

Status of telework in Korea and lessons to be learned

09/02/2022

**Yeon Jeong Son
Korea Labor Institute
(skysyj@kli.re.kr)**

Introduction of telework in Korea

- Definition of telework

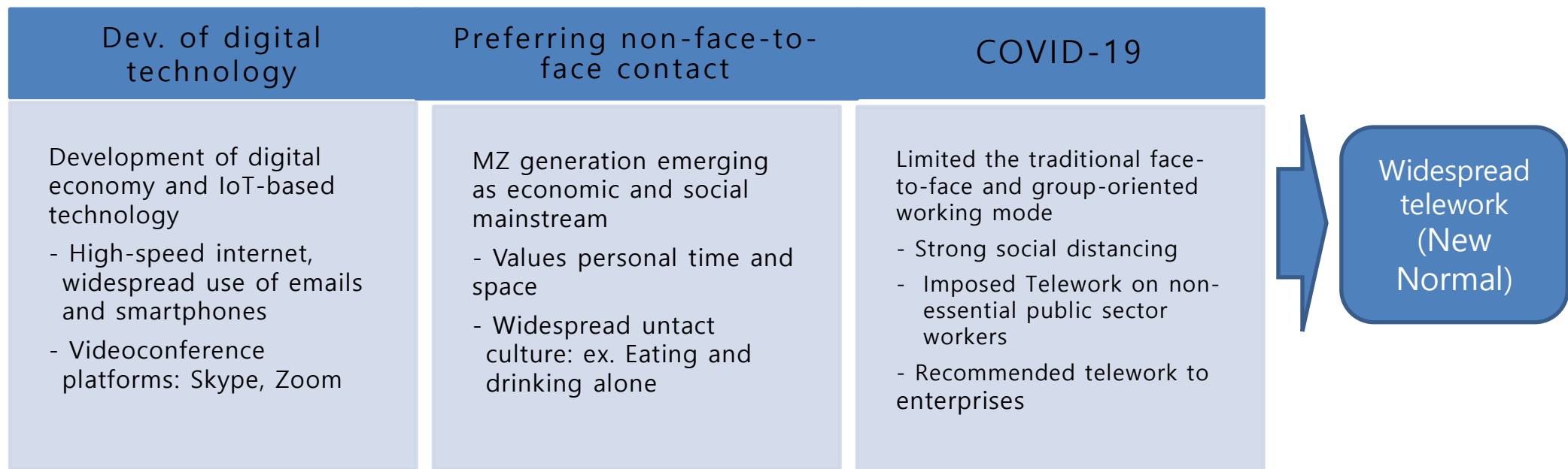
- Telework means 'a system in which workers work in a space prepared for this purpose in their residence and not in the company, using ITC devices, etc.' (MOEL)

- Introduction of Telework in Korea

- Flexible work was introduced in the Labour Standard Act in 1997. With the 2010 announcement of the 'Strategy to develop smart work', attempts to adopt telework were made.
- Based on the 'Strategy to develop smart work', the government has been operating smart work centres outside companies, near residential areas or business destinations.
- However, given the rigid corporate culture based on hierarchy in Korea, few people resorted to telework.

Spread of telework due to Covid-19

- Covid-19 brought about increase of non-face-to-face work
 - Covid-19 limited the traditional face-to-face and group-oriented working mode and boosted telework.
 - The exiting trend of preferring non-face-to-face contact and development of digital economy and IoT-based technologies made this change possible.

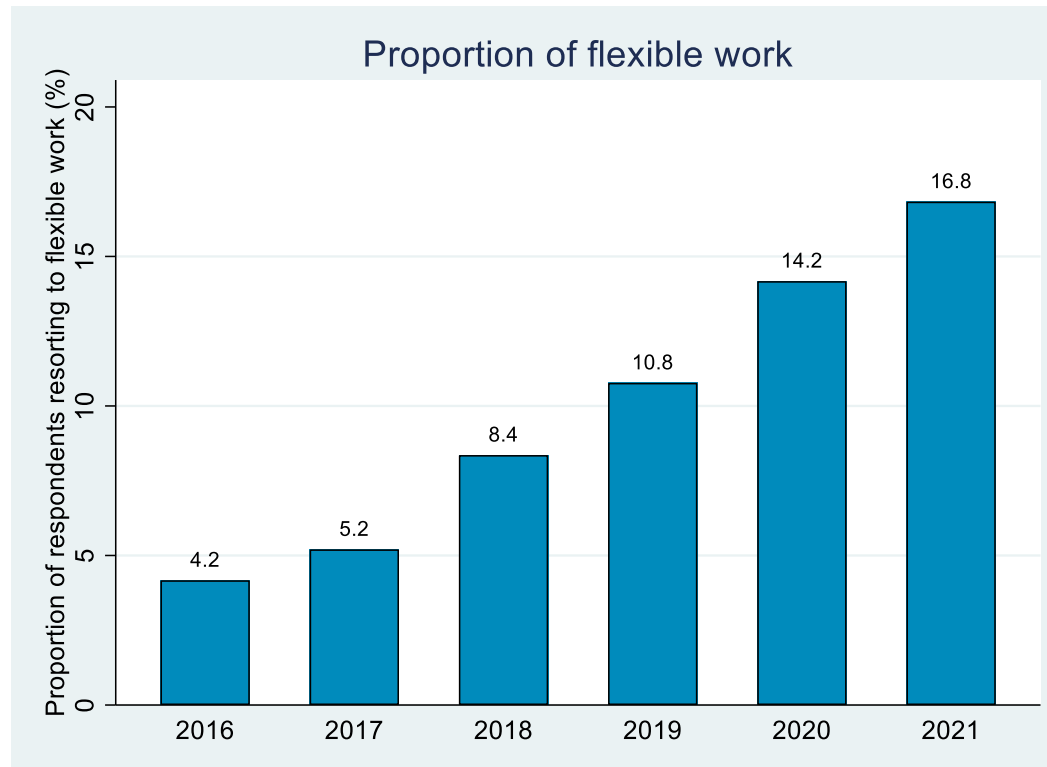


- Proportion of teleworkable jobs
 - According to a study, some 35% of jobs in Korea are estimated to be teleworkable (Seong Woong Choi, 2020)
 - ※ 37% in the US (Dingel&Neiman, 2020), 1 out of 6 workers worldwide, 1 out of 4 workers in developed countries (Berg et al., 2020)

Proportion of flexible work

- Proportion of flexible work

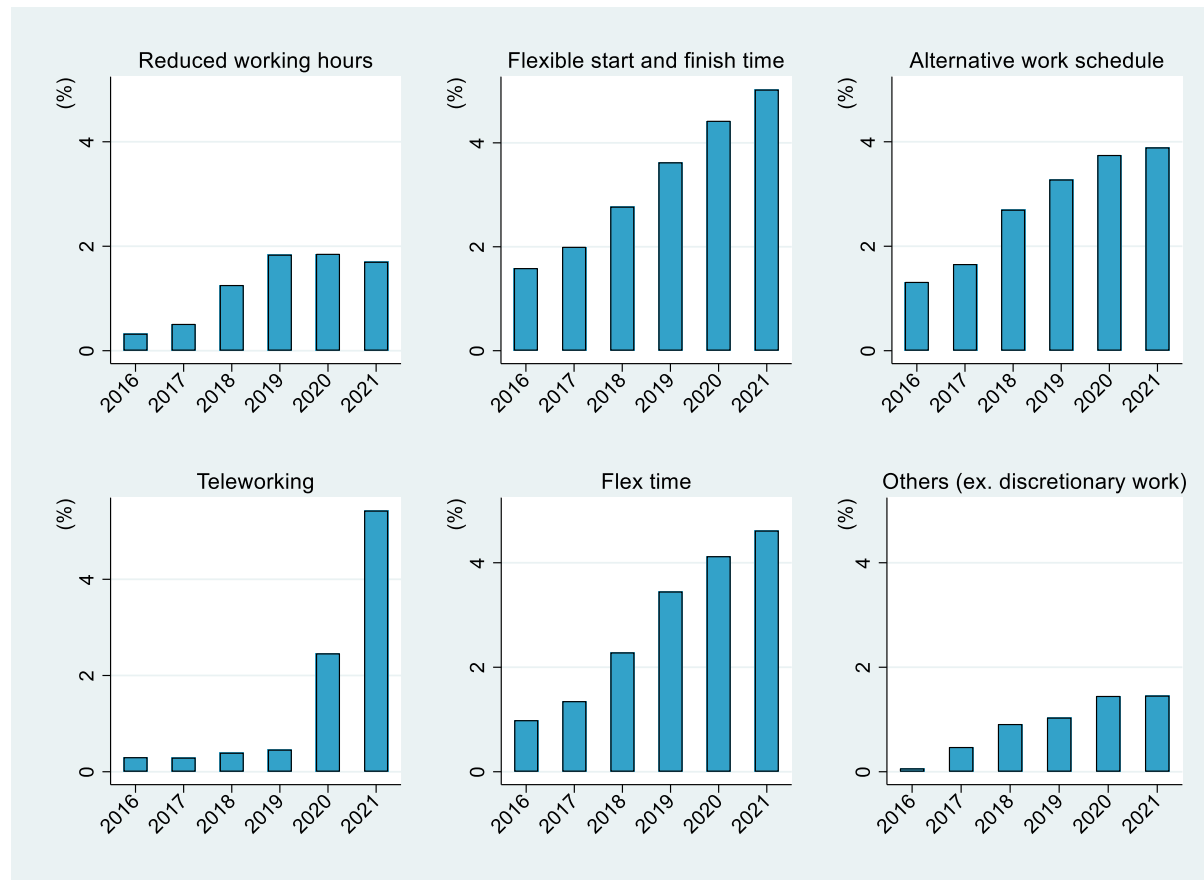
- Proportion of wage workers resorting to flexible work increased from 4.2% in 2016 to 16.8% 2021
 - ※ Flexible work includes reduced working hours, flexible start and finish times, alternative work schedule, flexible working hours, teleworking and other forms (Discretionary work)



Source: Additional survey by work type, Survey of the economically active population, 2016-2021.

Proportion of flexible work by type

- Proportion of flexible work by type
 - Continuous rise of workers opting for flexible work (flexible start and finish times, alternative work schedule, flexible working hours)
 - Less than 0.5% of workers teleworked in 2019; 2.35% in 2020 and 5.43% in 2021

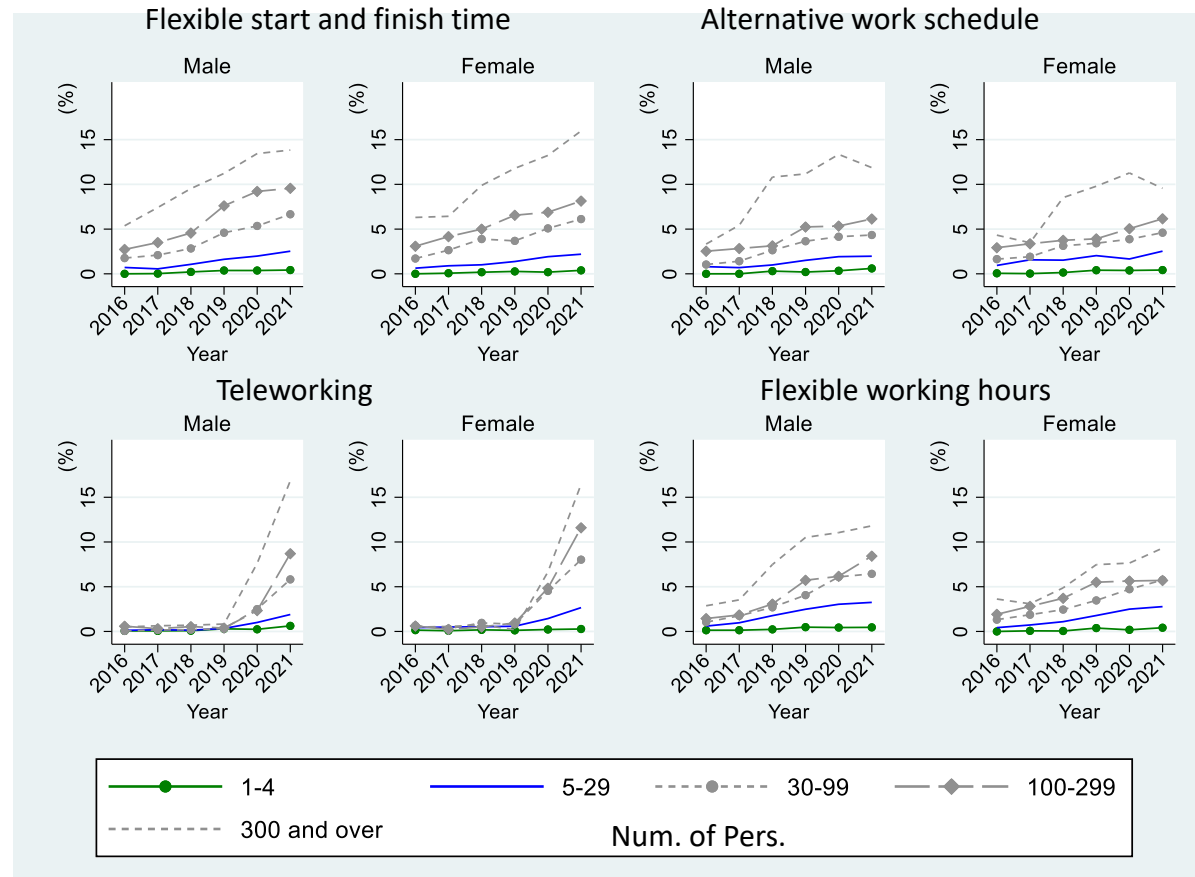


Source: Additional survey by work type, August Survey of the economically active population, 2015-2021

Specificity of Flexible work in Korea

1) Adopted mainly by large groups

- Gap between large groups and SMEs in terms of information, financial resources, mentality, resulting in flexible work mainly used in large groups. In particular, telework presents an entry barrier as it requires digital transformation.

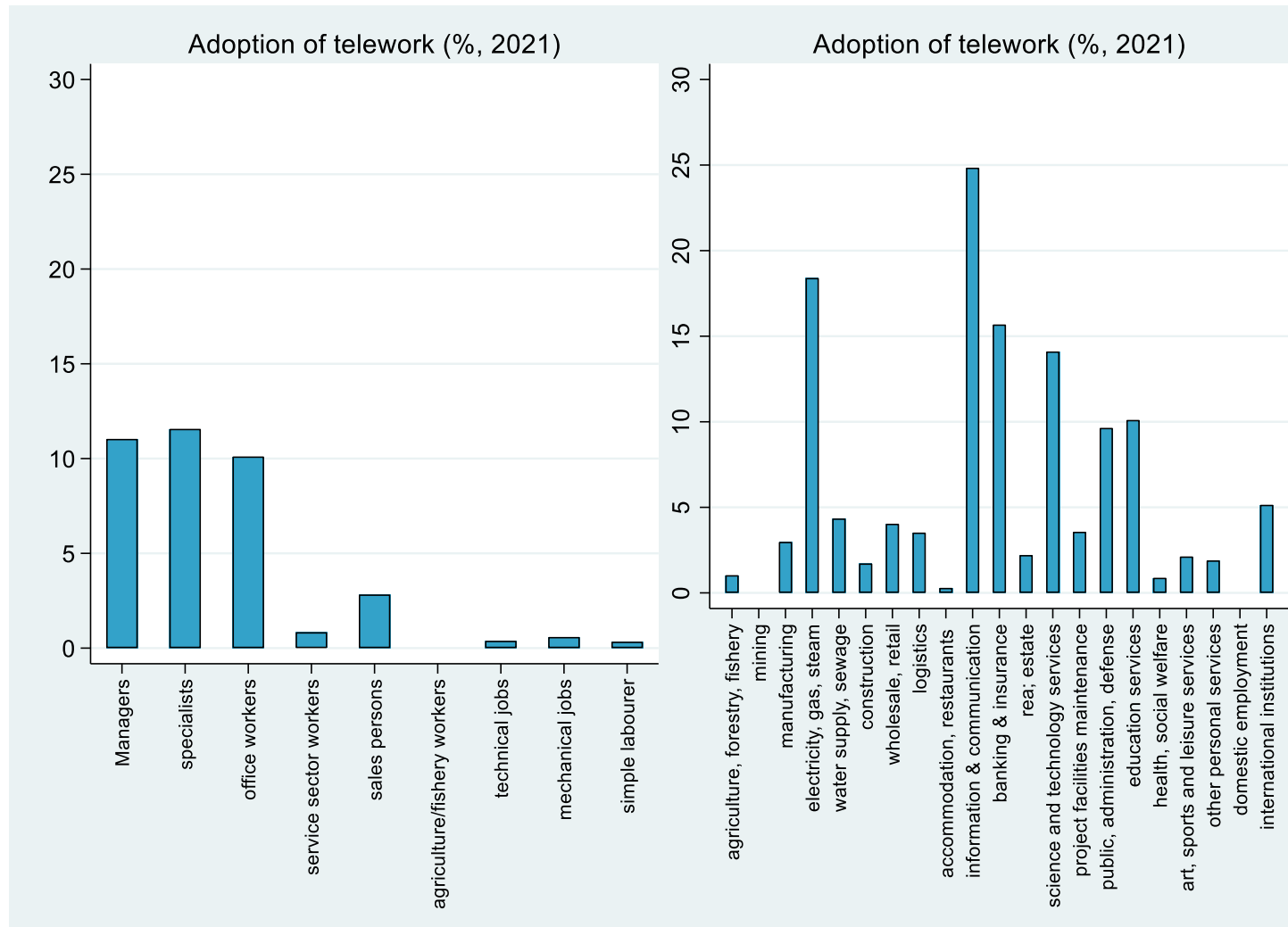


Source: Additional survey by work type, Survey of the economically active population, 2016-2021.

Specificity of Flexible work in Korea

2) Big difference in adoption of telework by profession/sector

- Difference in adoption of telework confirmed: depending on work environment (proportion of face-to-face contact) and job types (usage of ITC, flexibility in work)

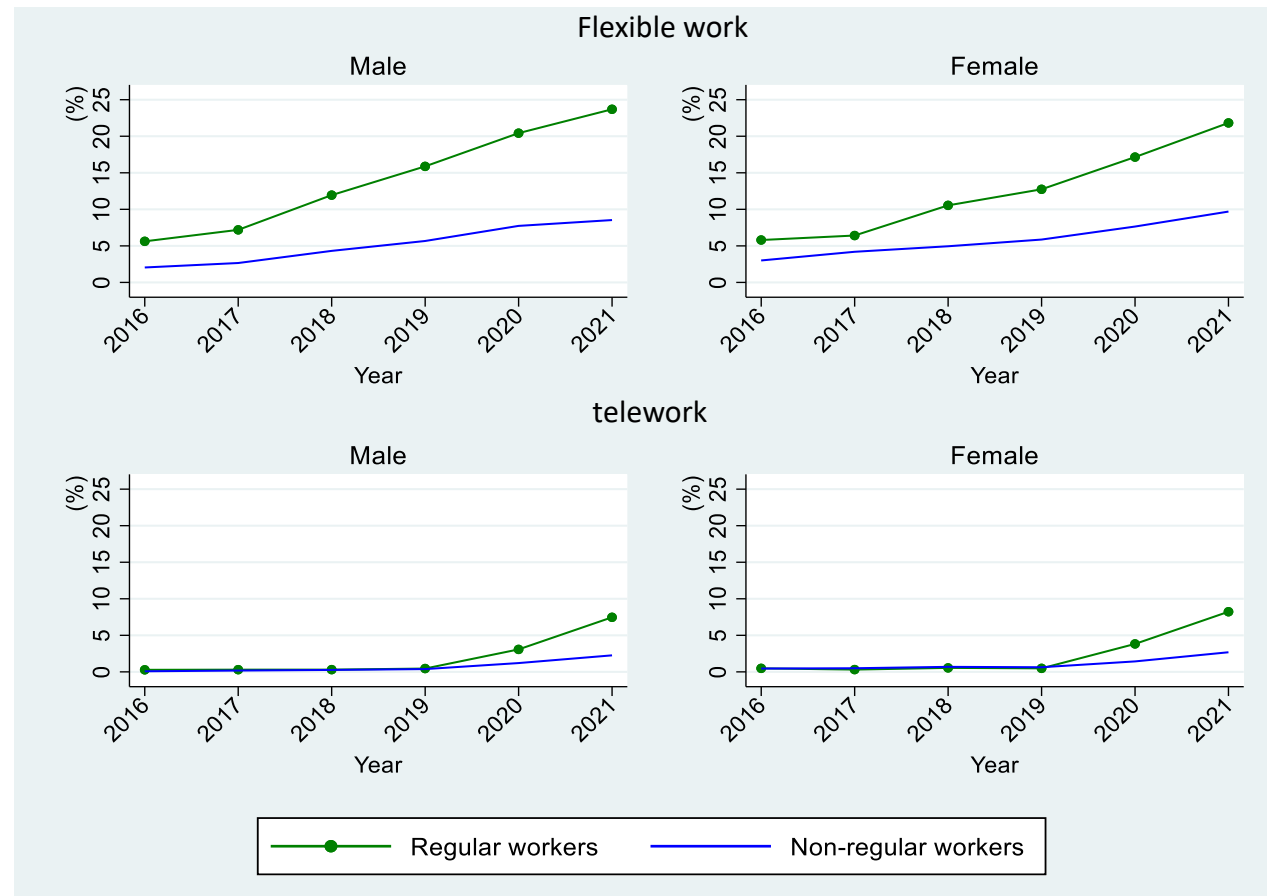


Source: Additional survey by work type, Survey of the economically active population, 2021.

Specificity of Flexible work in Korea

3) Big gap between regular and non-regular workers

- Surveys of companies show that 50% of them allow all the employees to telework regardless of their status, whereas the other half offer this possibility only to regular workers.
- Need to discuss whether telework creates discriminatory environment in the labour market.

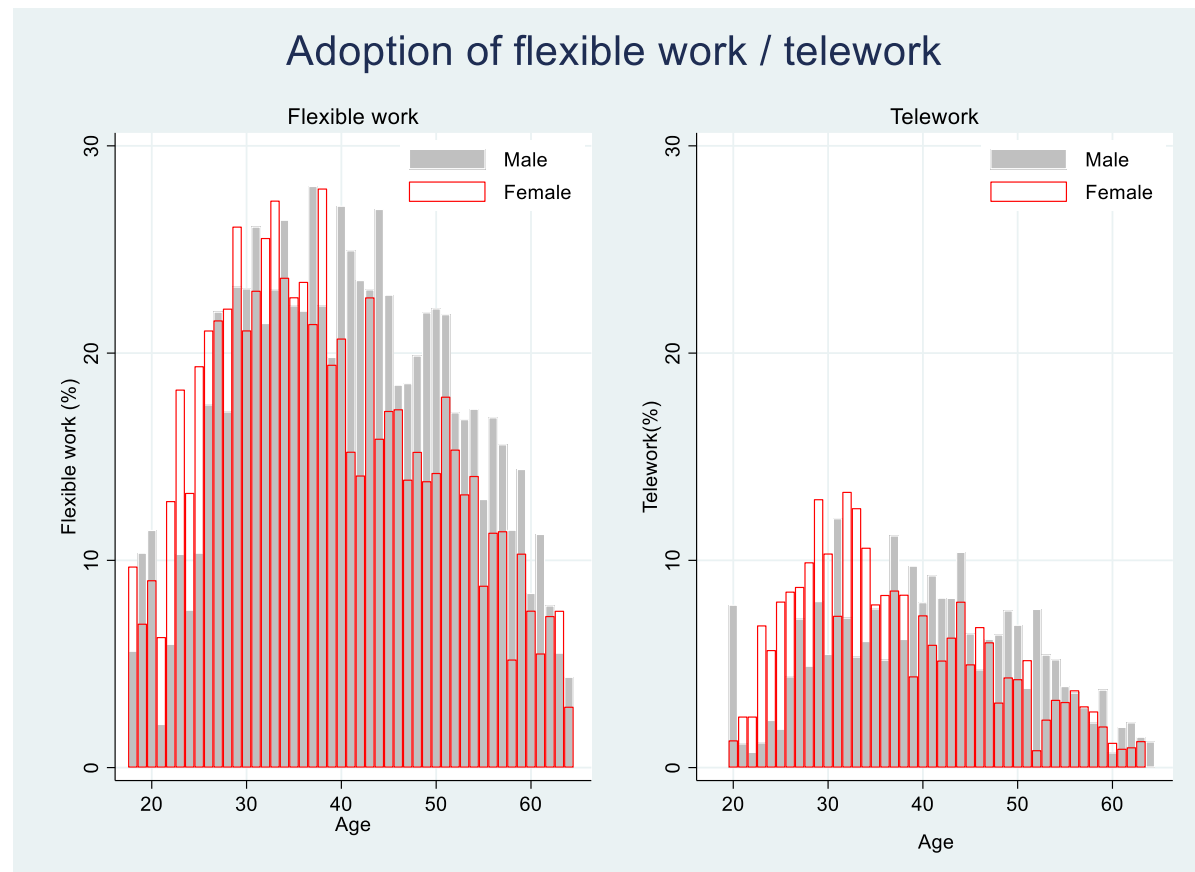


Source: Additional survey by work type, Survey of the economically active population, 2021.

Specificity of Flexible work in Korea

4) Higher adoption of telework by women during birth & childcare period

- In general, men resort to telework more than women. In terms of age brackets, women tend to concentrate their teleworking period from their mid-twenties to late thirties



Source: Additional survey by work type, August Survey of the economically active population, 2021

Gov. policy on telework

- Comprehensive manual of telework (MOEL, Sep. 2020)
 - The MOEL published a *Comprehensive Manual on Telework* in September 2020 in order to support companies considering telework. It includes procedures to introduce telework, establishing operating rules, HR management, related legal issues and Q&A.
 - The only guidelines on telework in Korea are the *Smart work Guideline* (2011) and the *Comprehensive Manual on Telework* (2020).
 - However, the *Comprehensive Manual on Telework* focuses on 'employers' rights and employees' duties'; it needs to be revised in order to clarify workers' rights and duties.
 - It also needs to include determination of working hours and volume during telework, and compulsory measures to protect workers' private life including right to disconnect.

- Gov. support for telework
 - In order to encourage telework, the government provides various supports for indirect labour costs of flexible work, infrastructure building costs for telework and consulting service for telework.

Impact of widespread telework on the labour market

- Impact of widespread telework on companies and workers
 - Both positive and negative impact
 - Positive: enhanced efficiency, more job opportunities, prevention of career gaps, less space and cost needed for operation, keeping and attracting talents, development of non-face-to-face sectors
 - Negative: decrease in productivity, inefficient HR and labour management, costs to build necessary infrastructure, etc.

- Impact of telework on workers' work-life balance and QoL
 - Conservation of Resources Theory: saving transfer time and energy, increased concentration, control and autonomy on one's working time and space, multi-tasking, easy transition between different roles
 - Clash between work and life: increase of actual intensity of work, permeability between work and life, digital burnout, Zoom fatigue, feeling depressed and isolated, decrease of inherent motivation, risk of reinforcing gender division of work

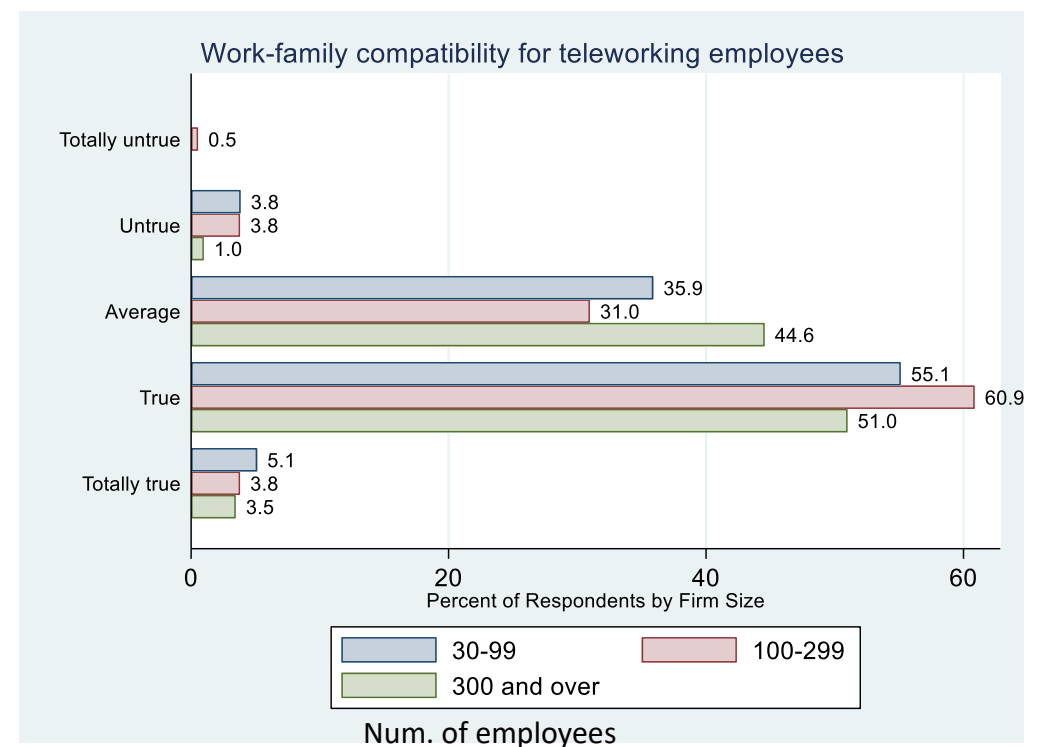
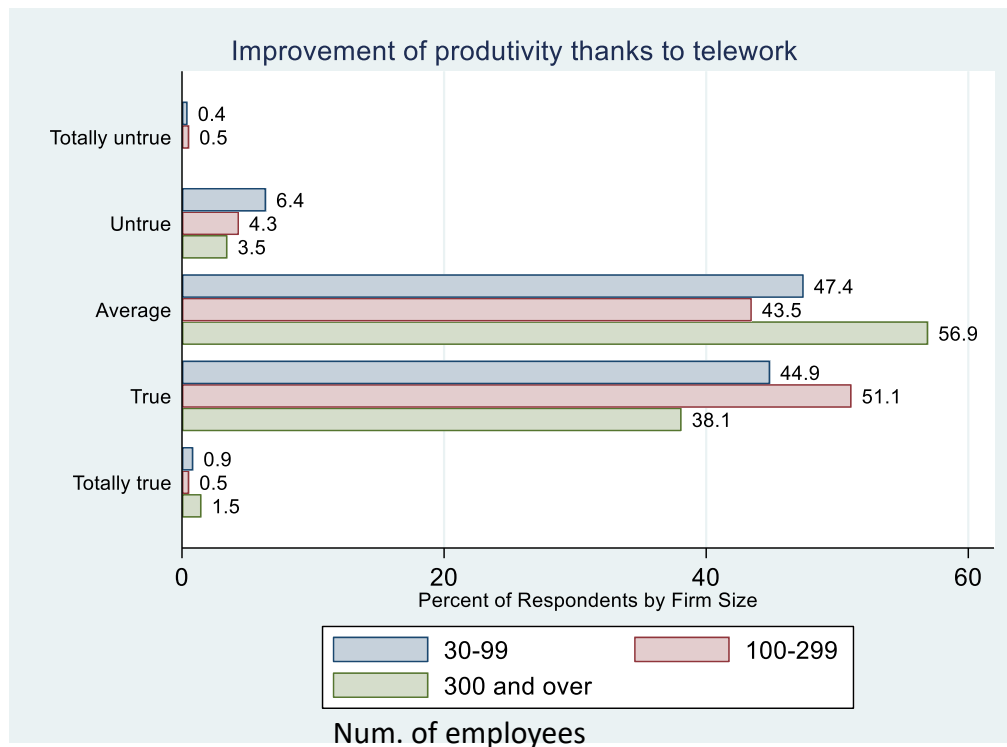
- Discussion needed in order to find ways for institutional improvements so that telework contributes to better performance and workers' wellbeing.

Evaluation of efficiency of telework

- Evaluation of efficiency of telework: productivity and workers' wellbeing

- Regardless of their size, companies generally gave positive evaluation on compatibility of work and family for their employees.

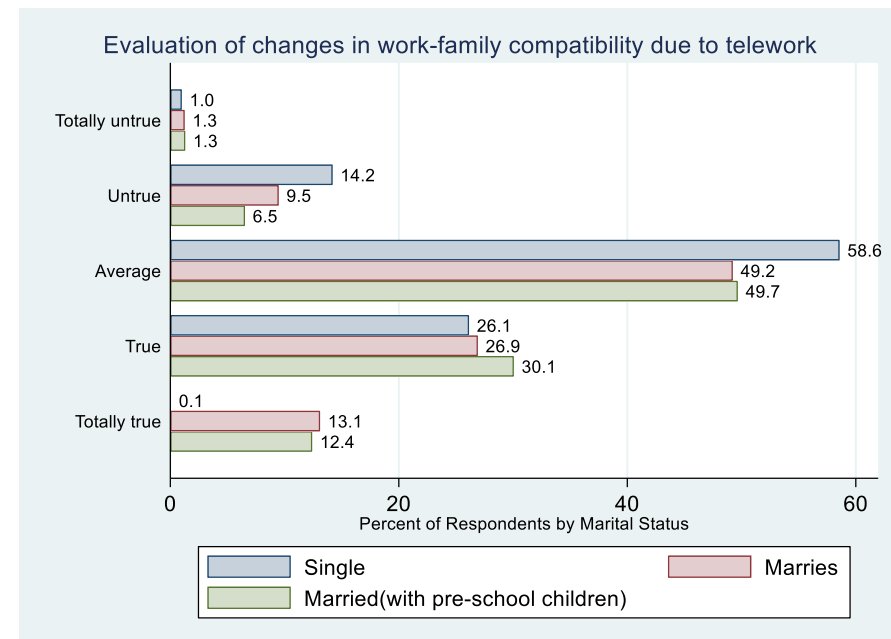
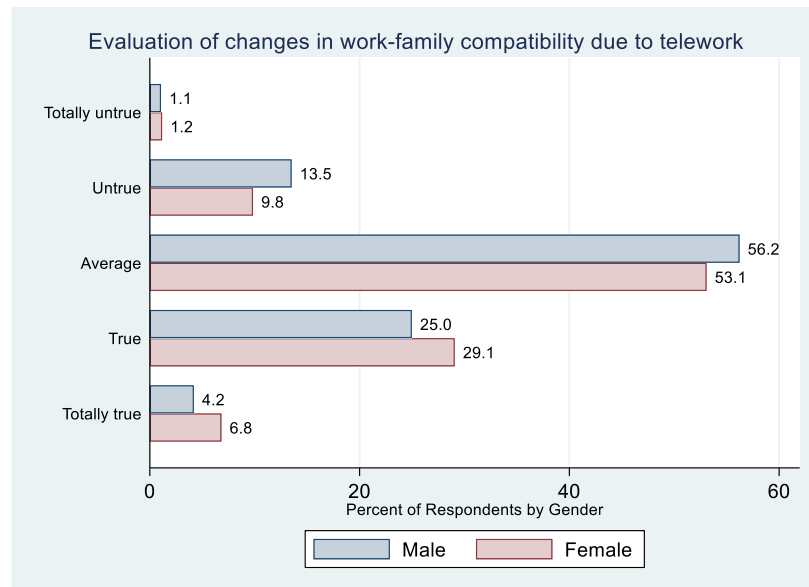
Evaluation by companies of productivity, and compatibility of employees' work and family (N=620)



Evaluation of efficiency of telework

- Workers' satisfaction on telework: compatibility of work and family
 - Surveys on teleworkers show that they are mostly positive about compatibility of work and family.
 - Women gave more positive responses than men; married workers with pre-school children tend to be more positive than single workers or those without pre-school children.

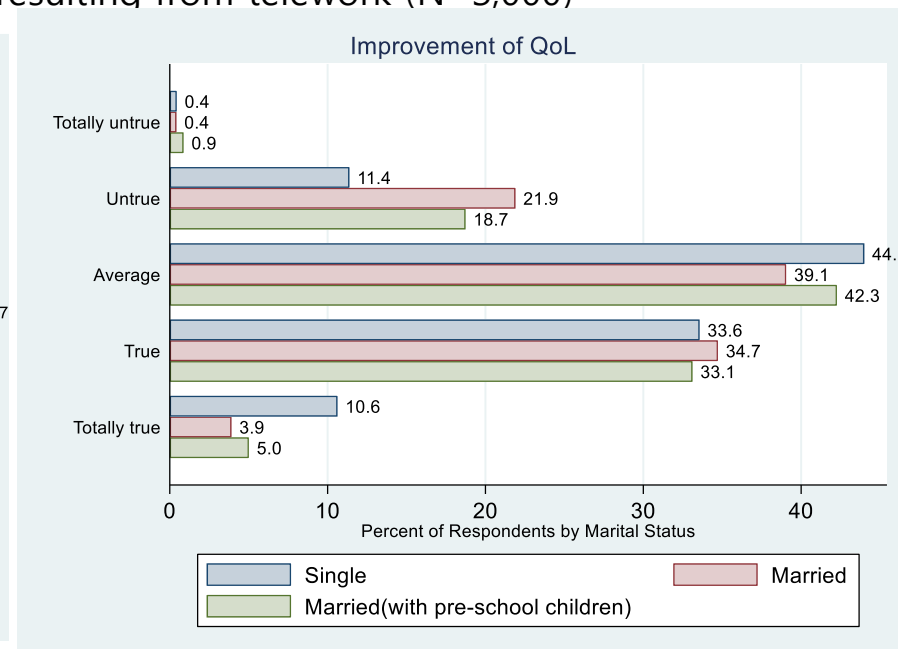
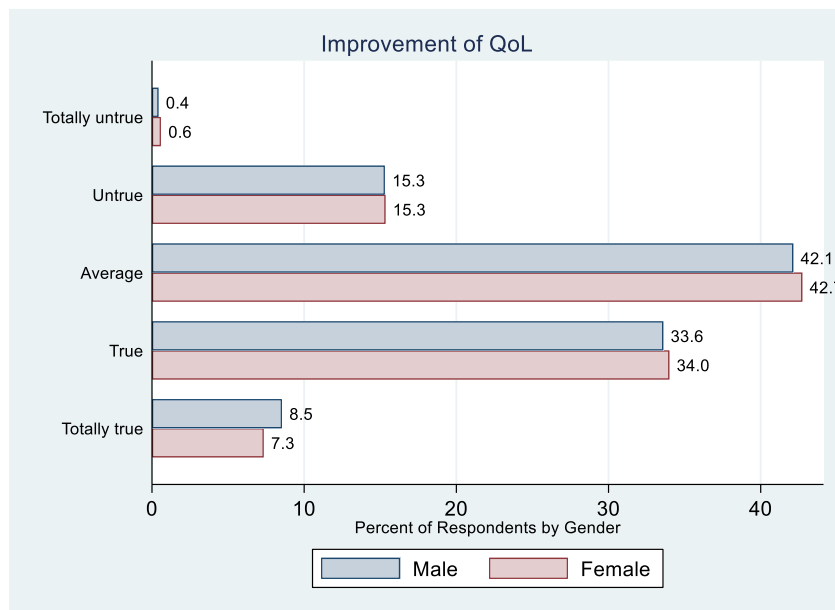
Evaluation of productivity and compatibility of work and family while teleworking (N=3,000)



Evaluation of efficiency of telework

- **Workers satisfied with telework: higher QoL**
 - Most workers were positive about improvement of QoL as they have more free time thanks to telework.
 - Analysis by marital status showed higher satisfaction of single workers compared with that of married ones.
 - Telework was also regarded by workers as having positive impact such as reduced physical tiredness, less late arrivals or absences, personal development, prevention of career gaps, etc.

Improvement of QoL thanks to more free time resulting from telework (N=3,000)



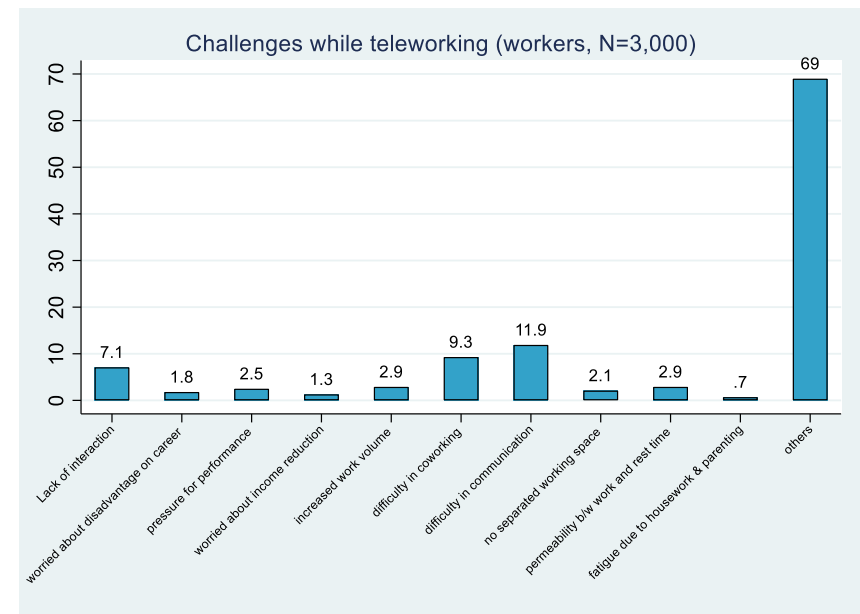
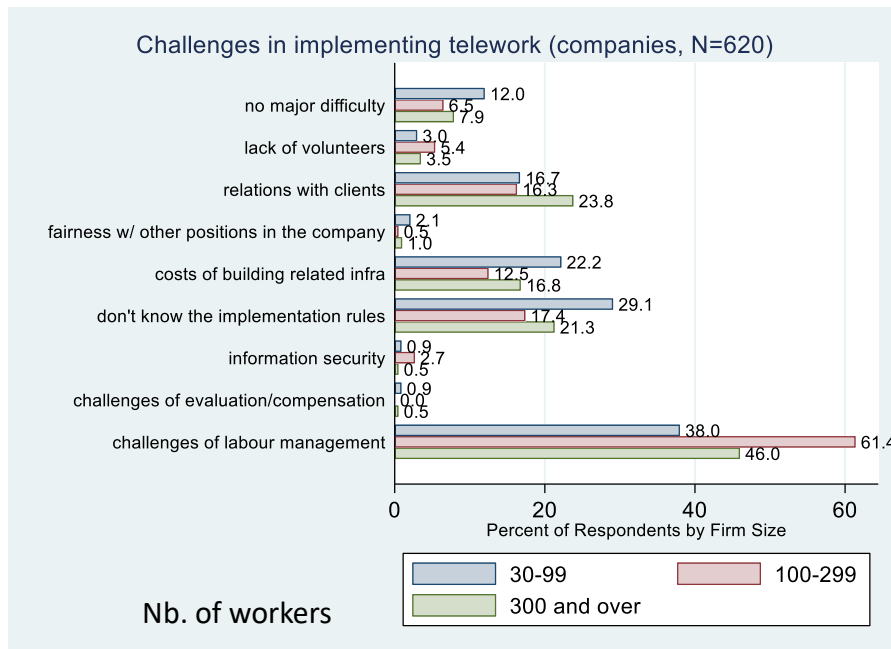
Challenges in implementing telework

■ Operational challenges of telework (companies)

- Challenges reported by companies: fairness with other positions in the company, cost of building related infrastructure, information security, etc.

■ Challenges while teleworking (workers)

- 69% of workers reported 'no major difficulty' while teleworking.
- Reported challenges: 'difficulty in communicating with managers or subordinates (11.9%)', 'difficulty in meetings or coworking (9.3%)', 'feeling excluded due to absence of interaction with colleagues (7.1%)'.
- Suggesting that the weakest point of telework is communication, either among workers or inside the organisation

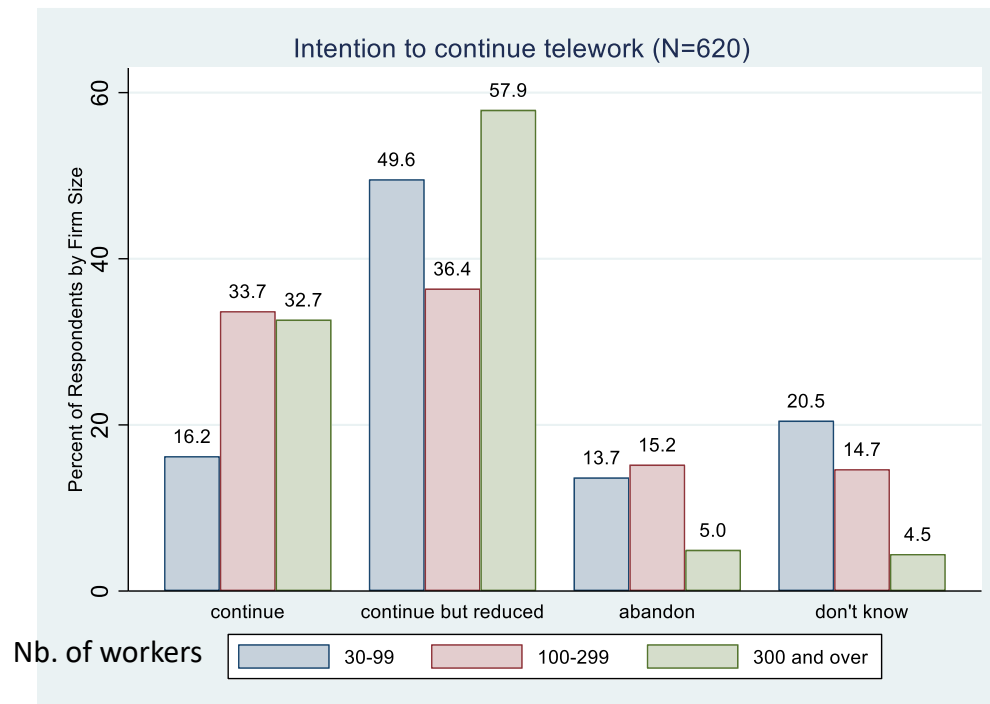


Sustainability of telework in the post-Covid era

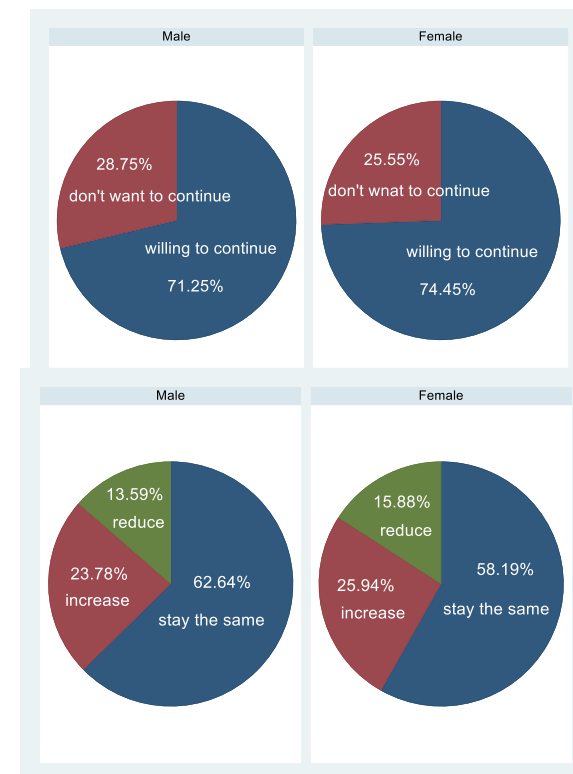
■ Companies' and workers' willingness to continue telework

- Large groups intend to continue telework even after the Covid-19 crisis, but most probably at a reduced scale.
- SMEs very likely to abandon or reduce telework.
- 70% of workers responded that they were willing to continue telework even after the pandemic.

Companies' intention to continue telework (N=620)



Workers' intention to continue telework (N=3,000)



Suggestions for sustainable telework at a wider scale

- With COVID-19 still going on, telework is a new way of working and surviving
- ✓ With the flexibility of time and space, telework presents many advantages including compatibility of work and family and attraction of talent. In the future, it will not be a matter of choice between face-to-face or non-face-to-face work, but somewhere in-between (hybrid telework).
- ✓ Different jobs and generations create different expectation and needs; workers should be consulted via surveys or other means in order to set 'adequate standards' of telework, taking into account employees' opinion and preferences and the social relations of the company. It is important to improve workers' acceptance through training, presentation sessions or workshops.
- ✓ For a stable telework system, it is necessary to revise recruiting rules or create/use telework manual including the definition of telework, criteria for employee selection, working hours, work management, performance evaluation, support in terms of equipment (ex. computer) and network (ex. access to intranet), guidelines in case of emergency, etc.
- ✓ Also important is improvement in terms of communication mode, mutual trust among colleagues and mentality – efforts needed to increase communication opportunity through online networking tools and establish untact culture throughout the organisation, i.e., new way of working and cultural transformation.
- ✓ Create social consensus on the necessity of telework, with more people understanding its benefits in terms of improved productivity and work-life balance.

Measures needed to protect teleworkers

- Strict respect of working time and right to disconnect
 - ✓ One of the biggest negative impacts of telework being increased working hours, working hours should be strictly defined and the work volume, controlled.
 - ✓ As work is carried out on digital devices, there is a big risk of exposure to work-related instructions outside working hours. Therefore, it is necessary to adopt compulsory respect of the 'right to disconnect'.

- Mental health issues of teleworkers
 - ✓ Teleworkers are exposed to mental health issues due to their feeling of isolation and absence of social bond, fear of being forgotten in the company, pressure to show higher productivity as no one sees them working, etc.
 - ✓ Needs to guarantee minimum rest time and provide compensation for accidents during telework.
 - ✓ Companies' efforts needed to strengthen and support inter-organisational communication and develop a fair evaluation system.

- Separation of work and life needed
 - ✓ Researches showed presence of children and working space inside home have a huge impact on workers' quality of working life.
 - ✓ Gov. and companies should work together to provide shared working spaces and better childcare services.

Discussion needed on telework related gaps

- Gap and imbalance between large groups and SMEs
 - ✓ Gap in digital capacity and financial resources between large groups and SMEs.
 - ✓ Employment in non-teleworkable sectors is hard hit by the pandemic.
 - ✓ Workers belonging to the second labour market (SMEs, non-regular jobs) have limited possibility to telework.

- Divide between teleworkers and non-teleworkers
 - ✓ Around 30% of jobs are estimated to be focused on face-to-face operations and taking place in a non-teleworkable environment.
 - ✓ Studies showed a big gap between teleworkable population and non-teleworkable one in terms of income, job stability and working environment. The Covid-19 crisis is exacerbating this gap.
 - ✓ Teleworking environment is determined by the housing and income level, creating telework-induced inequality.
 - ✓ Although telework contributes to prevention of women's career gap and improvement of their employment rate, long-term monitoring is needed to watch out for possible consolidation of gender gap in the labour market due to the segregation of teleworkable and non-teleworkable jobs.

Thank you