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Ways to Applicate Replacement Workers to Promote Work– Life Balance in Public Institutions

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This report is designed to propose plans promoting the employment of replacement workers as a means of minimizing manpower vacuums caused by the wider use of work-life balance promotion systems such as maternity leaves resulting from a rise in the number of female employees in public institutions.

1. Background and Issues

- ☐ Promoting people's happiness is part of the Park Geun-hye administration's national agenda. Only when employees are able to enjoy their personal lives while working, can their happiness be ensured. In other words, working should not significantly downgrade the quality of their personal lives. Against this backdrop, a proper system to promote work-life balance should be established, having a clear understanding of its importance.
- ☐ However, in reality, Korean workers, especially female employees, have yet to effectively enjoy work-life balance. Main reasons for career disruption among women are marriage, childcare, pregnancy, and childbearing, which relate to work-life balance issues. It has been shown that the Korean government should give top priority to promoting work-life balance through childcare

support, maternity leaves, and so on, in order to enhance the quality of women's lives.

- ☐ The number of female workers in labor markets is forecast to continuously rise, increasing the need for work-life balance facilitation policies and thereby leading the need for and importance of replacement workers to grow. The employment of substitute workers, as a means to reduce manpower vacuums coming from the implementation of work-life balance promotion policies such as maternity leaves, is expected to help individuals maintain their career and work-life balance and to support companies to preserve business continuity and effectively manage their organizations.
- ☐ However, the replacement worker utilization rate is, in reality, estimated to be as low as 5.5%. This acts as a major factor that hinders the effective use of work-life balance promotion policies including maternity leaves.
- ☐ This paper aims to seek ways to help the public sector more widely employ replacement workers, removing elements that prevent the effective use of work-life balance promotion policies, and thereby lead the private sector to more actively use such schemes.

2. Research and Analysis Results

1) Key Research Contents and Methods

- This report is designed to come up with proper measures to enable public institutions to more actively employ substitute workers, focusing on the following four research questions and identifying solutions thereto:
 - First, we identified the current status of female workers employed by public institutions, their use of childcare leaves, and the employment of replacement workers, based on existing research literature and statistics. Figuring out changes in gender ratio in public institutions makes it possible to identify possible issues that organizations may experience, as well as what to prepare to deal therewith. Changes in gender ratio in the workforce will create manpower vacuums and the need for work-life balance promotion policies, functioning as the basic evidence that shows the need for the wider use of replacement workers.
 - Second, we studied the degree to which public institutions are prepared to accept work-life balance promotion policies, such as childcare leaves, that act as the basic framework for them to employ replacement workers. To this end, we conducted research on maternity leaves, childcare leaves, shorter working hours during the childcare period, the implementation and awareness of such systems as childcare leaves, the acceptance of work-life balance promotion policies, responses to manpower vacuums, and the employment of replacement workers.

- Third, we also examined the degree to which public institutions recognize infrastructure for the employment of replacement workers, along with the equivalence of such workers. In relation to infrastructure for the employment of replacement workers, we looked into the degree to which HR managers and organization members are aware of a replacement service system and substitute worker banks currently used in other sectors. This is deemed to act as a means to measure how actively institutions and their members can react to issues resulting from manpower vacuums caused by childcare leaves and so forth. With regards to the equivalence of replacement workers, we reviewed the capability and relevance of substitute workers, the degree to which such workers employed due to maternity and childcare leaves contribute to institutions, and the relevance of substitute workers by type.
- Lastly, we checked ways to enable public institutions to more actively employ replacement workers, along with related urgent issues. By identifying ways to encourage such institutions to more widely use replacement workers required due to manpower vacuums stemming from childcare leaves and so on, as well as what is the most urgently needed among them, we came up with relevant policy suggestions.

☐ Research Methods

- In order to come up with proper plans to enable public institutions to more actively employ replacement workers, we analyzed literature directly relating to substitute workers,

as well as existing replacement worker-related research and policy documents.

- In order to identify ways to help public institutions more widely employ replacement workers, as well as to examine their use of substitute workers, we conducted a survey of 1,000 HR managers and employees working for public institutions.
- In-depth interviews were also carried out to look into issues that can hardly be identified via surveys.
- We gathered opinions on general research contents, the flow thereof, and policy suggestions via expert consultative meetings.

2) Analysis Results

- Analysis of an organizational framework for the employment of replacement workers
 - Acceptance of the use of work-life balance promotion systems
 - A very positive working environment has been created, in which, work-life balance promotion systems can be used without difficulties.
 - Most employees understood the use of maternity and childcare leaves, relatively frequently enabling colleagues to share workloads and employing replacement workers.
 - However, in case the manpower vacuum continued longer than expected, they were more favorable to the use of maternity leaves than the use of childcare leaves.
 - Responses to manpower vacuums
 - We also studied and analyzed how public institutions have

dealt with manpower vacuums resulting from the use of work-life balance promotion systems such as childcare leaves.

- According to the survey results, 53.4% hired replacement workers additionally while 27.1% led colleagues themselves to handle the manpower crunch without employing replacement workers. 12.9% responded to the lack of manpower by readjusting workloads by team. In other words, almost half (42.6%) of the respondents relied on colleagues and workload readjustment by team without hiring replacement workers.

○ Employment of replacement workers and less workloads

- The highest percentage (80.8%) of public institutions followed institution-level formal procedures to employ substitute workers while 18.3% depended on team-level formal procedures. Most institutions employed replacement workers via institution- or team-level formal procedures. A very low percentage of institutions followed informal employment procedures.
- 73.5% replied that the employment of outside replacement workers relieved workloads. 46.0% and 27.5% answered that hiring replacement workers eased workloads to a certain degree and resolved workload-related problems completely, respectively. These results show that the employment of substitute workers plays a positive role in filling manpower vacuums arising from the use of work-life balance promotion systems such as childcare leaves.

□ Infrastructure for the employment of replacement workers

- Active employment of replacement workers
 - The results show that public institutions have actively employed replacement workers. 50.3% actively hired substitute workers while 13.2% were passive in employing substitute workers.
- Awareness of replacement worker banks used in other sectors
 - The awareness of replacement worker banks used in other sectors can have a positive effect on leading public institutions to employ replacement workers.
 - Generally, they have a low level of awareness of replacement worker banks operating in other sectors. 60.8% did not have any idea of the replacement worker bank operated by the Ministry of Employment and Labor while only 39.2% had knowledge of the bank. Moreover, 71.0% had no knowledge of the replacement worker bank managed by the Ministry of Personnel Management.
- Existence of a replacement service system
 - A replacement service system for government employees has already been introduced and implemented to fill manpower vacuums coming from maternity and childcare leaves. A substitute colleague for female staff on maternity or childcare leave is additionally paid KRW 50,000 a month. In case there are two or more substitute colleagues, each one receives KRW 30,000 a month.
 - Public institutions have yet to officially operate such a replacement service system.

- Analysis of the capability of replacement workers and the type of their use
 - Capability of replacement workers
 - Outside replacement workers were compared with those on maternity or childcare leave in terms of job-related capabilities. According to the analysis results, replacement workers were highly recognized in job fulfillment capabilities but were deemed to be lacking a sense of responsibility for or a dedication to organizations.
 - However, 56.1% replied that outside substitute workers could replace those on childcare leave in terms of job fulfillment.
 - Type of the use of replacement workers and their contributions
 - A survey of HR managers was also conducted to analyze the types of and contributions by replacement workers. 61.1% employed prospective job applicants as replacement workers while 53.8% relied on substitute colleagues. 42.3% decided to employ new daily workers.
 - In terms of contributions, substitute colleagues were the most highly acknowledged (56.3%), followed by prospective job applicants (42.9%).
 - Relevance of replacement workers by type
 - Replacement workers were classified into experienced workers (those on an employment waiting list, retirees, etc.), public service personnel, prospective job applicants, and new daily workers to study and analyze their relevance by type. In terms of relevance, prospective job applicants were the

- most highly evaluated (58.8%), followed by experienced workers (49.3%) (including retirees) and colleagues (44.8%).
- New daily workers (38.8%) and public service personnel (51.6%) were negatively recognized in terms of relevance.

- ☐ Analysis of ways to more actively employ replacement workers
 - ☐ Need for the wider employment of replacement workers
 - 71.5% of respondents acknowledged the need for the active employment of replacement workers to fill manpower vacuums stemming from work-life balance promotion systems such as childcare leaves.
 - ☐ Ways to more actively employ replacement workers
 - Focusing on the following four areas, research and analysis processes were carried out: 1) providing reasonable benefits to substitute colleagues; 2) connecting public institutions to the current replacement worker bank system; 3) establishing a replacement worker management system for public institutions; and 4) raising the current replacement worker benefit.
 - The need for offering reasonable benefits to substitute colleagues was the most highly recognized (65.0%), followed by ‘establishing a replacement worker management system for public institutions’ (64.1%), ‘raising the current replacement worker benefit’ (48.4%), and ‘connecting public institutions to the current replacement worker bank system’ (44.3%).
 - Among the aforementioned measures, ‘offering reasonable benefits to substitute colleagues’ (64.1%) was judged to be the most urgently needed, followed by ‘establishing a replacement worker management system for public institutions’ (58.9%).

These correspond to the results from the research on and analysis of ways to actively employ replacement workers.

3. Policy Suggestions

□ Demand Control Plans

- Control of women's concentration in specific jobs
 - Controlling women's concentration in specific jobs aims to prevent demand for childcare leaves from soaring in specific areas by easing women's concentration in certain jobs. Manpower vacuums arising from the use of work-life balance promotion systems such as childcare leaves can be controlled in size and frequency by making female workers employed evenly for diverse jobs. As a result, the percentage of those on childcare leave in a team as a whole can be lowered, enabling colleagues to more easily share workloads.
 - To effectively control women's concentration in specific jobs, a job quota system for female employees can be considered. In other words, rules for preventing the number of female workers in a specific team from exceeding a preset level can be newly created and implemented.
- Active use of a shorter working hours system during the childcare period
 - The active use of a shorter working hours system during the childcare period is designed to minimize demand for replacement workers, like the control of women's concentration in specific jobs.

- Under the system, just part of the childcare leave period, rather than the whole thereof, is used to take care of a child. In case this system is more actively used, the woman in charge can handle core jobs, with the other business shared by her colleagues. This will lead to a fall in demand for substitute employees.
- For the wider use of the system, replacement workers should be guaranteed a certain number of working hours or paid for transportation or be given other benefits by crafting necessary rules and regulations. These will lead those who are expected to be on childcare leave to make better use of the system.
- Use of paternity leaves
 - A family-friendly paternity leave system makes it mandatory for fathers to use part of the childcare leave to control demand for replacement employees.
 - Parents can share childcare leave, so that the maternity leave period can be fundamentally shortened. The system is designed to reduce demand for substitute employees arising from the use of childcare leaves to a certain degree.
 - It is necessary to gradually introduce rules for making the use of paternity leaves mandatory.

□ Demand Management Plans

- Optimized reflection of the characteristics of the demand for replacement workers
 - Replacement workers required due to childcare leaves and so forth can be employed in an optimized way when demand

not only in quantity but also in quality can be considered. To this end, considering the characteristics of ‘those who are expected to be on childcare leave’ by institution and job, existing ways to employ substitute workers should be differentially used. The equivalence of replacement workers can be enhanced by using differentiated systems based on the features of ‘those who are forecast to be on childcare leave’ by region and job.

○ Introduction of a separate quota system

- In order to come up with fundamental and long-term solutions to replacement personnel-related issues arising from childcare leaves, the current separate quota system to fill a vacancy should be converted into a basic quota scheme. In the context of the active use of female workers or fundamental solutions to low fertility-related issues, more active measures should be devised and carried out via a social consensus.
- To this end, capabilities to deal with the issue on a regular basis should be secured by reflecting a rise in the use of childcare leaves into the labor cost ceiling system.

○ Operation of a replacement worker bank for public institutions

- Research results show that needs for a replacement worker bank only for public institutions have been widely recognized.
 - Establishment of a new replacement worker bank for public institutions
 - Management and operation system
- A central replacement personnel service center for public institutions should be established. Considering the relocation

of administrative agencies, regions should be classified before installing replacement personnel service centers by region.

- For replacement workers

1) Almost all public institutions deal with both their own businesses and general administrative support services offered by every organization. 2) It is necessary to install DB regarding those retiring from public institutions and their career-disrupted members. 3) Via existing replacement worker banks operated by the government, replacement personnel can be secured. It can be proposed that the current scheme should be expanded to a system in which required replacement workers can be chosen and announced by adding public institutions to the institution member list.

- Help replacement workers cultivate their capabilities

Many and unspecified job seekers are not allowed to be registered in a pool of replacement workers. Instead, presenting eligibility criteria for being registered in a replacement worker bank, only those who meet the requirements are allowed to be registered. It is necessary to cultivate job-related capabilities of replacement personnel by leading them to complete certified job training programs.

□ Introduction of benefits for substitute colleagues

- Doing business for other colleagues requires not only job fulfillment capabilities but also a sense of responsibility for

and a dedication to organizations.

- Considering this, colleagues will be the best candidates for replacement workers.
- Colleagues can effectively handle daily businesses because they can easily share information and understand work-flows and a team atmosphere. Moreover, it is very difficult to temporarily employ high-caliber outside personnel with the same capability as those on leave.
- Therefore, a substitute worker benefit system that has already been used for government employees needs to be introduced for public institutions to provide additional benefits to replacement workers.

4. Expected Benefits

- ☐ Present empirical data that are required for public institutions to employ replacement workers.
- ☐ Present ways to support public institutions to employ replacement workers.
- ☐ Enable work-life balance promotion systems to be solidly established via the active employment of replacement workers.