

# How to Reinforce the Regional Employment Agencies' Network: A Case Study for Future Direction

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## ABSTRACT

The objective of this article is to examine the present status and networking issues among Korea's regional employment agencies in order to prepare for a future job crisis and weakened national competitiveness caused by pressure from a super-aged society and the expected fourth industrial revolution. The results are as follows. First, in addition to government departments and regional governments, many employment agencies in Busan are also part of this community such as the regional human resource development (HRD) committee, training institutions, industrial councils, management groups, schools, companies, and research centers. Second, many of the agencies participate in low-level networking, however, on a scale of networking intensity, as the intensity increases, the number of agencies participating decreases. Third, according to degree centrality and eigenvector centrality, Busan and the Busan Regional Job Center play a central role in regional employment. Fourth, the Busan HRD Committee, the vocational training institutions, and the employment service agencies act as facilitators.

## KEYWORDS

Networking Competency, Regional Employment Agencies, Regional Employment Network, Regional Human Resource Development (HRD), Social Network Analysis

## 1. INTRODUCTION

The economic consequences of the fourth industrial revolution and a super-aged society are daunting challenges confronting South Korea today (Sung, 2016). Davos (2016) describes the fourth industrial revolution as "transformation into a more intelligent society where everything is connected by changing into a faster, broader, and stronger world" (Schwab, 2016). After the first industrial revolution of steam engines, the second of electric power, and the third of the Internet, the fourth industrial revolution is expected to change the future world more quickly and powerfully (Bloem et al., 2014). South Korea is expected to become a super-aged nation within the next 10 years. The rapid change in the population structure into a super-aged society threatens national economic development because of low employment rates that have continued for several years now. Korea is aging at an unprecedented rate, and the combined trends of low birth rates, an aging population, and the retirement of 7.1 million baby boomers are only escalating the problem. Within the next 10 years, Korea will become a super-aged society with the senior citizens surpassing 20% of the entire population. This implies that there is little time to prepare for this fourth industrial revolution (Lee, 2016).

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To cope with such changes, the Korean government is shifting more responsibility for employment and regional human resource development (HRD) from its central government to regional governments. At the same time, it is implementing various policies and programs to promote employment and HRD based on regional industries. To this end, a regional HRD committee was formed in 2014, as a central agency of governance to administer regional training and handle demand for human resources, as well as reinforce networking among employment agencies. This committee was established to invite the regional governments, the Ministry of Employment and Labor, regional employment service agencies, training institutions, management groups, schools and others to participate in determining industrial demand in the regions and building human resources accordingly through innovative vocational training (Lee et al., 2015).

Through this committee and the regional governments, Korea is attempting to resolve employment problems, which is key to creating future jobs and national competitiveness. Specifically, the government is working towards reinforcing the networking competencies of these regional employment agencies to improve employment and regional HRD. However, so far, there is insufficient understanding of the networking conditions or the process of forming regional employment agencies. Sufficient knowledge or information about the kind of network that is currently established is not available, even though such networking must be used to establish a vision for regional employment, HRD, and to develop projects and policies while taking into consideration the common interests of the region. Thus, this study's aim is to fill this gap and determine the network intensity and direction needed by analyzing current networking conditions of regional employment agencies to identify ways to promote networking effectively.

As a regional case example, this study examines the present status and level of networking among regional employment agencies in Busan; it then proposes methods to reinforce that network to help solve employment problems that may act as a barrier to future national competitiveness. Busan is chosen for case study analysis because, unlike other regional governments, the history of Busan's employment and regional HRD networking is relatively lengthy, and Busan is acknowledged for its active network building based on various external evaluations. Thus, a network analysis in Busan can be expected to facilitate analysis of the network status in other regions as well. The social network analysis technique is used here to effectively conduct network analysis, enabling more objective and systematic analysis.

## 2. REVIEW OF PREVIOUS STUDIES

Social network analysis (SNA) is a relatively new method that analyzes relational attributes of research subjects in contrast to statistical methods that examine individual attributes of research subjects (Wasserman & Faust, 1994). Barnes (1986) explains that a social network is represented by dots and lines, with dots indicating organizations or individuals, depending on the subject, and lines representing their mutual relations or information flow (Barnes & Harary, 1983). The major advantageous feature of SNA is that it can verify relationship patterns according to the structural status and roles of certain individuals or organizations. For instance, it can answer questions such as: Who has the most organizational power? Who is directly connected to whom in the organization and what social relations do they have? What is the size of the organizational network? How is the organization connected to other networks?

Moreover, SNA provides both a visual and intuitive understanding of dynamic relationships among organizations. Visually, it is easy to compare whether or not an organization has centralized power, analyze the degree of cohesion among related organizations, and evaluate how external networks are formed, thereby facilitating the determination of hidden structural relations. Specifically, by examining the structure of the information flow among related organizations within an area, SNA has the potential to effectively develop a strategy that identifies the most efficient information movement and linkage (Kim, 2013).

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