

## **Dismissal of a Probationary Employee without Written Notice of Dismissal**

### **I. Introduction (Summary and Major Points in Dispute)**

In March 2014, I received an inquiry regarding a case of dismissal from Company X (hereinafter referred to as “the Company”) which is involved in the furniture wholesale business. The Company hired Employee Y (herein referred to as “the Employee”) as a translator and assigned her translation duties, but the Employee was unable to carry out her duties well, so the Company terminated the employment contract within the probationary employment period of three months. The Company did not issue a written dismissal notice during the final meeting with the Employee, but simply obtained her signature on the evaluation sheet for probationary employees. Two months after her termination, the Employee filed an application for remedy for unfair dismissal. Considering that the Employee had passed a tough interview process and had worked hard during the probationary period, the Employee claimed that the Company’s unilateral termination of her employment was unfair. For its part, the Company claimed that it had to terminate the employment contract after evaluating the Employee’s performance during the probationary period as the Employee’s translation skills were remarkably lower than expected or desired.

Major points of dispute in this dismissal of a probationary employee were: 1), whether the fact that the Company failed to issue a written dismissal notice was acceptable, and 2), whether the Employee’s signature on her evaluation sheet can be regarded as agreement with termination of employment. In cases where an employee’s signature on an evaluation sheet has not been regarded as agreement with termination of employment, termination has been considered unfair dismissal in violation of required dismissal procedures. The Labor Commission concluded on May 9, 2014 that this case would be regarded as if the employee had accepted termination indirectly, even though her signed evaluation sheet could not be seen as agreeing to termination, given that it was admissible that the employee’s translation skills were insufficient for her position as a professional translator, and that the Employee did not refuse to sign the probationary employee evaluation sheet.

Here, I would like to review the claims of each party, the Labor Commission’s judgment, and then the case itself.

### **II. Claims of both Parties regarding the Dismissal of a Probationary Employee**

#### **1. The Employee’s Claim:**

The Employee applied for an open position through an employment agency, had three separate job interviews and also took a three-hour translating test before being awarded the job in early October, and was assigned to a translator on the translation team on October 16, 2013. The Employee had worked very hard with no instances of lateness or absenteeism since she started with the Company. The Employee had official language qualification scores of 104 (TOEFL)

and 980 (TOEIC) as well as a Masters degree from one of the top ranking US Universities, and had performed part-time work as a translator for three different broadcasting companies.

The Employee had never made any agreement with the Company concerning termination of employment. The Company notified the Employee of the termination of employment during the probationary period, but this dismissal during the probationary period should require an objective and rational reason to qualify as justifiable dismissal. Without such qualification, this action by the Company must be considered as unfair dismissal. The Company's dismissal is not justifiable due to the missing legal requirements such as a reason for dismissal, the severity of disciplinary punishment, and the dismissal process itself.

## **2. The Employer's Claim:**

The Company rescinded the offer of employment during the probationary period due to the Employee's remarkably insufficient translation ability and relatively low-quality translations. As these results could be deemed reason for termination of employment in terms of not meeting reasonable standards, this could not be considered abuse of the employer's right to revoke an offer of employment. On the other hand, as this employee herself confirmed when she signed the probation evaluation sheet, this verified that both parties mutually agreed on the termination of employment.

When the Employee began her probationary period on October 16, 2013, she was assigned to translation duties, which involved the translation of English-language documents into Korean. Her translations did not meet the expected basic quality, and her translation efforts took twice the time of her colleagues. As her work contained so many translation errors, liberal translations with different meanings drastically from the original material, in addition to spelling mistakes, the translation team manager had to frequently re-translate her finished work. On December 4, 2013, the translation team manager implemented an intermediate evaluation on the Employee's performance for four items: 1) job knowledge; 2) work-performance quality; 3) cooperation with colleagues; and 4) communication skills. Except for cooperation with colleagues, she received the lowest evaluation result category ('requires considerable improvement') for all areas. The Employee signed her agreement with this evaluation.

On January 9, 2014, the translation team manager had a meeting with this employee, explained the evaluation results of the employee's probationary period, and then informed her of termination of her employment. The evaluation sheet of the probationary employee, on its front side, refers to 4 fields: job knowledge, work-performance quality, cooperation with colleagues, and communication skills, while the reverse side stipulates: "① The Company hires the employee; ② The Company extends the probationary period; and ③ The Company terminates employment." The translation team manager explained the results of the probationary evaluation that revealed an insufficiency for each rated item, and then, on the reverse side of the evaluation sheet, the manager checked the section "the Company terminates employment" and asked her to sign there for confirmation, after which she signed the evaluation sheet. In the meantime, the

personnel team manager joined the meeting, and the Employee said: “My aptitude suggests that I prefer a marketing job to a translation job”. The personnel team manager suggested that the Employee could apply for an open position related to marketing, and later gave a business card to the Employee. As the interview process continued during the final evaluation meeting, the Employee confirmed the items regarding termination of her employment with the Company and then signed the probationary evaluation sheet. In this situation, where the employee herself even mentioned that she would be more qualified for marketing than for translation work, her termination was mutually agreed upon.

### **III. The Labor Commission’s Judgment<sup>1</sup>**

The major points of dispute in this case are firstly, whether or not there was a dismissal; and secondly, if there was a dismissal, whether or not such dismissal was justifiable. The Labor Commission, after considering both parties’ claims, reviewing various submitted verification documents, and direct interrogations during the judgment hearing regarding these points of dispute, judged this case as follows:

The Supreme Court ruled, “the dismissal of an employee during a probationary period, or the refusal to enter into an employment contract after the expiration of a probationary period, are interpreted more generously than general dismissal, as concerns the employer’s right to be able to cancel further employment, because the probationary system was designed to give the employer time to evaluate whether or not a new employee has the competence required for a given job.”<sup>2</sup>

In this case, the Employee did not agree on the termination of employment, and even during the probationary period, the employer’s termination of the Employee without objective and justifiable reason shall qualify as an unfair dismissal. However:

1) The Employee was very not good at translations and frequently made mistakes.

2) Approximately one month after the joining the Company, the Employee complained to the personnel team about the inefficient working system and unfair work assignments, which had caused disagreements between the Employee and her direct superior, the translation team manager. After this incident, the Company decided to terminate the employment with this employee prior to completion of the three-month probationary period, due to the Employee’s work deficiencies and poor communication skills with the translation team manager.

3) The evaluation sheet which the Employee confirmed and signed in the section of termination of her employment with the Company on January 9, 2014 could not be enough to verify mutually agreed-upon termination. However, the fact that she signed the evaluation could be understood as accepting dismissal, since she had signed an interim evaluation the month before (on December 4, 2013) which also highlighted her poor performance.

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<sup>1</sup> Labor Commission’s Decision on May 9, 2014. Seoul 2014buhae703

<sup>2</sup> Supreme Court ruling on July 22, 2003, 2003da5955; SC ruling on February 24, 2006, 2002da62432

4) After receiving the lowest scores available in the probation evaluation performed on January 9, 2014, the Employee signed the evaluation sheet stipulating the termination of employment without dispute.

5) During the process of evaluating the probationary results and delivering notification of termination, the Employee stated that she could do better in marketing than in translation. In consideration of the documents submitted and interrogations conducted, the Employee was deemed to have suggested that the Company's original evaluation of her translation skills were not adequate for the job.

6) Even though the Employee did not want to accept it, she knew that there was a probationary period stipulated in the employment contract and the rules of employment, and so the termination of the probationary contract was not unilateral.

Considering all the items mentioned above, in terms of the purpose of setting the probationary period, the termination of employment between the Company and the Employee was implemented based on the negative results of her poor work performance.

#### **IV. Major Points of Dispute in the Labor Commission's Decision**

The major points of dispute in this dismissal during the probationary period are two: the first is whether it could be no problem when the Company did not provide written notification; and the second is whether the Employee's signing of the probation evaluation sheet can be regarded as agreed-upon termination. I would like to look into each.

##### **1. In cases where the company does not give written notification of dismissal to the probationary employee, is the dismissal valid or not?**

Article 23 (1) of the Labor Standards Act stipulates that the employer shall not dismiss a worker without justifiable reason. Article 27 of the LSA stipulates that when intending to dismiss a worker, the employer shall notify the worker in writing of the reason for dismissal and the date of such dismissal. These rules were designed to make the employer become more circumspect, and ensure whether dismissal in fact exists, and if so, the reason for the dismissal as well as the date it becomes effective, so the worker can easily make appropriate preparations if he or she seeks a remedy claim.<sup>3</sup>

In cases where the probationary employee was dismissed, even though there was a justifiable reason to dismiss the probationary employee due to poor evaluation results of his/her occupational aptitude or job eligibility, if the company did not notify the probationary employee in writing of the reason for the dismissal and the date of such dismissal, such dismissal is regarded as an unfair dismissal due to no implementation of procedural justification.<sup>4</sup> Accordingly, this particular dismissal case was implemented without the Company's written

<sup>3</sup> Lim Jongyul, Labor Law (12<sup>th</sup> edition), Parkyoung publishing co. pages 538-539

<sup>4</sup> National Labor Commission's decision on October 17, 2011, 2011buhae676

notification of dismissal, and so unless the case was considered an agreed-upon termination, as the Company claimed, this dismissal during the probationary period could only become invalid because the Company did not follow the procedural requirement of written notification.

**2. Whether the Employee's signing of the probation evaluation sheet can be regarded as agreed-upon termination of employment?**

The term, 'agreed-upon termination' is not defined in the labor laws, but refers to mutual agreement: the employee expresses his or her intention to resign, and then the employer accepts it, thus terminating the employment relationship.<sup>5</sup>

First of all, the Labor Commission ensures that an employee's signing of a probation evaluation sheet does not automatically become an agreed-upon termination of employment. However, in this case, the Employee signed the evaluation sheet knowing that it stipulated that the result of the evaluation was to terminate the employment. The Employee admitted in the evaluation meeting that she was not qualified for a translation job, but as there were no open positions for marketing that she wanted to apply for, she applied for the translation position instead. Also, when the Employee joined the Company, she signed the employment contract based upon a probationary period. In the middle of the probationary period, the Employee received the intermediate probation evaluation, and after the final evaluation at the end of the probationary period, she was informed of the termination of the employment contract. Considering all the aforementioned items, although the Employee did not agree with the termination of employment directly, she could be regarded as agreeing with the termination of employment indirectly. Accordingly, it is evident that the Labor Commission's decision was fair.

**V. Conclusion**

It is common for the Company to notify of dismissal after probation evaluations without written notification, but this can be deemed an illegal dismissal in violation of the employer's duty to provide a written dismissal letter as stipulated by Article 27 of the Labor Standards Act. This particular dismissal during the probationary period was made without such written dismissal notification. Fortunately in this case, the Company made sure that the probationary employee understood the employer's reason for dismissal during the evaluation meeting and obtained the Employee's signature on the evaluation sheet. Because of this signature, the Labor Commission decided that the Company's termination of the probationary employee's employment was not a dismissal, but the agreed-upon termination of employment based on the previously-mentioned conditional employment contract concerning probation. If this case had been designated as an illegal dismissal, the Company would be at risk for huge financial and operational damages. Accordingly, it is recommended that when dismissing even a probationary employee, a company should observe the required procedures such as a written notification of dismissal along with justifiable reasons as per the Labor Standards Act.

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<sup>5</sup> Lim Jongyul, Labor Law (12<sup>th</sup> edition), page 541

## Dismissal Due to Low Sales Performance

### I. Introduction

In every company there are employees who perform very well, and those who perform poorly. Companies pay incentives to good workers, while they apply disciplinary measures to poor employees to ensure better performance in the future. In some instances companies may dismiss poorly-performing employees, and in such cases, the labor laws have strict standards designed to protect employees. Generally, disciplinary dismissal requires justifications in 1) reason for dismissal, 2) the severity of disciplinary actions, and 3) disciplinary procedures in order to be justifiable dismissal. Justification for dismissing under-performing employees should be determined by considering not only the criteria required for normal disciplinary dismissal, but also occupational characteristics related to poor sales performance by the particular employee. In order to dismiss employees with poor sales records, a company needs to maintain a detailed checklist to verify that it has provided sufficient opportunities for improvement to these employees and that the poor sales have been ongoing for a long period of time (refer to Table 1).

I would like to look at a sample checklist of what would be necessary for justifiable dismissal of low performers, and then, based upon the criteria described in the checklist, I will review a case of dismissal due to poor sales performance in which I was recently involved as a labor attorney.

**<Table 1> Checklist: Meeting Requirements for Justifiable Dismissal of Poor Performers<sup>6</sup>**

<b>1. Are the criteria for determining poor performers objective and reasonable?</b>	1) Objective criteria should be applied. 2) Poor performance should be sustained for a reasonable time. 3) Sales are not expected to show much improvement.
<b>2. Is the evaluation of poor performers objective and impartial?</b>	1) Objective and impartial evaluation must be used. 2) Multiple evaluators should be used to assess the sales performance. 3) Absolute evaluation is preferable to relative evaluation.
<b>3. Does the company endeavor to motivate poor performers to improve?</b>	1) Sufficient advance warning must be given to the low performer. 2) A Performance Improvement Program (PIP) should be in operation. 3) Continuous improvement coaching and mentoring shall be provided.

<sup>6</sup> Koo Keunseo, 「Justification for Dismissal of Poor Performers」 『Labor Law Theory and Practice Association』 Nov. 2011; Bang, Sangin, 「Legal Issues Surrounding Poor Performers」, 『Monthly Labor Law』 Feb. 2010; Cho, Sanguk, 「Management of Poor Performers」, 『Monthly Labor Law』 Dec. 2012; Kim, Sunghee, 「Dismissal of Poor Performers」, 『Gangwon Law Studies』 Feb. 2012

	4) Occupational support for poor performers shall be available.
<b>4. Are there any guidelines regarding the dismissal of poor performers in the collective bargaining or rules of employment?</b>	<p>1) Rules for handling poor performers should exist.</p> <p>2) Sufficient explanation regarding the dismissal of poor performers should be provided.</p> <p>3) Systematic procedures such as evaluation of sales performance, notification of evaluation results, and work expectations should be implemented.</p>
<b>5. Is the poor performance serious enough to deserve termination of employment according to social norms?</b>	<p>1) The poor performance must be serious enough to be accepted as such according to social norms.</p> <p>2) The company must consider many factors, such as the company's business situation, the employee's working conditions, and past practices of disciplinary action.</p>

## II. A Case of Dismissal due to Poor Sales Performance

### 1. Summary

A company based in Germany (hereinafter referred to as “the Company”), which employs 30 local people in its Korean office, provides a standard authentication service for industrial machinery, electronics, automobiles, etc. The Company was introduced to a manager (hereinafter referred to as “the Employee”) of a competitor company through a recruiting agency, and this Employee submitted a written target sales plan in which he promised a yearly sales increase of 5 billion won, beginning with an increase of 2 billion won in sales in the first year. The Company, trusting the Employee’s submitted proposal, hired him as an executive director with an annual salary of 100 million won. The Company expected him to play a vital role in increasing sales, and assigned him to the head position of a new project, but his sales results were remarkably low, at only 2 percent of target for the first 6-month period. As a result, the Company abolished the new project team, and re-assigned him to the Sales team. Even as part of the Sales team his sales were very low, as a result of which the Company dismissed him. The Employee then applied for remedy to the Labor Relations Commission, claiming that he was dismissed unfairly.

### 2. Claims of Each Party

#### (1) Employee’s Claim

The Employee joined the Company on January 11, 2013, where he worked as a managing director in charge of the new project team. The Employee was transferred to the Sales team on July 2, 2013, and was then dismissed unfairly on December 2, 2013.

1) The Company exercised its managerial (personnel) right in a one-sided manner without stipulated rules for disciplinary action or procedures in the rules of employment.

2) When notifying him of his dismissal, the Company did not define any specific reason for dismissal, and so violated Article 27 of the Labor Standards Act.

3) While dismissing the Employee due to his low sales results, there were no evaluation criteria, and the Company even ignored some sales achievements. As a result, this dismissal is an abuse of managerial rights. In addition, the Employee, along with other employees, had submitted a letter detailing the Company president's unethical behaviors to the German headquarters, which was the real reason for the dismissal. Therefore, this dismissal is unfair.

## **(2) Employer's Claim**

The Company decided to pay this Employee an annual salary of 100 million won and assigned him to the new project team after trusting in his target sales plan, which described how the Employee would increase sales by 200 million won by the first quarter of 2013, and then increase sales by 2 billion won by December 2013. However, in reality, his sales only reached 36 million won (2 percent of the target) by June 30, 2013. After the abolition of the new project team, he was assigned to the Sales team in order to provide him with another opportunity. The Employee then proposed a new target, which was to bring in 400 million won by December 2013, but his actual sales were 3.6 million won in August 2013 and 700,000 won in September 2013. As his sales performance was significantly lower than what he promised in his target sales plan, the Company was justified in dismissing the Employee. The dismissal procedure was justified when the Company provided written notification of dismissal, stipulating the effective date of and reason for dismissal.

## **3. Actual Events**

(1) The Employee submitted a business plan in which he stated that, based on his 17 years of experience with a competitor company, if the Company hired him, he would increase sales by 5 billion won every year through organization of the project team, to which plan he attached verification of his performance in his previous company. Trusting this target sales plan, the Company hired him in the position of managing director in charge of the new project team.

(2) At the 'Kick-off meeting' on January 18, 2013, the Employee announced his target sales plan in which he would hire 7 engineers by February 2013 and increase sales by 200 million won in the first quarter, increasing to sales of 2 billion won by December 2013.

(3) The Employee's new project team obtained only 2 percent (36 million won) of the targeted amount by the end of June 2013.

(4) In combination with 8 other employees, the Employee submitted a Letter of Request to the German headquarters, detailing the Korean branch's negative working environment and irregularities within the Company.

(5) The new project team which the Employee was in charge of was abolished, after which the Employee was assigned to the Sales team on September 1, 2013. Again, compared to his new sales projections, the Employee's sales performance was remarkably low.

(6) On October 2, 2013, the Company provided notification of dismissal to the Employee with a letter advising him of his dismissal, which would become effective on December 1, 2013, and which stipulated that the two-month period from October 2 to December 1 would be his period of advance notice for dismissal and that he was not required to come to work. The Employee was then dismissed as scheduled on December 2, 2013.

#### **4. Judgment Criteria<sup>7</sup>**

##### **(1) Justification for Disciplinary Action**

The Company dismissed the Employee because of his extremely poor sales performance, not because of any misconduct on his part, and therefore the point under consideration is whether this dismissal because of poor sales can be construed as reason for dismissal. The Company hired the Employee after trusting in the target sales plan that the Employee had submitted, but the Employee achieved only 2 percent of the target amount in sales, and although the Company provided sufficient time and opportunity for improvement, the Employee's sales results remained extremely low. Considering that the Company hired the Employee based on his business plan, which he was so profoundly unable to fulfil, this is the reason for the disciplinary action.

##### **(2) Justification for the Severity of Disciplinary Action**

The Supreme Court ruled regarding the severity of disciplinary action, "Dismissal can be accepted as justifiable when the cause attributable to the employee is too severe to allow for the continuance of employment according to social norms. Determination of whether or not the employment can be sustained according to social norms shall take into consideration the employer's business goals and characteristics, workplace conditions, the employee's position and job description, motivation for and details of misconduct, disorders caused by his/her misconduct, their influence on the company, and the company's past decisions in similar situations." (Supreme Court ruling on October 12, 2007, 2005du10149)

Considering the Employee's position and salary level and comparing the sales results he achieved, which were drastically lower than was expected at the time of hiring, and much lower than is generally accepted for someone in his position and salary range, relations were broken due to causes attributable to the Employee, which made it hard to maintain the employment relationship.

##### **(3) Justification for Disciplinary Procedures**

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<sup>7</sup> 000 Korea's appeal case for unfair dismissal: April 28, 2014, Joongang 2014buhae167)

In cases where the procedures for disciplinary action are not stipulated in the rules of employment, the Supreme Court has ruled: “The rules of employment are composed of rules regarding service regulations and working conditions like wages regardless of what they are called. If the individual employment contract contains rules regarding the aforementioned working conditions, this can also become the rules of employment. In cases where such individual employment contract corresponding to the rules of employment does not contain any procedural rules regarding the holding of a disciplinary action committee or offering an opportunity for the employee concerned to account for him or herself, disciplinary action is not invalid even if the employer skipped such procedures.” (Supreme Court ruling on November 27, 1998, 97nu14132)

The Company did not have rules of employment regarding disciplinary action, but in a situation where the employment contract stipulates: “the termination of this employment contract may be conducted by either party informing the other in writing at least two months in advance”, without reference to a rule regarding disciplinary action committees, etc., it is hard to see the disciplinary action as invalid even if the Company conducted the dismissal without following such procedure.

### **III. Conclusion**

(1) This is a typical case where an employee’s extremely low performance can be cause for dismissal even though the employee was not guilty of any misconduct. In a situation where the employee proposed an exaggerated sales target and the employer hired him based on that proposal, if the employee is not able to achieve the proposed sales target, he can be subject to disciplinary action. Generally, this kind of situation is ideally resolved by adjusting the employee’s annual salary or assigning him to a different position, thereby providing him with another opportunity. However, the failure in the aforementioned case was so extreme that the Company could not accept an employment relationship any longer due to the Employee’s remarkably dismal performance in contrast to his annual salary, authority, position and pre-employment claims.

(2) When an employer intends to dismiss an employee, there should be justifiable reason as stipulated by Article 23 (1) of the Labor Standards Act. In particular, in cases where the employer intends to dismiss the employee due to his/her poor performance, the employer must pay careful consideration to satisfying the conditions required for justifiable dismissal. With this in mind, the checklist in section 2 of this article (“Meeting the Requirements for Justifiable Dismissal of Poor Performers”) is designed to meet these requirements for dismissing poor performers, and contains five items which should be applied when considering dismissal due to poor performance: 1) Objective selection of appropriate employees; 2) Procedure for impartial evaluation; 3) Provision of opportunity to improve poor performance; 4) Related Company employment regulations; and 5) The degree of poor

performance. Accordingly, this checklist not only provides criteria to minimize the occurrence of unfair dismissal, but also suggests good reference points which an employer can consider essential for introduction into the personnel system regarding the termination of poor performers.

## **An Evaluation of a Collective Bargaining Agreement between a Janitors' Labor Union and their University Employer**

### **I. Introduction (Summary)**

On May 27, 2014, a signing ceremony was held for a collective bargaining agreement between a certain university (hereinafter referred to as “the University”) and the University janitors’ labor union (hereinafter referred to as “the Labor Union”). As representatives of both the Labor Union and the University management signed the collective agreement, it marked an end to the labor disputes that had continued for more than a year and established a new employment relationship. In this article, I would like to review the content of the collective agreement, and the reasons why it took such a long time, in the anticipation of some lessons against making the same mistakes in the next collective bargaining sessions.

In July 2013 when the University had difficulty negotiating with the newly established Labor Union, it gave this labor attorney authority to negotiate on its behalf. The University janitorial staff were employed as regular employees from an outsourcing company on March 1, 2013. The University and the Labor Union began collective bargaining at the time, but this devolved into labor disputes that involved the Labor Commission until May, 2013. The University explained to this labor attorney that since there were no items the two parties could agree on, I could start the collective bargaining from the beginning. After drafting and obtaining University approval for a counter-proposal to the Labor Union’s collective agreement proposal (80 articles), I was ready for collective bargaining.

The two parties’ negotiating teams began their bargaining sessions on July 16, 2013. The Labor Union’s negotiating team was composed of seven persons: two union officers from the umbrella union (the Seoul and Gyeonggi branch of the Korean Public & Social Services and Translation Workers’ Union), three union officers from the janitor’s union, and two observers from the building management team (outsourced workers at that time). The University negotiating team consisted of three persons: this labor attorney as the chief negotiator, a team leader in charge of general affairs, and the staff member responsible for managing the cleaning services on campus. During the first negotiating session, when the University team submitted the counter-proposal to the Labor Union, the Labor Union showed in the collective bargaining minutes that the previous University bargaining representative had already agreed to 50 of the 80 items. The previous University representative who was in charge of cleaning services explained that he had just signed the meeting minutes without approval from his superiors as the Labor Union had assured him that the meeting minutes could change at a later time. This labor attorney then told the Labor Union that the meeting minutes that the previous University representative had signed were of agreements that the University could never accept, and any agreements made were

mistakes by the staff member who had signed the minutes. I then requested that the meeting minutes be officially determined as void.

For this action, the Labor Union filed a complaint with the Labor Office against the University president, the general manager, a team leader in charge of general affairs, and the new chief negotiator (this labor attorney) for unfair labor practice in early August 2013. The Labor Union took several actions in protest including a press conference, a one-person picket of City Hall, a regular Wednesday sit-in protest at the University headquarters, and a slowdown of cleaning services. The chief Union negotiator took to tearing up the University's counter-proposal at the bargaining table, and throwing his hot coffee at the team leader in charge of general affairs for being late to one of the collective bargaining sessions.

In November, after investigation, the Labor Office found there to be no evidence of unfair labor practice by the University declaring the two meeting minutes void, and threw out the Labor Union's complaint. After this, the Labor Union demanded that there be no discrimination between the university labor unions, and that the University should allow this Labor Union's activities as it allowed other unions their activities. The University accepted some of the Labor Union's demands, and both parties managed to reach agreement on 20 items, including union activities.

In February 2014, major disputes moved on to job security, protection of union activities, and allowance of paid time off for one full-time union officer. In terms of job security, the Labor Union demanded extension of the retirement age to 70 (instead of the current 65 years of age), in light of over 20 union members expecting to have to retire at the end of the year if this was not done. When the University rejected the demand to extend retirement age to 70, the Labor Union began taking action on February 29, 2014, hanging up approximately 30 banners around the campus, and setting up a tent at a building near the main gate to engage in a sit-in strike at the tent.

By April 1, 2014, the number of union members had dropped to just half of the total janitorial staff. In this worsening situation, the Labor Union had to withdraw their demand for extension of the retirement age to 70, and instead accepted that the University would work to protect job security. As the Labor Union could not perform union activities for a long time without a collective agreement, it seems to have decided that the next best alternative was to accept realistic measures. The Labor Union then suggested to the University that a working level negotiating team be formed to draw up a collective agreement as soon as possible, which the University accepted. This working-level team consisted of three members of the Labor Union and three University representatives. The working level negotiating teams reached agreement on all remaining items and finalized the collective agreement.

## **II. Rejection of Meeting Minutes & Unfair Labor Practice**

When a labor union was established for the janitorial workers and demanded a collective agreement, the University appointed the staff member in charge of cleaning services as its collective bargaining representative. This particular staff member had no experience negotiating with labor unions before, and as the Labor Union repeatedly asked him to sign the meeting minutes, he did so simply to confirm that he had negotiated with the Labor Union. When this labor attorney, in preparations for collective bargaining, reviewed the contents of the signed meeting minutes, there were many articles that the University must not accept in any situation. Some examples:

“Anyone engaging in unfair labor practice as defined in Article 81 of the Labor Union Act shall be subject to disciplinary action.”

“The Disciplinary Action Committee shall consist of 4 representatives from the Labor Union and 4 from the University. Half or more of the Disciplinary Action Committee shall be present, and consent from a majority of those present is required before disciplinary action can be taken.”

The University also disagreed with such requirements as it needing approval from the Labor Union when handling many different personnel issues.

For these reasons, the University could not accept the meeting minutes. In addition to filing a complaint against all negotiating team members of the University including the University president for unfair labor practice, the Labor Union also demanded the replacement of this labor attorney as University negotiating team representative.

The Labor Union delayed collective bargaining until the Labor Office determined there was insufficient evidence of unfair labor practice by the University, and dismissed the case on November 27, 2013.

### **III. Issue Related to Extension of the Retirement Age**

When the janitorial workers were employed by the outsourcing company, there were no regulations regarding retirement age, but upon direct hiring by the University in March 2013, the University’s retirement age regulations became applicable. Their wages also increased considerably because they received the service fees normally paid to the outsourcing company, and other working conditions like welfare benefits improved as well. However, as the retirement age had recently been set at 65 (although the University allowed application for two years’ delay in mandatory retirement), 22 of the approximately 60 janitorial staff were due to retire at the end of 2014 in accordance with retirement regulations. The Labor Union demanded extension of the retirement age to 70, but as the University received a subsidy for janitors’ wages from Seoul city government, this was impossible without the city government changing its policy. The Labor Union had to accept the fact that the University could not agree to any extension of the retirement age without the consent of the city

government, and on April 1, 2014, withdrew this demand, accepting that the University would seek to provide job security.

**IV. Articles Related to Personnel & Managerial Rights**

Articles related to personnel and managerial rights refer to an employer’s authority to make decisions affecting personnel, such as determining regulations on working hours, work place, work assignments, and disciplinary action, etc. It would be an infringement of its personnel and managerial rights if a company were to be required through inclusion in the collective agreement such conditions as needing prior agreement from or advance consultation with the labor union, or having to seek the labor union’s opinion before making such decisions. When the Labor Union in question requested collective bargaining, many of the articles they presented infringed on these employer rights. However, at the end of the day, many of these demands were moderated.

<b>Items in the Labor Union Proposal Affecting the Employer’s Personnel &amp; Managerial Rights</b>	<b>Negotiated Changes in Final Collective Agreement</b>
<p><b><u>(Establishing &amp; abolishing rules)</u></b> In order to establish or abolish any rules, the University shall receive advance agreement from the Labor Union.</p>	<p>In order to establish or revise any rules, the University shall receive the Labor Union’s opinions. However, before revising the rules unfavorably, the University shall obtain the Labor Union’s consent.</p>
<p><b><u>(Disciplinary or personnel issues for union officers)</u></b> Regarding disciplinary or personnel issues for the full-time union officer or other union officers, the University shall receive advance agreement from the Labor Union.</p>	<p>Regarding personnel issues for the branch union chairman and branch union officers, the University shall receive the opinion of that person in advance.</p>
<p><b><u>(Personnel assignments)</u></b> The University shall receive advance agreement from the Labor Union when assigning Labor Union members to certain positions.</p>	<p>Personnel assignments shall be implemented fairly and objectively, with the University assigning positions in consideration of the individual’s opinion and previous work location.</p>
<p><b><u>(Composition of Disciplinary Action Committee)</u></b> 1. The Disciplinary Action Committee shall be composed of 4 persons representing labor and 4 persons representing management. 2. The Disciplinary Action Committee shall occur with a majority of all members, and decisions shall require agreement by the majority of those present. If votes result in a tie, the motion shall be rejected. Dismissals shall require the consent of at least two-</p>	<p>The Disciplinary Action Committee shall be composed of three persons appointed by the University, and one observer from the Labor Union shall be allowed to represent the Labor Union’s views, and to be present during the entire Disciplinary Action Committee meeting. If the observer’s presence is not permitted, any disciplinary action taken is null and void.</p>

thirds of those present.	
<b><u>(Maintaining appropriate headcount)</u></b> When deciding to reduce the workforce, the University shall receive advance agreement from the Labor Union.	The University shall strive to maintain the appropriate size of workforce in cooperation with the Labor Union.
<b><u>(Revision of wage structure)</u></b> When intending to revise wages or organization, the University shall receive advance agreement from the Labor Union.	When intending to revise wages or organization, the University shall receive the Labor Union's opinion in advance.
<b><u>(Working hours)</u></b> When intending to revise working hours, the University shall inform the Labor Union 30 days in advance, and shall not adjust them without agreement from the Labor Union.	When intending to revise working hours, the University shall discuss with the Labor Union before making the adjustments.

**V. Conclusion (Evaluation of the Collective Bargaining Process)**

Generally, collective bargaining with new labor unions results in many disputes, and the situation in this article was no exception. When beginning these particular collective bargaining sessions, I followed two principles: 1) the collective agreement shall not infringe on the employer's personnel and managerial rights; and 2) the collective agreement shall create an employment situation that is sustainable for the University later.

There were three major issues in the course of the collective bargaining. The first issue was that by signing the meeting minutes, the former University representative agreed on 50 of the proposed items from the Labor Union before this Labor Attorney came to represent the University as chief negotiator. This mistake by the previous representative resulted in extended conflict between labor and management when the original meeting minutes were rejected: the Labor Union filed a complaint against the responsible University managers for unfair labor practice, which also served to delay the collective bargaining process as both sides had to wait for a decision from the Labor Office. The second issue was the Labor Union demanding extension of the retirement age from 65 to 70. When this was refused, the Labor Union hung about 30 protest banners around the campus and staged a sit-in protest in a tent at one of the gates. Since any changes to the retirement age required city government approval, the University could not agree to this demand, even though it was understood that this demand arose from the fact that 20 of the 60 employees were supposed to retire by the end of 2014. The third issue was the infringement of the employer's personnel and managerial rights, which was the strategy the Labor Union used to protect jobs. In practice, when an employer allows such rights to be restricted in the collective agreement, labor disputes increase and rifts in labor-management relations arise.

Although a reasonable collective agreement between the University and the Labor Union was ultimately concluded, one major problem was the length of time it took: 15 months. There were two reasons for this. Firstly, the Labor Union involved the umbrella union at the bargaining table, resulting in the first draft proposal containing many items that infringed on the employer's personnel and managerial rights, and demands for working conditions and union activities beyond what the University could afford to accept. Secondly, the University had no specialized staff with the knowledge of labor laws necessary for dealing with a labor union. As the Labor Union received professional support from its umbrella union, the University decided to hire an outside labor specialist for the professional legal support they lacked. Due to a failure to cooperate and compromise, the Labor Union and the University were unable to conclude a collective agreement except after labor disputes and a significant amount of time and effort.

Despite the aforementioned problems, the final collective agreement was accepted by both parties. The Labor Union was recognized as a labor union, receiving an office and workers' lounges, paid time-off for union activities, and additional off-days, etc. For its part, the University also views the outcome as a success, as it was able to protect its personnel and managerial rights as an employer, and sign a sustainable collective agreement. It is desirable that the resulting agreement, concluded after much struggle, will play a pivotal role in maintaining peace between labor and management, and allow both parties to base their labor relations on a win-win situation.

## **Understanding the Multiple Union System & the Bargaining Representative Union**

### **I. Understanding the Multiple Union System**

Generally in the Multiple Union System, only the largest labor union representing more than half of a company's union members will engage in collective bargaining and collective contracting as the bargaining representative union, and has the duty to represent the minority labor unions fairly. Since this Multiple Union System was implemented on July 1, 2011, many changes have occurred in labor relations between employers and the labor unions, both positive and negative. The positive changes include guaranteeing the right to multiple labor unions in one company where employees are free to join the one they like, and even establish their own. The negative changes include the weakening of industrial unions as they are now splintered and must choose a bargaining representative union to represent all of them in each workplace or business unit. Some companies have taken advantage of this change by subsidizing or otherwise supporting company-friendly labor unions to the point where they obtain the majority of union membership. In such situations, the existing combative and unfriendly labor unions find themselves generally powerless as they become minority labor unions that have lost their right to bargain and take action collectively.

This loss of union power has resulted in petitions being filed with the Constitutional Court, claiming employers have violated the bargaining representative system. However, the Constitutional Court ruled that the system of determining the bargaining representative union is constitutional and declared the following: "Article 29-2 of the Labor Union Act regulates that the system for determining the bargaining representative union was designed to solve potential issues in the following areas: In cases where there are two or more labor unions coexisting in a business or workplace, as these labor unions exercise their bargaining rights respectively, problems that realistically be anticipated include: hostility between those labor unions or disputes between the labor unions and the company; an increase in the costs associated with collective bargaining due to having to repeat negotiations in the same bargaining areas; management difficulties in preparing multiple collective agreements; and unreasonable differences arising out of the application of different working conditions for members of different unions who are all providing the same or similar work. The system of determining a bargaining representative union as mentioned above has resulted in restrictions of the collective bargaining rights of minority labor unions not selected as the representative union, requiring certain safeguards to minimize these restrictions. One of the safeguards introduced was the duty of fair representation stipulated in Article 29-4 of the Labor Union Act. This was designed to prevent discrimination against: a) minority labor unions not selected as the representative union (and who had participated in determining the bargaining representative unions) or b) their members by assigning the bargaining

representative union and employer the duty of fair representation.” (Constitutional Court decision on April 24, 2012, 2011hunma338)

The following explains relevant laws and their application, and the duty of fair representation.

## **II. Determining the Bargaining Representative Union**

### **1. The right of collective bargaining**

(1) Principle: If there are two or more labor unions which are established or joined by workers in a business or workplace, regardless of the type of organization, the labor unions shall determine the bargaining representative union before beginning collective bargaining. The bargaining representative labor union shall have the authority to collectively bargain and conclude a collective agreement with the employer on behalf of all labor unions or union members that requested collective bargaining. A labor union, if there is a collective agreement in the business or workplace concerned, may begin requesting collective bargaining with the employer three months before the expiration date of the existing collective agreement. Provided that if there are two collective agreements or more, the labor union may begin to request bargaining with the employer three months before the expiration date of whichever collective agreement expires soonest.<sup>8</sup> In cases where there is only one labor union in the business or workplace, whether the employer shall take the procedure for determining bargaining representative union or not can be a controversial issue to consider. If there is evidently only one labor union existing in the business or workplace, the labor union does not have to go through the procedure. However, although the employer knows that there is only one labor union in the business or workplace concerned, as some employees may join industry-level or regional labor unions, the employer shall demand determination of the bargaining representative union through the procedure for determining the bargaining channel. This will avoid any problems if another labor union was established during the bargaining process or if the fact that another labor union was in existence during the bargaining period becomes confirmed later, perhaps after the employer has concluded a collective agreement with the current labor union.<sup>9</sup>

#### (2) Exceptions:

1) Separate bargaining: This shall not apply if the employer consents not to undergo the procedure for determining the bargaining channel within the period (14 days) during which the bargaining representative union can be determined autonomously (Article 29-2 of the Labor Union Act);

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<sup>8</sup> Labor Union Act: Article 29-2 (Procedure for Determining Bargaining Representative Union); Article 29 (Authority to Bargain & Make Agreements); and Enforcement Decree: Article 14-2 (Timing & Method for Demands to Bargain by Labor Unions)

<sup>9</sup> Guidelines from the Ministry of Employment & Labor: A Manual for Multiple Unions (Dec. 2010)

2) Decision on dividing bargaining unit: The unit for which the bargaining representative union shall be determined shall be a business or workplace. However, if it is deemed necessary to divide the bargaining unit given the considerable disparity in working conditions, employment status, bargaining practices, etc., in a business or workplace, the Labor Relations Commission may decide to divide the bargaining unit at the request of either or both of the parties to the labor relationship (Article 29-3 of the Act).

## **2. Procedure for Determining the Bargaining Representative Union**

Determination of the bargaining representative union shall be a step-by-step process (Article 29-2 of the Act).

(1) All labor unions participating in the procedure for determining the bargaining representative union shall autonomously determine the bargaining representative union within 14 days.

(2) If the bargaining representative union is not determined within the 14-day period, the labor union composed of a majority of the members of all labor unions participating in the procedure for determining the bargaining representative union shall become the bargaining representative union.

(3) All labor unions participating in the procedure for determining the bargaining representative union, if failing to determine the bargaining representative union, shall jointly organize a bargaining representative team and then begin collective bargaining with the employer. In this case, labor unions eligible to participate in the joint bargaining representative team shall be those whose members make up not less than 10/100 of the members of all labor unions participating in the procedure for determining the bargaining representative union.

(4) If agreement fails to be reached on the organization of the joint bargaining representative team, the Labor Relations Commission may decide in consideration of the proportions of union members at the request of the labor union(s) concerned.

The following restrictions shall apply to labor unions not participating in the procedure for determining the bargaining representative union: they cannot request collective bargaining; they cannot apply to the Labor Relations Commission for mediation of labor disputes; industrial action undertaken by such unions cannot be justified as legitimate actions; they cannot seek remedy from the Labor Relations Commission for violation of the fair representation duty.

## **3. Duty of Fair Representation**

The bargaining representative union and the employer shall have the duty of fair representation, which is to treat fairly and avoid discriminating against members of minority

labor unions, participating in the procedure for determining the bargaining channel, or the labor unions themselves, without reasonable grounds. If the bargaining representative union and employer engage in discrimination, the affected labor union(s) may request the Labor Relations Commission to remedy such discrimination within three months from the date on which the act is committed. If the Labor Relations Commission recognizes that there has been discrimination without reasonable grounds, it shall issue an order to remedy such discrimination (Article 29-4 of the Act). One example of the failure to uphold the duty of fair representation is when a bargaining representative union paid union officers from a minor union a much lower rate for paid time-off hours than officers from their own union (Seoul Administrative Court ruling on April 25, 2013, 2012guhap35498).

### **III. Practical Application for Organizations with Multiple Unions**

The following are important practical questions related to the bargaining channel system.

#### **1. Question from the private sector**

“My company has multiple unions: 60 employees belong to the company-based labor union while another 50 employees belong to the port industry labor union. Today, we received a request for collective bargaining for 2014 wages from the port industry labor union. My company has already concluded a collective bargaining agreement with the company-based labor union after going through the procedure to determine the bargaining representative union when there was a request for collective bargaining in May 2013. At that time, the port industry labor union did not participate in the procedure to determine the bargaining representative union. In this situation, does the company have to respond favorably to the port industry union’s demand for collective bargaining?”

→Response: The company-based labor union will continue to have authority as the bargaining representative union since your company determined the bargaining representative union after the procedure to decide the bargaining channel in May 2013. Accordingly, the port industry labor union cannot request collective bargaining during the effective period of the collective agreement that the bargaining representative union contracted with the company. They may participate only in the procedure to determine the next bargaining representative union beginning three months prior to expiry of the current collective agreement, which is in May 2015. The courts have also stipulated that any union not participating in the procedure to determine the bargaining representative union has no right to request collective bargaining. (Related reference: Article 29-2 of the Act, Gwangju Appellate Court ruling on August 16, 2011, 2010ra131).

#### **2. Question from the public sector**

“In the Seoul City government at present, the Public Service Workers’ Union is composed of full-time employees who are not public servants. This public service workers’ union has a membership of 300 regular full-time workers in 6 subordinate divisions under the City government. Recently, 28 short-term contract workers in the Park Administration Office of the city has established a branch union of the Public Irregular Workers’ Labor Union and requested collective bargaining with the Park Office on April 10, 2014. Does the Park Office have to respond favorably to this request?”

For reference, the City government received a demand for collective bargaining from the Public Service Workers’ Union in 2014, and on March 6, 2014 posted on the bulletin boards of its 6 subordinate workplaces for 7 days that they had requested collective bargaining. No other labor union joined in the request during the posted period. The City government accepted the Public Service Workers’ Union as the bargaining representative union and announced it to the 6 mentioned workplaces. Currently, the City government is engaged in collective bargaining with this Public Service Workers’ Union.”

➔ Response: The main issue in this question is whether the City government can be regarded as their employer, or whether the Park Office that hired those irregular workers is considered their independent employer. The designated unit for selection of a bargaining channel shall be “a business or workplace”. The business shall not solely be determined in terms of location, but whether that particular business is operated and managed as part of an organic structure, regardless of its location (Supreme Court ruling on February 9, 1993, 91da21381). “Business” means the company itself in operating management, while “workplace” refers to subordinate organizations in different locations. As one business entity belongs to one business, even though several workplaces and business organizations have been commissioned with partly independent management in personnel and labor management, they belong to a business entity as they are generally restricted by corporate directions and purposes. The business entity shall therefore be considered one bargaining unit representing all workplaces and business organizations. However, even though one particular workplace belongs to one business entity, if they are independently operated in personnel and labor management, accounting, and other business functions, that workplace or subordinate organization shall be regarded as one bargaining unit.

Since a bargaining representative union has been determined through the proper procedure according to Article 29-2 of the Labor Union Act, the City government can reject the request for collective bargaining from the 2<sup>nd</sup> labor union with justifiable grounds. In this case, the 2<sup>nd</sup> labor union can participate in the procedure for determining the bargaining representative union in two years.

#### **IV. Conclusion**

As multiple unions have been allowed at one workplace, the bargaining representative

union system was introduced as a restriction against undue complications arising from multiple bargaining requests, different working conditions inside one company, intense struggles between labor unions, and inter-union splits. Some companies have been able to successfully defeat the hostile and combative nature of their majority labor unions through the exclusive bargaining representative union in this Multiple Union System, but in this author's opinion, these are exceptions that have developed in the course of adopting the Multiple Union System. If companies and unions clearly understand and respect the bargaining representative union's duty of fair representation to protect the rights of minor labor unions involved in bargaining representative union selection, all labor unions can be protected equally in accordance with the size of their membership. This would allow the Multiple Union System to be viewed as a way of helping the members of any union, and promote a more active involvement in varying labor unions representing their interests.

## Professional Foreign Personnel Employment (E-7 Visa)

### I. Necessity of employing professional foreign personnel

What companies need as they prepare for global competition is to provide world-class cutting-edge products and services at competitive prices. For this purpose, most Korean companies have used highly qualified Korean personnel, but in a world becoming one integrated market, maintaining world-class competitiveness is proving more and more difficult with such a limited supply of personnel. Accordingly, companies feel the need to hire from overseas those professional personnel that they cannot employ easily inside Korea. In addition, small and medium sized companies need to hire those highly qualified personnel at a reasonable cost. Employing such professional foreign personnel requires an E-7 visa.

Korean use of foreign personnel has been mostly focused on using them to solve a shortage of labor for small and medium-sized companies. As of the end of December, 2012, the number of foreigners staying in Korea is 1.44 million people, and is increasing every year. Of this number, 529,690 are eligible for employment, with at least 90% working manual jobs. The visas involved include E-9 (non-professional employment), H-2 (working visit for overseas Koreans), and E-10 (seafarer employment). Most of the remaining 10% hold E-1 through E-7 visas for professional employment: university professors (E-1), native speakers for foreign language studies (E-2), researchers (E-3), technicians for technology transfer (E-4), certified profession holders (E-5), art workers (E-6), and other professional job holders (E-7).

Generally, the E-7 visa is granted to personnel employed for professional positions, which covers various fields. In their plans to hire these overseas personnel, companies need to confirm whether visa issuance is possible, and then obtain eligibility from the Immigration Office for those personnel to stay in Korea, before initiating the hiring process. In this article, I would like to look into this employment process for hiring professional personnel, and government support systems for such hiring.

### <Types of Visa Available & Employment Status>

[Source: Ministry of Law, as of December 31, 2012]

Division		Scope of Eligible Activities
<b>Professional personnel</b> (50,264)	<b>Professor (E-1) (2,631)</b>	As foreigners qualified in accordance with the Higher Education Act, those who are engaged in education or research and instruction activities in technical colleges or higher, or equivalent institutions.
	<b>Language teaching (E-2) (21,603)</b>	As foreigners qualified for conditions stipulated by the Minister of Justice, those who are engaged in teaching foreign languages at foreign language institutes, elementary level or higher schools, their language institutes, or equivalent institutions.
		Those who are engaged in research and development of natural

	<b>Research (E-3) (2,820)</b>	sciences or industrial cutting-edge technology at various laboratories, due to invitations from public or private institutions.
	<b>Technology instruction (E-4) (160)</b>	Those who are engaged in providing professional knowledge regarding the natural sciences or technologies regarding specialized industrial fields due to invitations from public or private institutions.
	<b>Professionals (E-5) (694)</b>	As foreigners with certification as foreign lawyers, public accountants, doctors, and other nationally recognized professionals, those who are engaged in such professional fields in accordance with Korean law.
	<b>Artistic work (E-6) (4,528)</b>	Those who are engaged in arts activities such as music, painting, and literature, or in entertainment, performances, plays, sports, advertising or fashion modeling, etc. for the purpose of earning money.
	<b>Particular activities (E-7) (17,451)</b>	Those engaged in activities specifically designated by the Minister of Justice, in accordance with contracts with public or private institutions.
<b>Simple manual working personnel (479,426)</b>	<b>Non-professional (E-9) (230,237)</b>	Those eligible for employment in Korea according to the Act on Foreign Workers' Employment.
	<b>Seafarer employment (E-10) (10,424)</b>	Those who have seafarer employment contracts on the condition of providing labor for 6 months or longer in companies that do business in accordance with the Maritime Transport Act or the Fishing Industry Act.
	<b>Working visit (H-2) (238,765)</b>	Those of foreign nationality in accordance with the Act on the Immigration and Legal Status of Overseas Koreans and who are 25 years or older.

**II. Process for Hiring Professional Foreign Personnel (E-7 Visa)**

**1. E-7 Visa holders (for specific activities)**

Professional foreigners eligible for E-7 visas need to have the following characteristics in general. Firstly, the specialty, qualifications, technological and other skills of the corresponding foreigners shall be directly related to the companies where they are to work. Secondly, those foreigners shall not become engaged in simple labor, but professionally skilled or technical jobs. Thirdly, it shall be necessary to hire those foreigners because of the difficulty involved in finding Korean citizens to fill those positions. The E-7 visa encompasses 79 jobs, broken into two categories: 1) job activities determined by contract with public or private institutions and 2) cutting-edge technology jobs such as information technology.

<b>Fields</b>	Eligible Applicants for E-7 Visa
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Job fields based on contract with public or private institutions	<ul style="list-style-type: none"> <li>- Foreign school teacher, foreign language editor at a public or private institution</li> <li>- Those who provide technology, skills and professional knowledge necessary for positions at a public or private institution</li> <li>- Those who are expected to contribute to the reinforcement of national competition in special positions at a public or private institution</li> <li>- Directors or coaches expected to contribute to the promotion of sports by instructing athletes at sports organizations</li> <li>- Foreign staff hired at embassies or foreign-government organizations</li> <li>- Professional foreign personnel hired by foreign-invested companies, domestic branches of foreign companies and foreign individual companies</li> <li>- Crew members hired by domestic ferry companies such as passenger liners and Mountain Diamond tourist boats</li> </ul>
Cutting-edge technology jobs like IT	<ul style="list-style-type: none"> <li>- Those who will be engaged in e-business such as information technology and electronic transactions, biotechnology, nanotechnology, advanced materials (metal, ceramic, and chemical), transportation machinery, digital electronics and environmental and energy fields, and have obtained recommendations from relevant ministers</li> <li>· E-business for online commerce, and six other fields: Ministry of Trade, Industry &amp; Energy</li> <li>· Information technology: Ministry of Information &amp; Commerce</li> </ul>

## 2. Issuance of the E-7 Visa

In order to hire professional foreign personnel in Korea, the company shall need to have issued an E-7 visa from the Immigration Office of the Ministry of Justice. Generally, the company can hire professional foreign personnel from abroad after receiving the Certificate of Eligibility for Visa Issuance for those personnel, and in some cases, it is possible to hire professional foreigners already staying in Korea by changing their visa status to E-7. The typical occurrence in cases like this is for foreign students graduating from Korean colleges with D-2 visas to have their visa status changed to E-7 after employment. The necessary documents for an E-7 visa are described in the following table.

Company	Foreign Employees
<ol style="list-style-type: none"> <li>1. Application for the Certificate of Eligibility for Visa Issuance</li> <li>2. Documents to verify the necessity for hiring foreigners</li> <li>3. Documents related to establishment of business entity (A copy of business registration certificate, or a certificate of foreign invested company registration, etc.)</li> <li>4. Employment Contract (Copy)</li> <li>5. Documents to prove total sales of the previous year</li> </ol>	<ol style="list-style-type: none"> <li>1. A copy of passport</li> <li>2. A copy of Resident Identification Card (only for Chinese)</li> <li>3. Verification documents (Degree, Record of Employment, Resume, Certificate of Qualification / Awards or media report for related fields</li> <li>※ Depending on the type of job application, it is necessary to submit Apostille or confirmation from the</li> </ol>

<p>(Certificate of Withholding Tax or corporate financial statement)</p> <p>6. List of insured employees by Employment Insurance</p> <p>7. A letter of employment recommendation from the related administrator or organization director</p> <p>8. Letter of guarantee (only for jobs that are restricted to changing or adding workplaces by notification of the Ministry of Justice)</p> <p>9. Other documents stipulated additionally according to job requirements</p>	<p>consular chief of their foreign mission for the career certificate.</p>
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**III. Government Support Systems to Promote Employment of Professional Foreign Personnel (E-7)**

Various government systems have been set up to promote the employment of foreign professionals, and in relation to E-7 Visa. There are three main systems, which are 1) the IT Card system of the Ministry of Information & Communication; 2) the Gold Card System of the Ministry of Trade, Industry & Energy; and 3) the Employment of Foreign Professionals Support system of the Small & Medium Business Administration.

**1. IT Card System (Ministry of Information & Communication)**

The IT card system is an institutional system designed to attract to Korea leading foreign personnel and plays an important role in 1) helping to meet the shortage of IT professionals and acquiring advanced technology, issuing the relevant Minister’s recommendations in the course of hiring them, and 2) in mitigating the rising cost of domestic IT professionals while globalizing the Korean IT industry. Corporate entities intending to hire overseas IT engineers are eligible for employment recommendation by applying to the Korea IT Ventures Association (KOIVA). KOIVA will review the prospective employee’s qualifications and evaluate the cutting-edge technology he or she possesses, and then issue a Letter of Employment Recommendation from the Minister of Information & Communication.

<p><b>Qualifications</b></p>	<ul style="list-style-type: none"> <li>○ Those who have worked in the field of information technology, online commerce, or electronic business for five years or more;</li> <li>○ Those who have been engaged in the corresponding field for two years or longer, with a bachelor’s degree; and</li> <li>○ Those who have obtained a bachelor’s degree or a Master’s degree from domestic colleges, and received an employment recommendation from the Minister of Information &amp; Communication</li> </ul>
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**2. Gold Card System (Ministry of Trade, Industry & Energy)**

The Gold Card System is designed to attract overseas technical personnel by providing

them preferential treatment under the Immigration Control Act through employment recommendations issued by the general secretary of the Industrial Technology Foundation on behalf of the Minister of Trade, Industry & Energy to companies intending to hire overseas technical personnel, and subsidizing the issuance of E-7 visas. The relevant fields are information technology and e-business like online commerce, biotechnology, nanotechnology, advanced materials (metal, ceramic, chemical), transportation material, digital home appliances, environment and energy, etc.

<b>Qualifications</b>	<ul style="list-style-type: none"> <li>○ Those who have worked in the relevant field for 5 years or longer;</li> <li>○ Those who have been engaged in the corresponding field for two years or longer, with a bachelor’s degree; and</li> <li>○ Those who have obtained a bachelor’s degree or a Master’s degree of relevant majors from domestic colleges, with or without experience in the relevant fields</li> </ul>
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**3. Employment of Foreign Professionals Support system (Small & Medium Business Corporation: SBC)**

This system was introduced to support small and medium enterprises (SMEs) in obtaining access to advanced technology through employment of the necessary overseas personnel from Russia, India, and other nations to eliminate the shortages SMEs face in the relevant fields and contribute to the promotion of international competitiveness through the development of new technologies.

<b>Fields</b>	<ul style="list-style-type: none"> <li>○ Manufacturing (SMEs in accordance with the SME Basic Law)</li> <li>○ Knowledge-based service industries (24 fields such as information processing and other computer-related businesses, research &amp; development, engineering services, etc.)</li> </ul>	
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>○ Graduates in the fields of technology or marketing:               <ul style="list-style-type: none"> <li>-- PhD holders;</li> <li>- MA degree holders + 2 years’ experience (no experience required for graduates of Korean universities);</li> <li>- Bachelor’s degree holder + 5 years’ experience</li> </ul> </li> <li>○ Those with 10 years’ or more experience</li> </ul>	
<b>Subsidy</b>	<b>Living expenses &amp; airfare</b>	<ul style="list-style-type: none"> <li>○ 10 - 30 million won per person per year</li> <li>* Amount of subsidy depends on academic degree, experience, previous annual salary, etc.</li> <li>○ Airfare (One-way economy ticket): paid along with living expenses</li> </ul>
	<b>Talent hunt</b>	<ul style="list-style-type: none"> <li>○ Searches by applying companies or through headhunting agencies registered with the SBC</li> <li>* Subsidy per person: 2 million won for employment in the capital area and 3 million won for other areas</li> </ul>
<b>Period</b>	<ul style="list-style-type: none"> <li>○ Employment shall be maintained for at least three years, during which the</li> </ul>	

		subsidy is available.
	<b>Number</b>	○ Up to 4 persons per company will be subsidized.

#### IV. Conclusion

Nowadays, hiring foreign professionals is no longer an option, but is becoming essential. In a global market with worldwide competition, those with better technology and able to provide more competitive products survive. This requires companies to work hard to acquire world-class, highly-trained personnel from many fields at a reasonable labor cost. The E-7 visa is designed to facilitate such acquisitions in an effort to support companies in maintaining and improving their competitiveness.

## The Employment Permit System for Hiring Foreign Workers (E-9)

### I. Introduction

There are two main types of foreign workers being brought into Korea. The first type is foreign migrant workers (E-9 visa) under the Employment Permit System (EPS) for such industries as manufacturing, construction, farming, and fishing (“3D”, or “dirty, dangerous, difficult” industries), and the other is foreign professional employees (E1~E7 visas) with specialized knowledge, such as college professors, experts in a specific field, researchers, and English teachers. These foreigners not only supplement our insufficient work force, but also provide professional knowledge and technology necessary to our industries.

Korea had been bringing foreign workers in under the Industrial Trainee System since 1993 to deal with the labor shortage in small and medium sized companies, but since August 2004, this System has been replaced with the Employment Permit System of the “Act on Foreign Worker Employment, etc.” (Foreign Workers Act). The Employment Permit System consists of the non-professional employment visa (E-9) for foreign workers engaged in simple skilled jobs and the visiting employment visa (H-2) for overseas Koreans. The Employment Permit System was introduced to provide workforce stability in industries suffering from severe labor shortages while protecting the Korean labor market. The following explains the process of hiring foreign workers, application of labor law, and items requiring attention under the Foreign Workers Act.

### II. Employment through the Employment Permit System

#### 1. Industries permitted to hire foreign workers and related quotas

**(1) Manufacturing:** Small and medium-sized manufacturing companies ordinarily hiring fewer than 300 workers or with a market capital of ₩8 billion are allowed to hire foreign workers. Provided that, if a manufacturing company surpasses the aforementioned conditions, it can still hire foreign workers if it receives a “Certificate of Small & Medium Enterprise Confirmation” from the regional Small & Medium Enterprise Administration. The quota of foreign workers depends on the size of the company, but is 10 to 20% of the domestic workforce.

**(2) Construction:** Most construction companies can use the Employment Permit System. Construction companies are allowed to hire up to 5 workers if the company’s average annual gross is less than ₩1.5 billion, with an additional 0.4 foreign workers allowed for every ₩100 million in gross exceeding the ₩1.5 billion.

**(3) Services:** Service companies can use overseas Korean job-seekers (H-2 visa) visiting through the Special Employment Permit System. Service companies with 5 workers or fewer can hire up to 2 overseas Korean workers even if there are no other Koreans working

for the company, while service companies with 6 or more workers can hire the number of overseas Koreans equivalent to 30 to 40% of the domestic workforce.

**(4) Agriculture, livestock and fishing:** Agriculture and livestock companies with 10 workers or fewer can hire up to 5 foreign workers even if this means that there are no Korean workers in the company. Larger companies can have up to approximately 20% of their workforce as foreign workers. For the fishing industry, fishing boats of 20 tons or less and aquaculture do not fall under the Seamen's Law. They can use foreign workers, and non-Korean workers can make up 40% of the personnel onboard each boat.

## 2. Employment Methods through the Employment Permit System

### (1) General Employment Permit System

**1) Issuance of a letter of employment permission:** Employers intending to hire foreign workers shall first apply to the Employment Security Center (ESC) for recruitment of Korean nationals. The ESC will issue a document confirming a workforce shortage for employers unable to find enough Korean workers despite their hiring efforts (the recruiting period must be at least 3-7 days). The employer shall choose the workers he/she needs from a list of foreign workers that the ESC recommends (which will be three times larger than the number needed). Once the employer has done so, the ESC will issue employment permits for those foreign workers. Before issuing these permits, the ESC shall confirm that the following qualifications exist: the company applying to recruit foreign workers fits the eligibility criteria; the employer had tried to hire Korean workers; there shall be no employment adjustment within two months, and there should not be any delay in payment of wages for 5 months.

**2) Signing an employment contract:** The employer will sign the standard employment contract provided by the Ministry of Employment & Labor with the chosen foreign workers. The contract will specify working conditions such as wages, working hours, holidays, work places, and working period etc. The effective date of the employment contract is when the foreign worker enters Korea. Therefore, the employment relationship begins with this date of arrival to Korea, and shall be the date used to calculate severance pay, etc.

**3) Essential duties to be handled:** The employer must register the foreign workers at the Immigration Office and apply for work visas. That is, the employer will receive certificates of alien registration regarding the E-9 visas and have the foreign employees enter Korea. Foreign workers shall receive pre-employment training at a designated training institute within 15 days of their arrival into Korea. During this training period, the training institute will have them receive a medical checkup against epidemic diseases defined under law. Employers and foreign workers shall have the essential insurances. The employer shall provide a departure guarantee insurance to secure severance pay and guarantee insurance to prevent delayed payment of wages, while the foreign workers shall ensure they have personal injury insurance and sufficient funds for return airfare.

**(2) Employment Permit System for Overseas Koreans**

**1) Introduction:** Special Employment for Overseas Koreans is a system where employers can hire overseas Koreans already in Korea, for the construction, service, manufacturing, and other industries. Those who have a visiting employment visa (H-2) shall attend the employment training designated and get a job after registration with the Employment Security Center.

**2) Applicable overseas workers:** ① Overseas Koreans with relatives in Korea: Overseas Koreans aged 25 years or older who have resided in China or one of the former Soviet republics, those who have received an invitation from a family member registered in the family registration or his/her descendants, or from a blood relative (third cousin or closer) or a relative through marriage (first cousin or closer) as a registered Korean resident. ② Overseas Koreans with no relatives in Korea: such persons shall be selected through a Korean language test, random selection, etc.

**3) Issuance of visiting employment visa (H-2) and entry to Korea:** Overseas Koreans with relatives in Korea may enter Korea with an H-2 visa issued by a Korean embassy in a foreign country, while Overseas Koreans without relatives in Korea may enter with a visa issued after passing a Korean language test or through random selection.

**4) Employment training, physical check-up, application for employment:** Persons entering Korea for the purpose of visiting employment shall take employment training (20 hours or more) for domestic activities at an employment training institute (the Korea HRD Service), have a check-up to confirm his/her physical eligibility, and apply for employment during the training period.

**5) Issuance of a certificate for special employment:** Similar to the procedures under the Employment Permit System, the employer shall make an effort to hire Korean citizens first, before applying for and receiving a certificate for special employment from the Employment Security Center.

**6) Signing an employment contract:** The employer will sign the standard employment contract with the selected job-seekers who are also from a list three times larger than needed, and recommended by the Employment Security Center. The effective date of the employment contract is when the overseas Korean actually begins providing labor service. The employer shall submit the report of employment to the regional ESC, within 10 days after the overseas Korean begins to work for the employer.

**(3) Comparison of the Employment Permit System (EPS) and the Special EPS**

	Employment Permit System (EPS)	Special EPS
①	3 years (employment possible for	3 years (employment possible for maximum

Employment period	maximum additional 2 years) ※ Non-professional employment visa (E-9)	additional 2 years) ※ Visiting employment visa (H-2)
② Eligibility	Those registered for employment after the Korean language test and health checkup	-Overseas Koreans with relatives in Korea (no maximum) -Overseas Koreans without relatives in Korea (limitations on numbers)
③ Permitted businesses	Manufacturing, construction, service, and other businesses stipulated by the Foreign Workforce Policy Committee	The EPS's allowed businesses plus additional service businesses
④ Job placement process	Korean language test → employment contract → enter Korea with E-9 visa → pre-employment training → assignment to workplace ※ Limitations on workplace changes	Entry with H-2 visa → Employment training → Recommended by the Employment Security Center or begin own job search → employment after signing an employment contract ※ No limitations on workplace changes
⑤ Hiring procedures	Effort to hire Korean workers → application for employment permission → Issuance of employment permission → employment after signing an employment contract	Effort to hire Korean workers → issuance of special employment permission from the ESC → employment after signing an employment contract ※ The employer shall report the employment to the ESC.
⑥ Quota for employment	Maximum number of foreign workers set per workplace	Employers can fill their foreign worker quota with overseas Koreans (excluding construction and service industries).

### III. Employment Permit System and Working Conditions

#### 1. Employment contract

When hiring a foreign worker, the employment contract shall be based on the standard employment contract (from the ESC). This is to help prevent labor disputes regarding working conditions between the two parties and to protect the worker, who is in a weaker position than the employer. The employment contract shall address matters regarding contract period, workplace, duties, working hours and breaks, holidays, wages, etc. The contract period shall be stipulated as 3 years or less from the date the foreign worker enters Korea. However, if the employer receives permission from the ESC for employment extension, the employer may retain a foreign worker for up to an additional two years (for a maximum of 5 years). The workplace can change up to 3 times during the contract period, and permitted reasons for such changes are: ① Expiration of the contract period, mutual agreement for termination of employment, or cancellation of the employment contract due to reasons attributable to the worker; ② Suspension or cessation of business, or other reasons not attributable to the foreign worker (such instances shall not be counted as a workplace change); ③ Cancellation of the company's employment permission or receipt of an administrative order for restriction of employment of foreign workers; ④ Cases where a foreign worker cannot continue the employment due to unfair treatment from the employer, such as difference in working conditions or violation of contracted working conditions, etc.

#### 2. Prohibition of discrimination on foreign workers

**(1) Application of labor laws:** General working conditions in labor law are applicable to foreign workers in the same way they are applicable to Korean nationals, including the prohibition against discrimination, prohibition against forced labor, and restrictions on dismissal. Overtime hours exceeding regular work hours, night work, and holiday work shall be paid with basic wages and additional allowances. Annual paid leave shall also be applied identically and unused annual leave days shall be compensated. In addition, statutory severance pay shall be given to foreign workers who have worked for at least one year upon termination of employment. However, the prohibition against discrimination in working conditions is not applicable because Korean citizens cannot be the target of comparison. The two year maximum term for workers to remain “temporary” also does not apply, as foreign workers fall under the Immigration Act first.

**(2) Application of 4 social security insurances:** ① The Industrial Accident Compensation Insurance Act applies to employers ordinarily hiring at least one worker, but this does not apply to agricultural and fishing companies that hire 5 persons or fewer, and it does not apply to construction projects not exceeding ₩20 million. In cases where a worker suffers an occupational injury or disease which is recognized as an occupational accident from the Employee Welfare Corporation, he/she can receive all expenses required for medical treatment, suspension compensation of 70% of average wages during the suspended period, disability compensation if he/she is handicapped after recovery, and survivor’s pension and funeral service assistance for his/her family in the event of an employee’s death. ② Employment insurance applies to workplaces which ordinarily hire at least one employee, but for foreign workers, this insurance becomes voluntary upon consultation between the employee and employer. ③ National Health Insurance is mandatory for foreign workers as well as overseas Koreans working in the workplace (effective January 1, 2006). ④ Payment into the National Pension scheme is mandatory for any workplace where a worker between the age of 18 and 60 is hired. This also applies to workplaces hiring foreign workers.

#### IV. Conclusion

It has been 20 years since Korea introduced the migrant foreign worker system. Foreign workers are not rare or strange anymore, but have played a very pivotal role in vitalizing small and medium-sized companies. This use of foreign workers has brought many advantages and profit, but at the same time has included some negative aspects. First, for low-skilled Korean citizens, it has become more and more difficult to remain employed. It is a harsh reality that low-skilled Koreans seem likely to continue receiving low wages. Second, the Employment Permit System is not a perfect system, in that the number of employable personnel is assigned equally according to the size of the company, as some small and medium-sized companies with superior technology or who are more competitive use this

system simply to save on labor costs. As a result, some less-competitive small and medium companies that desperately need foreign workers cannot hire the necessary number of foreign workers due to a limited quota assigned to them based on company size. Quota flexibility would be a useful way to ensure more personnel are assigned to less-competitive small and medium-sized companies engaged in 3D jobs (dirty, dangerous, difficult). Third, since the Ministry of Employment & Labor has focused on labor policy related to the use of low-skilled foreign workers, many companies have difficulty hiring professional expatriates. As industrial competition between nations has become reality, it is becoming necessary to ensure the employment system in Korea is more open to hiring professional foreign personnel.

## **Understanding Cultural Differences at Work Between Korea and the West**

### **I. Introduction**

While Korea has been making free trade agreements (FTAs) with the United States and the European Union, more and more foreign companies have been establishing branches in Korea. Companies here are hiring more foreign professionals in an effort to enhance their competitiveness in the markets of advanced nations. While working in the same company or workplace, it is very common for disagreements or misunderstanding to arise between Koreans and Westerners due to differences in culture, occupational habits and language. It is very difficult to understand our counterparts if we do not understand the cultural characteristics that have formed over long periods of time, which of course can lead to an atmosphere that is not conducive to business. There are many differences in the way we think and behave at work, such as the kind of hierarchy we are familiar with, the way we relate to each other through linguistic expression, the way we address each other, and the way we express our opinions. I would like to deal with this issue through one tragic case involving culture, and the opinions of some foreigners living and working in Korea.

### **II. Culture: the Secret Behind a Plane Crash**

At about 1:42 am on August 6, 1997, a Korean Air passenger plane approached Guam Airport and attempted to land, but because of the low visibility due to stormy weather and pilots' accumulated tiredness, the plane went off the runway and crashed into a small hill nearby the airport. This accident resulted in the deaths of 228 of the 254 passengers onboard. As the pilots were trying to land, they could not see the runway due to the poor weather. When the ground proximity alarm sounded at 500 feet (152 meters), the co-pilot suggested gently "Let's give up the landing." When the pilot did not do so, the co-pilot said again, strongly this time "No visibility, give up the landing!" The pilot then gave up trying to land, but it was too late: the plane continued to descend and crashed. If the co-pilot had spoken in a commanding voice instead of a suggestion, the pilot would have understood the emergency situation they were in, and prevented the crash.<sup>10</sup>

After David Greenburg from Delta Air was hired by Korean Air to be a flight safety manager, he discovered the fundamental causes for this tragedy: the complicated ways of expressing oneself in the Korean language and Korea's vertical hierarchy. His approach was to create a rule for Korean Air pilots: they must speak English. "The official language in Korean Air is English. If you want to continue to work as a Korean Air pilot, you must be able to speak English fluently." English does not have such strict rules regarding politeness,

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<sup>10</sup> Malcolm Gladwell, "Outliers" Chapter 7, page 252, (The Ethnic Theory of Plane Crashes)

and emotional authority between positions and ages is not as high as in Korea. In the ‘Power Distance Index,’ which indicates the degree of authority people in higher social positions have over those in lower positions, Korea places among the highest, while the US places among the lowest. Although a pilot and co-pilot work in a situation which requires them to operate a plane together in cooperation, Korean pilots have a very clear vertical hierarchy of superior and subordinate, putting the co-pilot in a position of obedience to the pilot. The pilot can discipline his co-pilot by hitting his hand for minor mistakes, something taken for granted. In addition, this vertical hierarchy includes complicated expressions of language. The superior talks down to the subordinate while the subordinate talks in high forms to the superior. For example, using the lowest form of language includes orders “you will do this”; talking in low form would be “do this”; talking in high form would be “please do this”; talking in the highest form would be “would you please do this?” Under such a strict vertical hierarchy and the required forms of expression, a subordinate cannot simply point out his superior’s mistakes, but must speak indirectly in a way that does not offend the superior.

Since Korean Air began employing Mr. Greenburg, accidents have almost ceased and the company was able to restore confidence, both internally and in terms of how other entities view Korean Air. Mr. Greenburg changed the cultural atmosphere inside the cockpit by insisting on the use of English, hiring more civilian pilots to join an organization made up mostly of former military pilots, and standardizing technical terms and conversational methods. By making adjustments to these organizational cultures, Korean Air has been able to prevent similar plane crashes, and has become an example of air safety for other airlines. On April 10, 2010, a plane with the Polish president, Lech Kaczynski, aboard, crashed while trying to land at a Russian airport in very foggy conditions, killing 97 passengers. One of Poland’s major daily papers, *Gazeta Wyborcza*, introduced Korean Air and its recent safety history. “During the late 1990s, Korean Air faced a crisis: Air France and Delta Air were requesting the airline leave their alliance, and the American Federal Aviation Agency (FAA) had given it a very poor safety rating. However, Korean Air was able to get through the crisis with the help of safety consultants. The answer was to ‘speak English.’ Korean culture demands such a high form of respect for superiors or seniors that a co-pilot could not address directly the fact that a pilot was making a mistake. But through English communication, the airline was able to work around this strong hierarchical structure rooted in the Korean language ‘trap’.”

### **III. Cultural Differences Related to Position and Age**

#### **1. Cultural differences: position**

In Korea, addressing someone by their title or position is important. People at work call each other by their job positions, while westerners use first names, or Mr., Mrs., or Ms., plus

family names for respect. In western culture, position titles only indicate persons-in-charge, and are not used when addressing that person. Mr. or Mrs. is acceptable regardless of someone's position, with first names used once two people are on friendly terms. In Korea, title indicates status, so if someone is addressed in a way that is not suitable for his age or position, he or she may be offended and feel they are being talked to as an inferior. Sales employees introduce themselves using a title that is higher than their own, to give themselves authority in the eyes of customers.

Following are some titles used in Korean companies when addressing other persons or describing their positions.

Korean Titles	Chinese Titles	Pronunciation	English Title
회장	會長	Hway jang	Chairman
대표이사	代表理事	Dae pyo isa	Representative Director
사장	社長	Sa jang	President
부사장	副社長	Bu sa jang	Vice President
전무이사	專務理事	Jun moo isa	Executive Managing Director
상무이사	常務理事	Sang moo isa	Managing Director
이사	理事	Isa	Director
부장	部長	Bu jang	General (Senior) Manager
차장	次長	Cha jang	Manager
과장	課長	Gwa jang	Section Chief (Manager)
대리	代理	Dae ri	Assistant Manager
사원	社員	Sa won	Employee

## 2. Cultural differences: age

In Western culture, people can be friends with whomever they want, while in Korea you can only call someone your friend if he or she is the same age as you. In Western culture, people keep in mind the age difference and give respect where it is due, but nevertheless they are free to befriend anyone they please.

In the Korean work environment, to be in a higher position than someone older than you is difficult because age is very important. To be young and in a higher position than someone older puts you in a predicament because you are not able to conduct yourself as that person's senior as they may think there's nothing to learn from you or you have no authority to lead them because you are younger. In western cultures, positions in the workplace are more respected than here.

## IV. Cultural Differences Related to Behavior

Here are examples of cultural differences related to behavior that I collected from

expatriates living and working in Korea. <sup>11</sup>

1. “In Korea it is polite to decline something that is offered to you and maybe on the 2<sup>nd</sup> or 3<sup>rd</sup> time it is offered you accept it. In western culture if something is offered to you and you want it you can gladly accept it the first time it is offered.”
2. “Also in Western culture, the use of “thank you” is much more common than in Korean culture. It is quite common for friends, spouses, and family members in Korea not to say thank you to each other for little gifts, for giving someone something they requested etc., whereas this would be quite rude in Western culture. We even say “thank you” to the salesperson at a store when we buy something, for giving us our change.”
3. “In Korea when people eat they have to wait for the oldest member to eat first (in family) or the teacher (in school/institute) before they can start eating. In Western culture it doesn’t really matter.”
4. “If a Korean knows you then they’re extremely kind and helpful but if they don’t know you they ignore you like you don’t exist. In Western culture people are relatively friendly even if they don’t know each other: e.g. they’ll greet and start a conversation, etc.”
5. “Saying ‘OK OK OK’ or ‘Yeah yeah yeah’ in English can be *extremely* rude. In Korea, it just means ‘I really understand or ‘Yes, right away.’ In English it means ‘OK, shut up. I don’t want to hear what you are saying.’”
6. “Koreans cannot confront their superiors directly (for example, when they feel they have been treated unfairly, or the superior is doing something in the wrong way). Westerners usually can, and do.”
7. “In Western culture, a graduate school student can discuss freely, ask questions, and provide opposing opinions about his/her major subjects to his/her academic advisors (professors), but in Korea his/her professors are so authoritarian that the student cannot oppose their opinions, and so generally accepts their opinions unequivocally.”
8. “A common mistake for Koreans is to say ‘Mr. Shawn’ or ‘Miss Jennifer.’ In English, we don’t use the first name with ‘Mr.’ or ‘Miss etc. We use the family name instead. So, Shawn Stenson would be ‘Mr. Stenson,’ and Jennifer Beal would be ‘Miss Beal’ or ‘Mrs. Beal’ (if she’s married).”

## V. Conclusion

The cultural differences between Korea and the West are very wide, go very deep, and reach into a huge variety of situations. If employees are unable to come to a cultural understanding of these differences, even in this Global Era, then Koreans and expatriates

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<sup>11</sup> Opinions of cultural differences are provided by expatriates who have lived more than two years in Korea. They are: an Italian PhD candidate at Sookmyung Women’s University, a Canadian employee of Daewoo Ship Building Co., an Italian embassy staff member, a South African native English teacher at SDA, and a Polish employee of SBNTECH.

working together will have to settle for a relationship of ‘close in proximity, but distant in relationship’. When cultural differences are allowed, accepted, and understood, employees can work better, more constructively, and in greater cooperation. With a partnership based on this acceptance, Korean employees can work well with foreign expatriates, improve their own work efficiency and help the company increase its competitiveness with leading companies from around the world.