
Civil Service Talent Development in Taiwan, ROC

A Key to National Competitiveness

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Chairman of the conference Samson Lee, President Emeritus Dato Dr. Thomas Chee, members of the ARTDO community, distinguished guests from around the world, and ladies and gentlemen. Good morning, one and all.

On behalf of the ARTDO conference, the Chinese Society of Training and Development, the civil service personnel of our country, I want to extend a warm and hearty welcome to everybody here today.

It is a pleasure and an honor to be invited as the Honorary Chairman of the 38th ARTDO International Conference. The theme of this meeting is “Strategic talent management in the era of globalization,” which is a timely and important topic.

With us today, we have experts and scholars from around Asia and all over the world to discuss the issues and share their expertise and experiences on the topic. We thank you for taking your time to attend the conference.

An informal way to look at globalization: McDonalds

Before delivering my remarks on talent management, I want to briefly discuss this era of globalization in which we find ourselves. Globalization has an impact on us all. Some of you may have of experience that the other day you lost your glasses and you could not remember whether you left them in Paris, Berlin, Singapore, or Tokyo...hopefully not this time in Taipei!

Let me give you my definition of globalization. I am sorry to say, but I checked numerous sources and could not come up with a clear and concise definition.

The term is an octopus, with tentacles reaching into every sphere of our daily life. Instead, I will give you an informal way to look at it.

McDonalds is one of the many faces of globalization. Globalization is being able to walk into a McDonalds anywhere in the world and being able to buy a hamburger that tastes the same as a hamburger at another McDonalds on the other side of the globe. That is one way to look at globalization.

I often walk past the McDonalds near my home. Do you know what I think about? I don't think about French fries. I think about Hamburger University.

A friend of mine thought it was a university in Hamburg, Germany...

Seriously, McDonalds, as you probably know, has a training program called Hamburger University, and 80,000 managers have been served...

NATIONAL ACADEMY OF CIVIL SERVICE
At Hamburger University, they get about 5,000 new customers a year...

But some people just go in to use the bathroom...

Sorry, that was a joke.

The reason it is so popular is because you learn the secret... The secret of... the secret sauce...

All kidding aside, Hamburger University is a major component of the McDonalds training and development system. When I look at McDonalds I see a training program to help the company stay competitive.

Staying competitive

Staying competitive is one of the major points I want to talk about today. I am

going to talk about the challenges we face in Taiwan and our efforts to stay competitive. To face the challenges of globalization and the knowledge economy, countries across the globe are implementing government reorganization plans as an important national development strategy to maintain their competitiveness. The key to success for this strategy is the development of talent within the civil service. As most of you know, this process is called strategic talent management.

In recent years, national ranking standards have proliferated, from competitiveness, sustainable development to public governance. The evaluations of the Institute for Management Development (IMD) and World Economic Forum (WEF) have gained widely international attention. One of the four main categories of IMD rankings is “government effectiveness.”

Having a high-quality civil service is a key to maintaining national competitiveness. To recruit, evaluate, train, and develop talent has become an important national strategic target. Civil service personnel influence the effectiveness of public governance and the strength of national competitiveness.

Singapore has taken the lead in many worldwide national competitiveness evaluations and is known for its high quality and clean civil service talent. Talent is a key to understanding the competitiveness of Singapore.

Some people say Taiwan is in the middle of an “unbalanced talent” crisis. Only by creating a better environment can Taiwan nurture local talent and attract international talent. Therefore, the purpose of this meeting is to discuss the challenges facing civil service systems in an age of globalization and the burgeoning knowledge economy, and to discuss programs that offer ways to maintain competitiveness.

We are facing many challenges

Progress reforming our talent management system will not be easy. There are

many challenges ahead. I will now turn my attention to the external factors, and then I will address the internal factors.

Outside the civil service, we are facing the challenges in the external environment from globalization, the knowledge economy, a decreasing birthrate, and an aging population.

First, everyone knows that one of the background issues in the search for talent is globalization. Globalization means that the people in the world have interaction with each other; goods, people, and money are moving faster and faster. In terms of migration, statistics from the International Organization for Migration (IOM) indicate that 70 million people migrated in the 1960s. In 1990, 150 million people left their mother country to live and work in another country. In 2010, the number even reached 214 million people.

The second background factor is the knowledge economy. Knowledge has become a new kind of capital and an important resource. The organizations or institutions that own knowledge will become the new powers and leading centers. The knowledge economy is the choice for Taiwan's economic development, and knowledge is based on talent. Having talent is the key to industrial development, the foundation of the civil service, and is beneficial to all the people of the country.

Finally, there are two major demographic issues: the decreasing birth rate and the aging population. According to statistics, in 2010 Taiwan's total fertility rate (TFR) was 0.9%, which means each woman gave birth to only less than one child in her life. This number broke the historical low and was the lowest in the world.

Another trend is the aging population. Taiwan has witnessed an aging population since 1993, and the rate of people over 65 years old exceeded 7%. The rate is anticipated to reach 14.7% in 2018, which would make it a so-called "super aged society" due to the high speed of population aging.

What is the influence of the decreasing birth rate and the aging population on talent development? First is the decrease of the national talent pool. Even if the quality of manpower is high, when the pool of candidates decreases, human resources become more limited. Therefore, it is necessary to aggressively recruit talent from all over the world.

Second, due to the improvement of medical technology, our average life expectancy nowadays is 79 years. People between 50 and 60 are still healthy and more mature. However, our average age of retirement is 56, which is too early for government employees. Taiwan needs to improve the labor force participation rate of people in this age group.

Our current civil service system is also facing its share of internal problems. For instance, to name just a few:

1. **Lacking of flexibility:** Our civil service system is highly regulated and centralized. “Highly regulated” means the personnel system in government departments is tightly controlled by regulations which prevent the organization from applying differential management. This removes flexibility at all levels of management and employment.
2. **Lacking of real performance evaluation:** As a result, even those recruited for their talent will eventually become mediocre. Our mission is to design a new system to motivate civil service employees to find their profession and passion which in turn will win people’s trust.
3. **Lacking of motivation mechanism:** The current civil employment system does not create a supportive and creative environment or a mechanism to help employees grow and be active.

Thus, most employees become conservative and passive after a few years of working in the government. From a personnel management perspective, our goal is

to inspire employees' potential and encourage them to work actively. This is also the key to our current reform.

Strength and weakness of our civil service system

To maintain or increase the capability of civil service talent to meet national development's needs requires a complete talent management system. Talent management is a complete system, a systematic concept whose parts cannot exist individually.

Human resources can be divided into four strategic policies: recruitment, motivation, development, and protection. The goals of these are increasing the working capabilities and meeting the organization's development goals. Among these policies, our recruitment and protection are healthier systems which have advantages over motivation and development. Therefore, the latter two are most important and more urgent in our current reform.

Regarding recruitment, our government is never worried about having enough qualified candidates. In recent years, there were 400,000 to 500,000 people applying for civil service jobs every year. However, the acceptance rate is only about 3%. Almost all these new employees have undergraduate degrees and about 30% to 40% have master's degrees.

Regarding protection policy, talent management means "retaining the best." Our civil service employees rarely change their careers. According to the yearly statistics of the Minister of Civil Service, the resignation rate is below 0.5%. Due to a strong protection policy, retaining talent in public service departments is not a problem.

Comparatively, recruitment and protection policies are our advantage, while motivation and development policies are our weakness and also the targets of

reform. To overhaul the motivation and development policies, we have decided to start with performance management along with training development.

To overhaul the motivation and development policies

Performance management

In human resources management, performance evaluation is not an independent system. Instead, it plays an important role to joining top and bottom.

To integrate up, performance evaluation can be joined with “goal management,” which means achieving goals. Thus, performance evaluation can examine the degree to which goals are achieved.

To integrate down, performance evaluation can be joined with “employee development.” After performance evaluation, executives should be able to define employee’s capabilities and potential, and then help them develop a career life plan.

We hope performance evaluation can provide information for other human resources policies and become the basis of talent evolution, promotion, punishment, and development.

A complete evaluation system should not only evaluate the performance of current job responsibilities, but also include a “job adjustment evaluation,” a “potential development evaluation,” and a “training requirement evaluation.” However, our current performance evaluation system emphasizes only working performance.

Evaluation results allow us to understand the gap between job requirements and individual capabilities. Some people perform badly due to constriction of their capabilities or mismatches between their position and their specialty or interests. However, current evaluation results do not provide enough information, nor do they

provide the opportunity to make adjustments to jobs or training.

In April of 2010, we proposed a revised draft of the “Civil Service Performance Evaluation Act.” We hope the evaluation process and results detailed therein can provide better information including performance at work, training requirements, and evaluation of potential.

One of the keys to OECD civil service reform is developing a performance-related pay (PRP) system. In fact, we have had a PRP system for decades. A bonus is designed to motivate employees and reward excellence. However, the system is not working today, as 99.8% of the employees are graded A and B and get the bonus. The evaluation does not motivate, and has lost its usefulness. In the evaluation revision draft, the spirit of PRP is emphasized to a greater degree. The precision of evaluation is increased, the number of excellent persons is limited to 5%, and the bonus is increased to improve the incentive.

Training and development

Government should pay more attention than private sector to employee development and training because of the job protection and lifetime employment of civil servants. If the capabilities of civil employees cannot be improved in their career of nearly 30 years, their working capabilities will regress. On the other hand, lifetime job protection also lowers the motivation of and pressure on civil employees to pursue further training. In order to prevent such problems, government should use training strategically to realize organizational goals and maintain competitiveness.

We have divided the training program of our civil service into 3 levels: national, organizational and personal.

The national level sees the training system from the needs of the entire

government, meeting the needs of national development. In a democracy, training good civil employees is the foundation of good national governance. In the short term, new governors will have new policies that should be reflected in training programs which can make all employees understand the new policies.

There are two parts to national level training. First, there is the fundamental training which gives the employees basic capabilities and knowledge when they are hired. Second, there is development training which is based on job functions. The goal is to equip employees with better capabilities to fulfill current or future job requirements. This training provides the core of national talent management, especially the development training of high level executives.

The training of talent management at the organizational level can be divided into “organizational development training programs” and “succession programs.” The goals of these are to realize organizational goals and improve performance.

The design of this top-down program is based on an organization's development goals and can be integrated upwards to national development policy.

With a succession program, the organization designs a successor training plan for key positions, and examines possible candidates for each position. This program can integrate downwards with personal career development.

The succession program is part of the management and organization strategy. However, our current civil employment system always waits passively, and promotes new executives only when positions are opened. Succession program has always been ignored, thus causing a lot of organizational memory loss, including core competencies, expertise, and leadership.

Personal level training includes two points. First, from the organization's point of view, based on the results of performance evaluations, better performers are rewarded, and poorer are trained. This is also the key to the reform of performance

evaluation. Second, from the personal point of view, based on one's tendencies, capabilities, and interests, training can be assigned according to one's personal career plans.

Conclusion

I'll conclude my remarks by telling you another story. A man went to a fortune-teller and he was told that for the next several years, he would have a very bad time. "Then what will happen after that?" asked the man sadly. The fortune-teller said, "After that, you'll get used to it."

We don't want a fortune-teller tell us what we'll become in the next few years. We don't want to get used to bad days either. What we need to do is to do our best to become better off every year. In Chinese we have a saying, "In hardship we work harder" (在艱彌厲). Only by working harder and smarter, we can expect a brighter future.

I hope you will enjoy the 38th ARTDO International Conference, and have the opportunity to offer your opinions on these weighty matters. Your contribution will become a point of reference for our country's civil service and talent management.

On behalf of the ARTDO conference, the Chinese Society of Training and Development, the civil service personnel in our government, and on behalf of the people of Taiwan, I want to tell you how much we appreciate your participation and contribution.

I hope this conference will be greatly successful.

I wish everyone the best of health.

Thank you.