

HRM Strategies and MNCs from Emerging Economies in the UK

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Abstract HRM practices in foreign subsidiaries have been a subject of much attention in recent years. However, research on HRM practices by subsidiary of multinationals has so far focused largely on subsidiaries of western multinationals in western and or emerging economies. We have little knowledge concerning HRM practices of subsidiaries of multinationals from emerging economies in developed western countries. This study surveys HRM strategies and practices adopted by Taiwanese multinationals operating in the UK. Results show that a blend of practices has been adopted by the subsidiaries, ranging from emulating home country practices, adapting host country practices, and a melange of home and host country practices.

Keywords Multinationals; Multiple HRM Strategies and Practices; Taiwan;
UK; Emerging economies; Developed countries.

Introduction

Over recent years, there has been a growing body of research on the impact of home and host country effect on HRM practices of subsidiaries of Multinationals (MNCs) (Ferner, 1997; Gamble, 2003; Farley *et al.*, 2004). The main limitation of the current body of research is the exclusive focus on western multinationals in western countries or emerging economies (Almond *et al.*, 2003; Edwards, 1998; Edwards and Ferner, 2004; Farley *et al.*, 2004; Ferner and Edwards, 1998; Ferner and Quintanilla, 1998; Ferner and Varul, 1999; Guest and Hoque, 1996; Innes and Morris, 1995; Muller, 1998; Tayeb, 1998). Extant research has not examined HRM practices of MNCs from emerging economies operating in Western developed countries. This research will help fill this gap.

This research is important for at least two reasons. First, more MNCs from emerging economies are entering western countries (Liu *et al.*, 2005). For instance, there are five Taiwan's MNCs in the top 50 of the non-financial MNCs from the emerging economies (UN World Investment Report, 2003). The increasing presence of Taiwan investment and subsidiaries in the UK has resulted in the hiring of more than 9000 employees and managers (FAME, 2004). Designing and emerging effective HRM policies to manage these local work forces poses several challenges. For example, the recent high profile takeovers of Siemens' mobile production site in Germany by Benq Group – a Taiwanese company- raised several questions- will Benq use a German or Taiwanese style of management? And how will Germany workers react to Taiwanese

management practices? Second, this paper expands our understanding of what we know about the impact of host country and home country effect on HRM strategies and practices in this new socio-cultural setting. Questions still remain on the generalisability of findings on home and host country effect from the studies conducted on western MNCs. MNCs from emerging economies may want to emulate host country practices in western countries rather than implement home country practices. Thus, this research is designed to extend an already-documented phenomenon in a new setting.

Previous research on MNCs had identified dual pressures for the need to conform to home country (push force) and host country (pull force) institutional environments when adopting HRM strategies and practices (e.g. Rosenzweig and Nohria, 1994; Taylor et al., 1996; Farley et al., 2004; Hillman and Wan, 2005). We know very little on how these pressures influence HRM strategies and practices at subsidiary level of MNCs from emerging economies. While previous comparative research on HRM in the Asia Pacific region (Ulgado et al., 1994; Hofstede and Bond, 1988; Hofstede, 1993, 1997; Bae et al., 1998; Chow et al., 1999; Huang, 2000; Awasti et al., 2001; Chow et al., 2002) has identified firm's national origin including its national institutions and culture as the key shapers of HRM practices in the region, these studies, however, do not address how cultural and institutional differences affect the dissemination of HRM strategies and practices by MNCs from emerging economies operating in a developed economy. This research will help to clarify this issue.

The organization of our paper is as follows. First, we identify and compare HRM practices in Taiwan and the UK. Second, we describe the research method used to identify HRM practices used by Taiwanese MNCs. Third, we analyse the results of the survey. Last, the paper concludes with a discussion of how our findings relate to existing research and suggestions for related future research.

HRM in Taiwan and the UK: comparisons of past research

The cultural and institutional environments in Taiwan are different from that of the UK. Namely, Taiwanese culture has been categorised into high in power distance, low in individualism, moderate in uncertainty avoidance and masculinity, and high in long-term orientation (Hofstede, 1980). Taiwan management culture is rooted in Confucianism and harmony and consensus which are the basic tenets of Confucian philosophy. The principle of harmony, a harmonious attitude and consensus towards a conflict-free working relation, thrift, protecting ‘face’, ordering relationships by status, duty to family and economic egalitarianism (Huang, 2000). Protecting face is related to harmony, both emphasize the avoidance of conflict in interpersonal relationships (Wu, 2004). Taiwan’s institutional environments also shape HRM practices especially in labour-management relationships (Chen et al., 2003). In the UK, the core concept of HRM is individualism, which is partly due to the “no such thing as society” culture created by many years of Conservative government (Guest, 2001). In order to explore the home and host country effect in the adoption of HRM practices of Taiwanese MNCs in the UK, we use extant

literature to identify and compare HRM practices typically used by Taiwanese companies and British counterparts (see table 1).

Recruitment and selection

British companies appear to use ‘recruitment agencies’ and ‘executive search consultants’ more frequently than do the Taiwanese-owned companies for managerial and professional vacancies (Hsu and Leat, 2001; CIPD, 2004). With regard to the recruitment process, Taiwanese firms generally target ‘friends and relatives’ (quanxi) (Hsu and Leat, 2001; Hempel and Chang, 2002). Regarding selection techniques, British firms use ‘panel interview’, ‘aptitude tests’, ‘competency-based interviews’ and ‘application forms’ more frequently than do the Taiwanese-owned firms (Hsu and Leat, 2001; Kersley et al., 2005).

Training and development

Taiwanese firms tend to use on-the-job training programmes including professional training to maintain advanced skills among the key employees (Zhu et al., 2000; Zhu, 2003) more than British counterparts (Cully et al., 1999; Faulkner et al., 20002; Kersley et al., 2005). Under the influence of Confucius culture such as ‘everyone can potentially be my teacher’, Taiwanese firms not only generally provide specially technical training within the company for lower-level key members but also offer more general training for potential candidates for top-level posts (Glinow et al., 1999).

Pay and benefits

Under the influence of Chinese culture that favours 'the middle way', tries to protect the economic security of junior employee, and promotes a caring and supportive to those in the lowest positions, Taiwanese firms are more egalitarian in pay than British firms (Glinow et al. 1999). In order to maintain and emphasis harmony in the work place, Taiwanese firms rely more on team and group related pay then on individual performance-related pay. In contrast, British firms focus more on rewards and punishments based on individual performance of employees (Glinow et al., 1999; Wu, 2004).

Performance appraisal system

Performance appraisals vary widely between Taiwanese companies and their British counterparts (Wu, 2004). Taiwanese companies focus less on objective, quantifiable results than their British equivalents. Additionally, Taiwanese firms are more reluctant to provide feedback to their employees compared to British counterparts due to the need to save face and to maintain a good relationship with employees (Wakabayashi et al., 2001). Thus, Taiwanese managers prefer to keep the reward range narrow and recognise and reward best performers but encourage the worst ones as well to improve current job performance rather than applying control techniques of formal and systematic

performance appraisal as British firms tend to do (Easterby-Smith et al., 1995; Cully et al., 1999; Guest and Conway 1999).

Management promotion and reward

There are noticeable cross-cultural differences between Taiwan and the UK in managers' criteria for promotion and reward (Glinnow et al. 1999). Previous researchers pointed out that there is high level of collectivism in Taiwan (Hofstede , 1980, 1993, 1997; Yeh, 1988) compared to the UK (Hofstede, 1980, 1993, 1997). A good manager in Taiwan needs to generate cooperation among employees and show loyalty to the organisation. Seniority is also more important in Taiwan than in the UK (Glinnow et al., 1999). By contrast, British companies tend to use 'hard' performance criteria such as 'bottom line delivery', experience in more than one business area as well as another country, functional experience, and overall performance record as a yard stick (Easterby-Smith et al., 1994).

Flexible working

Most Taiwanese companies provide a stable and permanent job for workers. According to Executive Yuan's (2003) statistics, only 1.2 per cent of total labour force consists of part-time workers among Taiwanese firms. This is due at least in part to the influence of Confucius values such as 'long term orientation' (Hofstede and Bond, 1988). By contrast, in Britain, nearly quarter of the workforces are part-time workers (OECD,

2003) and about 64% of British workforces worked on part time basis in 2004 (Kersley et al., 2005).

Organisational communication

Taiwanese managers are concerned with the risk of losing face (Redding, 1990). As a result, Taiwanese firms focus less on goal-setting and open-communication methods to disseminate their business mission and strategy (Wu, 2004). Communication between employees and managers is kept to minimum and up-ward feedback is non-existent. By contrast, British firms tend to conduct formal communication in their organisations through regular meetings between senior management and all employees (Cully et al., 1999; Kersley et al., 2005). In addition, British firms tend to transmit their corporate mission statements, credos, and visions as a formal tool of management (Ferner and Varul, 1999; 2000; Kersley et al., 2005).

Participatory management and industrial relations

Influenced by Confucian values of collectivism and harmony (Hofstede and Bond, 1988), participatory management tools such as quality control circles, labour-management committee and work councils are widely used in Taiwanese firms (e.g. Huang, 1997; Wakabayashi et al., 2001; Zhu et al., 2000; Zhu, 2003). In comparison, British firms used less participatory management tools, but tend to have an elaborate system of control, through budget setting and monitoring systems, oriented to short-term

financial performance (Coates et al, 1992; Ferner and Quinttanilla, 1998; Ferner and Varul, 1999; 2000).

The role of trade unions in Taiwan is limited to performing administration functions such as arranging communication programme for the managers and employees and organising annual meetings for all employees within the companies (Zhu et al, 2000; Zhu, 2003). The unions are not part of these enterprises' decision-making processes (Zhu, 1995; Zhu et al, 2000) and in practice they will not exercise the right of collective bargaining. In the UK, unions historically have had a more adversarial role and collective bargaining is part of their *raison d'être*.

Insert Table 1 about here

On the basis of the above comparisons, we aim to explore the following questions:

Which home country HRM strategies and practices are more likely to be transferred by Taiwanese MNCS in the UK?

Which host country HRM strategies and practices are more likely adopted by Taiwanese MNCs in the UK?

Which type of HRM strategies and practices are chosen by Taiwanese MNCs under the pressure from home and host country effect?

Method

We approached all 100 subsidiaries of Taiwanese MNCs in the UK via the Taiwan Foreign Trade Centre in London and FAME database. A questionnaire was sent to all personnel/HR managers of Taiwanese subsidiaries from the FAME database. Items of the questionnaire were developed from the 'Price Waterhouse', and "Cranfield" Survey (Brewster and Hegewisch, 1994). The researchers developed specific items, such as HRM practices used by Taiwanese MNCs. The data was collected between June 2004 and December 2004. For the companies that did not return the required information, follow-up telephone calls were made and follow-up letters were sent. Of the 100 questionnaires mailed, 45 usable responses were received after the initial mailing, and additional 36 usable responses were received after the follow-up procedures. The total of usable response is 81.

Sample

Respondents were asked to rank HRM practices and the key factors affecting those strategies and practices business. As shown in Table 2, 98 % of the subsidiaries in which respondents were employed were small and medium sized. 84 % of the subsidiaries were based in the IT and electronic component industry. 89% of the subsidiaries were greenfield companies. 83% of the staff of the respondent subsidiaries were local-hired. 54 % of the respondent subsidiaries' final market(s) were the UK, 19% were in Europe, and 27% were worldwide.

Insert Table 2 about here

Findings

HRM and strategic integration

Only 13% reported that HR managers in the subsidiaries have been consulted in terms of HRM strategic development. The majority of HR managers (61%) reported that the headquarter (HQ) does not consult the subsidiaries on issues regarding HRM development and business strategy. Further, 63% of the respondents reported that the HQ in Taiwan has the major decision-making authority in relation to decisions concerning workforce expansion and/or reduction. This indicates that when it comes to HR strategies such as business strategy and work force expansion or reduction, the decision-making power is mainly located in the HQ in Taiwan. The subsidiary HR department is largely responsible for day-to-day HR policies and practices (see table 4).

Insert Table 3 about here

Recruitment methods

Taiwanese MNCs in the UK use a range of recruitment methods for attracting candidates (see table 5). When it comes to managerial and professional - technical and scientific - recruitment, both of home country practices (quanxi- connection) and host country practices especially advertise externally and recruitment agencies are extensively used. Recruitment methods such as advertise internally, and use of consultants are seldom used for managerial and professional and technical positions. For clerical and manual recruitment, both of home country practices such as quanxi and host country practices such as use of recruitment agencies are used more frequently. Advertising externally for positions is used for all positions.

Insert Table 4 about here

Selection, Training and Development

Interview panels, application forms, and references are the main selection techniques used by responding subsidiaries (see table 6). Graphology, assessment centre, psychometric testing, group selection methods, bio data, aptitude test, and competency-based interviews were used less frequently. However, medium-sized and large Taiwanese subsidiaries in the UK appear to use psychometric testing more frequently than small-sized ones.

Insert Table 5 about here

On-the-job training methods appear to be used most frequently by the responding Taiwanese subsidiaries in the UK. The UK is the dominant training location for professional and technical positions. At the managerial level, HQ in Taiwan is the main training location..

Pay and Appraisals

Individual performance is a commonly used criterion (79 %) for pay systems by the responding Taiwanese subsidiaries in the UK. Individual performance is followed by HQ's performance measure used by 40% of respondents. Only 15 % of respondents reported the use of group and team performance. Further, data shows that 63 % of managers, 63% of professionals, 62 % of sales staff (62%), and 61 % of technical and scientific staff are frequently "formally" appraised on an individual basis, in contrast to clerical and manual staff. Most subsidiaries (42%) assess employees' performance on an annual basis and around one-third (30%) do not have formal performance appraisal system.

The data indicates that the main purposes of performance appraisal were in setting personal objectives and reviewing progress over the past objectives (58%), giving feedback to employee on their performance (40%), and allocating rewards (32%). Only

26% of the responding subsidiaries linked their performance appraisal results to pay. Hence, pay for performance is not widely used by all Taiwanese MNCs in the UK due to the need to protect face and establish good relationships with subordinates (Wu, 2004)

Management promotion/reward practices

The survey shows that a range of criteria for management promotion have been used to varying degrees by the responding Taiwanese subsidiaries in the UK for promoting and rewarding management positions. 'Individual performance' seems to be used the most frequently. Other criteria, such as 'group performance', 'seniority', and 'loyalty' are seldom used. This also indicates a more westernised approach on this aspect of HRM.

Flexible working practice

Taiwanese MNCs tend to recruit permanent employee for their operations. The overwhelming majority of subsidiaries – 93%, 90% and 86 % did not use part time, temporary, and fixed term employees respectively. This indicates that Taiwanese subsidiaries in the UK appear to adopt home-country practice with regard to flexible working practice.

Organisation communication practices

More than 40 % of employees were not formally briefed about business strategy and financial performance. This is due to the fact that Taiwanese MNCs tend to place less emphasis on communicating business strategy and financial performance communication (e.g. Wakabayashi et al., 2001; Wu, 2004) (table 7).

Insert Table 6 about here

Participatory management tools

A range of participatory management tools were used to varying degrees. Problem-solving groups and continuous improvement groups (44%) and quality circles (28%) have been widely used. Joint consultative committee and work councils (3.7%) is rarely used and only 1 subsidiary recognised a trade union.

Discussions and Conclusions

The results of this study suggest that subsidiaries of MNCs from emerging economies adopt a blend of home and host country HRM practices. As depicted in figure 1 both push and pull factors are at play. First, the push force from the HR in Taiwan is clearly evident in relation to strategic issues such as workforce expansion and reduction. Second, the pull force for conformity to host country practices is evident in HRM implementation

processes and some HRM policies and practices such as pay and appraisal and recruitment methods. Third, as a result of both push and pull forces, evidence suggests that most HRM practices were a *melange* of home and host country practices. Our results indicate that in contrast the widely reported single HRM approach adopted by developed MNCs such as Japanese MNCs in USA (e.g. Beechler and Yang, 1993) and US MNCs in China (e.g., Farley et al., 2004) and German MNCs in the UK (Ferner and Varul, 1999, 2000) and US MNCs in the UK (Ferner et al., 2005), Taiwanese MNCs tend to adopt a blend of home and host country practices.

Home Country practices

The home country effect is significant both in strategic and some functional areas of HRM practices. It was clear that in terms of primary HRM responsibility issue, the main strategic decision-making remained with HQ in Taiwan especially on issues such as workforce expansions and redundancy. Thus, one could conclude that HQ in Taiwan adopts a ‘top down’ approach in managing its relationship with the local subsidiary by not consulting local subsidiary with regard to business objectives.

Moreover, overseas Taiwanese subsidiaries tend to comply with home country practices especially in the area of types of employment, recruitment and training in managerial and technical jobs across their subsidiaries. It would be interesting to understand the reasons why these particular practices are strongly influenced by home country practices. Practices that are underpinned by Taiwanese cultural values such as protection of face and Confucianism are generally adopted by Taiwanese subsidiaries in

the UK. Exceptions here include the weak emphasis on seniority and use of individualized performance measures.

Host Country practices

A host country effect was particularly evident in relation to a high proportion of local-hired employees (83%), the wide use of recruitment agencies, individual performance pay, and promotion and reward based on individual performance. Certainly one might expect that due to strong pressure from the host country to conform to local institutional environments, the subsidiary was more influential in relation to decisions on pay and benefits, recruitment and selection, training and development, industrial relations, health and safety, which extra local operational pressures are pressurised local managers to use host country practices. Indeed, institutional influences from the host country such as the host country legal environment and utilization of local resources such as customers and employees are the priority for Taiwanese MNCs in the UK. Hence, UK practices such as recruitment agencies are commonly adopted by Taiwanese MNCs. This suggests that due to the tight budget and cost control by the HQ in Taiwan and complete vacancy fill-in task, a HR manager tend to be sensitive to minimise costs in recruiting suitable employees for operational needs. Further, our results suggest that under the influence of a highly individualism society, individual performance is widely used for rewarding and promoting employees.

A modification style

The behaviour of MNCs in host countries may be a synthesis or ‘hybrid’ in which host country norms mediate the influence of the home country ‘blueprint’ (Innes and Morris, 1995:30). Examples here include the measure of individual performance, where both home country and host country effects were reported. Our results suggest that both ‘individual performance/output’ and adoption of HQ’s performance measure’ were commonly adopted by responding Taiwanese subsidiaries in the UK. An implication of choice of a modified style is that the influence of national culture, i.e. ‘the middle way’ approach’.

Insert Figure 1 about here

The contribution of this paper is as follows. First, we have identified HRM practices used by emerging economy MNCs in an advanced economy. Second, our results suggest that there MNCs from emerging economies behave differently from MNCs from developed countries such as Japan, US and Western European countries. Past research shows that MNCs from advanced economies such as Japanese MNCs in the UK tend to transplant the ideas and practices of so-called excellent human resource management system, for instance, Komatsu and Mazak, from their own parent companies (Gleave and Oliver, 1990). American MNCs in the UK also wholly transfer their home

country practices such as union avoidance strategy to the UK subsidiaries (e.g. Hamill, 1984). However, Taiwanese MNCs deliberately adopt a varied HR approach to operate in an advanced economy as a result of dual pressure of home and host country effect. Consequently, apart from strategic issues wholly made by HQ in Taiwan, other HR practices either adapt to local practices or use a hybrid style.

While, the current study was centred on Taiwanese MNCs operating in the UK. Future study of HRM strategies and practices could be extended to HQ in Taiwan and other Taiwanese subsidiaries both in Europe and the United States. Moreover, more research about how multiple HRM strategies and practices and why they are chosen simultaneously by MNCs from emerging economies in advanced countries may require in-depth case study interviews, longitudinal research, document study, and observation study in order to observe complex decision-making process between HQ and overseas subsidiaries.

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Table 1 Comparisons in HRM between Taiwan and UK

Items	Taiwan	UK Subsidiary	UK
Recruitment	<ul style="list-style-type: none"> • ‘Recruitment agencies ‘and ‘executive search consultants’ are less commonly used for managerial and professional vacancies • Spend minimum money in selection 	<ul style="list-style-type: none"> • Managerial level: Others (sent from HQ in Taiwan, quanxi, friends), advertise externally • Professional/technical level: quanxi, others (sent from HQ in Taiwan), advertise externally • Clerical/Manual levels: advertise externally, word of mouth, use of recruitment agencies 	<ul style="list-style-type: none"> • ‘Recruitment agencies ‘and ‘executive search consultants’ are commonly used for managerial and professional vacancies • Spend more money in selecting the right employee
Selection	<ul style="list-style-type: none"> • ‘Panel interview’, ‘aptitude tests’, ‘competency-based interviews’ and application forms’ are less commonly used for all levels 	<ul style="list-style-type: none"> • All levels: application form, individual interview and interview panel 	<ul style="list-style-type: none"> • ‘Panel interview’, ‘aptitude tests’, ‘competency-based interviews’ and ‘application forms’ are commonly used for all levels
Training	<ul style="list-style-type: none"> • Low in conducting training needs systematically • On-the-job training 	<ul style="list-style-type: none"> • On-the-job training • Training location: host country for all levels 	<ul style="list-style-type: none"> • Low in conducting training needs systematically • Off-the-job training (e.g. courses)
Pay and Benefits	<ul style="list-style-type: none"> • High in egalitarianism and Low in pay differentials 	<ul style="list-style-type: none"> • Individual performance pay 	<ul style="list-style-type: none"> • Low in egalitarianism and High in pay differentials

	<p>between those at the top and those at the bottom</p> <ul style="list-style-type: none"> • PFP is less commonly used 	<p>system experience plus</p>	<p>between those at the top and those at the bottom</p> <ul style="list-style-type: none"> • PFP is commonly used
Performance Appraisal	<ul style="list-style-type: none"> • Frequency: less likely used • Measure of performance: emphasis on group performance • Purpose: reluctant to provide feedback 	<ul style="list-style-type: none"> • Frequency: More than 1/3 has performance appraisal systems on annual basis • Measure of performance: Individual performance/output and adoption of HQ's standard • Purpose: set personal objectives and review progress against past objects, give feedback to employee on their performance 	<ul style="list-style-type: none"> • Frequency: formal and systematic used • Measure of performance: individual performance • Purpose: provide feedback
Management appointments criteria	<ul style="list-style-type: none"> • Soft criteria such as 'emphasis on generating participation and involvement', 'a cooperative group action', 'loyalty' 	<ul style="list-style-type: none"> • Individual performance 	<ul style="list-style-type: none"> • Hard criteria such as 'bottom line delivery', 'more than one business area', 'experience in another country'
Flexible working	<ul style="list-style-type: none"> • Part-time work is less commonly used 	<ul style="list-style-type: none"> • Less than 1 percent part time, temporary, and fixed-term 	<ul style="list-style-type: none"> • Part-time work is commonly used

		employees	
Organisational communication	<ul style="list-style-type: none"> • Open-communication methods is less commonly used • Less likely to transmit business mission 	<ul style="list-style-type: none"> • No formal methods for all levels • Both of strategy and financial performance are seldom transmitted to employees 	<ul style="list-style-type: none"> • Open-communication methods are commonly used such as 'systematic use of the management chain', 'regular newsletter', 'regular meeting', 'suggestion schemes' • More likely to transmit business mission and financial performance
Participatory management and Industrial relations	<ul style="list-style-type: none"> • Quality circles is commonly used • Less likely to exercise collective bargaining 	<ul style="list-style-type: none"> • Quality circles, problem-solving groups/continuous improvement groups are widely used • No trade union (only 1 Taiwanese subsidiary organises but not for collective bargaining) 	<ul style="list-style-type: none"> • Less employee participation in monitoring quality • More likely to exercise collective bargaining

Source: author and survey findings.

Table 2 Major characteristics of the responding companies

Items	Grouping	%
Industry sector	IT and Electronic component	84
	Financial services	7
	Transportation	5
	Others	4
Employee No.	Small (1-49)	83
	Medium (50-249)	14
	Large (>250)	3
Entry mode	Greenfield	89
	Brownfield	11
Employee breakdowns	Local-hired	83
	Expatriate	17
	Male	61
	Female	39
Final Market(s)	UK	54
	Europe	19
	World-wide	27
Decision-making authority ¹ (multiple choices)	MD/GM in the UK subsidiary	64
	Owner of the whole group	49
	Director and GM in HQ	36
	Family member of the whole group	1
	Other ²	9
Professional Qualifications for HR manager in the UK subsidiary	Diploma in Personnel Management(including CIPD membership)	6
	Other(e.g. accounting, teaching etc.)	94

Notes

n=81

1. There are multiple choices for decision-making authority.
2. Other includes regional HQ in other countries.

Table 3 Primary responsibilities for HRM functions/activities

Functions/activities	(1)%	(2)%	(3)%	(4)%
Pay and benefits	36	5	51	9
Recruitment and selection	28	10	52	10
Training and development	30	11	49	10
Industrial Relations	30	10	51	10
Health and safety	28	10	51	11
Workforce/expansion	63	7	22	7

Notes

n=81

(1) HQ in Taiwan, (2) Regional HQ central personnel, (3) Subsidiary service dept./division, (4) HR dept. in subsidiaries.

Table 4 Recruitment methods

Recruitment Methods	Managerial		Professional/Technical/Scientific		Clerical		Manual	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
From amongst current employees	20	25	5	6	8	10	6	7
Advertise internally	2	3	6	7	12	15	7	9
Advertise externally	45	56	52	64	46	57	43	53
Word of mouth	27	33	33	41	45	56	43	53
Use of recruitment agencies	38	47	43	53	40	49	38	47
Use of search/selection consultants	9	11	7	9	3	4	2	3
Job centre	10	12	13	16	19	24	22	27
Apprentices	1	1	4	5	1	1	4	5
Quanxi(connection)	49	61	49	61	49	61	49	61
Others*	10	12	10	12	10	12	10	12

Notes

*Other include sent from HQ.

n=81

Table 5 Selection techniques

Selection techniques	Always %	Often %	Sometimes %	Seldom %	Never %
Application form	79	5	6	0	10
Interview panel	88	7	1	1	3
Bio data	5	1	7	0	86
Psychometric testing	1	3	0	9	88
Graphology	0	0	3	5	93
References	26	7	9	4	54
Aptitude test	3	3	5	9	82
Assessment centre	0	5	1	5	89
Group selection methods	0	4	4	6	86
Competency-based interviews	5	9	1	4	82

n=81

Table 6 Communication Methods

Communication Method	Always Frequency %	Often Frequency %	Sometimes Frequency %	Seldom Frequency %	Never Frequency %
Systematic use of management chain	6 7	7 39	3 4	3 4	62 77
Through regular workforce meetings	19 24	9 11	2 3	4 5	47 58
Through quality circles	5 6	2 3	2 3	3 5	69 85
Through suggestion box(es)	1 1	2 3	3 4	4 5	71 88
Through attitude survey	2 3	2 3	2 3	2 3	73 90
Newsletter to all employees	0 0	5 6	4 5	4 5	68 84
Opinion surveys	0 0	6 7	0 0	1 1	74 91
No formal methods	48 59	4 5	2 3	1 1	26 32
Other*	8 10	3 4	0 0	1 1	69 85

Notes

*Other includes face-to-face communication.

n=81

Figure 1 Map of a Blending of Various HRM Approaches by Taiwanese MNCs at the subsidiary level



