

Mind the gap: South Korea: Employee perspective

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MIND THE GAP

South Korea



EMPLOYEE PERSPECTIVE

Min-A Jung and Jungui Lee

INTRODUCTION

In this paper, we examine the preferences and perceptions of younger employees, employees at midlife, and older employees on their working conditions in South Korea. We use 8 dimensions of quality of employment framework as a structure to discuss their perspectives about their employment experiences. The information presented has been analyzed from the Korean Labor and Income Panel Study which was conducted by the Korea Labor Institute in 2006.

Organizations that want to remain employers-of-choice must periodically assess how shifts in the business environment might affect the effectiveness of their talent management strategies, policies and programs. Globalization and changes in the age composition of the workforce - two important 21st century trends that have affect today's businesses - make it important for mangers to consider:

- How does age affect employees' preferences for an idealized job and their assessments of their employment experiences?
- Do employees' perceptions of their employment experiences vary from country to country?

What does "mind the gap" mean?

Train stations across England play recorded messages to remind passengers that they should "Mind the Gap." These words of caution urge train travelers to pay attention to the space between the door of the train car and the platform in the station for safe commutes and travels.

For this series of our research publications, we have adopted the phrase, "Mind the Gap." The Mind the Gap series aim to remind employers to pay attention to any gaps that might exist between employees' priorities and need and employers' allocation of workplace-based resources. Our Mind the Gap papers also aim to help our readers to such gaps in quality of employment in other country contexts.

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The Sloan Center on Aging & Work in Boston, in collaboration with the Middlesex University Business School in London, created the Mind the Gap series to provide employers with basic employment-related information country-by-country. There are two types of papers in the Mind the Gap series.

Employee Series: This series examines the perspectives that adults of different ages have about employment and the assessments that they make about their employment experiences. These papers focus on one central question:

- Does age affect employees’ preferences for an idealized job and their assessments of their employment experiences?

Employer Series: This series examines the prevalence of human resource policies and programs at workplaces in a selected country. Because most talent management strategies and programs are age-neutral, we compare the availability of selected human resource policies in practices in the targeted country with the availability of similar policies and practices in a small number of countries with approximate economic circumstances. These papers focus on one core question:

- How does the availability of human resource policies and programs in the targeted country compare with other countries?

Although papers in both series focus on a single country, when the information contained in two or more papers are considered in tandem, it is possible to consider whether employees’ perceptions of their employment experiences vary from country to country.



Quality of Employment: Dimensions of a “Good Job” and a “Good Place to Work”

Most people would agree that “good jobs” are a “good thing.” High quality jobs offer benefits to employees and to the organizations where they work.

- **Benefits for Employees:** The quality of employment affects the health and well-being of employees. Research confirms that poor quality job (such as jobs requiring extreme work hours, jobs that are very demanding – particularly those where employees do not have access to the resources they need to meet those demands) are associated with negative outcomes, including high stress levels and physiological reactions such as cardio-vascular problems.¹
- **Benefits for Employers:** Employers often connect the quality of employment they offer to employees to their employer-of-choice strategies. There is some evidence that the adoption of policies and practices that promote the quality of employment available to employees is related to positive outcomes for organizations, such as customer satisfaction and organizational performance.² Employer-of-choice strategies can result in enhanced employee engagement which, in turn, can be linked to organizational outcomes, including financial measures. For example, higher employee engagement can reduce costs such as those associated with unwanted turnover. One study found that 59% of highly engaged employees report that they intend to stay with their employers in comparison to the 24% of disengaged employees who “intend to stay.”³ A number of studies have linked employee job satisfaction with positive performance indicators. Fortune reports positive relationships between being recognized as a “great place to work” and stock indices.^{4,5}

In this paper, we focus on eight important dimensions of the quality of employment:

- Fair, Attractive and Competitive Compensation & Benefits
- Opportunities for Development, Learning & Advancement
- Wellness, Health & Safety Protections
- Opportunities for Meaningful Work
- Provisions for Employment Security & Predictabilities
- Workplace Flexibility
- Culture of Respect, Inclusion & Equity
- Promotion of Constructive Relationships at the Workplace

The following sections of this paper use the quality of employment framework as a structure to discuss the perspectives of employees about their employment situations.

QUALITY OF EMPLOYMENT IN SOUTH KOREA:

Indicators of Fair, Attractive, and Competitive Compensation & Benefits

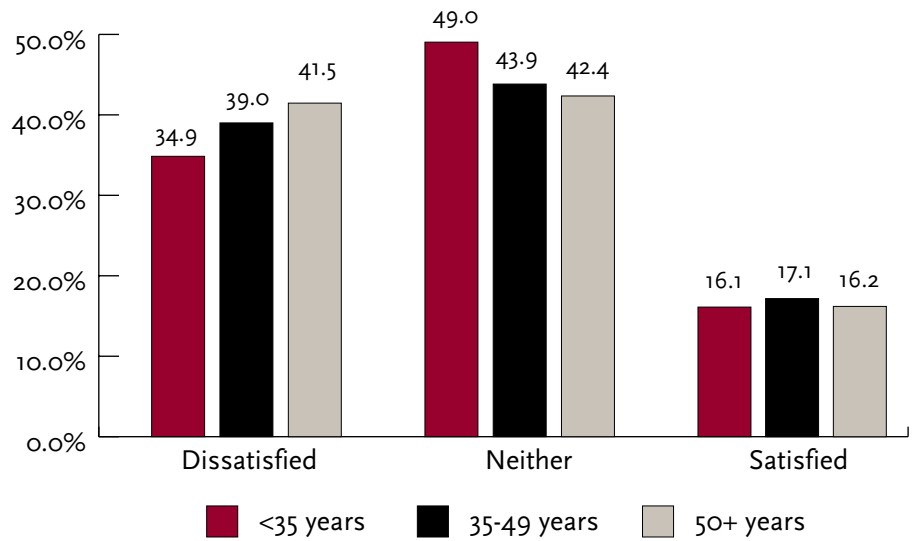
- ▶ Compensation and benefits are distributed in a fair and equitable manner, meeting most of employees' basic economic needs.

- Across all age groups, 10.2% of employees in South Korea report that “high wage or salary” is the most important aspect of “a good job.” Younger employees (7.4%) are less likely to report that “high wage or salary” is the most important aspect of a good job than are employees at midlife (12.4%) or older employees (11.0%).⁶
- Monthly wages in South Korea range from 0 to 33,000,000 won (about \$ 33,000 in US dollar). The average wage of employees in South Korea is 1,796,644 won (about \$1,800 in US dollar). Older employees (47.1%) are the most likely to be paid 0-1,120,000 won (about \$1,200 in US dollar), younger workers (43.6%) are the most likely to be paid 1,130,000- 1,980,000 won (about \$1,130-\$1,980 in US dollar), and employees at midlife (44.9%) are the most likely to be paid 1,190,000-33,000,000 won (about \$1,190-\$33,000 in US dollar).
- Older employees (56.5%) are more likely to be provided no or only one benefit by company or workplace than are younger employees (35.4%) or employees at midlife (44.4%) while employee at midlife (31.6%) and younger employees (29.9%) have more possibility to be provided more than four benefits by their company or workplace than older employees (21.4%).
- ➡ As indicated in Figure 1, 37.7% of South Korean employees across all age groups are dissatisfied or very dissatisfied with their wages while 16.6% are satisfied or very satisfied. Older employees (41.5%) are more likely to report dissatisfaction with wage or salary than are younger employees (34.9%) or employees at midlife (39.0%).



* In the measure, satisfaction with wages, the respondents were asked "How satisfied or dissatisfied are you with regard to your main job on wages or earnings?" The response, "satisfied" in this measure is the sum of the responses, "satisfied" and "very satisfied"; the response, "dissatisfied" is the sum of the responses, "dissatisfied" and "very dissatisfied."

Figure 1: Satisfaction with wages by age group*



Source: Jung & Lee, 2008 from the 2006 Korean Labor and Income Panel Study

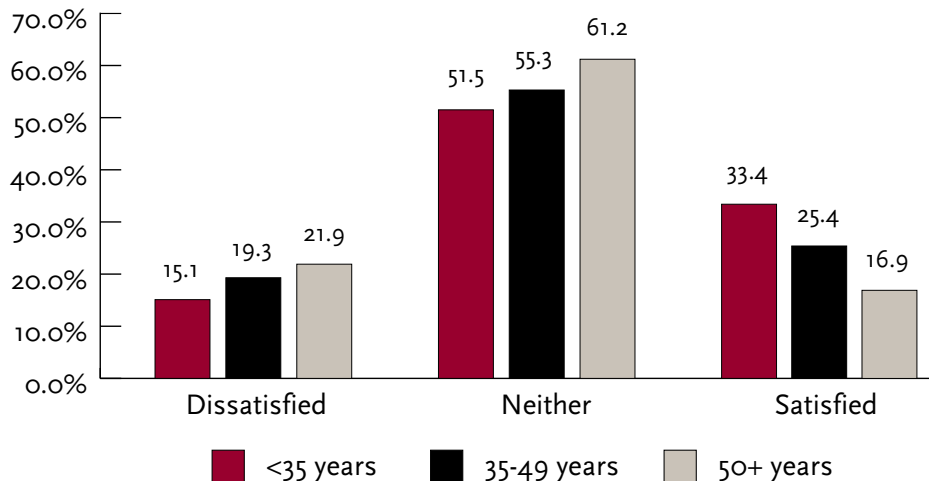
Indicators of Opportunities for Development, Learning & Advancement

- ▶ *Opportunities for the development of expanded skills and responsibilities are available.*

- Across all age groups, 15.4% of employees of South Korea report that “possibilities for future development or achievement” is the most important aspect of “a good job.” Younger employees (19.8%) are more likely than are employees at midlife (14.4%) or older employees (9.2%) to report that “possibilities for future development or achievement” is the most important aspect of a good job.⁶
- Older employees (11.0%) are less likely to get any vocational training to find a job, set up a business, or improve job skills within one year or currently receiving the training programs than are younger employees (17.3%) or employees at midlife (17.7%).
- ➡ As indicated by the information presented in Figure 2, younger employees (33.4%) are more likely to be satisfied with the possibility of personal development of their main job than are employees at midlife (25.4%) or older employees (16.9%).



Figure 2: Satisfaction with the possibility of personal development by age group*



*In this item, satisfaction with the possibility of personal development, the respondents were asked “How satisfied are you with the possibility of personal development of your main job?” The response, “satisfied” in this measure is the sum of the responses, “satisfied” and “very satisfied”; the response, “dissatisfied” is the sum of the responses, “dissatisfied” and “very dissatisfied.”

Source: Jung & Lee, 2008 from the 2006 Korean Labor and Income Panel Study

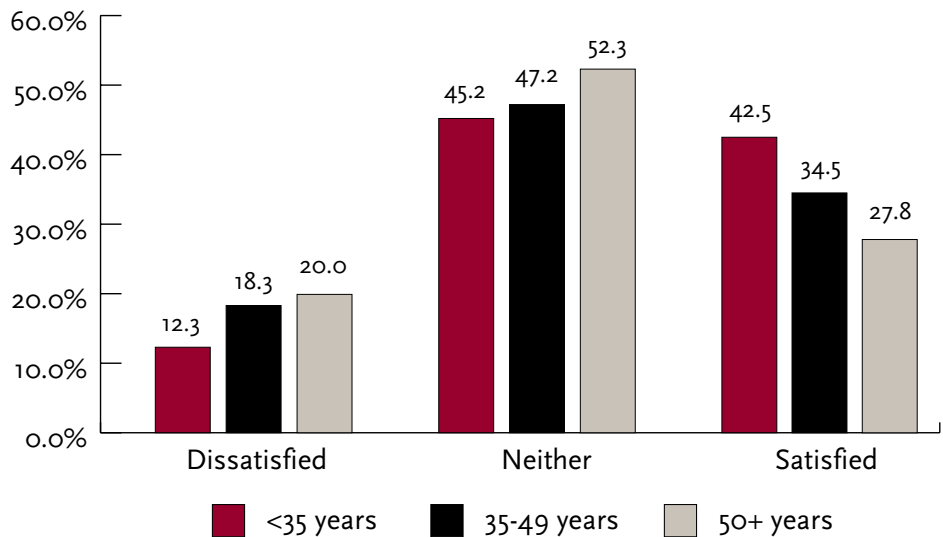
Indicators of Wellness, Health & Safety Protections



► *Well-being is promoted through workplace policies, and social protections are offered in case of illness.*

- All across the age groups, 36.1% of South Korean employees report that they are satisfied with work environments.
 - 48.8% of South Korean employees across all age groups report that among men-
strual leave, paid maternity leave, sick leave, and parental leave, none is permitted by their company or workplace. Younger employees (37.3%) are much less likely to report not being provided any types of leave by their company or workplace than are employees at midlife (50.3%) or older employees (65.6%).
- ☞ As shown in Figure 3, younger employees (42.5%) in South Korea are more likely to report their satisfaction with work environments than are employees at midlife (34.5%) or older employees (27.8%).

Figure 3: Satisfaction with work environments by age group*



* In the measure, satisfaction with work environments, the respondents were asked "How satisfied or dissatisfied are you with regard to your main job on work environments?" The response, "satisfied" in this measure is the sum of the responses, "satisfied" and "very satisfied"; the response, "dissatisfied" is the sum of the responses, "dissatisfied" and "very dissatisfied."

Source: Jung & Lee, 2008 from the 2006 Korean Labor and Income Panel Study

Indicators of Opportunities for Meaningful Work

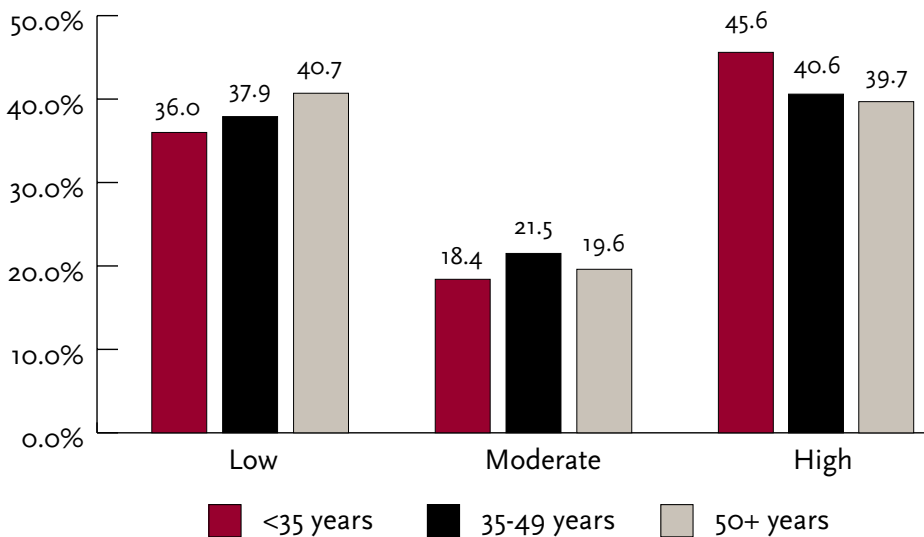
► *Opportunities for meaningful and fulfilling work are available.*

- Across all age groups, 20.7% of employees of South Korea report that “personal aptitude or interest” is the most important aspect of “a good job.” Younger employees (27.0%) are more likely than employees at midlife (17.4%) or older employees (15.6%) to report that “personal aptitude or interest” is the most important aspect of a good job.⁶

➡ As indicated by the information in Figure 4, younger employees (45.6%) are more likely than employees at midlife (40.6%) or older employees (39.7%) to have high scores in the meaningfulness of their job.



Figure 4: Meaningfulness of job by age group *



* The measure is the sum of two items with five-point scale: “I feel this job to be personally rewarding,” and “I want to continue this job if other things remain the same”

Source: Jung & Lee, 2008 from the 2006 Korean Labor and Income Panel Study

Indicators of Provisions for Employment Security & Predictabilities



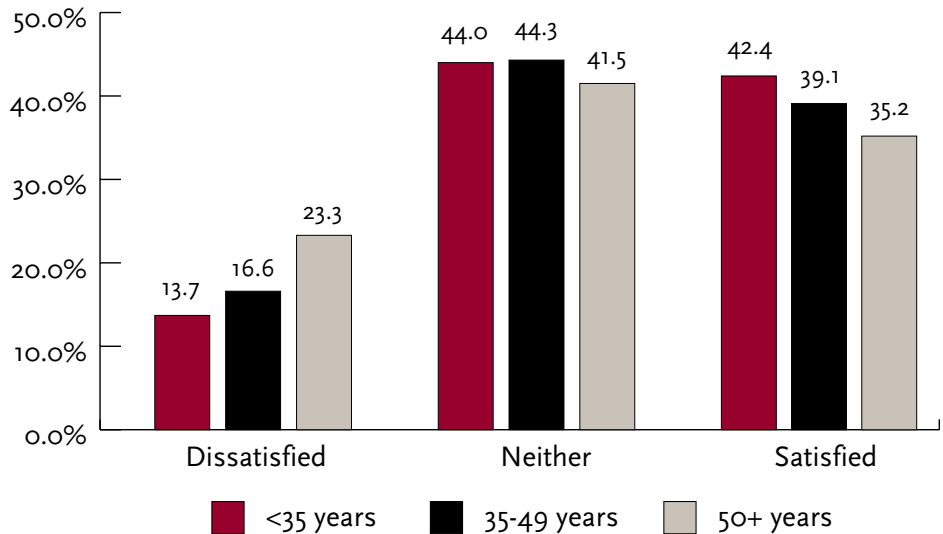
► *Terms of employment are communicated clearly, with an emphasis on smooth transitions through jobs and careers.*

- Across all age groups, 47.4% of employees of South Korea report that “stability of employment” is the most important aspect of “a good job.” Older employees (57.9%) are more likely than employees at midlife (49.8%) or younger employees (39.1%) to report that “stability of employment” is the most important aspect of a good job.⁶
- Older employees (92.7%) are less likely to report that they are able to continue to work at the current workplace without any unfavorable management conditions or their own faults on their tasks than are employees at midlife (95.9%) or younger employees (95.1%).

➡ As indicated by the information presented in Figure 5, younger employees (42.4%) are more likely to be satisfied with the stability of their main job than are employee at midlife (39.1%) or older workers (35.2%).

Figure 5: Satisfaction with the stability of the job by age group *

* In this item, satisfaction with the stability of the job, the respondents were asked, “How satisfied are you with the stability of your main job?” The response, “satisfied” in this measure is the sum of the responses, “satisfied” and “very satisfied”; the response, “dissatisfied” is the sum of the responses, “dissatisfied” and “very dissatisfied.”



Source: Jung & Lee, 2008 from the 2006 Korean Labor and Income Panel Study

Indicators of Workplace Flexibility

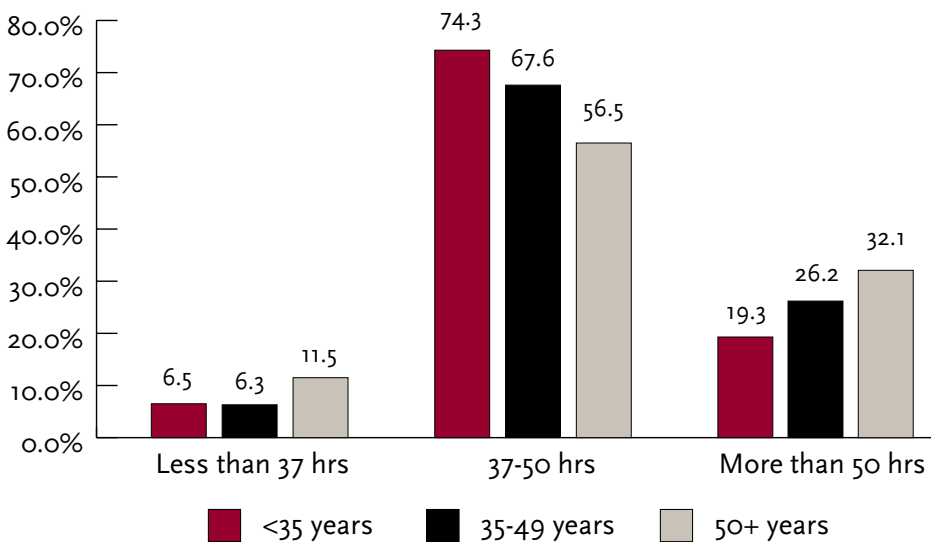
► *Options, choice, and control over work conditions and hours are available.*

- Only 10.8% of South Korean workers across all age groups work in shifts at their current job. Older adults (14.5%) are more likely to indicate that they work in shifts than are younger employees (8.4%) or employees at midlife (11.2%).
- About 67.4% of South Korean employees working shifts at their current job are in two shifts of two teams. Older employees (86.1%) are more likely to answer they work with two shifts of two teams than are younger employees (51.7%) or employees at midlife (66.1%). Younger employees (34.0%) and employees at midlife (18.9%) represent higher in the three shifts of three teams than older employees do (6.7%).
- About 54.7% of South Korean employees working in shifts at their current job report that their shift change weekly. Employees at midlife (60.9%) are more likely to indicate that their shift change weekly than are younger employees (58.4%) or older employees (41.4%). Relatively high percentage among younger employees (20.4%) and older employees (31.8%) working in shifts answered that their shift never changed.
- South Korean employee's 'average weekly work hours' are 44.6 hours while 'regular weekly work hours' are 47.0 hours. ⁷



➡ As indicated in Figure 6, while 'regular weekly work hours' vary little among younger employees, they vary a lot among older adults.

Figure 6: Regular weekly work hours by age group *



* In this item, the respondents were asked "How many regular hours, excluding lunchtime, are you expected to work in a normal week?" The respondents gave actual amount of time, and in order to find differences among age groups, the actual amount of time was divided into three categories, "less than 37 hours," "37 to 50 hours," and "more than 50 hours," based on almost even distribution of percentage.

Source: Jung & Lee, 2008 from the 2006 Korean Labor and Income Panel Study

Indicators of Culture of Respect, Inclusion & Equity

- ▶ *Diversity, inclusion, and employee personal growth are valued.*



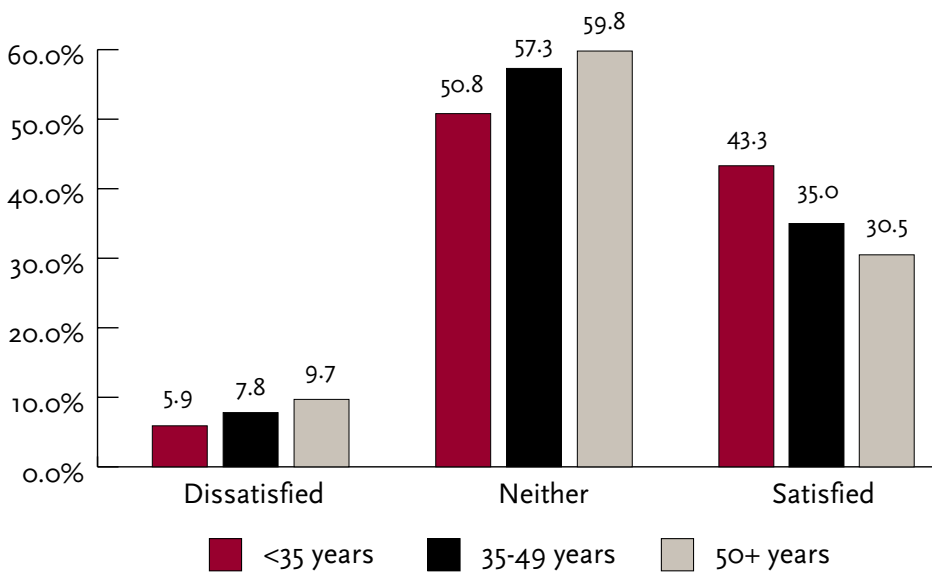
- Across all age groups, only 1.5% of employees of South Korea report that “autonomy” is the most important aspect of “a good job.” Younger employees (1.6%) are more likely than employees at midlife (1.4%) or older employees (1.4%) to report that “autonomy” is the most important aspect of a good job.⁶
- Across all age groups, 81.5% of employees of South Korea report that work hours are mainly determined by “employment rules or contract” at their workplace than other ways, such as “collective agreement,” “supervisor’s judgment,” and “my own choice.”

Indicators of Promotion of Constructive Relationships at The Workplace

- ▶ *Interactions with supervisors and coworkers are professional and respectful.*
- Across all age groups, 37.2% of Korean employees report that they are satisfied or very satisfied with communication and human relationships at workplace.
- ➔ As indicated in Figure 7, younger employees (43.3%) are more likely to present satisfaction with communication and personal relationships at workplace than are employees at midlife (35.0%) or older employees (30.5%).



Figure 7: Satisfaction with communication and human relationships by age group*



* In this item, the respondents were asked "How satisfied or dissatisfied are you with regard to your main job on communication or personal relationship?" The response, "satisfied" is the sum of responses, "satisfied" and "very satisfied"; the response, "dissatisfied" is the sum of responses, "dissatisfied" and "very dissatisfied."

Source: Jung & Lee, 2008 from the 2006 Korean Labor and Income Panel Study

SUMMARY AND CONCLUSION

In the country context of South Korea, how do employees' preferences for an idealized job and their satisfaction with their employment experiences vary by age groups? We examined the preferences and satisfactions of younger employees, employees at midlife, and older employees about the quality of their employment experiences.

Given the information presented in this paper, most employees of South Korea report that "stability of employment" is the most important aspect of a job. Especially, older employees are more likely than employees at midlife or younger employees to report that "stability of employment" is the most important aspect of a good job.

Combining the results by age groups, this paper suggests that generally, quality of employment of older workers in South Korea is relatively lower than any other age groups. This seems to be related to the characteristics of the jobs in which older workers are engaged. Older workers in South Korea are more likely than younger workers to be working in non-standard forms of employment such as temporary workers and daily workers.⁸

This paper provides general information and insight about Korean employees' perspectives on their working experiences for employers and scholars interested in global quality of employment.

ABOUT THE INSTITUTE

Established in 2007 by the Center on Aging & Work, the Global Perspectives Institute is an international collaboration of scholars and employers committed to the expansion of the quality of employment available to the 21st century multi-generational workforce in countries around the world.

The Global Perspectives Institute focuses on innovative and promising practices that might be adopted by employers and policy-makers.

The Institute's research, publications, and international forums contribute to:

- ▶ a deeper understanding of the employment experiences and career aspirations of employees of different ages who work in countries around the world;
- ▶ informed decision making by employers who want to be employers-of-choice in different countries; and
- ▶ innovative thinking about private-public partnerships that promote sustainable, quality employment.

Apart from the Mind the Gap series, the Global Perspectives Institute publishes a Statistical Profile Series highlighting workforce demographic trends in different countries as well as a Global Policy Series focusing on selected workforce policy in certain country contexts.

For more information on our publications, please visit us online at:
www.bc.edu/agingandwork

The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision-making. Collaborating with business leaders and scholars in a multidisciplinary dialogue, the Center develops the next generation of knowledge and talent management.

The Sloan Center on Aging & Work is grateful for the continued support of the Alfred P. Sloan Foundation.

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1 For example, see:

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Swanberg, J. E., & Simmon, L. A. (2008). Quality jobs in the new millennium: Incorporating flexible work options as a strategy to assist working families. *Social Service Review*, 82(1), 119-147.

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2 For example, see:

Allen, T. D., Eby, L. T., Poteet, M. L., Lentz, E., & Lima, L. (2004). Career benefits associated with mentoring for protégés: A meta-analysis. *Journal of Applied Psychology*, 89(1), 127-136.

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Edmans, A. (2008). *Does the stock market fully value intangibles? Employee satisfaction and equity prices*. Philadelphia, PA: University of Pennsylvania- The Wharton School. Retrieved from <http://ssrn.com/abstract=985735>

3 Towers Perrin. (2005). *Winning strategies for a global workforce: Attracting, retaining and engaging employees for competitive advantage*. Stamford, CT: Towers Perrin. Retrieved from <http://www.towersperrin.com/tp/getwebcachedoc?webc=HRS/USA/2006/200602/GWS.pdf>

4 Great Places to Work Institute. *What makes a great place to work: Financial results*. Retrieved April 15, 2009, from <http://www.greatplacetowork.com/great/graphs.php>

5 Unfortunately, most of the research linking employer-of-choice strategies with business outcomes tends to focus on correlational relationships. Such studies do not definitively establish that being a “best place to work” causes positive organizational performance; indeed, it might also be true that high profits and strong financial growth cause higher employee engagement and foster perceptions that a particular workplace is an employer-of-choice.

- 6 The choices are “stability of employment”, “social prestige”, “possibilities for future development or achievement”, “personal aptitude or interest”, “high wage or salary”, and “autonomy”.
- 7 In 2006 Korean Labor and Income Panel Study, the term, average weekly work hours, refers to actual weekly work hours excluding lunch time. The term, regular weekly work hours, refers to expected weekly work hours excluding lunch time.
- 8 For this discussion, see:
- Organisation for Economic Co-operation and Development. (2004). Ageing and employment policies: Korea. Paris: OECD. Retrieved from <http://213.253.134.43/oecd/pdfs/browseit/8104151E.PDF>
 - Organisation for Economic Co-operation and Development. (2006). Live longer, work longer: A synthesis report. Paris: OECD. Retrieved from <http://browse.oecdbookshop.org/oecd/pdfs/browseit/8106021E.PDF>

Note on the data:

Jung & Lee, 2008 from the 2006 Korean Labor and Income Panel Study. This survey was conducted by the Korea Labor Institute in 2006 and gathered information from 11,756 individuals aged 15 and older in sampled households in South Korea. (sample number: 13,321; effective response rate: 89.7%). In order to pursue the purpose of the Mind-the-Gap paper, only 4,300 wage workers were included in this analysis. In the released form of the 9th (2006) Korean Labor and Income Panel Study data, the age of respondents was represented with each individual's actual age. We classified Korean wage workers into the following three age groups: those aged 15 to 29 as younger employees; those aged 30 to 49 as employees at midlife; and those aged 50 and older as older employees.

For more information, see:

Korea Labor Institute. (2006). *Korea Labor and Income Panel Study (KLIPS) [dataset]*. Retrieved from <http://www.kli.re.kr/>

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