Rules of Employment & Establishing a Labor Management Council

Experts from the Investment Consulting Center tackle your frequently asked questions, one inquiry at a time

Q. How many people should be employed at a business for an employer to prepare the rules of employment?
A. An employer that employs ten or more people must have the rules of employment.

Additional information
- **Modification of the rules of employment**
  The rules of employment are regulations on working conditions that are prepared by the employer and applied to the employment contracts of all employees.

  To prepare or modify the rules of employment, the employer shall obtain the opinion of a majority trade union, or, if there exists no such union, the opinion of a majority of employees. If an employer wishes to modify the rules of employment to the disadvantage of his/her employees, the employer shall obtain consent from a majority of employees.

  When an employer notifies the local labor office of the rules of employment, he/she shall attach a document containing the above opinion or consent and bearing the signatures of employees.

Q. How many people should be employed at a business for the establishment of a labor-management council?
A. A labor-management council shall be established at a business employing 30 or more people.

Additional information
- **Establishment of a labor-management council**
  The labor-management council shall be composed of 3-10 members each from the employee side and employer side, and shall meet every three months.

  The members from the employer side shall comprise the representative of the business and those appointed by the representative. The members from the employee side shall include those elected in a direct or secret vote. If there exists a majority trade union, the members shall be the representative of the trade union and those appointed by the union.

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1 Agenda items for labor-management council
- Matters for consultation: Employment, dispatch and training of workers, working hours and recess hours, introduction of new machinery or technology, improvement of work processes, establishment or modification of work rules
- Matters for resolution: Establishment of basic plan for employee training and skill development, establishment and management of employee welfare facilities, establishment of company welfare fund, establishment of labor-management committees
- Matters for reporting: Overall business plan and performance, quarterly production plan and performance, personnel policy, company’s financial state