

Migrant & Business Friendly Recruitment System

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Organisation: Ministry of Employment and Labour

Country: Korea

Level of government: Central government

Sector: General public services, Social protection

Type: Human Resources, Public Service

Launched in: 2004

Overall development time: 11 years

Link to the innovation's website

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Description

As a migration policy, the Korean Employment Permit System (EPS) was launched by the Ministry of Employment and Labour (MOEL) of the Republic of Korea in 2004. To realise EPS, the Human Resources Development Service of Korea (HRD Korea), a government organisation under the MOEL, developed a system that selects migrant workers through an objective criterion to build a job-seeker pool and also provides assistance with labour contracts. This recruitment system is the Initiative (Migrant & Business Friendly Recruitment System) that includes the planning of and support for the immigration process of migrant workers to Korea by HRD Korea.

Why the innovation was developed

- Prior to the Initiative, there was no standardised process for the selection of migrant workers in Korea. The obvious disparity in numbers between those seeking employment and actual opportunities available created intense competition in the low-end labour market. The Korean employers' association and agencies of the origin countries used extremely subjective tools such as interviews or informal resume for screening and no electronic system for integrated information management existed. Because the private agencies were ultimately the decision-making parties in the selection process, neither the workers nor the employers were satisfied. Complaints regarding demands of illegal commissions were frequently lodged and the fairness and transparency of the overall recruitment process were under constant and increasing suspicion.
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Objectives

Improve effectiveness, Improve service quality, Improve social equity, Improve user satisfaction, Support economic growth

- To solve perceived social problems caused by illegal foreign workers.
 - To improve migrant workers' human rights.
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Main beneficiaries

Businesses, Ethnic or racial minorities, General population, Government staff

- 288 810 foreign workers entering Korea through EPS system.
- 62 004 companies hiring foreign workers.

Results

Efficiency

- Approximately USD 3 500 had been required for a migrant worker to be hired in Korea before. After the implementation of the Initiative, the costs now are on average USD 1 000.
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Effectiveness

- Korean employers can use the Initiative to solve their labour shortage effectively, with the legal and planned recruitment process, which not only secures a stable workforce but also reduces employment cost.
 - The Republic of Korea reduces social costs caused by illegal migration and labour, and even corrects the industry imbalance of the domestic labour market.
 - Illegal status rate has dropped from 22.7% (2003) to 13.6% (2010).
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Service quality

Accessibility:

- Applicants who have passed a medical check-up and EPS-TOPIK, a test to evaluate an applicant's Korean language proficiency, are allowed to submit job applications which are registered by their local government and transmitted via an electronic database to HRD Korea. HRD Korea then performs preliminary screening of the applications and verifies the information as necessary to build a roster of eligible workers. Employers in Korea may select employees from this roster and HRD Korea relays the offered labour contract to the individual who can choose to accept or not. The whole process is monitored at every stage and is accessible to both the migrant workers and the Korean employers.

Other:

- The Initiative excludes the need for any other intermediaries such as private brokers and the recruitment process is decided on and controlled by the employers and workers themselves.
- Through the Initiative, migrant workers may have equal opportunities for recruitment and are protected from unreasonable monetary demands.
- Moreover, HRD Korea does not require any fees or charges for their services and this decreased financial burden on the migrant workers goes a long way to their stable integration into the Korean society.

Development

Design

Before the implementation of the Initiative, the admittance of migrant workers in Korea was driven and managed primarily by the private sector, resulting in undue financial burden on the workers, unequal employment opportunities in Korea, and a corrupt recruitment process. The Korean Employment Permit System (EPS) was launched by the Ministry of Employment and Labour (MOEL) of the Republic of Korea in 2004. To realise EPS, the Human Resources Development Service of Korea (HRD Korea), a government organisation under the MOEL, generated the system that selects migrant workers through an objective criterion to build a job-seeker pool and also provides assistance with labour contracts. HRD Korea worked to persuade the executive and legislative branches of the government to secure the necessary staff and budget.

Design time: 1 year

Testing

- Monitoring the Process: For the successful implementation of the Initiative, HRD Korea dispatched its staff to all fifteen sending countries to setup regional EPS Centres. EPS Centres focus on monitoring the recruitment process in each country and support the Initiative's smooth implementation locally.

Testing time: 6 months

Implementation

Tools used:

- MOEL and HRD Korea established an electronic system which manages and operates the overall EPS.
- Every step of the Initiative – Test of Proficiency in Korean (EPS-TOPIK), registration of migrant workers' information, management of the rosters, signing of the labour contract – is organised and processed by the specialised information technology system (EPS IT system), installed not only in Korea but also in each sending country. With the establishment and utilisation of the EPS IT system, the Initiative was set up beyond the limits of area and time.

Resources used:

- Financial Resources: HRD Korea secures its budget from the Korean government each year. Korean employers seeking migrant labour are also charged minimal fees for the recruiting process. The budget in 2013 was approximately USD 16 618 000.
- Human Resources: The number of participating staff in 2008 was 165 and currently it is 128. HRD Korea organised a task force team in 2003 for the effective implementation and systematic management of the Initiative. After seven months of this preparation, the team was converted to a permanent bureau with three teams at the headquarters of HRD Korea. Financial and human resources were also allotted to 24 local branches for the nationwide implementation of the Initiative. In July 2004, HRD Korea hired foreign-language proficient staff (Thai, Vietnamese, and Indonesian etc.). HRD Korea currently manages fifteen Overseas EPS Centres in sending countries, the first of which have been in operation since December 2004.
- HRD Korea continues to hold discussions on what has been achieved and strives to overcome the difficulties of system management in each organisation.

Implementation time: 10 years

Challenges and solutions

- HRD Korea worked to persuade the executive and legislative branches of the government to secure the necessary staff and budget. In addition, HRD Korea has strived to promote the Initiative domestically and internationally in order to encourage the use of it and public comprehension of its objectives.
 - HRD Korea has been able to draw cooperation agreements from various government organisations. Teams of HRD Korea staff have visited sending countries to introduce the Initiative and to install the necessary IT systems. Training has been provided to local EPS representatives and supplies IT maintenance support for the Initiative. Also, HRD Korea actively seeks feedback and cooperation from sending countries through various channels such as ILO partnership programmes.
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Partnerships

HDR Korea

Other Public Sector

Although the Ministry of Employment and Labour and the Ministry of Justice were consulted extensively, the personnel and support of the project came from HRD Korea. Additionally, HRD Korea developed the computer software and network to be utilised by the Initiative and provided an education programme for migrant workers to adapt well to the Korean society.

Broad Network

Other

EPS has a broad network. If small and medium industries ask for foreign employment and obtain the employment permit, the Ministry of Justice proceeds with the visa issuance process. Foreign workers are to be trained in the designated private training agencies such as the Korea Federation of SMEs and the National Agricultural Cooperative Federation. Individual agencies play an important role which can achieve positive results such as shortening the introduction period through partnership.

Lessons Learned

Lessons Learned

- Restrictive labour and migration policies are generally adopted to control the flow of the workforce and solve perceived social problems caused by illegal foreign workers. These policies, however, are also known to be rather limited in their results.
- The implementation and experience of the Initiative shows that pursuing and prioritising the benefit of the concerned parties – the employers and employees – while seeking a transparent public system can bear better results than simple restrictions.

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