



---

**KLI Working Paper**

December 10, 2018

---

**For Inquiry:** KLI International Cooperation & Information Office

**Address:** 370, Sicheong-daero, Sejong-si, 30147, Korea  
[www.kli.re.kr/kli\\_eng](http://www.kli.re.kr/kli_eng)

---

**Author(s):** Kyetaik Oh  
Associate Fellow, Korea Labor Institute

---

## Job Grade and Wage System of Indefinite-term Contract Workers in Public Sector\*

---

**Kyetaik Oh\*\***

### I. The Need for Job Management and a Wage System in the Public Sector

Korea's new administration, inaugurated in May 2017, has been promoting the permanent employment of non-regular workers as an important task of its job policy. The President himself visited the Incheon International Airport Corporation and declared that he would pursue a policy of converting non-regular to regular status to public-sector non-regular workers engaged in “jobs of a permanent and continuous nature.” The reason behind the government's strong drive for such conversion lies in the recognition of the problem that the Korean labor market is increasingly polarized with gaps in labor conditions

and treatment between regular and non-regular workers, generating a highly dual structure, social hierarchy and status differences.

As of the end of July 2017, there are about 2.17 million workers in the public sector, corresponding to 8.1% of all workers employed in Korea (26.73 million people) and 10.9% of all workers employed by business owners (19.88 million people). Considering that the public sector accounts for an average of 21% of total employment in OECD member countries<sup>1)</sup>, Korea's employment in the public sector remains at a low level, which is still less than half that of OECD countries.

Of the 217,000 public sector employees in Korea, there are approximately 416,000 non-regular workers (directly

---

\* This paper is a summary of the study entitled “The Development of Standardized Job Grade and Wage Systems for 5 Major Occupational Groups in the Public Sector” carried out as part of the “Consulting Support Project for Conversion of Public-sector Non-regular Workers to Regular Status” commissioned by the Ministry of Employment and Labor in 2017.

\*\* Associate Fellow, Korea Labor Institute ([okt8941@kli.re.kr](mailto:okt8941@kli.re.kr)).

1) OECD Government at a Glance, OECD (2015).

employed workers with a fixed-term contract + temporary agency workers + workers provided by contract firms), accounting for about 19.2% of the public sector employment. In the private sector, the number of non-regular employees is 6.54 million, accounting for 32.9% of the private sector employment – much higher than the proportion of non-regular workers in the public sector.<sup>2)</sup>

By granting regular status to non-regular workers – previously used to perform jobs of a permanent and continuous nature – and putting most of them on indefinite-term contracts, the new government attempts to put a stepping stone between regular and non-regular workers in the public sector, thereby laying the foundation for reforming the highly dualized labor market. In other words, the government expects that such move in the public sector would serve to narrow the gap between regular and non-regular employees, and even spread to the private sector. Given the current labor market reality of Korea, in this paper, we aim to discuss and present several effective measures to build a stable foundation to implement the principle of “equal pay for equal work” in the public sector in the process of converting non-regular employees to permanent workers.

## II. Existing Status of Job Management and Wage System in the Public Sector

In the public sector, the government has been converting fixed-term employees who worked more than two years since the implementation of the Fixed-Term Employment Act in 2007 into indefinite-term contract workers. As a result, as of 2017, there were about 211,000 indefinite-term contract workers in total. However, among different public institutions, there exist considerable differences in wage system, wage level, and job grade

structure which apply to indefinite-term workers.

Depending on where they are employed, the wage system of indefinite-term workers in the public sector differs greatly in terms of the type and the availability of allowances, the application of salary grade system, the number of salary grades, as well as the total amount of wages according to seniority. This is because previous governments provided remuneration and allowances to indefinite-term employees without any standards or principles. Due to such unregulated personnel management in the past, the 219,000 indefinite-term workers employed in different public institutions are subject to varying wage systems, salary grade tables, and allowance payments, even if they perform the same type of work.

As shown in <Table 1>, there are significant differences in wage level, wage composition and salary application for indefinite-term workers engaged in facility management jobs depending on which local government they work for. <Table 1> confirms that local governments differ greatly in terms of grade-based salary, allowances, and the total amount of wages, etc. that they offer to workers in the same occupation.

<Table 2> shows the existing wages of indefinite-term workers engaged in cleaning jobs in different local governments. Considerable differences are observed in base pay and various allowances even though workers are engaged in similar cleaning duties. The differences are particularly outstanding in the number of salary grades, the wages for the beginning and final salary grade, raises in salary, bonus payout ratio, major holiday bonus, fixed meal allowances and commuting allowances, etc. Such differences among local governments for the same occupation are not only against the principle of equal pay for equal work but also undesirable in terms of personnel management.

2) Supplementary Results of the *Economically Active Population Survey* by Employment Type, Statistics Korea (August 2017).

Table 1. Wages of Indefinite-term Contract Workers in Facility Management Jobs at Local Governments

Local Government	Grade-based Salary		Total Amount of Allowances (Monthly)		Total Amount of Wages(Monthly)		
	Beginning Salary Grade	Final Salary Grade	Beginning Salary Grade	Final Salary Grade	Beginning Salary Grade	Final Salary Grade	Difference
Seoul	1,604,410	3,726,140	193,700	470,511	1,798,110	4,196,651	2.33 times
Busan	1,536,560	2,134,220	559,749	896,976	2,096,309	3,031,196	1.45 times
Incheon	1,710,000	2,769,150	651,000	756,915	2,361,000	3,526,065	1.49 times
Daegu	1,565,380	2,285,880	701,344	881,470	2,266,724	3,167,350	1.40 times
Gwangju	1,760,390	2,300,990	336,699	381,749	2,097,089	2,982,739	1.42 times
Daejeon	1,339,250	2,081,020	1,003,822	1,462,087	2,343,072	3,543,107	1.51 times
Ulsan	1,734,190	2,319,650	413,419	471,965	2,147,609	2,791,615	1.30 times
Gyeonggi	2,075,840	2,338,210	449,480	482,276	2,525,320	2,820,486	1.17 times
Gangwon	1,413,140	2,068,880	741,046	1,132,032	2,154,186	3,200,912	1.49 times
Chungbuk	1,414,400	-	987,199	-	2,401,599	-	
Chungnam	1,303,970	1,935,470	853,320	1,116,445	2,157,290	3,051,915	1.41 times
Jeonbuk	1,747,330	2,391,330	594,733	659,133	2,342,063	3,050,463	1.30 times
Jeonnam	1,563,700	2,971,570	1,037,603	1,895,304	2,601,303	4,886,874	1.88 times
Gyeongbuk	1,819,800	-	1,008,250	-	2,828,050	-	
Gyeongnam	1,568,970	2,152,460	703,737	956,857	2,272,707	3,109,317	1.37 times
Jeju	1,523,500	2,258,900	342,350	604,131	1,865,850	2,863,031	1.53 times
Sejong	1,480,220	2,056,220	889,752	1,115,352	2,369,972	3,171,572	1.34 times

Note : 1) ① Fixed meal allowance, commuting allowance, dependency allowance, job responsibility allowance, public service allowance, sanitation allowance, danger pay allowance, community leader allowance: monthly

② Good-attendance allowance: half-yearly ⇒ converted to monthly

③ Bonus, Major Holiday Bonus: yearly ⇒ converted to monthly

2) Dependency Allowance (apply mutatis mutandis the provisions for public servants): spouse 40,000 KRW per month, dependent family members excluding the spouse and children (lineal ascendants & descendants) 20,000 KRW per month per person, child (first child 20,000 KRW per month, second child 60,000 KRW per month, third child and thereafter 100,000 KRW per month) ⇒ Estimated: 60,000 KRW (with the spouse and first child) based on current statistics

3) Children Education Allowance: employees who have a child attending a high school (tuition fees and subsidies for the operation of schools) ⇒ excluded in current statistics

4) Good-attendance Allowance: less than 1 year - no payment, less than 2 years - 5% of monthly salary, less than 3 years - 10% of monthly salary, less than 4 years - 15% of monthly salary, less than 5 years - 20% of monthly salary, less than 6 years - 25% of monthly salary, less than 7 years - 30% of monthly salary, less than 8 years - 35% of monthly salary, less than 9 years - 40% of monthly salary, less than 10 years - 45% of monthly salary, 10 years or longer - 50% of monthly salary ⇒ if applying mutatis mutandis the provisions for public servants, no payment for the beginning salary grade, 50% of monthly salary for the final salary grade

5) Community leader allowance: the assumption has been made that this allowance is paid only to employees of the final salary grade

Source : Internal data, The Ministry of the Interior and Safety (2017).

Table 2. Wages of Indefinite-term Contract Workers in Cleaning Jobs at Local Governments

Local Government	Grade-based Salary		Total Amount of Allowances (Monthly)		Total Amount of Wages(Monthly)		
	Beginning Salary Grade	Final Salary Grade	Beginning Salary Grade	Final Salary Grade	Beginning Salary Grade	Final Salary Grade	Difference
Seoul	1,604,410	1,865,870	193,700	215,489	1,798,110	2,081,359	15.8%
Busan	1,536,560	2,134,220	559,749	896,976	2,096,309	3,031,196	44.6%
Incheon	1,710,000	2,769,150	391,000	496,915	2,101,000	3,266,065	55.5%
Daegu	1,352,500	1,849,970	648,124	772,492	2,000,624	2,622,462	31.1%
Gwangju	1,760,390	2,300,990	336,699	381,749	2,097,089	2,682,739	27.9%
Daejeon	1,106,580	1,837,480	897,182	1,282,178	2,003,762	3,119,658	55.7%
Ulsan	1,591,000	2,118,205	240,000	240,000	1,831,000	2,358,205	28.8%
Gyeonggi	1,692,290	1,946,910	401,536	433,363	2,093,826	2,380,273	13.7%
Gangwon	1,372,080	2,008,000	727,360	1,106,666	2,099,440	3,114,666	48.4%
Chungbuk	1,391,000	-	975,499	-	2,366,499	-	
Chungnam	1,303,970	1,935,470	853,320	1,116,445	2,157,290	3,051,915	
Jeonbuk	1,550,880	2,194,880	535,088	599,488	2,085,968	2,794,368	
Jeonnam	1,261,720	2,669,590	866,745	1,669,287	2,128,465	4,338,877	
Gyeongbuk	1,192,230	1,864,750	757,410	981,582	1,949,640	2,846,332	
Gyeongnam	1,397,000	1,910,350	692,082	1,005,978	2,089,082	2,916,328	
Jeju	1,523,500	2,258,900	342,350	604,131	1,865,850	2,863,031	
Sejong	1,330,300	1,906,300	831,033	1,056,633	2,161,333	2,962,933	

Note : 1) ① Fixed meal allowance, commuting allowance, dependency allowance, job responsibility allowance, public service allowance, sanitation allowance, dangerous service allowances, community leader allowance: monthly

② Good-attendance allowance: half-yearly ⇒ converted to monthly

③ Bonus, Major Holiday Bonus: yearly ⇒ converted to monthly

2) Dependency Allowance (apply mutatis mutandis the provisions for public servants): spouse 40,000 KRW per month, dependent family members excluding the spouse and children (lineal ascendants & descendants) 20,000 KRW per month per person, child (first child 20,000 KRW per month, second child 60,000 KRW per month, third child and thereafter 100,000 KRW per month) ⇒ Estimated: 60,000 KRW (with the spouse and first child) based on current statistics

3) Children Education Allowance: employees who have a child attending a high school (tuition fees and subsidies for the operation of schools) ⇒ excluded in current statistics

4) Good-attendance Allowance: less than 1 year - no payment, less than 2 years - 5% of monthly salary, less than 3 years - 10% of monthly salary, less than 4 years - 15% of monthly salary, less than 5 years - 20% of monthly salary, less than 6 years - 25% of monthly salary, less than 7 years - 30% of monthly salary, less than 8 years - 35% of monthly salary, less than 9 years - 40% of monthly salary, less than 10 years - 45% of monthly salary, 10 years or longer - 50% of monthly salary ⇒ if applying mutatis mutandis the provisions for public servants, no payment for the beginning salary grade, 50% of monthly salary for the final salary grade

5) Community leader allowance: the assumption has been made that this allowance is paid only to employees of the final salary grade

Source : Internal data, The Ministry of the Interior and Safety (2017).

### III. Converting Non-regular Workers to Regular Workers in the Public Sector

Following the policy of the new administration to grant regular status to non-regular workers in the public sector, among the 416,000 non-regular employees working at public institutions, it is estimated that about 205,000 employees (49.3%) who are responsible for jobs of a permanent and continuous nature are eligible for conversion

to regular status from 2017 to 2019. Those temporarily or intermittently employed at public institutions are not eligible. Among the 316,000 people engaged in jobs of a permanent and continuous nature, a total of 110,000 workers has been excluded from conversion – 22,000 workers who are aged 60 or older (65 in the case of cleaning/security jobs which are considered elderly-friendly jobs), 34,000 teachers and instructors with a fixed-term contract, 13,000 workers whose jobs are affected by changing industrial

Table 3. 10 Major Occupations Converted to Regular Status in the Public Sector

Occupation	Number of Workers
Cleaning (Facility) (workers provided by contract firms 32,270 + workers with a fixed-term contract 1,747) = 34,017 persons	
Facility Management (workers provided by contract firms 20,849) + workers with a fixed-term contract 2,260) = 23,109 persons	
Clerical (Assistant) (workers provided by contract firms 4,249 + workers with a fixed-term contract 14,419) = 18,668 persons	
Security (workers provided by contract firms 16,832 + workers with a fixed-term contract 1,167) = 17,999 persons	
Research (Assistant) (workers with a fixed-term contract 8,746 persons)	
Medical (workers with a fixed-term contract 6,858 persons)	
Cooking (Assistant) (workers with a fixed-term contract 4,582 + workers provided by contract firms 1,955) = 6,537 persons	
Horse Racing (workers with a fixed-term contract 5,567 persons)	
Customer Service (workers with a fixed-term contract 2,823 + workers provided by contract firms 2,000) = 4,823 persons	
Call Center (workers provided by contract firms 3,515 persons)	
Total 129,839 persons (63.3%)	

Source : The Ministry of Employment and Labor (October 2017).

demand, and 11,000 workers engaged in computer-related or call center jobs utilizing civilian expertise.

Of the 205,000 workers who are granted regular status in the public sector, 63.3% are employed in relatively low-skilled and low-wage sectors, as shown in 10 major occupations in <Table 3>. Since these occupations have been filled mostly by workers with a fixed-term contract or those provided by contract firms, the existing wages are so-called “market wages” and relatively low. Taking the recent conversion process as an opportunity, the public sector should consider ensuring similar wages and treatments for those performing the same job in the same occupation.

As mentioned, however, there exist considerable wage gaps and discrimination among public sector workers who perform the same type of work depending on where they are employed so it is difficult to establish the principle of equal pay for equal work. Among diverse public institutions, large-sized public corporations with high profitability offer relatively high wages, whereas others pay relatively low wages to their workers even if they are engaged in similar types of work. Furthermore, indefinite-term workers (public employees; not civil servants) employed in local governments have various means to increase their bargaining power. Thus, they are in a better

position to enjoy a variety of allowances and an advanced salary grade system than those working at other public institutions.

In the western world, the occupation-based labor market has long taken root, so similar job and wage management systems have been established by occupational category. In Korea, however, it was public institutions that led the development of job and wage management systems, resulting in institution-oriented labor market. Although this has not caused any major problems in human resources management within each institution, a number of problems have been identified when two or more institutions were compared. Therefore, using the recent conversion process in the public sector as an opportunity, it is necessary to establish a system of paying similar salaries to workers who perform similar jobs, which requires systemizing the job grade system, wage system and wage level by occupational category.

#### IV. Measures to Establish Job & Wage Systems in the Public Sector

During the ongoing conversion process in the public

sector, it is expected that personnel management, which was previously done by individual contract firms, will be transferred to public institutions or their subsidiaries. In the past, individual contract firms were responsible for personnel and wage management of non-regular employees, limiting the application of a consistent personnel management policy. However, when public institutions are given the responsibility for personnel management, it is likely that a more favorable environment for applying a uniform personnel management policy will be created. In addition, public institutions will be required to build more systematic and sophisticated job management and wage management systems in utilizing the workforce because they have a higher level of social responsibility than individual contract firms.

Reflecting such social demand, in this paper, the author would like to suggest measures to establish proper job management and wage systems, focusing on several occupations in the public sector with a high conversion rate (percentage of those being granted regular status) and well-defined jobs. Among the occupations that will go through the conversion process in 2017, five major occupations – cleaning, security, facility management (many different jobs exist under this category), clerical (assistant), and cooking (assistant) – were selected. For these five occupational groups, job grades have been determined and different wage levels were assigned to those job grades. This process is illustrated in the flow chart in [Figure 1]. First, the author identified and classified all the jobs in five major occupations by occupational category, generating a job classification system. And based on this job classification system, job descriptions were created, detailing various job tasks and requirements. Using these job descriptions by occupational category, and considering the skills, qualifications, experience, knowledge, accountability, level of difficulty and risk, working conditions, and duties involved in each occupation, the author carried out job evaluation to determine the relative value of each job.

Based on the job evaluation results, it was possible to create a job grade system or structure by grouping the jobs with similar or same levels. The last step was to assign a wage level to different job grades, and a wage system was constructed.

A job classification system consisting of five major occupational groups is presented in [Figure 2]. Through job classification and job analysis, 14 jobs were derived from the five occupations. The cleaning occupation consisted of two jobs: general cleaning and specialized cleaning. The security occupation also consisted of two jobs: facility security and specialized security. The facility management occupation had four jobs: menial labor, general facility management, integrated facility management, and specialized facility management. The cooking (assistant) occupation had three jobs: food serving, ancillary cooks, and licensed cooks. Lastly, the clerical (assistant) occupation has three jobs: ancillary clerical, general clerical and administrative assistance.

After deriving these jobs by occupational category, it was necessary to measure the relative value of each job through job evaluation. With the help of researchers, job evaluation was carried out to determine the relative value of each job, which was used to construct a job grade system (see Table 4). In the case of the five major occupational groups analyzed this time, job grades up to Grade 4 were assigned. It is expected that higher job grades can be added later if more occupations are included in the future. As for the five major occupational groups, Grade 1 was assigned to “general cleaning” jobs under the cleaning occupation, “menial labor” (food serving or simple laboring jobs) jobs under the facility management and the cooking occupations, and “ancillary clerical” jobs under the clerical occupation. Grade 2 was given to “specialized cleaning” jobs under the cleaning occupation, “facility security” jobs under the security occupation, “ancillary cooks” under the cooking occupation, “general facility management” jobs under the facility management occupation,

Figure 1. Process of Determining a Job Grade and a Wage System

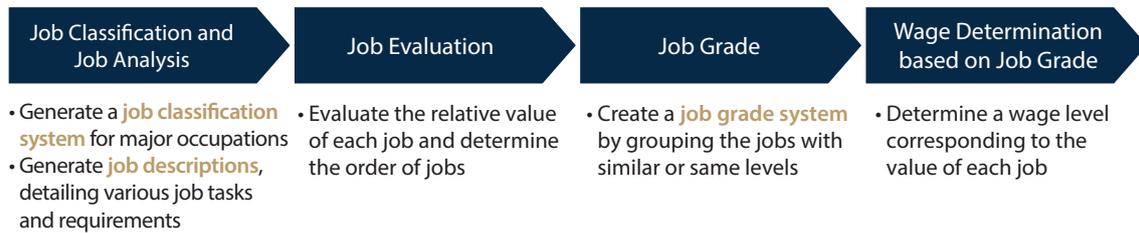
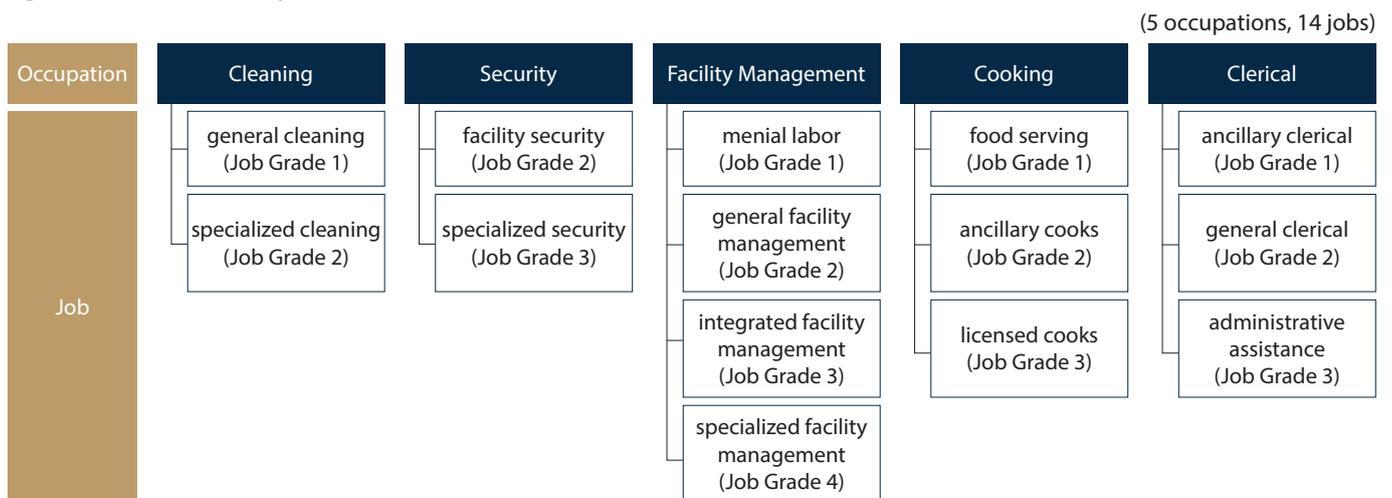


Figure 2. Job Classification System



and “general clerical” jobs under the clerical occupation. Grade 3 was assigned to “specialized security” jobs under the security occupation, “licensed cooks” under the cooking occupation, “integrated facility management” jobs under the facility management occupation, and “administrative assistance” jobs under the clerical occupation. Lastly, Grade 4 was given to “specialized facility management” jobs under the facility management occupation. Each job grade was determined by comparing the relative value of the 14 jobs under the five major occupational groups. True, there may be jobs requiring higher techniques, skills, responsibilities or efforts than those specified here, meaning higher job grades may have to be assigned in reality (especially in the case of facility management or clerical jobs). For these jobs, it may be necessary to develop a more sophisticated job grade system by further dividing the existing job grades. And if certain jobs are very specialized, it may be necessary to consider the possibility of recognizing their special value in the labor market and

establish it as the market wage.

The final task is to assign a wage level to the job grades derived in <Table 4>. After analyzing the public sector wage systems in advanced countries such as Germany, the US, and the UK, it was found that, at least in the public sector, they generally have a job-based salary system with several stages of promotion, rather than a single rate system which is well-known in Korea. It appears that a salary increase is given as a reward when a worker becomes more competent in performing his current job by accumulating more skills and know-how. True, the five major occupational groups that were used to construct a wage system in this paper are considered to be low-skilled occupations in western countries, too. Thus, the workers in these groups are usually given a salary raise based on seniority, not because they have met special requirements for promotion. Even so, the salary increase system in the western world should be differentiated from Korea's seniority-based system. Their salary increase is not given naturally over

Table 4. Assigning a Job Grade

Job Grade	Cleaning	Security	Cooking	Facility Management	Clerical Assistance
1	general cleaning		menial labor (food serving, simple laboring jobs)		ancillary clerical
2	specialized cleaning	facility security	ancillary cooks	general facility management	general clerical
3		specialized security	licensed cooks	integrated facility management	administrative assistance
4				specialized facility management	
5					
6					

Note: The above job classifications are based on the *Survey on Working Conditions of Workers by Employment Type* and the *Survey on Employment and Wages in the Public Sector*, both released by the Ministry of Employment and Labor, according to the requirements and responsibilities of each occupation.

Table 5. Wage System in the Public Sector

Job Grade	Step 1(2 yrs)	Step 2(2 yrs)	Step 3(3 yrs)	Step 4(4 yrs)	Step 5(4 yrs)	Step 6	Differences
Grade 1	100	102	104	106	108	110	10%
Grade 2	105	108	110	113	115	118	12%
Grade 3	110	113	116	119	122	125	14%
Grade 4	115	119	122	126	130	133	16%
Grade 5	120	124	129	133	137	142	18%

time based on seniority but selectively based on whether or not a worker has strengthened the needed skills for his job. Also, their salary raise is made indefinitely but only during the time when a worker continues to develop his skills for the respective job.

Using the western world's public sector wage system as a reference, a wage table was constructed as shown in <Table 5>. If a standard wage is set for Step 1 of Grade 1, the other wages are automatically determined using a fixed rate. The standard wage refers to a base pay, which also includes allowances such as for meals and major holidays paid to workers who are now converted to regular status in the public sector. Overtime work allowances and other additional wages are not included in the base pay, and qualification allowances paid to special license holders are also not included in the base pay but may be paid separately. Job responsibility allowances given to those carrying out special responsibilities are also excluded. However, the existing allowances associated with seniority – such as good-attendance allowances or long service allowances – are integrated into the base pay. This is because the

structure of salary increase already reflects a reward for the number of years in continuous service.

In deciding how to determine the standard wage for Step 1 of Grade 1, there can be several options to choose from. First, one can set the minimum wage as the standard wage because it reflects a minimum wage level set by the government that should be paid even to those engaged in low-wage occupations. Another option is to refer to the wage level set for specific jobs in the current market (market wage). Or, one can use the living wage to determine the standard wage. In Korea, the minimum wage is expected to rise rapidly at least during the next two years. Therefore, it is necessary to consider factors like this when determining the level of standard wage. Once the standard wage is set, one can now determine the size of gap between different salary levels and different job grades. For example, one may decide to set a wage gap of 5% between job grades, and a wage gap of 2% between salary levels within Grade 1. As the job grade goes up, the wage gap between salary levels needs to be wider to reflect the worker's wider range of skills. A total of 6 salary levels are established, with the

period required to reach the next salary level (starting from the bottom level) set as follows: 2 years, 2 years, 3 years, 4 years, and 4 years. However, such period does not automatically guarantee a salary increase, but serves like “a period of promotion restriction,” meaning that a worker will only be considered for a salary increase when he has worked for such period. And it is important to remember that a salary raise does not simply mean an increase in seniority but rather a reward for the development in skills and know-how in the respective job grade.

## V. Conclusion and Implementation Strategy

### 1. Implementation plan

It is expected that, to have inter-ministerial discussions and finalize a uniform policy within the government, to proceed with social consultation through launching a tripartite expert committee, and to discuss this matter thoroughly as a public issue, it will take some time. In addition, it may be necessary to develop additional job grade and wage systems to cover the needs of new occupations other than existing ones. At this stage, it is recommended that the principles used to construct the wage system and job grade structure for the occupations going through the conversion process to be implemented from now. However, it may be more realistic to implement the process of adjusting the wage gaps that exist among different institutions in the next 5 to 7 years as a mid-term project. In other words, while sticking to the principle of ensuring employees do not receive wages less than the wages they received when they were non-regular workers in the past,

the government will have allow sufficient time to narrow the wage gaps that exist for similar occupations among different public institutions under the principle of “giving more to the less privileged, giving less to the more privileged”. During the next 5 to 7 years, the wage levels specified for each occupational category in the new wage system will gradually be implemented – by applying the wage increase rate lower than the average rate to workers who have been paid higher than the standardized wage level, and by applying the wage increase rate higher than the average rate to those have received lower wages. By doing so, the wages of workers doing similar work should be adjusted to a similar level.

Since the workers going through the conversion process in the public sector this time are employed in diverse government institutions – all central government institutions under the supervision of the Ministry of the Interior and Safety, local governments, training institutions under the Ministry of Education, and public institutions under the Ministry of Strategy and Finance, the systematization process of wage and job grade systems is unlikely to succeed if a comprehensive and unified policy fails to be maintained throughout the government. Therefore, it is necessary to implement a unified and standardized wage and job grade system based on occupational categories in all public institutions.

### 2. The Need for a Control Tower in the Government<sup>3)</sup>

The government should set up a control tower within itself, which can be used to direct the Ministry of Strategy and Finance, the Ministry of the Interior and Safety,

3) In the US, up until 1960s, the federal government employees were subject to varying job grade systems, wage structures and wage levels if they were working in different institutions and states. Concerned about unfairness and discrimination at workplaces, President Lyndon Baines Johnson ordered the US Office of Personnel Management to design job grade and wage systems standardized for each occupation and job. From 1965 to 1972, the US Office of Personnel Management came up with a federal wage system with 15 job grades for all technical jobs, and a general wage system at the federal level for all office and general jobs. Both of these systems are easy to understand and apply as they are clearly arranged in a tabular form.

and the Ministry of Education to implement the policy in a consistent and efficient manner. Also, it is important to pursue this policy based on bipartisan agreement so that the next administration will be able to implement this policy consistently and develop it further in the mid to long-term. Although several ministries – the Ministry of Strategy and Finance, the Ministry of the Interior and Safety, the Ministry of Personnel Management, the Ministry of Education, and the Ministry of Employment and Labor – are involved in the project jointly, it would be desirable in the future to have a single ministry – either the Ministry of Personnel Management or the Ministry of Employment and Labor – take charge of the groundwork for establishing the public sector personnel management system and continue to maintain the framework of the public sector personnel system.

### 3. Groundwork for Establishing the Personnel Management System in the Public Sector – Focusing on Technical Public Servants

To establish a job grade system, a salary increase and promotion system, and a wage system for manual workers employed in the public sector, the government will need to lay the groundwork – by means of job classification, job analysis, and job evaluation – with a 5- to 7-year medium term plan. In fact, rough designs of the job grade and wage systems for cleaning, security, facility management, cooking (assistant), and clerical (assistant) occupations – those with a high conversion rate into regular status in 2017 – have been suggested and used as a reference point but they are incomplete and there still exists a considerable gap between the same type of labor. Therefore, with regard to the aforementioned low-skilled

occupations (cleaning, security, facility management, cooking (assistant), and clerical (assistant) occupations), the government should first create useful infrastructure by carrying out more systematic and in-depth job classification, job analysis and job evaluation, and that would serve as a more sustainable and reasonable foundation not only for creating job grade and wage systems in 2017 but also for further adjusting the systems in the future.

It is necessary to utilize the cases of public sector personnel systems (job grade systems and wage systems) of other countries as a benchmark<sup>4)</sup> for Korea as we build a personnel management system for technical public servants. Of course, the groundwork should be laid step-by-step to create a personnel system for those engaged in technical jobs. If necessary, it may be useful to form a subcommittee or to commission professional research institutes or experts to perform the needed tasks. (For example, the government may commission the Korea Employment Information Service to carry out the classification of occupations and jobs; and the Korea Labor Institute to conduct research on how other countries implemented the process of creating job grade and wage systems for technical public servants or to carry out comparative analysis.)

With an aim to establish comprehensive job grade and wage systems for both technical and office public servants, the government will need to plan and execute in stages, starting with creating basic infrastructure. First, more systematic and in-depth job classification, job analysis and job evaluation will have to be carried out with regard to cleaning, security, facility management, cooking (assistant), and clerical (assistant) occupations – low wage occupations in the public sector with a high conversion rate into regular status in 2017 – to ensure the establishment

4) In the western world, building a systematic job and wage management system in the public sector through job classification, job analysis and job evaluation can be seen as an attempt to minimize the labor-management or labor-labor conflict. In a situation where the relative value of a job affects the relative level of base pay, how to classify a job, what types duties it involves, and how much relative value it has can affect the interests of many. Therefore, classifying jobs using criteria that are clear and easily understood by both labor and management, analyzing them, and evaluating the relative value of each job can surely contribute to minimizing confusion or misunderstanding at workplaces.

of reasonable and complete job grade and wage systems for these occupations. Furthermore, from 2019 onwards, efforts will be made to expand the standardized wage and job grade systems by conducting job classification, job analysis and job evaluation on other technical jobs in the

public sector beyond the five major occupational groups. Ultimately, the government will go through similar steps and procedures to establish and implement the standardized wage and job grade systems for various office jobs in the public sector.

#### References

OECD (2015), *OECD Government at a Glance*

Statistics Korea (2017), Supplementary Results of the *Economically Active Population Survey*