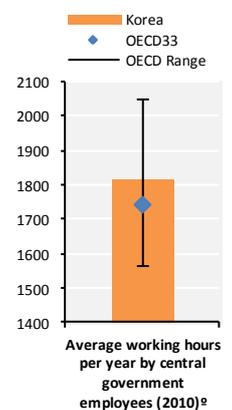
PROMOTIONS: Experience, performance appraisals and qualifications are considered in promotion of all staff, although experience is not considered regarding top management. There are formal restrictions in place regarding the number of years taken to advance in hierarchical grades. Listings of openings are transparent, there is a systematic use of panels and some use of assessment centres. Equal opportunity policies give preference in the promotion selection process and provide information sessions specially directed at women, the disabled and low income groups. Additional coaching is also provided for women and low income groups.

MOBILITY: Internal mobility remains steady in the Korean public sector but there are plans to increase the publicity of available positions. Public servants on external posting retain the right to return to their posts and do not bear any costs if they do not return.

TRAINING: All entrants to the public service undergo training which is differentiated by seniority level. Ongoing training is mandatory and the hours per year vary between ministries.

WORK CONDITIONS: The average yearly working hours in the Korean civil service, 1 816 hours in 2010, are higher than the OECD average of 1 745. This is driven by a higher than average working week and fewer annual leave days. The yearly sick leave rate for 2009 was 7.8 days per employee. Sick days with doctor's certificate are limited to 60 per year and employees receive one extra day of annual leave if no sick days were taken in the previous year.

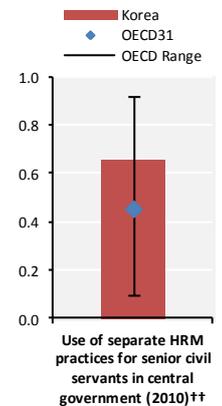
Number of regular working hours per week: ⁹	40
Average number of annual leave days per year for a FTE: ⁹	20
Average number of bank (public) holidays per year: ⁹	14
Total number of hours worked per year: ⁹	1 816



Senior Management

Korea makes use of separate HRM practices for senior civil servants (SCS) to a greater extent than the average OECD government, as measured by the composite index. SCS are considered a separate group and are recruited soon after entry into the public service. There is a centrally defined skills profile, more emphasis is placed on the management of their performance and the portion of their pay that is performance related is

higher. A good proportion of management positions are open to external recruitment. The highest level of the civil service, the vice ministers, are appointed directly by the president, while lower levels of management are appointed by the relevant minister or ministry head. All of the advisors to the ministry's leadership and the vice ministers typically turn over when there is a change of government.



Industrial Relations

Civil service unions do not receive public funding in Korea and they are not typically consulted regarding the majority of HRM issues. However, union consultation is voluntary regarding base salary, bonuses and working conditions, and negotiations on these issues

are conducted both centrally and at delegated levels. All but certain categories of the civil service are granted the right to unionise and only the post office union and national hospital union have the right to strike.

Reforms

Since 2011, Korea has been making efforts to attract experienced personnel to public positions from an extensive range of private sectors by introducing the Grade 5 Recruitment for Private Sector Applicants, which aims to enhance the diversity and depth of expertise among public officials. One collective hiring process per year is now conducted for Grade 5 level staff, with reduced applicant requirements to allow a broader range of talent from the private

sector to enter the government workforce. This programme largely consists of three processes: the assessment of fitness for public office, which is of the nature of a written exam; the job fitness assessment through document screening; and the interview. This program resulted in a total of ninety three hires in sixty job categories.

Challenges

A key issue for the future HRM needs and effective service delivery of the Korean public sector concerns adverse selection in recruitment. Developing recruitment process that select the "optimal individuals" over "best individuals" presents a challenge. That is, hiring applicants with the required aptitude and abilities who have steadily prepared for the position with interest and passion, rather than applicants with limited written qualifications such as a degree from a prestigious

university. In addition, assessment of applicants' potentials through various methods of tests including in-depth interviews, presentations and group discussions could screen candidates more thoroughly. An additional challenge that faces the Korean public service is that of balancing year-round workforce needs with the reduction in large scale open competition recruitments.

Sources

Unless indicated otherwise, all data are sourced from OECD (2010), *Survey on Strategic Human Resources Management in Central/Federal Governments*, unpublished.

* Data for Total Labour Force from OECD *Labour Force Statistics Database*; data for Central Government from OECD (2011), *Government at a Glance 2011*.

† Data from International Labour Organization (ILO) *LABORSTA Database* and OECD *National Accounts Statistics*. See Methodological Note.

†† OECD (2011), *Government at a Glance 2011*, OECD Publishing, Paris.

~ OECD (2012), *Restoring Public Finances, 2012 Update*, OECD Publishing, Paris.

⊖ OECD (2010), *Survey on the Compensation of Employees in Central/Federal Governments*, unpublished.

^ OECD (2012), *Rewarding Performance in the Public Sector: Performance-related Pay in OECD Countries*, unpublished.

Further Reading

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