



- Finding and Procuring Staff in Korea - Recruitment in South Korea

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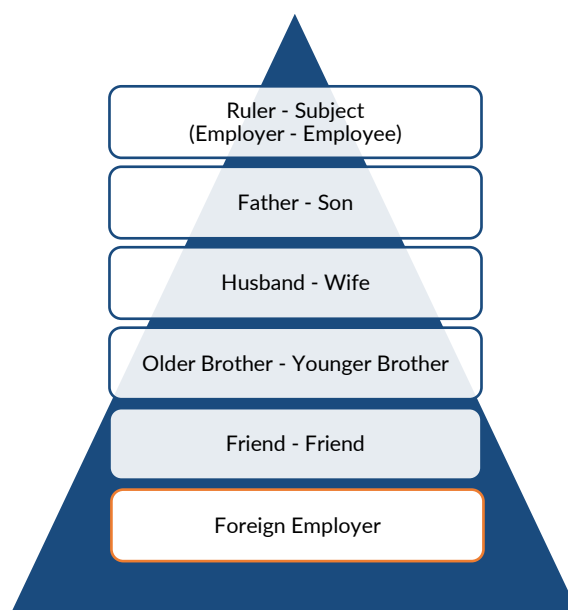


- Finding and Procuring Staff in Korea -

Every company succeeds or fails based on the quality of its employees. Finding good staff in your home country is already difficult enough and finding good people in a foreign country like Korea can be even more challenging. Not only do the language and education system of candidates and the corporate world differ significantly from Western understanding, but also Korean peculiarities such as social environment, foreign loyalties and values, gender, age and social status need to be considered in the decision-making process.

Social Environment

Twentieth century Korea was formed and dominated by colonial occupation, a three-year civil war between the North and South and the consequential complete destruction and eventual reconstruction of the country's infrastructure. The generation following the civil war (1950-1953) is now headed for retirement after having reconstructed the country and after having laid the foundations of the current education system about 60 years ago. Korea was and still is a country defined by Confucianism. Although there are many Christians and Buddhists these days, the influence of Confucian teachings can still be very strongly felt in the Korean lifestyle and work environment. While the traditional trappings of social position are gradually receding, social standing defines itself most strongly in the workplace and through financial affluence. The "Five basic relationships" – a central tenet of Confucianism – are still as strongly evident as ever. These relationships define the relationship between Employer and Employee, however there is no place for the foreign Employer in this hierarchical structure.



The five basic relationships of Confucianism
+ Foreign Employer.

Education

Korea has blossomed into an educational model student over the last few years. Not only does Korea regularly place highly in PISA studies, Korean universities also increasingly attract foreign students and international collaboration. The school system is based on a 6,3,3,4 structure: Six years of primary school, three years of middle school, three years of high school and four years of university leading to a bachelor's degree. The curricula are generally conceived rather theoretically however and only limited connection with daily life is realized. Creative thinking processes are also only encouraged and tolerated in limited ways.

This can be explained through the influence of Confucianism, which places the status of teachings or doctrines higher than that of practical employment. Looking further, it makes sense to consider that corporal punishment was only abolished a few years ago and before that impudent questions from one student could result in a caning for the whole class. In professional life this outlook still leads to instructions from superiors being blindly followed and unclear points only being questioned when it's too late.

The historical development of the country has led to the teaching of foreign languages in particular being slow to take off. There are relatively few experienced professionals and managers with adequate English skills. This can be expected to change with the generations in the not too distant future, given what might be called enormous subsidies for private language tuition (up to tens of thousands of dollars per child per year). Practical professional training on the other hand still has very low status in many professions and is essentially carried out in individual workplaces. This is true for university graduates as well as tradesmen. In the past there was no technical schooling available. A technical college system has more recently been introduced, based on the German *Berufsschule* system, but has yet to be proven.

The academic system is based on both private and state universities and there is intense competition between universities for rankings. Graduation from one of the leading universities confers both a safe start to a career and long-term contacts for a professional lifetime. A foreign enterprise in Korea would be well advised to employ personnel with several years of experience, not least for the sake of the fresh graduate entering the workforce. Graduates in foreign companies are often confronted with a culture shock in their own country and can sometimes have difficulty integrating themselves into Korean companies later in their careers.

PISA Study Results 2018: Top 10 + Germany								
Mathematics			Natural Sciences			Reading Comprehension		
Rank	Country	Points	Rank	Country	Points	Rank	Country	Points
1	China (BSJZ)*	591	1	China (BSJZ)*	590	1	China (BSJZ)*	555
2	Singapore	569	2	Singapore	551	2	Singapore	549
3	Macao	558	3	Macao	544	3	Macao	525
4	Hong Kong	551	4	Estonia	530	4	Hong Kong	524
5	Taiwan	531	5	Japan	529	5	Estonia	523
6	Japan	527	6	Finland	522	6	Canada	520
7	South Korea	526	7	South Korea	519	7	Finland	520
8	Estonia	523	8	Canada	518	8	Ireland	518
9	Netherlands	519	9	Hong Kong	517	9	South Korea	514
10	Poland	516	10	Taiwan	516	10	Poland	512
20	Germany	500	16	Germany	503	20	Germany	498

PISA Study of 79 countries. Source: OECD

*PISA tests were only conducted in the provinces of Jiangsu and Zhejiang, as well as the cities of Beijing and Shanghai, which together have approximately 180 million inhabitants.

Finding Personnel

In the search for personnel, employers in Korea have the same basic resources as in most countries: Classified ads (on or offline), Government Employment Office and Agencies (including headhunters). Without significant language abilities and understanding of the Korean employment market, the classifieds and the employment office both offer the foreigner quite limited assistance. Finding and identifying qualified and personable personnel is challenging. Posting a job ad for a simple position very often results in a multitude of applicants. This is to be expected in greater Seoul with a population of around 25 million, but it is also due to the fact that every opportunity is taken seriously, and job seekers routinely apply for positions for which they are simply not suitable. A requirement for an English résumé fails to stop many applicants submitting one in a mixture of Korean and English or only in Korean. This doesn't necessarily mean that these applicants aren't qualified for the job; it may simply be that they didn't have time to prepare themselves appropriately. Placing a position with the Employment Office brings similar results. The fully automated system in the Employment Office is based on a simple key word search so employers get introduced to 20-30 candidates per day. Naturally job seekers and consultants are well aware of this concept and both endeavor to include as many key words as possible. In the end this makes selecting individual candidates extremely time consuming and economically unattractive.

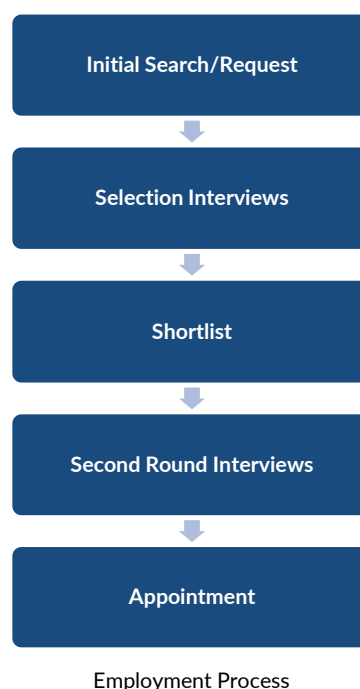
In general, Korean résumés are very dry and concentrate on basic information more than responsibilities and achievements. This doesn't help with shortlisting. English CVs are mostly based on an electronic translation using Google or the Korean competitor Naver and are usually quite unusable. Only a very few applicants understand how to present a CV in an orderly and intelligible form. It should come as no surprise therefore, if a CV comes with an English cover

letter that doesn't match its form or style at all. There are many cover letter templates available online and it's not unusual to find them submitted almost word for word. References and written recommendations are essentially unknown in Korea. This makes background checking difficult. It's rare to be able to find a suitable person to talk to when calling previous employers.

In the search for professionals with good English skills, Classified Job Ads and the Employment office aren't really much help. The search can often take many months and the most suitable employees are often already employed by leading Korean conglomerates and have only limited interest in (small) foreign firms. This is due amongst other things to the fact that the reputation of foreign employers is only indifferent. They often adjust only slowly to Korean business practices and have trouble matching the pay rates of the large Korean companies. Additionally, there is still always some risk with foreign companies. Many struggle with adapting to Korea in the early years and not infrequently withdraw from the market in the end. This issue of job security, an important consideration for many job seekers, often leads to individual applicants either not applying or withdrawing their application after the first interview stage. Quite apart from that, it pays to consider that many Korean firms themselves engage professionals via third party personnel agencies because they are unable to find adequate personnel using their own resources. This presents further HR problems for foreign companies wanting to co-operate with large Korean companies. The business skill and abilities of in-house employees should be at least equal to those of the customers to be supplied in order to be able to negotiate on a common footing.

Recruitment Agencies

Recruitment Agencies, also called Headhunters and Executive Search Providers offer an alternative to searching for staff yourself or via the employment office. The most important advantages of a recruitment agency for a foreigner in Korea are specific knowledge of the local employment market and the ability to bridge language and cultural differences. They also save time, increase certainty in planning and generally offer higher quality applicants to be interviewed by you in the end. Using a recruitment agency also lends a certain degree of reassurance for management in the home country, knowing that the right people have been employed by professionals with good market knowledge. These arguments have to be weighed against the cost of external personnel sourcing. The costs quickly come into perspective though, particularly in Korea, when you



consider the large personal effort required and the extremely high risk of a poor decision due to unfamiliar aspects of the Korean employment market. It is also worth considering that by advertising the position yourself you will mostly get to meet job seekers, but often not the desired professionals as they will not be seeking work at that time!

Korea has both local and foreign recruitment agencies. Important points to watch are that the agency operates at a professional standard and has a high level of technical and commercial understanding as well as clear abilities in communication and customer orientation. It's worth checking that they are a licensed agency and that their staff have the necessary training and qualifications for the job. The Recruitment Agent must be able to understand the needs and requirements of the customer in order to be able to conduct the search for employees in a professional way whilst taking cultural and commercial values and standards into account. Without this understanding even working out the job description can become ridiculous. Neither the employer nor the future employee benefits if the recruiting agent as go between doesn't have the appropriate technical, commercial, and human abilities and skills. The same is true for the infrastructure that the agent works with. There should at least be a proper interview room available. Interviews in cafés or hotel rooms are not really desirable either for the candidate or the employer. In general, an atmosphere of trust can only be built up with some difficulty in a public space.

The costs of recruitment vary depending on the position and the complexity of the search, but the commission in Korea is rarely over 30% of the gross annual salary. Costs for local and foreign agencies are generally the same and aligned with the market. The quality and performance of individual recruitment agencies can vary significantly at times. In setting out the procurement contract particular attention should be paid to a guarantee clause. Should a candidate resign within the first six months, a replacement would normally be put forward free of charge.

A procurement contract will either be a Contingency Search (non-exclusive contract) or a Retained Executive Search (an exclusive procurement contract). The approach an agency takes with procurement is a strong indicator of their underlying quality and organization. With a Contingency Search, various recruitment agencies take up the same contract and only the provider who first puts the ultimately successful candidate forward gets to fulfill it. Suppliers working on the basis of a Contingency Search can only dedicate limited attention and resources to the procurement. The nature of a Contingency Search contract necessarily includes a high risk of failure. A competent pre-selection of applicants, comprehensively taking into account the actual needs and requirements of the prospective employer is hardly possible.

Recruiters working on the basis of a Retained Executive Search concentrate fully on the needs and requirements of the company seeking personnel. The exclusive nature of the contract allows them to invest their time and other resources in finding the most suitable candidate for the job. This approach works as well for the candidates as for the customer. Only candidates who meet the exacting requirements of a thorough selection process and also the reasonable expectations of the customer will be presented. It is not unusual for five qualified candidates

to be presented from a list of 50 – 100. The employer's task is then to select the best candidate from these five. This kind of professionally conducted recruitment typically takes from two to four months in Korea including the normal one-month notice period for the former employer.

Firms planning to enter the market or working with only a limited team in Korea should seriously consider enlisting the support of a professional recruitment agency. The effort required for in house recruitment in Korea is often equivalent to the cost of professional recruitment through an agency. On the other hand, the timely appointment of suitable personnel offers the incalculable benefit of being able to take up new opportunities immediately and as they occur. Remember too that it's not easy to fire employees in Korea. A bad decision can not only delay setting up the organization but also cost a lot of money.

In some cases, an international recruitment agency is already being successfully engaged at home and may have an office in Korea. In this case it makes sense to pay attention to a few points and a measure of caution is advisable. Many international firms claim to have an office in Korea. An office does not necessarily mean a branch. Often the office is really run by a Korean partner company, usually with no appropriately qualified personnel and a professional standard may not be met.

Engaging Korean personnel in the home country is also not always advisable. Apart from the pool of candidates being severely limited, behavior patterns are often quite different between a person living abroad and someone living in their homeland. The surprise usually comes when accompanying the employee on the first mutual customer visit. Even with no Korean language skills you will be able to tell if the person doesn't really feel at home in their own society or is no longer accepted. Koreans have a tendency to behave in quite a hostile way towards other Koreans who have lived abroad.

Job Interviews

The decision to employ a candidate is, in the end, the result of various interviews. In most western industrial countries, the expectations placed on the applicant are relatively high. Ideally the applicant should have studied the company and the advertised position in some detail in advance and have suitable answers ready for possible questions about the company's products or services. Any such expectation in a Korean job interview will result in bitter disappointment. A certain amount of nervousness is normal in a job interview, but in this case, it is coupled with being forced to speak in a foreign language that is probably not used very often and uncertainty about the procedures of a job interview with a foreigner in their own country. Not forgetting that for a Korean applicant proactive conduct towards a potential employer and often also an older interviewer is simply not appropriate according to Korean norms and values. The applicant's social conditioning prescribes passive and diffident manners.

To break the ice and give the applicant a chance to get used to the situation, the discussion should be led by the interviewer initially. A brief introduction to the company and the interviewer often allows the applicants pulse rate to sink markedly and gives the interviewer

an opportunity to gather a first impression of the applicant's powers of perception. Once the applicant has relaxed a little, the interviewer can gradually guide the discussion back towards the applicant and continue the interview in the usual way.

If an appropriate candidate is identified, the applicant should be informed, and the appointment completed within a few weeks. Foreign companies in Korea, especially those in the market entry phase, tend to delay their decisions for some months. This often results in the best candidates losing interest in the meantime and withdrawing their applications or finding another position and the search must be started over again.

There are very good managers and other professionals in Korea. In comparison to some other countries it takes a lot of time and effort to find them or have them found. Korea is nevertheless an attractive and promising market for high-tech products and services that has a lot to offer companies from all over the world.

Labor costs

If you are interested in learning more about the [labor costs in Korea](#), please visit our homepage for the latest version of our report.

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About Nowak & Partner

Nowak & Partner is a management advisory firm focusing on market entry, executive search and project management in Korea.

We deliver customized turn-key solutions to international companies that are entering the Korean market, hiring key personnel (headhunting) to lead the business in Korea, and negotiating in M&A or joint-venture agreements with Korean counterparts.

We offer project management support across a wide range of areas, where commercial common sense, Korea expertise, and our reliability are winning factors. For established companies in Korea, we are a reliable ally for succeeding at difficult and unusual tasks. We provide locally adapted solutions and provide you with everything you need to make your business operations and market entry to Korea a remarkable success.

Nowak & Partner has successfully completed projects in key industrial sectors in Korea, such as automotive, engineering, robotics, chemical, energy, renewable energy, arts, retail, cosmetics and more.

Market Entry	Project Management	HR Services
<i>We structure your market entry and business development in Korea, including office search, office set-up and HR Services.</i>	<i>We tackle a variety of commercial and technical assignments, offer interim management and support you in difficult times.</i>	<i>We select and recruit executives (C-level and mid-level), technical specialists and strategically critical professionals.</i>
<i>We provide customized one-stop solutions for our customers, including providing freelancers – qualified professionals – who represent your company in Korea.</i>	<i>We negotiate with Korean business partners for you and deliver professional advice regarding your joint venture or M&A endeavours.</i>	<i>We provide a shortlist of the most suitable candidates for your business objectives, leaving you to choose your preferred match.</i>
Turnkey Company Setup	Benchmark Audit	Executive Search
Business Incubation	Interim Management	Team Setup
Office Search & Setup	Crisis Management	HR Assessment
Freelancer Hosting	Negotiations	HR Consulting
Trustee Service	M&A / Joint Venture	Business Coaching

We fast-track the success of international companies in Korea!