

A conceptual review of human resource management research and practice in Taiwan with comparison to select economies in East Asia

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Abstract Human resources are increasingly crucial to the growing economies of East Asia, which are striving to diversify economically toward higher value-added product-markets to continue their growth. Human resource management (HRM) in Taiwan, based on Confucianism and influenced by Western management research and practice, has been experiencing a major paradigm shift of sorts in recent years. With Taiwan's rapid economic growth followed by its industrial and institutional transformation, HRM in the region has been developing to cope with the increasingly competitive and fast-changing business world. As such, this study reviews HRM's development in Taiwan over the recent decades. The reviewed studies were gathered from work published from 1990 to 2016 appearing in the Social Sciences Citation Index or Taiwan Social Sciences Citation Index Chinese journals. A detailed discussion of HRM development in Taiwan is made, along with a summarizing scheme and some comparison to HRM in other select economies in East Asia, including those of Mainland China and Hong Kong which share the same cultural lineage and values.

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Human resource management (HRM) is recognized as very important to the success of firms and the economies in which they reside (Ahlstrom, 2014; Bloom & Van Reenen, 2010; Pfeffer, 2007; Pfeffer & Veiga, 1999). This is increasingly true in emerging economies where HRM is generally in an early stage of development and deployment, in terms of both research and practice (Ahlstrom, Bruton, & Chan, 2001; Bruton, Ahlstrom, & Chan, 2000; Cooke, 2014; Cooke, Saini, & Wang, 2014; Schuler & Jackson, 2014). The time has passed when Asian firms simply established personnel departments and gave little thought to the active management of their human resources (Chen & Ahlstrom, 2017).

Taiwanese enterprises, particularly those in the electronics-related industries, are well recognized globally for their technical and productive capabilities (Steinfeld, 2005; Young, Ahlstrom, Bruton, & Chan, 2001). For example, Taiwan Semiconductor Manufacturing (TSMC) is the world's largest dedicated semiconductor firm. Taiwanese subsidiaries of foreign companies (e.g., Bayer, 3M, and Coca Cola) also occupy an prominent strategic position in global competition (Steinfeld, 2005). Nonetheless, with a population of about 23 million on a main island of moderate size (along with several smaller outlying islands), Taiwan's land and natural resources are relatively scarce. HR is a key resource for Taiwanese firms and is emerging as a major contributor to their performance (Chen & Ahlstrom, 2017; Pfeffer, 2007).

HRM did not get much attention in Taiwan in its early economic takeoff years of the 1980s and 1990s (Lin, 1997). However, management practices in Taiwan in general started to attract more attention from researchers and HR practitioners as Taiwan's economy developed (Liu, Ahlstrom, & Yeh, 2006). Being one of the fast growing "Asian Tigers," together with Hong Kong and Mainland China, Taiwan has kept pace and continued its solid growth and development of the past few decades, as shown in Fig. 1 (Chen & Ahlstrom, 2017; Lau, 2012).

With Taiwan's economic growth, HRM has started to gather in attention in the form of research and an increased emphasis on practice and the professionalization of the HR discipline there (Chen & Ahlstrom, 2017; Uen, Ahlstrom, Chen, & Liu, 2015; Uen, Ahlstrom, Chen, & Tseng, 2012). In addition, HRM development in Taiwan has been influenced by Confucianism values (Chen, 2008), which is one of the core philosophies in ethnic Chinese societies (Chen, 2001). Following the influence of local cultural values and economic development, the focus (and context) of HRM in Taiwan and associated East Asian economies has undergone a major shift in the past few decades based on the increasingly competitive business environment, economic growth, and institutional change there (Ahlstrom, Young, Nair, & Law, 2003; Peng, Sun, & Markóczy, 2015). Firms that saw HRM as a purely administrative function have started to appreciate the competitive advantage conferred by a strong HR system (Chen & Ahlstrom, 2017; Pfeffer, 1998, 2007; Uen et al., 2012).

As such, this review of HRM development in Taiwan is structured as follows. First, it provides a summary of the general development of HRM in Taiwan in recent decades. In the past few decades, Taiwan has successfully attracted a large amount of foreign investment from the US, Japan, and Europe (Lau, 2012). The management of

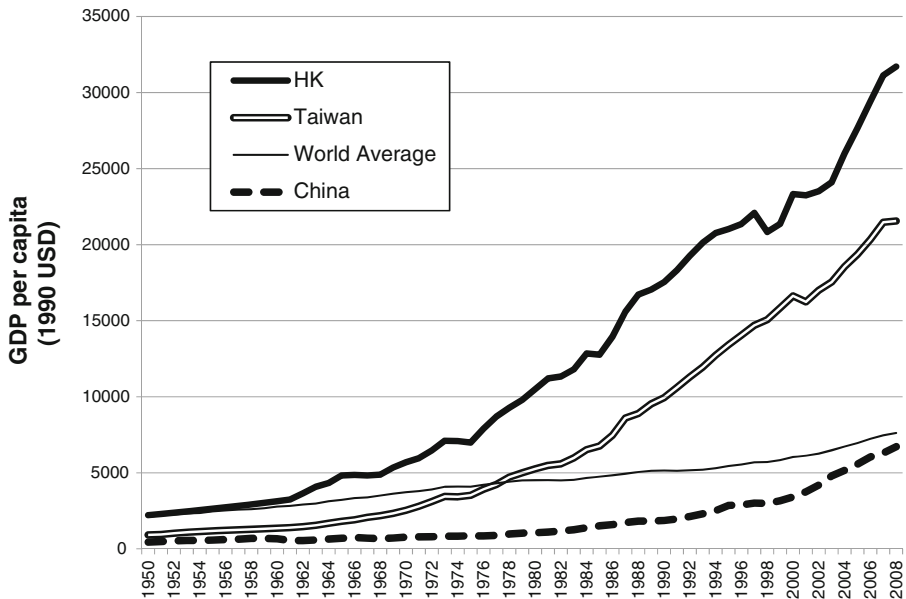


Fig. 1 GDP growth, 1950–2008 of Hong Kong, Taiwan, China, and the world average. Source: Angus Maddison database (accessed through www.quandl.com); Chen and Ahlstrom (2017)

indigenous firms in Taiwan, coupled with the investment from multinational companies, has impelled a major transformation and modernization in Taiwan as particularly exemplified by modernizing management practices with respect to strategy, governance and HRM (Chen & Ahlstrom, 2017; Lin & Liu, 2011; Young, Tsai, Wang, Liu, & Ahlstrom, 2014). This study discusses this transition and addresses some likely scenarios with respect to future development. It also covers several crucial factors affecting the transformation of HRM practices in Taiwan in the past few decades. These factors include cultural change, industrial policy and government's role, and institutional development.

HRM scholarship as well as practical implications for organizations are interwoven together regarding HRM development in the next section of this paper (Abrahamson, 2008; Christensen & Carlile, 2009). In the second section, by collecting academic papers on Taiwanese HR from 1990 to 2016, this paper looks closely at the academic and practical developments in the HRM field, and classifies the research along two dimensions—the number (and type) of HR practices and the levels of analysis. In terms of the number of HR practices, a *single practice* covers an individual HR function such as essential activities of work design, staffing, training and development, performance appraisal, compensation, safety and health, and labor relations. In contrast, a *system* emphasizes a whole bundle of coherent HR practices that function well together toward a defined goal. With respect to the level of analysis, in addition to the individual level, we further classify team/firm level by country that refers to studies conducted in the same country/region, whereas multiple countries cover HRM in multinational companies or comparisons among companies with various national origins. In the final section, this paper compares

HRM development in Taiwan with other select economies in East Asia, including those of Mainland China and Hong Kong, which share the cultural roots of Confucianism (Ahlstrom, Levitas, Hitt, Dacin, & Zhu, 2014; Chen, 2001).

This review covers the period of 1990 to 2016 for several reasons. First, the concept of HRM, as a replacement for “personnel management” in the US, occurred largely in the mid-1970s (Schuler & Jackson, 2005), and was subsequently introduced to Taiwan around the late 1980s and the early 1990s by multinational corporation affiliates and Taiwanese who studied abroad (Chen, 2008; Chen, Lawler, & Bae, 2005). This time period covers Taiwan’s economic takeoff period (Liu, Wang, Zhao, & Ahlstrom, 2013; Steinfeld, 2005) and is illustrative of the adopting (and adapting) of Western management practices, particularly Anglo-America management practices, by Taiwanese firms (Ahlstrom, Chen, & Yeh, 2010; Lin, 1997). Second, two graduate institutes renowned for their specialties in HRM were established in Taiwan in the early 1990s, drawing more attention from scholars and practitioners to the applications and studies of HRM.¹ Third, much research in HRM has emerged since 1990, and particularly after the year 2000 (Chen & Ahlstrom, 2017; Lin, 1997). The selected review studies were screened and retrieved from Social Sciences Citation Index (SSCI) journals or Taiwan SSCI journals (most studies were published in English while some were published in Chinese) to assure the rigorousness of the selected review studies.

The transformation of HRM in Taiwan

In Taiwan, management practices from HR to governance to corporate strategy have been undergoing significant transformation as Taiwan’s economy has emerged as one of the world’s most developed (Chen & Ahlstrom, 2017; Lin & Liu, 2011; Uen et al., 2012; Young et al., 2014). In terms of HR (and rooted in traditional Chinese culture), people management in Taiwan has its distinct characteristics but has also been influenced by Western management research and practice. There are several forces affecting its development including cultural, economic, industrial, and institutional ones, both individually and jointly influencing the development of HR in Taiwan.

Culture

As noted, a dominant cultural influence in Taiwan is Confucianism, which has long been incorporated into Taiwan’s education system. Confucian values emphasize social harmony, seniority and hierarchy, personal (especially upward) loyalty, and interpersonal *guanxi* (connections) (Chen, 2008; Mao, Peng, & Wong, 2012; Zhu, Warner, & Rowley, 2007). To keep the society ordered and harmonious, several cardinal relationships such as parent with child, ruler with minister, and elder with junior are also emphasized. The superior is strongly encouraged to demonstrate personal virtues and

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be concerned with the subordinate's well-being, while the subordinate should reciprocate with respect, obedience and loyalty (Chen, 2001). Though similar, *guanxi* differs in some respect with networking in Western societies (Hwang, 2001), and remains an important influence within the social system of ethnic Chinese communities (Luo, 2000). Embedded with *guanxi*-based influence from Confucianism, many ethnic Chinese businesses are family-owned because they believe that family members are the only people they can fully trust (Ahlstrom, Young, Chan, & Bruton, 2004; Carney, 1998; Yang, 1994; Yeung & Tung, 1996). Formosa Plastic in Taiwan is one such large, successful conglomerate family business among many in Taiwan. In addition, Chinese people tend to believe that strong connections lead to successful business operations (Lee & Dawes, 2005). Family businesses have developed smartly and have been thriving in ethnic Chinese societies, and particularly in Taiwan (Liu, Chen, & Wang, 2017).

As noted, Confucianism, as a set of guidelines for proper behavior in Chinese society, exerts a major influence in ethnic Chinese communities such as that of Taiwan (Hofstede, 1991; Jacobs, Guopei, & Herbig, 1995; Tu, 1998; Zhu, Chen, & Warner, 2000). Confucianism exhibits the important value of family-based collectivism and emphasizes the spirit of loyalty, duty, conscience, harmony, consensus, reciprocity, trust and sympathy (Tu, 1998; Warner, 2010, 2012; Xing, 1995). In addition, Confucianism urges individuals to sacrifice self-interest for the benefit of the group, avoid conflict, and maintain harmony (Kirkbride & Tang, 1992). The ideal workplace is thus thought to be characterized with harmonious employment relationships within which interpersonal trust based on personal connections is seen as key (Chen, 2001; Chen et al., 2005). To be trusted by management, employees are expected to be loyal to the organization and the owner, in almost a dynastic fashion. *Guanxi* with the owner and managers usually represents a higher level of trust and is often key to hiring, promotion, and compensation decisions (Mao et al., 2012). In addition, the majority of Taiwanese business organizations are small or medium-sized enterprises (SMEs) where the owners and/or family members often serves as managing roles and paternalistic leadership style is prevalent. Paternalistic leaders command much authority and demand obedience from subordinates but are also thought to show individualized concern for subordinates; they maintain authority by demonstrating moral integrity (Farh & Cheng, 2000; Gedajlovic, Carney, Chrisman, & Kellermanns, 2012). In these family-controlled companies, the management can be very centralized, and then formalized and sophisticated HR practices may not be seen as necessary (Ahlstrom et al., 2004; Carney, 1998).

Chen (2008) contrasted Confucian HR practices with Western-based counterparts, namely high-involvement HR practices. Unlike high-involvement HR practices that use formal and extensive selection and emphasize company culture and values, the recruiting criteria of Confucian management emphasizes trust and loyalty, often relying on referrals from personal connections (Chen, 2001). Formal training is less likely to be provided by companies that adopt Confucian HR practices because training is considered to be a cost rather than an investment, and self-disciplined individuals are responsible for their own development (Chen & Ahlstrom, 2017). In addition, Confucian HR practices generally make little effort toward performance appraisal, and, in order to avoid conflicts among managers and employees, formal evaluations are less likely to be shown or even undertaken. Pay is based more on seniority rather than performance or ability, and wage structures are generally compressed to maintain staff harmony (Ahlstrom et al., 2004; Chen & Ahlstrom, 2017). Whereas high-involvement

HR practices stress participation and autonomy, Confucianism emphasizes authority and obedience, resulting in more centralization and less participatory decision-making, which can negatively impact innovation and, perhaps paradoxically for a more collective society, team decision-making and performance (Aghion et al. 2014; Lee, Koopman, Hollenbeck, Wang, & Lanaj, 2015; Li, 2012; van Someren & van Someren-Wang, 2013; Wang, Ahlstrom, Nair, & Hang, 2008), potentially hindering firm growth (Ahlstrom, 2010).

Although Confucianism is fundamental to Taiwanese culture and thus has a significant influence on HR systems in indigenous companies, Taiwan has also experienced some cultural change, making employees gravitate more toward individualistic behavior, with organizations becoming less hierarchical (Chen, Ko, & Lawler, 2003). The cultural change, which likely has resulted from the extensive interaction with Western firms, culture, and the media, has influenced the work values of new younger generations (Liu et al., 2013). In contrast to older cohorts, younger employees attach more importance to both intrinsic rewards (e.g., personal growth opportunities and transcendence) and extrinsic rewards (e.g., pay and bonus) while paying less attention to collective benefits (Wang, 1993). They expect to earn respect from managers and colleagues in bringing their talent into full play. The younger, more individualistic employees may be less reluctant to accept Confucian-style management and are more inclined to Western-style HR practices (Chen et al., 2005), driving Taiwanese firms to adopt Western management practices, particularly in the newer growth industries (Liu et al., 2013).

Economic development

The economy of Taiwan has changed dramatically since the early 1990s (Steinfeld, 2005). Taiwan enjoyed economic prosperity in the 1970s and the 1980s, with around 8% to 12% of the annual average rate of economic growth through the late 1980s (DGBAS, 2009). During that time, Confucian-style management generally promoted compliance and efficient workplace behavior for Taiwanese companies to be low-cost producers (Chen, 2008; Chen et al., 2005). However, in the late 1980s and the early 1990s, the business environment in Taiwan became more challenging with slowing economic growth rates and increased competition from other emerging economies (Steinfeld, 2005). Turbulence and uncertainty generated by the increasing speed and the enlarging scope of globalization created as well as the increased availability and forms of financing created more pressure and change imperatives for Taiwanese firms (Ahlstrom & Bruton, 2006; Liu et al., 2017).

This growing competition forced indigenous companies to take more aggressive actions. Some companies were attracted to move to other emerging economies such as Mainland China, Vietnam, Malaysia and Cambodia for lower wages. Capital shifts from Taiwan to other Asian economies have resulted in increasing unemployment problems (Chen, Roger, & Lawler, 2003), raising concerns about the durability of traditional Confucian management practices and developmental guidance under conditions of increased competition (Ahlstrom et al., 2004; Beason & Patterson, 2004; Liu et al., 2013). Employees have gradually realized that firms can seldom guarantee job security and lifetime employment in a single firm (Beason

& Patterson, 2004). From the perspective of psychological contract breach (Rousseau, 1989), asking for employee loyalty to the company will be more difficult given that the implicit provision of job security has largely been broken. Therefore, firms try to meet other employee expectations such as varied and customized financial incentives and better employability, that is, more training and development opportunities, in exchange for their compliance, expected performance and loyalty.

However, many Taiwanese firms have realized that it is imperative to be more flexible and innovative to enhance competitiveness by making organizational and governance changes (Ahlstrom et al., 2004; Chen & Ahlstrom, 2017; Liu et al., 2013). Although Confucian values may still dominate in many small-sized firms, the newer, growth-oriented Taiwanese enterprises advocate a new HRM model to take advantage of new research and techniques associated with high performance work systems for example, and global imperatives in managing a more diverse workforce as they expand beyond indigenous markets (Lin & Liu, 2011). In addition, the presence of many successful, high-profile multinational corporations has introduced newer business models and a number of Western management practices (Chen et al., 2005). These practices emphasize employee training and development, offer more job autonomy, link performance appraisal to rewards with performance-based pay raises. In addition, globalization has led a growing number of Taiwanese to study and work abroad, many of whom in turn brought back helpful Western management practices (Chen & Ahlstrom, 2017).

HRM development in Taiwan has also facilitated further economic ties between Taiwan and Mainland China (Uen et al., 2012). Although a number of Taiwanese firms started moving business to Mainland China, the Taiwan government imposed rigid restrictions on investment there under the policy of “go slow, be patient” in the 1990s. However, there has been noticeable improvement in cross-strait relations over the past several years with new leadership and various cross-strait travel and trade initiatives. The full opening of direct Taiwan to Mainland China air travel and shipping, launched in December 2008, further facilitated trade, travel and increased cross-strait investment and employment opportunities.

Industry structure

Although Taiwan’s economic growth has encouraged HR development in Taiwanese firms, not all industries have developed at the same pace. In Taiwan, HRM in high-technology industries is distinct from that in other industries, and HRM in the service context is receiving more attention because service-oriented business recently accounted for more than 70% of GDP in Taiwan (DGBAS, 2009; Uen et al., 2012). Industry factors are discussed next.

The industrial structure of Taiwan experienced a major shift in the 1990s, further expediting the HRM development. Manufacturers such as textile, shoe, and chemical companies whose products have relatively low value-added accounted for a major industrial share in Taiwan in the postwar years up till 1980. After that, the high-technology sector started to develop, prospering significantly in the 1990s, partly owing to the support of the government in promoting the development of science and technology such as setting up three National Scientific Industrial Parks

located in three of Taiwan's major cities: Hsinchu, Tainan, and Taichung. The rapid growth of high-tech firms has given Taiwan a high percentage of export trade and a worldwide reputation of providing good quality (and advanced) electronics. In addition, the service sector also grew smartly, displacing the manufacturing sector to become Taiwan's largest in the 1990s and playing a key role in promoting economic growth (Steinfeld, 2005). Taiwanese firms became more consciousness of good customer service and quality improvement as well.

Several characteristics of human resources in high-tech industries are different from traditional manufacturing industries (Chen et al., 2003). High-tech firms generally employ a relative high percentage of knowledge workers in their workforce (Milkovich, 1987). Even though many fine scientists and engineers who studied abroad return to Taiwan for work, industry there experiences a regular shortage of professionals, particularly scientists and engineers in those high-tech firms.² The turnover rates in high-tech firms are relatively high given the dramatic competition in the job market.

HRM in high-tech firms differ from that of manufacturing firms because the majority of employees in high-tech firms are knowledge workers while blue-collar workers are majority in manufacturing firms (Lepak & Snell, 1999). Ramirez and Fornerino (2007) suggested that knowledge workers in high-tech firms play a vital role in organization success particularly need a more sophisticated and creative HRM system (Ramirez & Fornerino, 2007). As such, management practices should focus on facilitating knowledge activities (e.g., knowledge sharing, acquisition, and combination) among knowledge workers and knowledge teams (Collins & Smith, 2006; Jackson, Chuang, Harden, & Jiang, 2006). HR practices in the high-tech industries tend to be team-based, have greater levels of employee involvement and emphasize empowerment and participation, while providing development opportunities, stock options and the like.

On the other hand, HRM in the service industries also differs from that of manufacturing firms (Batt, 2002). Services are less tangible and often involve customer participation during the production and consumption phases. HRM in service organizations should not only focus on employees but also consider customer needs (Chuang & Liao, 2010). How to manage the employee-organization relationship and to facilitate a positive customer-organization relationship simultaneously is a key challenge facing Taiwanese service firms. HR practices need to not only signal firms' concerns about employee well-being but also to help service employees develop product knowledge, customer knowledge, standard service processes (Batt, 2002) and a positive customer service climate (Schneider, White, & Paul, 1998). However, developing an employee service orientation has also started to be emphasized more in manufacturing firms (Liao & Subramony, 2008). Manufacturers that provide product design need to enhance customer satisfaction from adopting HR practices that can help employees understand and satisfy customer needs.

² The situation turned around in the second half of 2008 due to the global economic downturn. Many high-tech companies asked employees to take unpaid vacations because of production-cuts. The situation has been recovering gradually since the second quarter of 2009.

Institutional factors

In addition to cultural and economic factors, institutional forces also encourage HRM development (Chen et al., 2005). There are several institutional factors affecting HRM development elaborated as follows. Legal and administrative regulations play a key role forming the institutional environment. Enacted in 1984, Taiwan's Labor Standard Act (LSA) is one of the most influential laws and has had several key subsequent amendments. In order to protect worker rights, the LSA regulates the employer-employee relationship to demand that firms adopt the management practices consistent with labor and other commercial regulations. In addition, employers achieve more flexibility in labor employment to fulfill the legal liability. Various contingent work arrangements have been introduced in the 1990s to increase labor market flexibility and further encourage the development of HRM.

Yet HRM was likely hindered by the limited HR scholarship before 1990s. Increasing numbers of students in higher education (and particularly overseas higher education) or taking professional training, were able to contribute smartly to HR's development in Taiwan after 1990s. Founded in 1993, the Institute of Human Resource Management at National Sun Yat-sen University in southern Taiwan was the first graduate institute specializing in HRM. It was followed by another HRM graduate institute at National Central University the next year. The two main institutes provided a venue for educating HR professionals so as to meet industry's needs for trained HR professionals to help improve compliance with new labor laws and to attract and develop the more highly educated Taiwanese workforce. In addition, many other management related MBA program in Taiwan introduced Western management practices by adopting international textbooks and training materials from places like Harvard Business School or major academic publishers.

Imitation from the best HR practices to build legitimacy also leads HRM development (Ahlstrom, Bruton, & Yeh, 2008; Chen & Ahlstrom, 2017). The intense competition in business environment in Taiwan after 1990s illustrates the importance of adopting solid HR practices as the number of HR professionals increased, as did the establishment and promotion of various HR professional associations (e.g., Chinese Human Resource Management Association). The various professional networks facilitate the exchange of HRM knowledge and experience for HR practice development. The mimetic phenomenon may be more evident in indigenous firms adopting practices from foreign firms operating in and around the region (Ahlstrom et al., 2008; DiMaggio & Powell, 1983).

Development of HRM research

HRM development in Taiwan also provides an interesting avenue for researchers. While Taiwanese firms adopted and developed new HR practices, researchers simultaneously studied related topics. Although Zhu et al. (2007) asserted that some elements of HR practices have existed in Asian firms for a long time, it is arguable that systematic HRM research was initiated in the Western context where the majority of HRM studies have been conducted over the past century (Ahlstrom, 2014; Jackson, Schuler, & Jiang, 2014), and have subsequently impacted HR research and practice in Taiwan.

Publish or perish

The academic rule of “publish or perish” has also played a significant role in facilitating the development of HRM scholarship in recent years. There were no tenure-track systems in Taiwanese universities before the 1990s. A fresh PhD graduate was able to stay at the same school until retirement with little in the way of peer-reviewed publications. In the mid-1990s, a few major public research universities in Taiwan began to adopt the “up-or-out” rule when recruiting and evaluating new faculty (Hung, 2009). Several years later, Taiwan’s mid-tier universities adopted the same rules, as did several smaller and private ones. Although the evaluation period may vary (from six to eight years), assistant professors (and sometimes associate professors), will be forced to leave if they do not meet publication requirements, which make up 60 to 70% of tenure evaluations. As assessment criteria are central to the development of research communities and scholarship (Garud & Ahlstrom, 1997), HR scholars have sought to develop more conceptual and empirical research, and are increasingly publishing in international journals.

The authority of Taiwan’s Ministry of Science and Technology (MOST)

Data collection is imperative to carry out positivist, empirical research. The Taiwanese government has been putting efforts in data collection for public and even private firms, and other archival data. A major government agency (MOST) in Taiwan provides encouraging policies for HR scholars to develop academic research. MOST is a major source of research grants for HR scholars in Taiwan because obtaining funding from the private sector tends to be more challenging. More importantly, the majority of Taiwanese universities take the MOST projects as a key indicator of faculty performance evaluation.

MOST has a special evaluation system for granted projects, which not only evaluates the content of the project but also publication performance. The evaluation criteria have changed significantly in recent years, and since 2005, 50% of the evaluation (40% for new teachers with less than five years’ experience) is based on the teacher’s publication record for the previous five years (MOST, 2014). That is, there will be almost no chance to obtain a research grant without a good publication record. In addition, the MOST highly recognizes the applicant’s publications in the first-tier and the second-tier journals, in particular in SSCI journals, to encourage high-quality research. The development of HRM scholarship has improved and will be discussed in our later section.

HRM academic community network

The HRM scholarship development in Taiwan has also been influenced from Western management scholarship. For example, many Taiwanese HR Scholars have received their Doctoral degrees in Western countries (notably in the US and Britain) and were trained under a Western social sciences tradition. In addition, many students who got their PhDs in Taiwan have spent significant time on academic exchange with major universities in North America or Europe. That experience has further facilitated the development of a more global HRM scholar community in Taiwan through visiting scholar programs and participation in international conferences.

Reviewing HRM studies in Taiwan

This study collected and covered all HRM studies in Taiwan from 1990 to 2016 from the database of SSCI journals or Chinese-language Taiwan SSCI (TSSCI) journals. Based on the typology of HRM research from Wright and Boswell (2002), this study developed a model, including the level of analysis as individual and team/firm level and have isolated and systematic HRM practices into six quadrants to review the HRM scholarship development in Taiwan. Below, this is elaborated in six quadrants accordingly in Table 1.

Functional HRM

The first quadrant focuses on studies of the effect of individual HRM practices (i.e., recruitment, selection, training, compensation, performance appraisal, and the like) on employee outcomes in organizations. The studies in this quadrant can be classified as single practice and multiple practices. From the studies which focus on one single practice, certain HRM practices, such as benefit and compensation packages, recruitment and selection practices, training and performance evaluation have drawn much attention on HRM scholarship in Taiwan. These are discussed in turn below.

Benefits and compensation

Benefits and compensation represent important practices in an organization since they can motivate employees and reduce turnover. Lee, Hsu, and Lien (2006) examined different benefit and compensation packages and found that 90% of firms in Taiwan’s manufacturing industry had implemented retirement plans, half offered fringe benefits, 35% provided a pension and a quarter offered severances (Lee et al., 2006). Other studies suggested that benefit and compensation influence employees’ socialization outcomes such as turnover, OCB, knowledge sharing and work attitude (Chiu, 2013; Chiu & Tsai, 2007; Chu, Chi, & Lee, 1998; Lee et al., 2006). Those studies posited that organizations should carefully design pay systems (e.g., fixed versus flex pay and benefits) which build a trust relationship with employees and motivate employees’ expected behaviors (Pfeffer, 1998).

Table 1 Typology of HRM research in Taiwan, 1990 to 2016

Level of analysis		HRM practices	
		Isolated	Systematic
Individual		Functional HRM (i.e., individual HRM practice, recruitment, selection, training, compensation, performance appraisal etc. on individual employee’s outcome)	Employment relationship (i.e., research aimed at HR system and individual outcomes, including family-owned business and SMEs)
Team/firm	Single country	Isolated functions (i.e., research aimed at individual practice on strategic organizational outcomes)	Strategic HRM (i.e., high performance work systems)
	Multiple countries	International HRM (i.e., research aimed at MNC isolated HRM practice)	Convergence and divergence of HRM (i.e., research aimed at MNC’s HRM systems)

Recruitment and selection

The “talent war” has long been a popular topic of HR studies. Two selected studies on recruitment and selection practice indicated its influence on employees’ pre-entry stage (i.e., organizational attractiveness) and post-entry stage (i.e., employees performance). Tsai, Huang, and Yen (2008) suggested that recruitment and selection practices influence organizational attractiveness. Hsu and Leat (2000) found that the influence of recruitment and selection practices on employees’ performance and commitment.

Training

The reviewed studies indicated the most efficient training programs and their importance on employees’ attitude (i.e., motivation) and behavior (i.e., performance). Lin, Wang, and Hsu (2010) studied and compared the employees’ performance by implementing two different training programs (i.e., in-house and outdoor field training). Tsai and Tai (2003) examined whether employees’ perceived importance of the training program would mediate the relationship between training assignment and training motivation. Chien, Chen, and Chen (2013) posited the person-organization (p-o) fit issue is of much importance and found an interactional effect on higher levels of p-o fit which can in turn enhance organizational attractiveness. In recent years, a line of recruitment and selection studies focused on employer brand and posited that organizations are able to attract potential employees by developing employer brands such as “the best employer” and “the best workplace” as often seen in high profile publications such as *Fortune* or *HR magazine* (Huang, Ahlstrom, Lee, Chen, & Hsieh, 2016; Lu, Lin, & Yang, 2015b).

Performance appraisal and development

Performance appraisal has been an important and difficult issue in an organization especially in Chinese societies, given the importance of *guanxi* and concomitant loyalty issues, both of which likely influence the performance appraisal. Chu (2000) studied performance appraisal in Confucian society and found out that the supervisor will appraise their confidants in a highest way and then the insiders. The results indicated that *guanxi* is an important factor for performance appraisal and organizations should put into consideration while designing performance appraisals. Recent research has also started to address the efficacy of less formal performance appraisal systems (Markle, 2000) and the importance of giving developmental feedback on behavior and effort (Cohen & Bradford, 2012; Dweck, 2008).

Multiple practices

Only a few studies focus on multiple practices. Huang (2002a, 2002b, 2000c) and Huang (2003a, 2003b) found the positive impact of different human resource management practices on employees’ attitude, performance and employment relationship.

Isolated functions

The second quadrant focuses on the strategic organizational outcomes (firm performance, employee turnover rate, human capital quality and so forth) by studying individual HRM

practices in a given country. Specific single-country HR practices (i.e., compensation, training) and multiple practices are studied for their impact on team/organizational outcomes.

Compensation The impact of compensation on organizational outcomes mainly focuses on firm performance (Han & Shen, 2007). Other studies addressed the important determinant of compensation and salary package in an organization. Skill characteristics and performance information are important determinant of salary payment (Huang, Chi, & Lee, 1999), though *guanxi* has still been found to influence CEO's compensation, particularly in a network-based business and in government (Young & Tsai, 2008).

Training Studies that focus on training programs are trying to assess the effectiveness of training program on organizational or team performance (Chi, Wu, & Lin, 2008; Lin, Chen, & Chiang, 2003) or on human capital development (Liao, 2016). Social support from trainees' immediate supervisors and colleagues was found to significantly moderate the relationship between trainees' learning outcomes and team behaviors. In addition, Li (2012) emphasized on mentoring practices and suggested that mentoring practices effectively affect employee knowledge sharing and innovation behavior.

Work-life balance In recent years, HRM scholars in Taiwan started to emphasize employee work-life balance issues since employees in Taiwan tend to work long hours and experience high level of job stress. Chen, Wang, and Chiu (2013) reviewed the work-life balance issues to look at the current work-life balance studies in Taiwan and future study development. Chen, Woods, Zhao, and Chuang (2011) studied high technology knowledge workers in Taiwan and found those workers are well compensated, but work long hours with little time for social and family life outside of the workplace.

Other HR practices Certain other practices (i.e., succession programs, performance appraisal, downsizing) are also discussed in terms of their impact on the higher level of organizational effectiveness and outcomes (Bloom & Van Reenen, 2010; Pfeffer, 2007; Schuler & Jackson, 1987, 2014). Hwang (2001) indicated that effective succession program can minimize disruption and dislocation arising from such personnel changes and implement business strategy and achieve organizational goals in a smooth and continuous manner. Tsai, Wu, Wang, and Huang (2006) and Tsai and Yen (2008) studied the effect of downsizing strategy on firm performance and found that only those organizations that chose downsizing strategy carefully with responsible human resource practices would have positive firm performance after implementing the downsizing. Chu (1998) studied the discrepancy between expected performance appraisals and the actual ones and found the existence of a discrepancy gap implying that organizations which decrease the discrepancy would in turn increase the effectiveness of the performance appraisals. Some studies tried to compare the practices between different foreign firms in Taiwan. Lin (1996) studied the training and development practices in Taiwanese, the US, and Japanese firms in Taiwan and showed that US firms offer more training opportunities abroad, job rotation and overseas long-term advanced study than the other countries. Lin and Wei (2005) studied the expatriate management in Taiwanese SMEs with different foreign investment and found that the number of expatriates and ratio of expatriates with managerial positions have significant influence on expatriate premature return and company sales. Wang, Chiang, and Tung (2012) posited that HR practices are able to

facilitate knowledge development in an organization as well developing core employees and improving organizational performance. Lin, Lee, and Tai (2012) examined that how HR strategies can positively affect organizational core competence development.

Multiple practices Many studies have also started to focus on the effectiveness of multiple practices not only on organizational performance, but also on key factors such as labor flexibility, employee participation (Huang, 2002a, 2002b, 2002c; Huang & Cullen, 2001; Lu, Chen, Huang, & Chien, 2015a), and social capital enhancement (Chuang, Chen, & Chuang, 2013) and indicated that firms performing human resource practice effectively are more likely to integrate their HR functions (Huang, 2000). Other studies focus on team-oriented HR practices and organizational innovation, such as team knowledge management and sharing and innovation (Chi, Huang, & Lin, 2009; Huang & Li, 2006; Shih & Huang, 2005) and its moderation effect (Chi et al., 2009). Finally, strategy (organizational and international strategy) are found to impact HR management strategies (Huang, 2001a, 2001b) and practices (Chu, Yu, & Hu, 2007) and also influence the HR practices in the MNC subsidiaries (Hannon, Huang, & Jaw, 1995).

International HRM The third quadrant focuses on single or multiple HR practice applied at the organizational level in multiple countries, studying HR practice and its effect in multiple countries. Most of the studies also consider the influence of cultural factors and made some comparison between countries such as HR planning on potential terrorism actions, crisis management, and turnaround in the Asia Pacific region (Bruton, Ahlstrom, & Wan, 2003; Lin & Liu, 2011), reward allocation decisions of Taiwanese and US managers (Hu, Hsu, Lee, & Chu, 2007), employee financial participation in Korea and Taiwan (Cin, Han, & Smith, 2003), and a cross-national comparison of personnel selection practices (Huo, Huang, & Napier, 2002).

Employee development HRM research classified in this quadrant focuses on HR systems and their effects on employment relationship (Wright & Boxwell, 2002) and individual outcomes. Jaw and Liu (2003) found that learning-oriented HRM system and employees' attitude are influenced through the effect of organizational learning (i.e., positive learning attitude, self-renewal organizational climate) Huang (2002a, b, c) indicated the employees' perceptions on the investment of human capital and incentive systems and their impacts on employees' attitude and performance. Wei, Han, and Hsu (2010) examined the relationship between high-performance HR practices and OCB from a cross-level investigation. Liu and Liu (2011) studied Taiwanese R&D professionals and found out that HRM practices are able to effectively enhance employees' knowledge sharing behaviors. A couple of recent studies focused on employees' OCB behavior especially in service industry through HRM practices (Tang & Tang, 2012; Yang, 2012).

Family-owned business The issue of family-owned business management has drawn much attention from researchers, especially those concerned with those in ethnic Chinese communities (Ahlstrom et al., 2004; Bruton et al., 2003; Carney & Gedajlovic, 2003; Carney, van Essen, Gedajlovic, & Heugens, 2015; Liu et al., 2017). In line with family ownership business management, HR development in family business has been developing in 1990s. Chinese entrepreneurs believe that *guanxi*, especially the strong connections with family members, leads to long-term business success although

overemphasis of *guanxi* in the family-owned business might jeopardize the business for over-emphasizing in-group members at the expense of talented members outside of the family circle (Kenney, 1992; Liu et al., 2017). Tsao, Chen, Lin, and Hyde (2009) have suggested that family-ownership firms adopting higher level of high performance work systems (HPWS) are more likely to experience superior performance.

Strategic HRM This quadrant focuses on the studies of HR systems and strategic organizational outcomes. From reviewing HRM studies in past two decades in Taiwan, we found that many of the studies of HR systems on strategic level in Taiwan are HPWS and strategic HRM (SHRM) (Chen, 2007; Chuang & Liao, 2010; Lee, Lee, & Wu, 2010; Liao, 2011; Tsai, 2006; Tsao et al., 2009). Most studies focus and support the relationship of HPWS, strategic HRM system and organizational performance. In addition, some other studies also focus on alignment or fit of HRM system and organizational strategy. Regarding the work on *HPWS/SHRM*, most studies found a positive relationship between HPWS (SHRM) and organizational (firm) performance (Chang & Tung, 2005; Shih, Chiang, & Hsu, 2006) and through mediation effect of top management team (TMT) integration and action aggressiveness (Lin & Shih, 2008), and intellectual capital (Yang & Lin, 2009). Some other studies examined the relationship in different industries, such as in the services (Chuang & Liao, 2010), and the high-tech sector (Taiwan's semiconductor design firms) but found no positive effects, likely due to the ineffective implementation of HPWS (Tsai, 2006). Others studied HPWS in public firms such as examining founding-family ownership levels and performance with HPWS as a moderator (Tsao et al., 2009). In addition, some determinants of HPWSs were indicated such as lower unionization rates (Chen, 2007), and a high-degree of computer-integrated manufacturing (CIM) (Han & Liao, 2010).

Alignment or fit with organizational strategy Organizations that have a greater congruence between HR practices and organizational strategies should enjoy superior performance (Delery & Doty, 1996) which leads to the important concept of "fit" in SHRM. Some studies focus on the alignment or fit of HR systems and strategies with configuration perspectives (Huang, Huang, & Uen, 1998), different combinations of HR systems and strategy (Huang et al., 1998), the fit between human capital investment systems, innovation strategies and organizational performance (Huang, 2003a, 2003b), and strategy alignment. Studies have also identified the importance of knowledge management and its potential for righting past problems, enhancing learning, fixing persistent problems, and aiding in organizational change and development (Ahlstrom, Lamond, & Ding, 2009; Kogut & Zander, 2003; Shih & Chiang, 2005).

Convergence and divergence HRM The last quadrant focuses on research regarding HR systems applied internationally. The HRM research in this quadrant mainly discusses the convergence and divergence of HR system in host and home countries. For example, the convergence is in HR systems, especially the HPWSs of locally owned firms compared to those of MNC subsidiaries in Taiwan (Chen et al., 2005). That research determined in some particular MNC home country or region (i.e., Japanese companies), MNC and local-owned companies (LOC) subsidiaries responded in a similar manner for business strategy and HPWS activities. In addition, Tsai and Yen (2015) discussed the downsizing strategies and practices implementation in Taiwan MNC and also found a

high degree of isomorphism in actual downsizing strategy and HRM practices among these firms. Chang, Smale, and Tsang (2013) studied the subsidiaries of Taiwan MNCs in the UK and found consistent results of HRM policies and strategies which generally complied with parent company policies. International human resource development comparisons were made between East and Southeast Asia (Bartlett, Lawler, Bae, Chen, & Wan, 2002) and this work found that the US-owned firms tended to engage more in relatively higher levels of HRD activities. In addition, Cheng and Lin (2009) examined the effects of expatriate practices of MNCs operating in Malaysia and Vietnam depended much on the culture differences between home countries and host countries. Hu, Wang, and Farn (2012) further discussed the effect of cross-strait flights on expatriate retention in Mainland China and found that cross-strait flights reduced Taiwan expatriates' turnover intentions since direct flights shorten the travel time home and reduce family conflict.

Other studies There are some other studies that were not able to be included in one of six quadrants, though they still represented important work on HRM in Taiwan. For example, Lin (1997) studied HR management in Taiwan's early economic takeoff period, and speculated about HRM's future prospects there. Lin (1997) tried to give some future directions which suggested that training and development, information sharing, career planning and management, appropriate laws and systems, and organization development were key areas for future improvement. In addition, some other important studies focused the interview process related to recruitment and selection practices. For example, the boundaries of the effects of applicant impression management tactics in job interviews (Tsai, Chen, & Chiu, 2005), pre-interview impression and interviewers' evaluation (Tsai et al., 2005), interviewer behavior and corporate employment image on applicant job choice intention were all studied (Tsai, Yang, & Lin, 2009). In addition, the influences of interviewer-related and situational factors on interviewer reactions to high structured job interviews were also examined (Chen, Tsai, & Hu, 2008).

Discussion

Based on the review of HRM studies in Taiwan from 1990 to 2016, this section examines implications of the development of HRM in Taiwan. Many Taiwanese enterprises are family-controlled SMEs. Confucian tenets are rooted in the management styles of these companies (Warner, 2010, 2012). Nearly all of the major positions in Taiwan SMEs are held by close family members, since non-family members are often not trusted by the owner. This fact is reflected in staffing practices also as these enterprises hire close relatives or friends to ensure loyalty. However, this *trait* is not only restricted to these family enterprises. Loyalty and the "right" personality qualities, such as being a conscientious, hard-working employee, are also major concerns for the larger enterprises when they hire workers (Chen, 2001; Varma & Budhwar, 2013). In addition, HR practices influenced significantly by Chinese cultural tenets tend to encourage positive appraisals to avoid conflict and maintain harmony (Chen, 2001). Employee pay and incentives are starting to emphasize performance in recent years but seniority is still a major factor in compensation (Ahlstrom et al., 2004; Chen & Ahlstrom, 2017). Authority and conformity are still major operating principles in many

Taiwan organizations. This all has the effect of reducing participatory decision-making and employee innovation, making organizational change more halting and difficult (Ahlstrom et al., 2004; van Someren & van Someren-Wang, 2013; Wang et al., 2008).

As family-owned business and SMEs are still the major type of enterprises operating in Taiwan, managers are likely to continue to emphasize harmony and a strong sense of hierarchy with the notion of the “company as family” (Zhu & Warner, 2001). The HR development in family-owned business in Taiwan is still at an early stage, even for many larger firms. Following this logic, the current HR practices/systems adopted from Western firms may not be a good fit for Taiwanese family-owned business, at least as they are currently structured. Reconsideration of HR practices that may be a better fit with Taiwan’s family-owned business or SMEs will be the an important avenue for future HR research and practice in Taiwan.

A comparison of HRM development in Taiwan and China

HRM development in Taiwan and Mainland China shows many similar trends in spite of institutional and developmental differences (Bruton et al., 2000; Chen & Ahlstrom, 2017; Gong, Chow, & Ahlstrom, 2011). As noted, the concept of HR originated with “personnel management” that mainly focused on HR as a purely administrative function. More recently, Western management has had a major influence on the transition of personnel management to human resource management in both Taiwan and Mainland China except that Western management was introduced to Taiwan in the early 1980s while it was widely brought to Mainland China a decade later when the economy started to have faster growth and more indigenous firm development (Bruton et al., 2000). Chinese HRM development has also started to undergo a process of modernization and adaptation of HR practices from Western management practices (Warner, 2008; Zhou, Liu, & Hong, 2012). Foreign multinationals introduced HR practices such as performance-based pay and high performance work systems, which have had a major impact on their Chinese subsidiaries as well as other local firms (Björkman & Lu, 2001; Björkman & Xiucheng, 2002; Chen & Ahlstrom, 2017). In addition, the evidence suggests that the Chinese firms that adopt more Western HR practices would perform better (cf. Bloom & Van Reenen, 2011; Lin, 2012).

In Taiwan, many Western-style HR practices have been adopted and have even driven Taiwanese firms to slowly adopt HR strategies that are different from the traditional Confucian philosophy (Chen et al., 2005). For example, compensation strategies have been changed in some Taiwan firms in order to enhance employee performance. Instead of seniority-based incentives, such firms have started to compensate employees based on their performances (Chien, Lawler, & Uen, 2010). In Mainland China, HRM developed haltingly as firms faced difficulties in implementing practices that ran contrary to cultural and institutional conditions (Wang et al., 2008; Zhao & Du, 2012). Researchers and policymakers alike have been concerned for example, about how to incentivize innovation in a variety of settings, from family business and SMEs (Kenney, 1992; Lewin, Kenney, & Murmann, 2016; Liu et al., 2017) to government-linked organizations—also a concern of researchers in the West (Ahlstrom et al., 2004; Bruton, Peng, Ahlstrom, Stan, & Xu, 2015; Dunbar & Ahlstrom, 1995). This is especially true regarding entry level employees in research and development and other scientific organizations (Van Someren & Van Someren-Wang, 2013; Wang et al., 2008). For example, there is a worry in Mainland China that engineering managers and lead researchers steal credit for innovations and other research activities away

from the subordinates thus hindering the subordinates' innovative or research activities (Wang et al., 2008; Zhang & Zhong, 2016). An effective HR system that links incentives evaluation and feedback and governance to a desired strategic outcome can effectively modify the overly-hierarchical system that may hinder innovation and new venture creation (Liu et al., 2013; Uen et al., 2012; Van Someren & Van Someren-Wang, 2013). Researchers have started to examine innovation and ways in which it can be effectively promoted in both Taiwan and Mainland China (Lewin et al., 2016; Liu et al., 2017), though much research is needed in this area, particularly with respect to HR's role in innovation.

The HRM development in Taiwan in recent years has started to pay more attention to the institutional context of Taiwanese firms to consider HRM's role in family business (Tsai, 2010; Zheng, O'Neil & Morrison, 2009). Similarly, the increased attention being given to management in China has led researchers to also examine the circumstances under which modern HR systems can function well in Mainland China given the constraints associated with the extensive role of the state in business.

A comparison of HRM development in Taiwan and Hong Kong

HRM development in Taiwan has adopted more Anglo-American HR practices, which has created a crossvergence of sorts between Eastern values and Western management practices (Chen & Ahlstrom, 2017; Huang et al., 2016). For example, compensation practices in Taiwan and Hong Kong have both emphasized more performance-based incentives. However, in order to maintain the traditional value of harmony in an organization, an earlier study indicated that in most small businesses or public organizations in Taiwan, more than two thirds of employees received the performance evaluation of the top rank (i.e., grade A) for a minimum performance bonus (Chen & Ahlstrom, 2017; Lee et al., 2006). And as noted, recent studies have shown that effective HR practices contribute to firm performance (Liu et al., 2017; Uen et al., 2015; Zheng, O'Neill & Morrison, 2009).

The HRM development in Hong Kong has shown a some what different developmental pattern to that of Taiwan. HRM development in Hong Kong also adopted Anglo-American HR practices but was influenced more from MNCs and international cultures especially from North America and the UK (Chen & Ahlstrom, 2017). Western management practices such as performance-based incentives and coherent HR systems were widely implemented in Hong Kong, starting largely in the late 1990s (Snape, Thompson, Yan, & Redman, 1998). In addition, HR practices adopted from Western management philosophy such as family- and female-friendly practices as well as flexible working hours have been well developed and implemented in Hong Kong starting in the late 1990s (e.g., Chiu & Ng, 1999; Lau & Ngo, 2004). However, the cultural value of harmony, and a sort of institutional permissiveness, also impacted firms in Hong Kong (Ng, 2002). Chen and Ahlstrom (2017) suggested that loose and informal regulatory institutions in the labor market and the mild intervention from Hong Kong government regarding labor issues has helped to maintain harmonious industrial and labor relations in Hong Kong, perhaps more so than in many other East Asian economies.

Implications and future research

Although HR development in Taiwan, Mainland China and Hong Kong share cultural crossvergence with Confucianism cultural values and Western management practices, the

institutional and industrial development over the past few decades has led to differences and uniqueness in each economy. In Taiwan, most Taiwanese enterprises are family-controlled and SMEs. Although many HR practices such as staffing, compensation, and training practices have become fairly well developed in Taiwan in recent years, some major HR practices have developed more haltingly because of the influence of cultural values such as the (over) emphasis on harmony in Taiwanese organizations. For example, smaller family firms tend to hire and promote close relatives and friends and the performances of organizations may be limited by the fact that most employees receive above average performance evaluations as a matter of course. Those HR practices imbued with traditional cultural values need to be modified from time to time due to the increasing influence of high-tech industries developed in Taiwan that do not hold to traditional patterns of hierarchy and the emphasis on harmony as a major corporate objective function (Jensen, 2001; Uen et al., 2012). HRM in the high-tech sector needs a more well developed and creative approach as well as avoiding organizational justice issues such as weak pay for performance and related incentives (i.e., stock options) that are not distributed equably, based on employee performance in the organization (Ramirez & Fomerino, 2007). Since the major growth industries in Taiwan are high-tech and service industries (Uen et al., 2012), the talent management in those two industries are relatively competitive and talent-retention is a challenge. Additional studies of HRM practices development that focus on talent management in the high-tech and service industries are needed to add to the understandings for HR professionals and researchers alike.

HRM development in Mainland China has occurred as well through adopting HR practices often from foreign joint ventures (Chen, 2008; Warner, 2008; Zhou et al., 2012). Indeed, the recent studies have indicated that Chinese enterprises that have adopted Western practices perform better those that have not (Lin, 2012). However, some other firms in Mainland China have experienced inefficiency adopting Western management practices (e.g., HPWS) that may clash too much with the core values embedded in Chinese organizations (Zhao & Du, 2012). Thus, future studies that focus on the fusion of Chinese cultural values and Western management practices to develop a HRM pattern perhaps more suited to Chinese enterprises are needed. (Chen & Ahlstrom, 2017; Liu, Serger, Tagscherer, & Chang, 2017).

HRM development in Hong Kong is strongly influenced by Western management, including outside cultures brought in from MNCs and foreign parent companies (Magretta, 1998). In addition, the HRM practices adopted in Hong Kong mainly focus on the needs of MNCs with respect to their foreign subsidiaries in Hong Kong (Chow, 2004). Thus, studies that focus on international HRM development in the MNC context that also consider local market needs and demands from foreign parent companies are necessary for understanding HRM development in Hong Kong.

Conclusion

This study reviewed and categorized HRM studies in Taiwan and made comparisons with Mainland China and Hong Kong to provide a more detailed discussion of the development of HRM in Taiwan and the other major ethnic Chinese economies in East Asia. With roots in traditional Confucian Chinese culture, but also influenced by Western management, HRM in Taiwan and East Asia has been developing and changing to fit in increasingly competitive and fast-changing environment. In recent

years, HRM has become more well-developed (and accepted) in Taiwan firms, and now plays an important role in the economy of Taiwan (Uen et al., 2012). This is also increasingly the case in Mainland China and in other parts of East Asia more recently (Bruton et al., 2000; Chen & Ahlstrom, 2017). Taiwan and Mainland China both represent fast developing economies grounded in Chinese culture. Rooted as such, the development of HRM in Taiwan (as well as the other major economies of East Asia) has undergone some major shifts in the past two decades, influenced by the introduction of Western management philosophy and HR practices, corporate governance reform (Young, Peng, Ahlstrom, Bruton, & Jiang, 2008; Young et al., 2001), and legal changes with respect to employment regulations (Chen & Ahlstrom, 2017). In Taiwan, as in other parts of East Asia, HRM has come out of the backroom of the personnel department and is increasingly playing important managerial and strategic roles in Asian firms, even among the most traditional ones (Chen & Ahlstrom, 2017; Uen et al., 2012).

From the studies reviewed, HRM development in Taiwan and the other East Asian economies studied showed that Western management practices helped to engender a paradigm shift of HRM from its old administrative “personnel department” role to that of a more employee engagement and performance orientation role. However, the local institutional conditions in these economies make the recent HRM development fairly diverse (Ahlstrom et al., 2010; Chen & Ahlstrom, 2017). The development of HRM in Hong Kong has been affected by the practices from the foreign invested enterprises as well as British Common Law, while the development in Taiwan has been based on more traditional SMEs and family firms as well as US practices (Liu et al., 2017; Rajan & Zingales, 2003). The development of HRM in Mainland China has been rather measured and is encouraged to be aligned with the Chinese government’s preferred policies with respect to the management of enterprises and their personnel (as well as their training). Future HRM development in Taiwan and East Asia can likely be anticipated in terms of the further application of Western management practices aligned with and adapted to the institutional and cultural conditions present around the East Asia region.

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