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HUMAN RESOURCE MANAGEMENT REFORM IN THE KOREAN CIVIL SERVICE

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ABSTRACT

Technological innovation leads towards borderless economic activities that force public organizations to reform. In the case of Korea, the impetus for undertaking human resource management reforms stems from the economic crisis of the late 1990s. A logical response to an economic downturn is to implement civil service reform to increase the ability to compete. New times and trends need to be actively utilized in the Korean public sector. As part of such environmental changes, the Civil Service Commission was established on May 24, 1999, in an effort to build a more competent government. Reform measures include introducing an open employment system (to enable the recruitment of private sector personnel), performance-related pay (to encourage competitiveness in the public sector) and many other flexible employment practices (to modernize Korean human resource management in government). The reforms are expected to have a significant impact on transforming a heretofore rigid and unresponsive Korean Civil Service.

INTRODUCTION

Until the early 1990s, most of the governments in the Organization for Economic Cooperation and Development (OECD) had human resource management (HRM) systems that provided guaranteed employment after recruitment and uniform working conditions. According to OECD (1995), HRM reform was seldom an integral part of reform efforts in OECD countries until the early 1990s. In some countries, such as Germany and Japan, the influence of new management ideas on public service HRM appears to have been marginal, and HRM has not been a priority area for reform (OECD, 1995, p. 125). These features created a special internal labor market that was separate from the private sector.

Economic strain on the public sector has increased the demand for HRM reforms. Many OECD countries are now attempting to reform public sector HRM systems. Australia, New Zealand, Sweden and the United Kingdom are
pursuing fundamental public management reforms that are transforming the nature of public service employment and people management (OECD, 1996, p. 17). A range of reforms is being observed, including transformation of selection methods and types of employment and merger of the public and private sector job markets (OECD, 1996, 1998). The changes have taken place as a direct result of policy moves to cut public employment, make it more flexible, and increase labor market efficiency.

Social changes have increased pressures on organizations to be more responsive to the general public and public officials. For example, many public agencies in OECD countries now offer flexible work schedules. A greater emphasis is being placed on designing and implementing competency-based open career systems in organizations. Organizations and human resources managers must find creative ways for personnel to develop (Hays & Reeves, 1989). As a result, they will experience greater pressures to provide career counseling to employees, and departments will be called upon to offer training for managers in career coaching skills.

The initiative for government reform in Korea was inspired by the economic crisis in 1997. The state-led development strategy was effective in achieving rapid economic growth in the period of industrialization (Kim & Kim, 1997). However, structural deficiencies and lagging adjustment to global standards resulted in a significant drop in competitiveness. The lack of competitiveness is thought to have contributed to the economic crisis in Korea.

A diagnosis of these problems indicates that previous reform efforts resulted in failure. The traditional Korean civil service, designed for a centralized command-and-control mode of operation, was incapable of success in a today’s rapidly changing environment. In the past, reorganization of government occurred as a type of administrative reform, but did not alter bureaucrats’ old behavior or direct them toward new challenges. Civil service reform has been attempted, but only on a cosmetic scale. Systemic and institutional flaws, characterized by unresponsiveness, eroding capacity, lack of flexibility, unprofessional work, and over-regulation, prevented the bureaucracy from coping with the increased pace of world changes. Government operated a rigid and centralized system that could not make prompt and appropriate responses to economic change (Kim & Kim, 1997; Kim, 1992a, 1992b). This new awareness is the principle that leads the Korean government in its reform of the civil service (Kim, 1996). The aims of HRM reforms are to provide increased flexibility and effectiveness and to create a more competitive workplace. These aims are a response to the problems that face the public sector under the current economic distress. Accordingly, the purpose of this paper is to review current human resource management reform in the Korean civil service from a global perspective.
NEW TRENDS OF HRM AND ENHANCING FLEXIBILITY IN HRM

The manner in which organizations conduct human resource activities helps create and sustain competitive advantages. Two critical objectives of civil service reform initiatives are to develop: (a) a civil service that is more responsive and accountable to the public, and (b) flexible staffing policies that encourage and reward merit. Thus, human resource management is a key element in reform initiatives (Cohen & Eimicke, 1998).

In addition, a third objective of civil service reform would be to promote fairness and equity in hiring practices with regard to women, the disabled, and those from economically disadvantaged backgrounds. Governments should serve as role models for the private sector in this regard—with an added advantage of bringing a new diversity of ideas to bear to solve public management problems.

Contemporary trends and challenges in the business environment necessitate that even greater attention be given to human resource management (Bernardin & Russell, 1998; Kim, 1999). There are a number of reasons for public management to increase focus on human resources. The most significant of these are concerns about productivity and performance, cost control, and the need to foster a competitive work environment that places a premium on service quality. There is a need to be more flexible due to the incredible pace of changes in markets and technology. HRM can facilitate a flexible and knowledgeable work environment to meet these challenges.

Four contemporary trends affect human resource management (Bernardin & Russell, 1998). First, many organizations are evaluating their human resources and labor costs in the context of available technologies, based on the theory that products and services can be delivered more effectively through an optimal combination of people, software, and equipment. This combination should affect productivity and performance, which is the major correlate of a nation’s standard of living and the best measure of economic performance. Second, the uncertainty in global markets requires more flexibility in HRM through such means as outsourcing and downsizing. Third, emerging technologies and opportunities are global factors, as competition becomes stiffer. Organizations must soon evaluate workforce skills and availability on this global basis. Fourth, as the composition of the workforce changes, it affects HRM policies and practices. Many in the workforce lack the necessary knowledge, skills, and abilities to function optimally. The senior members in the Korean civil service have failed to upgrade their skills of information technology (IT) and understanding of global culture, so more opportunities for training and career development are required. Moreover, as more women and disadvantaged sectors join the civil service through higher education, it is natural for
government officials to foster an HRM strategy that values diversity and fairness.

Innovative and responsive changes in business environments require flexible approaches to new ideas (Kim, 1999). A number of different characteristics might be covered by the expression *flexibility*, such as the ability to use the skills of the workforce in varying ways in response to demands of wages and performance (Mabey & Salaman, 1995, p. 31), and promoting changes in employment and compensation practices (OECD, 1998).

**HRM REFORM IN THE KOREAN GOVERNMENT**

Since 1948, the Ministry of Government Administration (MOGA) has taken central responsibility for the management of human resources in the Korean public sector. In 1998, it was merged with the Ministry of Home Affairs (MOHA) and became the Ministry of Government Administration and Home Affairs (MOGAHA) by a comprehensive reorganization of the central government. Until then, personnel policy was still centralized with employment numbers decided at the national level (Kim & Kim, 1997). The use of human resources was controlled through budgets and centrally fixed ceilings on personnel, and the traditional function of the central personnel office has been that of organizational *police*.

Recent reforms are being driven by severe economic difficulties. In 1997, the foreign exchange crisis led to a severe slowdown in the economy and changed the direction of public management reform. Accordingly, the President initiated various government reforms. The government's aim in reforming the public sector is to respond to public demands for more responsive, accessible, and competent government.

Key changes that affect the personnel management in the Korean civil service (KCS) are: (a) the establishment of the Civil Service Commission with policy responsibility for the management of people in government; (b) changing hiring methods; (c) the establishment of an open employment system; (d) enhancing mobility though promotion of personnel exchange; (e) pay reform, including the introduction of a performance-related annual pay scale for senior officials grade 3 and above; (f) reinforcing performance evaluation; (g) substantial investment in training and development; (h) building a human resource database; and (i) arranging flexible staffing policies. In the following section, major civil-service reform measures, both recent and those to be implemented, are reviewed.
Establishment of the Civil Service Commission

After decades of delay, the Civil Service Commission (CSC) was established on May 24, 1999, with the mission of providing new tools and strategies to meet new challenges. Under earlier authoritarian regimes, demand for creating a sole human resources management agency was not voiced. As Korea in the 1980s moved to a more democratic society, royalty-based personnel practices for regime maintenance were heavily criticized. As an alternative for reducing such problems, the establishment of the Civil Service Commission has been an item on national agendas for most incoming presidents, but it did not materialize in the past.

The Civil Service Commission was established to serve as a monitoring and information-gathering agent with respect to personnel management. It has a secretariat with 65 employees. The composition of the Commission includes the CSC president, two commissioners from university, and two from the civil service. All five members have now been appointed by the President. The Commission’s responsibilities are to formulate general policy for personnel management including the pay system, to review the promotion of the senior civil servants, to review personnel actions, and to implement the open employment system. CSC also has authority to reverse other central agencies’ employment-related decisions such as promotion and recruitment for grades 1–3 based on the merit principle. The official term of the CSC Head is three years with reappointment possible. The National Civil Service Act confirms that the CSC Head can not be removed by the president unless there is a medical inability to perform the duties of the office. Accordingly, the CSC Head has substantial authority to exercise his own ideas and policies for HRM reform.

In the past, personnel functions were not separately assigned to a sole ministry. It was one of several functions for which the Ministry of Government Administration and Home Affairs (MOGAHA) was responsible. The current financial crisis and the lack of competency it exposed brought attention to personnel affairs and eventually led to separation of personnel functions from the MOGAHA. Accordingly, the establishment of the Civil Service Commission was important for the general welfare of Korean public servants and the interests of the general public. In the past, personnel functions were treated as a general affair requiring no professional skills and knowledge. In comparative perspective, it is interesting to note that the Korean government established the Civil Service Commission (CSC) and the American government abolished its own in 1978. The idea of establishing a sole agency dealing with human resource management is similar in both Korea and the USA, but the organizational forms are different. In Korea, CSC was adopted as a quasi-independent agency because it was thought to be more appropriate for
The Korean situation, at least for the time being, in light of the need to promote fairness while preventing political influence in personnel practices.

The Civil Service Commission seeks to build an open and flexible government adaptable to changing environmental conditions. Focusing on excellence in government, the most recent reform of the Civil Service Commission is clearly distinct from the previous reforms that usually resulted in superfluous changes in organizational configuration. Besides promoting structural reform, the Civil Service Commission is to staff the government with qualified personnel and provide a better environment to produce quality administrative services. Although the Civil Service Commission is a new independent central agency and still weak in authority and size, expectations are high that human resource management in government will be more professionally conducted, with more enlightened policies being developed in the future.

**Changing Selection Methods: Restructuring the Entrance Examination**

Under the pressure of increasing global competition and growing need for high quality manpower, the Korean government recently announced it will shift emphasis from education-based to performance- and skill-based selection criteria and will change the civil service entrance examination. Changes will include devoting more time and effort to assessing job performance and job-related skills. The open competition system is turning traditional hiring practices into a more systematic selection process.

Traditionally, the civil service entrance examination in Korea has consisted primarily of a written examination (Chang & Chang, 1994; Kim & Kim, 1997). The selection process of the civil service entrance examinations is based on a combination of written tests on English and major subject areas and an interview. In order to pass the civil service examination, applicants must demonstrate a broad range of knowledge in these areas.

A major problem of the existing examination system is that it has focused on testing fixed levels of knowledge based on rote memorization. Accordingly, the Civil Service Commission will reform the civil service entrance examination. The Civil Service Commission will adjust the subject and pattern of the examination in a rational manner to find people with greater potential to meet new needs for skill and learning. The written examination will be restructured. Subject areas of the current Senior Civil Service Entrance Examination are mostly based on legal studies and social sciences. Major problems of a written test are the absence of any real opportunity to evaluate applicants' practical ability and skills.

The Korean government is now considering drastic changes to the senior civil service examination. As a way to diversify recruiting tools, internationally
recognized English tests and aptitude methods will be employed in the form of the Public Service Aptitude Test (PSAT). Also, intensive interviews will be utilized to test an applicant’s actual job capacity in the form of a blind interview.

First, standardized English tests will be used in the form of the Test of English as a Foreign Language (TOEFL), the Test of English for International Communication (TOEIC), or the Test of English Proficiency-Seoul National University (TEPS). Proficiency in English is a demanding qualification in both the Korean public and private sectors as the world becomes a border-less community through globalization and informationization. Such standardized tests have become a popular element for evaluating practical English proficiency in both private and public sectors. English proficiency test scores will play a major role as a screening factor in the Senior Civil Service Entrance Examination.

Second, the Public Service Aptitude Test (PSAT) will be adopted. It will contain two sections: intelligence and knowledge. First, the intelligence section will include questions involved reading comprehension, logical reasoning, mathematical reasoning, data interpretation, history, humanities, and social sciences. This sort of test is similar to cognitive tests that assess verbal and non-verbal intellectual abilities (Klingner, 1980). Second, the knowledge section will include questions on law, public affairs, economics, and research methods. For Western observers, introduction of aptitude tests may not be revolutionary, but for Koreans it is perceived as a drastic departure from the traditional written tests which have been utilized for several centuries under the name of the kwa-gu (a historic written test to become a royal servant). Countries that have been heavily influenced by Confucianism, including Korea, China, and Japan, continue to use a written civil service entrance examination. This tradition seems to be continuing, although its form may change and vary country to country.

Third, a new interview system will be used in government. Those who pass the examinations move on to the third stage of the selection process, the interview. At present, a panel of interviewers consisting of several executives who hold the position of director-general in central agencies, together with public affairs professors, conduct the interviews. Because of the large number of interviewees, long and intensive interviews are rare. It is fair to say that interviews are not conducted seriously. As an alternative, therefore, the Civil Service Commission is now considering a blind interview system. In this new approach, interviews are to be conducted more like simulated exercises or discussion sessions. A hypothetical problem will be presented to the applicants in the form of exercises or discussion sessions.

Blind interviews have been practiced in the private sector for some time. For example, Hyundai Motors uses this interview method in which the applicant is given a question or a problem requiring a creative solution. The interview lasts
about 20 minutes and interviewers assess the applicant’s responses. The interviewers are not given any background data or recommendation letters for the applicant. In this way they will evaluate the applicant on performance alone, unaffected by any bias or halo effect caused by the application data. The blind interview is also intended to eliminate the favoritism that has traditionally characterized the selection process. Such favoritism extends from bloodline-based nepotism to broader favoritism based on shared educational affiliation. At Samsung Electronics small groups are given a topic to discuss for about 40 minutes. The assessor observes and evaluates each applicant’s performance on analytical, communication, interpersonal, problem solving, and leadership skills. Although various firms have their own unique forms of assessment, all are aimed at departing from the traditional forms of assessment in favor of a new performance-based employee selection process.

**Establishing an Open Employment System**

In the past, new entrants to the civil service were able to enter generally at grades 5, 7, or 9. Grade 9 is the lowest level and grade 1 is the highest in the Korean civil service. Promotions to positions at grades 1–3 were only available to current incumbent employees. Now, private sector applicants can be employed in grades 1–3. Recently, the Civil Service Commission employed the strategy of establishing an open employment system (OES); the Civil Service Commission announced that 130 positions are designated for open employment to attract more talented persons from outside the government. The government also instituted mandatory advertising of such positions with freedom for all qualified individuals to apply. The Civil Service Commission selected senior positions on the outcome of job analysis for open competition. It is expected to open 20 percent of Grade 3 and above positions in central departments. The positions requiring special knowledge, skill, and policy planning capacity will be the target of this practice and filled with appropriate members from the public and the private sectors according to fair and open competition. This new OES system will involve more rational pay setting and performance evaluation, leading presumably to more effective human resource management.

At senior levels (Grade 3 and above) there are no incremental points within the pay ranges. All increases are related to performance ratings. Significant examples of similar changes in the functioning of the public labor market can be found among OECD countries. In New Zealand, the 1991 Employment Contracts Act applies to private and public sector employees alike, creating a uniform labor market. All vacancies in government service are open, with recruitment based on merit (OECD, 1996).
Promotion of Personnel Exchange

With a view toward fostering human resources with a broad outlook, as well as enhancing the unity and totality of administration, the Civil Service Commission is attempting to actively promote personnel exchange in several directions: exchange between ministries, between central and local governments, and between government and business.

First, inter-ministerial personnel exchanges will be expanded. As a result, senior officials will get a national rather than departmental perspective. The goal is to reduce sectionalism and enhance cooperation. Systems will be established so that before personnel assume the office of division director in central government organizations, they should have gained experience working in one or more other ministries, agencies, international organizations, or elsewhere. Also, exchanges of executive personnel should be carried out between ministries and agencies that heretofore have had little exchange; moreover, exchange should take place among other than the coordination offices of ministries and agencies.

Second, personnel exchange between national and local entities will take place along with personnel exchange among central agencies. The goals are to advance the mutual understanding between national and local entities, foster human resources, activate organizations, promote decentralization and raise awareness in the future. In transferring junior personnel, appropriate experience in various jobs related to local administration should be provided. Input should be requested from local public entities so that the personnel transferred may experience actual working conditions, fostering human resources with a broad outlook. Efforts should be made to promote local public personnel into national departments. In fact, talented and competent workers are needed in many local authorities in rural areas; such exchange would provide opportunities to improve local government workers' skills and perspectives.

Third, there will be an exchange between government and business. Accepting personnel from private enterprises to ministries and agencies revitalizes the organization by virtue of introducing knowledgeable, experienced businesspersons into the public service departments. While the institutionalization of personnel exchange between government and business is intended to foster the development of human resources, proper care must be taken regarding potential problems. The Civil Service Commission should develop oversight mechanism to prevent public-private collusion or even its appearance. Regarding potential problems, there is a rich body of literature on public ethics and the new managerialism. Further elaboration of public-private collusion issue is beyond the scope of this study.
Through this new connection, not only people and information, but also best practices and ideas (Exchange Model of People, Information, Best Practices and Ideas [PIBI]) can be transferred, shared, and communicated in a form of a two-way interaction, leading to better and faster solutions to social problems. Through this system, government eventually can reflect and satisfy the people’s demands by providing customized public services.

Similar practices are found in other countries. In the United Kingdom, for example, the Whitehall and Industry Group (WIG) serves as a bridge of executive personnel exchange between government and business. WIG’s purpose is to promote the exchange of people, ideas, information, and best practices across organizations and sectors (WIG, 1999), and many government agencies, departments, and private companies are members. Also, the Interchange Unit in the Cabinet Office was set up in 1997 to perform a central monitoring role: providing advice and guidance to departmental interchange managers and helping to put organizations interested in interchange with the civil service in touch with the appropriate department. Japan also established a formal procedure for promotion of personnel exchange between government and business, between central and local governments, and between different ministries.

**Pay Reform**

The previous personnel system in Korea valued job security more than competition among individual employees. This resulted in the weakness of civil service competitiveness internationally as well as domestically. To strengthen the competitiveness of civil servants, the Korean government is to develop a new pay system. In 1999, the Korean government introduced a yearly stipend system for officials at Grade 3 who are assistant ministers and bureau directors in the central government. Under this new salary system, the level of compensation will be differentiated within each pay grade band depending on their performance.

The remuneration of each government employee is composed of two elements: basic pay and allowances. Over time, these additional allowances have been used increasingly. Part of the reliance on allowances stems from the fact that basic pay scales are officially published and reported annually in major newspapers, resulting in great attention from the public and the press. So government has had a tendency to create new allowances instead of increasing the basic pay. Under the current law, there are 56 kinds of allowances, which arguably should be curtailed and integrated with the basic pay in the near future.

Those under Grade 4 are eligible for typical performance allowances and those over Grade 4 are eligible for an increase in their annual salary based on performance review. Criteria for performance pay are performance appraisal
(achievement, attitude), special performance evaluation (contribution to special projects and policy development), and evaluation by a minister. Decisions are made by the Special Review Committee of each ministry. The government is considering increasing the number of public officials receiving the special reward in the public sector.

Incentives for excellence are also an important concern for the Civil Service Commission. Government should be a place where quality and effort can be appropriately rewarded. The major plan for this aim is the five-year plan to balance the wage level of the civil service. The average pay level of Korean public servants amounted to 87 percent of that of the private sector as of 1998. By 2004, the Civil Service Commission with collaboration of the Ministry of Planning and Budget will try to set the wage level of the civil service on par with the private sector (Kim, 2000). Despite efforts by government to open the public employment market and encourage mobility between the public and private sectors, it seems likely the public sector will not attract enough highly talented applicants for the time being, because government pay will continue to lag behind that in the private sector.

Performance Evaluation

Korea introduced performance-related pay for all government employees on January 1, 1999. A new performance appraisal system based on management by objectives has been set up, with employees establishing their own objectives in line with the goals of each ministry. In an effort to lay the foundation of a human resource management system based on individual performance and increase competition within the public service sector, a new personnel performance appraisal system was introduced. Under this system, a special reward is given once a year to individual public officials who have shown exceptionally good performance.

Another major function is to review the appointment and promotion of the senior civil service on the basis of an applicant’s qualifications. In the past, most workers have been evaluated with an overwhelming weight in the grading process being given to seniority. The Korean government is trying to abolish automatic promotions based on seniority. Seniority-based promotions have become obsolete across the civil service in favor of individual assessment based on merit, along with more targeted systems of individual or group performance awards.

Transforming practices of performance appraisal requires building new standards and criteria for the reviewing process. One such method of evaluation uses 360 degree feedback from supervisors, colleagues, and subordinates. In 1999, related pilot studies were done in the Ministry of Planning and Budget (MPB) and the Civil Service Commission. Recently, there has been a surge of
interest in 360 degree rating programs (Borman, 1997; Bracken, 1996; Church & Bracken, 1997) and it is expected that it will be introduced in Korea. The 360 degree appraisal system is the most comprehensive form of multi-rater feedback. It involves generating performance evaluation on target rates from multiple sources such as an employee's supervisor, other higher-level managers, peers, customers, subordinates, and the individual employee. This appraisal seeks to evaluate all facets of an employee's performance to gain the maximum amount of information available from sources that observe the performance in that area. To improve performance there is a need for insight about weaknesses in job performance. Evaluations from employees who have close working relationships with the ratee are seen as an effective way to provide this insight. Although feedback for development is a frequent application of 360 degree appraisal methods, additional purposes include use for promotion, compensation, success planning, or other administrative decisions (Borman, 1997; London & Beatty, 1993).

Reforming Training and Promoting Professionalization

In international terms, the qualification level of Korean administrative personnel is consistently high in most areas because of very competitive examinations. The process of continued training and skill upgrading, however, exhibits serious defects. This is due to very limited and unsystematic forms of on-the-job training and the quantitative and qualitative inadequacy of further training. A pragmatic approach to this problem would start by improving public sector training. The following measures seem appropriate to a modernization of the personnel development function: (a) increasing the share of personnel costs spent on further training (though it would most likely remain much below that of the private sector, where labor intensity is lower); (b) extending further training from the higher echelons to all civil service grades; (c) introducing a greater degree of task-orientation in further training with regard to new managerial instruments; (d) linking further formalized training to elements of on-the-job training; and (e) rendering working time schedules more flexible in line with further training needs such as new sabbatical models.

Political executive staff and top-level civil servants are the only occupational group in the Korean Civil Service for which there is no systematic offer of further training or a demand for training in line with employee's professional functions. A sequential and task-related training program for such staff members is required. Furthermore, restructuring training institutes in central and local governments is on the agenda for further reform.
Building a Human Resource Database

In order to utilize the human resource pool more efficiently, the Civil Service Commission is to establish a web-based personnel database. Through the so-called National Human Resource Pool Database System (NHRPDS), open competition will be preceded in a fair, prompt, and cost-effective manner to identify applicants to fill ranking civil service positions. The Civil Service Commission gathered data on 57,000 individuals from the public and the private sectors as of early 2000. This database will be very useful for filling not only regular posts but also ad hoc committee members.

In order for the NHRPDS to be of value to public sector recruitment, it will contain a comprehensive listing of applicants from such qualified personnel as senior civil servants, executives of government-invested corporations, advisors and commissioners of governmental councils, and experts from the private sector. At present, members of many advisory commissions and committees for government, senior-level public servants, members of governing boards of the major private enterprises, and academicians are included in the database, and this is expected to increase in the near future. This database will serve as a major human resource pool for potential appointment of higher-level positions in government.

As part of efforts to construct electronic government in the area of human resource management, promotion of personnel information systematization will also take place in the following areas: paperless records for personnel; construction of a seamless personnel management information system; and, securing systemic security in the personnel management information system. The Civil Service Commission will promote the information systematization of HRM work and is presently conducting studies on specific measures for promoting information systematization of personnel management work throughout all the ministries, such as developing a standard system for the ministries.

Flexible Staffing Arrangement

Contracted service that requires professional knowledge and skills up to three years is available now in the Korean government with compensation higher than for general service. Selection methods for such positions are a review of personal documentation (school transcripts, employment history, and certificates of special skills) and an intensive interview. Furthermore, part-time and temporary employment is available for specialized projects or tasks of government such as special advisors to government. Such practices are common in most industrialized countries, but a recent development in Korea. The terms and types of employment have become more diverse and flexible than ever before in Korea.
The Korean government is now considering the establishment of an internship system. This will bring many advantages for both public agencies and applicants. Through internships, agencies are able to assess the capability of prospective employees and interns may have an opportunity to be employed in the agency without a job examination. This plan is expected to attract more prospective college students into the public sector.

In addition, a cooperative education program should be considered with students from various universities. Under this program, students not only get intern experience, but also credit and formal career mentoring from their participating university. Such a program would help to increase understanding of public sector needs in the university community and help to strengthen public management curricula.

**DISCUSSION AND THE CONTEXT FOR FURTHER CHANGE**

The current public service personnel management system is a highly centralized system in Korea. Changes were made to the system but central control of personnel functions remains. The pressure for devolution has been growing over the last few years. Over-centralization and rigidity lessened public service responsiveness to changing circumstances and hampered its ability to recruit and promote officers fast enough to keep up with changing needs and demands. Centralization has lessened the public service organizations’ commitment to personnel management and resulted in a lack of ownership or commitment to proper personnel management approaches in public service ministries and departments.

Turning away from rigidity and centralization, there is a new emphasis on the flexible management of people instead of execution of rigid rules. This partly reflects the impact of new public management (NPM) tides that emphasize market mechanisms, choice, and devolution. NPM (Hood, 1991) and neo-liberalism influenced key policy makers in the Korean central government, and became a part of the reform efforts to overcome the economic crisis that erupted in 1997. Like many other industrialized nations, Korea is in the midst of sweeping government reforms occurring under various banners including NPM, new managerialism, and Reinventing Government (REGO).

Although publicness still remains one of the most important values in underlying government activities, NPM prevailed as a logical means or political strategy to reform traditional Korean government systems. As a result, slogans such as business-like administration have been emphasized by many public agencies. In addition, it was thought that increased empowerment of civil servants in the recruitment and promotion of civil service personnel would pave the way for ministry’s greater ownership of the personnel management process and civil service development. At the same time, the terms and types of
public service were changed to make the service more competitive, flexible, and responsive.

Every reform involves costs and there are still issues to be resolved. Human resource management reform requires significant budgetary and organizational changes. If not pursued in tandem with appropriate follow-up measures in adjacent areas, the reform efforts of the Civil Service Commission will amount to no more than catchphrases. From the outset, the Civil Service Commission should resolve to build a combined taskforce with the departments concerned to reach a consensus on the problematic issues.

However, the most serious problem may come out of the collective resistance from the bureaucracy itself. Bureaucrats familiar with a steady, predictable career path are likely to feel insecure. Those having enjoyed privileges may take actions against the direction of the Civil Service Commission. After establishment of the Open Employment System there might be more competition in the bureaucracy. More transaction costs will be paid in government operations. In a political dimension, the will of the President and leaders of the ruling party will play a major role to push for further reforms in Korea, but Korea's one-term presidential system can result in a lame-duck phenomenon (loss of influence) at the end of the term. Therefore, the Civil Service Commission in cooperation with MOGAHA and the Ministry of Planning and Budget should carefully set the speed and scale of reform neither to increase opposition nor lessen the morale of civil service. Furthermore, CSC should promote more public support from the general public and non-governmental organizations (NGOs) to overcome obstacles in HRM reforms.

In order to overcome resistance and succeed, therefore, the Civil Service Commission needs to build up more cooperation and support from other ministries and the National Assembly. The reform of public personnel management requires many amendments to laws and rules related to public service. Political factors impinge heavily on the reforming process. Considering all the resistance and obstacles, the Civil Service Commission should be armed with more legislative authority to secure unhindered implementation of policies. The Civil Service Commission at present has very limited ability to exercise its own legal authority. To make a new ministerial order, it must work with the Ministry of Government Administration and Home Affairs (MOGAHA). Otherwise, there is a possibility that all the legislation designed by the Civil Service Commission may be distorted and limited.

Overall, sentiments of public employees are quite negative against the human resource management reform. For some public service managers and executives the situation brings bitterness, disillusionment, and fatigue from constant change and pressure to reduce costs. Public servants in Korea face survivors syndrome, including feelings of anxiety, anger, uncertainty, and fear that they may be next to lose their jobs. Resulting morale problems are
compounded by factors such as low wage levels, absence of opportunity for promotion, downsizing, growing workloads for remaining staff, and insecurity about the future. Public service positions need to be redesigned with incentives for entrepreneurship that do not encourage risk-averse behavior. This will require a change in the culture of the government agencies for which these individuals work (Ingraham & Romzek, 1994).

Moreover, many academicians and practitioners in public affairs criticize the influence of market-oriented approaches such as NPM and neo-liberalism in the public sector as the Korean economy is on the recovery path. They also see market-oriented approaches as one of the tools enabling the Korean civil service to become more flexible, but they do not accept them as a panacea for government failure. As Ingraham and Romzek (1994, p. 331) correctly indicated, not all governments should change in the same way and, needless to say, one size does not fit all. A number of adjustments should be made before private-sector managerial successes are transferred to the public sector.

CONCLUSIONS

Since the late 1990s, the development of human resource management in Korea has been defined by academics in public affairs and reform-minded government executives as a top priority for modernization. This has been the result of various developments and tides in governmental reform. There is the realization that the hierarchy mechanism in the civil service was extremely rigid. The civil service today is viewed as a universe of anonymous civil servants where obeying the rules assumes precedence over taking responsibility, and where the multiplicity of hierarchical levels discourages initiative or conceals its absence. The changing of hierarchical relations, greater structural flexibility, and the capacity to delegate responsibility are therefore seen as pre-conditions to any organizational and financial modernization program.

The early focus of governmental reform was primarily on structural change through the creation of autonomous administrative units within larger departments and agencies. The development of human resource management was viewed as a direct and automatic consequence of this autonomy. From the perspective of public service human resource management, the most interesting observation about the current set of reforms in Korea is the renewed emphasis being given to the public side of public management reforms. It is not sufficient to change rules and regulations without putting in place mechanisms for the workforce to keep pace with the changes. Korea appears to be coming to terms with the idea that structural reforms do not in themselves lead to new means of carrying out the work. Despite somewhat slow acceptance of new managerial freedom for human resource management, it is fair to say that several areas of
personnel management in the Korean public service have demonstrated considerable advances in just a few years time.

The historic differences between the public and private sector are declining. In the HRM area, this means changing central and uniform rules on working conditions, more flexible pay systems, increased mobility, and individual agency-specific HRM. Another element is decentralization. The belief is that if the public sector is to function effectively, managers at the line level should have a wide scope of management.

When evaluating the degree of success for the reform situation in the Korean Civil Service, it is important to keep the perspective that reforming a large organization is simply another way of saying that it is learning, which includes experimenting and correcting. It is learning to adapt to an environment that is changing. Korea is not alone in these epic changes or the pressures that led to them. Similar major reforms in the public services of many industrialized and industrializing countries can be seen. These various initiatives share a common origin. They are based on governments' need to cope with global forces that are transforming economies, societies, and interrelationships throughout the world.

For the time being, however, only marginal impacts have been observed in Korea. First, the flexible pay system has only a very small influence since resources are extremely limited. To enable it to be used as a tool to motivate, more money should be available. Second, hiring is centralized within the organization. This, combined with few vacant positions, limits the possibility of line managers to build their own teams. Third, it is not possible for line managers to change the organization of the unit. This limitation is due to the grading system and to internal centralization within the Korean Civil Service. Fourth, the integration between HRM, organizational strategy, and planning generally is still limited. As the reforms continue, it is important to link HRM and strategic management in the Korean Civil Service.

Regarding further HRM reform, Light (1999) asserts the following ideas for embracing the new public service:

The question is what government can do to be more competitive. The first step is to declare a human capital crisis in government... The second step is to recognize that recruitment and retention are no longer two sides of the same coin. Simply stated, government must become more aggressive at middle- and upper-level recruiting, which means that it must open more jobs to competition from the outside. Instead of reserving the vast majority of promotions for internal candidates, government must open the career path to outside competition... The third step is to recognize that recruitment does not end with the formal hiring process. Government has an obligation to provide challenging work and the opportunity for growth, as do private firms and nonprofit agencies. (pp. 137-138)
In conclusion, there is an important lesson in Korea's previous experience with public management reform where a highly centralized approach was not enough to ensure success. Whether reality will keep pace with the rhetoric is still unclear. For the moment, the old civil service rules and the new principles of human resource management, adapted to modernization, exist side by side and opinion is divided. Leading elites such as academic and business leaders consider the new reform criteria while others respond to political compromises. Nonetheless, the current thrust of HRM reforms is likely to be maintained in the coming years. In other words, current reform trends will likely continue for the foreseeable future because the general public demands greater accountability and transformation from rigidity to flexibility; from over-centralization to harmony of decentralization and centralization; from harder to softer approaches; and from closed career paths to open career paths.

REFERENCES


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