AN INVESTIGATION ON WELL PERFORMING CHINESE ENTERPRISE'S FEATURES OF HUMAN RESOURCES MANAGEMENT

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ABSTRACT

When compared to western enterprises, management practices of eastern enterprises tend to feature distinctive features of the rule of man that focus more on the intricacies of interpersonal relationships and emotional exchange. This study therefore focused upon Taiwanese manufacturing industries as examples to investigate human resource (HR) strategies, amount of planning used for HR strategies and characteristics of organisational culture in high performing entities. The outcomes of this study showed that high performing Chinese enterprises tend to place greater importance upon HR capital and allow HR departments to participate in organisation-level decision making processes and thus exhibit stronger Clan aspects in their organisational cultures. When compared to western enterprises, the core value of Chinese enterprises would be to seek stability and harmony while helping their organisations accumulate human capital and improve competitiveness.

Keywords: Organisational Culture, Human Resource Management Strategy, Organisation Development, Human Capital, Strategic Human Resource Management.

INTRODUCTION

Asian markets and economies experienced tremendous growth in the later half of the 20th century. Regional economies in China, Taiwan, Hong Kong, Southeast Asia and other pan-Chinese areas achieved remarkable achievements in economic performance. Given these results, the management features of Chinese enterprises have become a topic of interest for many researchers. Unlike western enterprises characterized by active pursuit of systematic scientific management, eastern enterprises place greater importance on the rule of man and its concepts. Such phenomenon has inspired many researches on the characteristics of upper management structure and leadership of Chinese enterprises which have been described as paternalistic (Silin, 1976; Redding, 1990). Redding's study (1990) identified social harmony to be the ultimate value of Chinese societies. When compared against their Western counterparts, Chinese corporate leaders tend to do their best to avoid open confrontation within the business organisation. Farh & Cheng (2000) further pointed out that Chinese businesses tend to have an atmosphere of personal influence characterized by benevolence, authoritarianism and moral leadership. Differences in leadership approaches between Eastern and Western organisations not only highlight the question of cultural compatibility of management theories and approaches, the unique organisational culture of Chinese enterprises featuring Confucian philosophies also attracted the attention of many Western scholars. Such leadership styles have also been regarded as a key element for molding organisational culture.

Chen & Partington (2004) also compared differences between Chinese and Western

cultures, noting that Chinese enterprises focus on Collectivism and are largely characterized by large power distance, strong uncertainty avoidance (ability to tolerate uncertainty and ambiguity that run contrary to the rules), conservatism and experience tensions between established hierarchy and harmony. Western enterprises, on the other hand, emphasize autonomy and experience tensions between mastery and egalitarian commitment. Luo (2008) provided further descriptions on the differences between Chinese and Western multinational corporations from the aspect of international business negotiation. Western enterprises focus on logical analysis, economic and interest-driven guidelines, free competition and independent thinking modes. Chinese MNCs, on the other hand, have been long influenced by Confucian ideals and philosophies and thus focus on long-term collaboration and mutual consensus while placing greater importance on interpersonal relationships and emotional exchange.

The concept of leading change emerged as a response to rapid and drastic changes to the knowledge economy as well as the general business environment. Leading change emphasized that organisations need to remain constantly vigilant of changes to their environment and make adjustments as required. The key to successful leading change lies in clarity of vision, employee participation and building of an organisational culture. Many researchers, such as Cabrera & Bonache (1999) believes that HR specialists can systematically refer to the organisation's overall strategy and design HR activities in order to better align organisational culture to its strategies and build a strategic culture. Harris & Ogbonna (2001) pointed out the management may use HR strategies to create an organisational culture adapted to the latest environment and other aspects of competition to enhance organisational performance. Saunders (2009) also found that when encouraging organisational development or transformational management, existing organisational cultural features may be incorporated to lower resistance to transformational efforts in order to build better consistency between HR activities and organisational strategy, create a new culture and achieve improved performance. The values of Chinese management philosophy include organisational stability and internal harmony. Whether or not such philosophical values are able to help organizations accumulate HR capital and improve organizational performance will be an important topic of research.

Literature Review and Hypothesis of this Research

Strategic Level of Human Resource Management

HR management is one of the most important functions of any enterprise. However, since HR activities often fail to demonstrate tangible benefits, many enterprises and organisations tend to neglect this area of management (Prowse & Prowse, 2009). The arrival of the Knowledge Economy brought with it digitalization and globalization that accelerated the transformation of the industrial environment. Some researchers therefore began to use the strategic level of HR departments to assess the value of HR in this corporation. For example, research conducted by Galbraith & Nathanson (1978) on the relationship between HR management and corporate strategies showed that any strategic change may lead to differences in HR activities. Dessler (1994) further pointed out that in a rapidly changing environment, the only means of achieving business differentiation and competitive advantage would be HR strategies. Milkovich & Boudreau (1994) defined HR management as a set of management activities that treats the entire organisation as a whole and include aspects such as continuous learning, flexible response and provision of feedback at any given time. As a result, when evaluating the strategic level of HR management, some researchers had defined it according to the history of HR development.

Fomburn, Tichy & Devanna (1984) divided the evolution of HR management into three stages: operations, management and strategisation. LawlerIII (2005) also gave a comprehensive definition for the history of HR management, starting from the original Personnel Management (PM) system, to a facilitator of organisational transformation, to its modern status as a strategic partner. This evolution clearly demonstrated that advancements in the business environment were accompanied by increasingly important roles of the HR department within its organisation.

When viewed from an organisation's lifespan, HR often provides administrative support in the earliest stages of development. Once the organisation initiates its stable and growth phase, demands for specialized HR techniques (selection, utilization, training and retention) will increase, transforming the role of the HR department into that of a specialist. Once the organisation enters a period of steady growth and sizable scale, it would need to retain its competitiveness and generate core business differentiation and competitive advantages. Organisations in the modern Knowledge Economy can only achieve these objectives by investing in human capital. At this stage, HR department must play the role of a strategic partner and provide support to build up human capital while making necessary adjustments to various management activities and align them to the organisation's strategic objectives. Martell & Carroll (1995) referred to the role of the chief of HR departments in organisation-level decision making teams to divide HR chiefs into 3 categories, namely: functional managers, specialists and strategic partners.

These studies provided perspectives that demonstrated the strategic level of HR departments would be determined by the level of participation of HR departments in the organisation's decision making processes. Recent literature also demonstrated that HR strategies will help organisations align their management activities and strategic objectives to improve their organisational performance. For example, Huang (2000) employed cluster analysis that compared Taiwanese enterprises with good performances with those that demonstrated poor performances to see if there were any differences between the strategic level of HR departments and HR activities. Outcomes demonstrated that enterprises with good performances not only exhibited higher levels of HR participation and activeness in the enterprise's decision making processes, but also included more human capital concepts within its HR activities. Additionally, Lee, Lee & Wu (2010) conducted an empirical research on the relationship between HR activities, corporate strategies and organisational performance in Taiwanese steel industries. Research outcomes showed that higher levels of participation and activeness of HR departments in the enterprise's strategy planning processes allowed achievement of better organisational performance. These studies showed the value and importance of HR activities in improving corporate strategy planning and organisational performance.

Forms of Human Resource Management Strategies

Dyer (1988) referenced organisational and HR management features to divide HR strategies into 3 categories: incentives, investments and participation. Schuler (1989) believed that strategic HR management would refer to a systematic coordination of various HR management activities so that HR could be used as a consideration during corporate-level decision making processes. The resulting HR activities and designs would then help the organisation attain relevant strategic objectives. Hence, Schuler (1989) divided HR activities into 3 major strategies, including accumulation strategies, utilization strategies and facilitation strategies. Bird & Beechler (1995) then provided clear definitions for the various types and characteristics of HR strategies. For example, accumulation strategies treat HR as a type of

investment and prefer making long-term investments to organisation HR. Such strategies would thus demonstrate a preference for utilizing existing employees within the organisation. Conversely, utilization strategies treat HR as a type of expense and focus minimizing organisation commitment needed to achieve maximum HR benefits. Such strategies would often assess an employee's professional skills and abilities from short-term perspectives. On the other hand, facilitation strategies would be mostly based upon knowledge innovation and may be considered as having adopted an intermediate stance between accumulation and utilization strategies. Although long-term perspectives were used to establish HR management schemes, facilitation strategies would not seek to establish lifelong employment relations. These strategies focus on both internal and external personnel as well as professional knowledge, competences and positive interpersonal relationships amongst organisation employees. (Wang, Huang & Lu, 2005). Having summarized the various perspectives of HR strategies proposed by various researchers, it could be seen that major differences in HR strategies would depend on their attitude towards human capital. Cumulation strategies regard HR as capital, while utilization strategies regard HR as an expense. Facilitation strategies, on the other hand, lie somewhere between the two.

Organisational Culture

Many studies on organisational culture have been carried out since the 1980s and outcomes were released in publications such as Z Theory (Ouchi, 1981), In Search of Excellence (Peter & Waterman, 1993), Corporate Culture (Deal & kennedy, 1982) and Transformation of Corporate Culture (Kono Toyohiro, 1990). However, these researchers regarded organisational culture differently. For example, Peter & Waterman (1993) believed that organisational culture is a set of values shared and compiled with by all employees. Robbins (2001), on the other hand, treated organisational culture as a consistent sensation within an organisation that shared similar characteristics. Nevertheless, most researchers agreed that organisational culture is composed of a shared set of values or a consensual set of intangible restrictions held by every constituent member of an organisation and came into being through gradual socialization processes.

Many researchers also attempted to evaluate organisational culture from these different perspectives. In the past, organisational cultures were categorized according to risk affordability. For example, Ansoff (1979) categorized organisational culture according to risk affordability during organisational transformation. These categories include stable, passive, participatory, explorative and creative cultures. Deal & Kennedy (1982), on the other hand, categorized organisational cultures into the tough-guy macho culture, work-hard/play-hard culture, bet-the-company culture and the process culture. There were also researchers who categorized organisational culture according to its formative process. Tunstall (1985) adopted this perspective and divided organisational culture into 3 categories, namely: leadership culture, interactive culture and learning culture. Harris (1984) instead observed how members communicate and interact with each other and divided organisational cultures into 3 categories: hierarchical cultures, supportive cultures and innovative cultures. However, the aforementioned means of categorizing organisational cultures were mainly based upon characteristics of a single organisational interface over a specific period of time for a particular event. Such categorization methods focused on a single dimension such as risk affordability, cultural formation process, or apparent values of the overall organisation and therefore lacked flexibility and were excessively assumptive.

Cameron (1985) thus integrated two perspectives of internal/external focus and

differentiation as well as supervisor-employee interaction to divide organisational culture into 4 types: Clan, Adhocracy, Market and Hierarchy. Clan and Adhocracy cultures would be inclined towards flexibility and distributed authorities, while Market and Hierarchy inclined towards control and consolidation of power. The Organisational Culture Assessment Instrument (OCAI) is an evaluation form designed by Cameron (1995) that assesses organisational culture through the dimensions of membership characteristics, leadership characteristics, group cohesiveness, group atmosphere and definitions for success and management styles. This process for categorizing organisational culture could be easily used to describe the actual state of any organisation and has been widely employed by subsequent scholars.

Relationship between Organisational Culture and Human Resource Strategies

Organisational cultures may be a set of values shared by every member in the organisation, but the HR department would be responsible for creating organisational cultures due to the nature of their tasks and missions. Rowder (2002) believed that as the organ most often communicating with various units and employees in the company, HR departments would be expected to play a key role in the process of creating organisational culture. The OCAI demonstrated that organisational culture could be a useful tool. For members, organisational culture may represent a set of values such as behavioral standards that exert intangible limitations or expectations of their behaviors. HR departments may also utilize various HR activities to mold organisational cultures accordingly. Investigations carried out by Lau & Ngo (2004) pointed out those HR activities that incorporate training, performance bonuses and team developments would be able to develop more distinctive cultural features and provide further improve organisational performance. Daft (2005) pointed out that cultural leaders in the organisation may define organisational culture and forge organisational values and standards through their cultural leadership. Constituent members would then go through various socialization processes to become familiar with the cultural values of the organisation. Fairbairn (2005) also described organisational culture as an assemblage of organisational value and characteristics which would then influence the behaviors of the organisation's members. When pursuing organisational development, organisational culture could also be used as a tool to establish a universal set of corporate values. A series of HR activities based upon the organisation's environmental features could be employed to help build organisational culture and establish values and standards for its constituent members.

According to the Competing Values Framework (CVF) raised by Cameron (1985), Clan cultures feature more flexible interactions between fellow employees and added focus upon the organisation's internal environment. Work environments would be open, harmonious and encourage a sense of family for the employees. Clan cultures would thus be similar to the rule of man in Chinese philosophy. Cameron & Quinn (1999) then took the previous CVF to describe differences in organisational culture characteristics according to the role and major responsibilities of HR departments in an organisation. If the primary role of the HR department chief is to satisfy the employees' requirements, improve morale and create a stable work environment conducive to career development, the organisational culture would exhibit more distinctive Clan features. When the HR department is required to provide leadership to help organisational members adapt to changes to the environment, the organisational culture would tend towards Adhocracy. When the HR department focuses on compliance to the strategic objectives of the organisation when planning HR management activities, the organisational culture would exhibit stronger Market features. Finally, when the HR department serves as an

administrative specialist focusing on improving the efficiency of management activities within the organisation, the organisation would exhibit stronger Hierarchy features. Results from these studies demonstrated the importance of the HR department in helping organisations adapt to changes of the environment as well as organisation development concepts that Cameron had incorporated within the CVF. With this as the context, this study proposes the following hypotheses:

H_1:   *Characteristics of organizational culture would differ according to the strategic level of the HR department.*

H_2:   *Characteristics of organizational culture would differ according to the organisation's view of human capital.*

Having reviewed four cultural characteristics raised by Cameron's CVF (1985), the Clan concept would be most similar to eastern approaches on management philosophy due as the Clan culture primarily focuses upon the requirements of internal employees and places great importance on organisational harmony. Jung & Takeuchi (2010) pointed out that out of these 4 cultures, Clan culture would be one that prioritizes knowledge sharing, organisational learning and social exchanges. HR departments with such cultural features would often be charged with building human capital for the organisation capable of adapting to changes to the environment. Such strategies that primarily focus upon internal employees to achieve stable development of human capital would be synonymous with the accumulator HR strategy proposed by Bird & Beechler (1995). This study therefore proposed the third hypothesis:

H_3:   *An organization that focuses on human capital (accumulator HR strategy) would exhibit more distinctive features of the Clan culture.*

HR departments that play the role of the employee champion (Cameron & Quinn, 1999) would offer indispensable strategic value and would no longer be considered merely as HR specialists or administrators. This study therefore proposes the fourth hypothesis in the following:

H_4:   *Organizations that allow their HR departments to participate in their decision making processes (as a strategic partner) would exhibit more distinctive features of the Clan culture.*

STUDY DESIGN

Methodology

This paper uses a one-way ANOVA to determine the strategic level and strategy type of an organization's human resources department based on the CVF. The samples were separated into three groups, namely, administrator, expert and strategic partner, according to the strategic level of an organization's human resources department and the one-way ANOVA was used to test the difference in organizational culture for each group. In addition, the samples were separated into three groups, namely, accumulator strategy, facilitator strategy and utiliser strategy, according to an organization's human resources strategy type. The goal of this study is to clarify the role of the human resources department within an organization as well as the value of human capital within the organizational development process.

Samples

Table 1
DESCRIPTIVE STATISTICS OF EFFECTIVE SAMPLES

Samples background	Category	Numbers of samples	%
Established the number of years	Under 10years	8	3.755869
	11years〜15years	21	9.859155
	16 years〜20 years	41	19.24883
	Over 20 years	143	67.13615
Capital	Under 1 billion NT	83	38.96714
	1 billion NT〜5 billion NT	67	31.4554
	5 billion NT〜10 billion NT	35	16.43192
	Over 10 billion NT	28	13.14554
Number of employees	Under 500	63	29.57746
	500〜1000	28	13.14554
	1000〜2000	49	23.00469
	Over 2000	73	34.2723

Questionnaires were mailed to the human resources departments of manufacturing companies selected from a list of the top 1000 manufacturing enterprises complied by Common Wealth Magazine, because manufacturing is the industry which emphasis on knowledge creation, technology research and development more in Taiwan.

The questionnaires were mailed between June and November in 2012 and the response rate was 21.3%. The descriptive statistics of the sample are listed in Table 1.

Measures

Strategy Type of Human Resources

An organization's human resources strategy type refers to an organization's conceptual understanding of human resources. This section of the survey was answered by the directors of human resources management, because he or she promotes the development of human capital for an organization. The measurement that was used was proposed by Wang, Huang & Lu (2005) and Huang & Liu (1998) and there were 14 items in this section of the survey, which was concerned with human resources planning, recruitment, job design, training, salary and an organization's benefit and performance appraisal system. A six-point Likert scale was used for each item to determine the human resources strategy type and the human resources departments were then separated into 3 groups according to the method described by Wang, Huang & Lu (2005), which first calculated the mean and standard deviation and then added or subtracted the standard deviation from the mean. The group with a score greater than the mean by at least one standard deviation was classified as having an accumulator strategy. The group with a score between the mean plus one standard deviation and the mean minus one standard deviation was classified as having a facilitator strategy. Finally, the group with a score less than the mean by at least one standard deviation was classified as having an utiliser strategy. For this part of the

questionnaire, the mean was 3.44901 and the standard deviation was 1.12982. In all, 54 samples were separated into the accumulator strategy category, 114 samples were separated into the facilitator strategy category and 45samples were separated into the utiliser strategy category.

Strategic Level of Human Resources Department

The strategic level of an organization's human resources department refers to how involved a human resources department is in an organization's strategic decision making. This section of the survey was also answered by the director of human resources management. The measurement that was used was proposed by Huang (1998) and there were 7 items in this section of the survey. A six-point Likert scale was used for each item to determine the strategic level of each human resources department. The human resources departments were then separated into 3 groups according to the method described by Wang, Huang & Lu (2005), which first calculated the mean and standard deviation and then added or subtracted the standard deviation from the mean. The group with a score greater than the mean by at least one standard deviation was classified as strategic partner. The group with a score between mean plus one standard deviation and the mean minus one standard deviation was classified as expert. Finally, the group with a score less than the mean by at least one standard deviation was classified as administrator. For this part of the questionnaire, the mean was 3.63916 and the standard deviation was 1.12875. In all, 53 samples were separated into the strategic partner category, 116 samples were separated into the expert category and 44 samples were separated into the administrator category.

Organizational Culture

Organizational culture is a set of shared values that have been built up by the members of an organization. It also serves as a foundation on which organizational, employee and leadership characteristics, as well as organizational cohesion and climate, the definition of achievement and management styles, are based. The CVF as described by Cameron & Quinn (1999) separated organizational culture into four types: clan, adhocracy, market and hierarchy. According to Cameron (1985), each type of culture is composed of factors and a six-point Likert scale was used in this research to determine which type of organizational culture those factors belonged to.

Despite the availability of numerous surveys for assessing organizational culture, the CVF has been widely employed to investigate the relationships between organizational culture and other organizational variables. CVF has also demonstrated sufficient reliability in organizational cultural assessments carried out for many actual Chinese businesses (Yu, 2009). The 4 organization cultural properties of Clan, Adhocracy, Market and Hierarchy described by CVF tend to coexist within an organization and evolve to different proportions when the organization develops and changes (Cameron, 2004). These reasons demonstrate that the CVF organizational culture assessment form is applicable for investigating the relationship between organizational culture and HR strategies in Chinese businesses.

This section of the questionnaire was answered by 10 employees that were randomly selected by human resources managers from each sample company and arithmetic mean was used to calculate each sample company's organizational culture.

Reliability and Validity

Confirmatory factor analysis (CFA) was used to determine the unidimensionality of each construct (Anderson & Gerbing, 1988). Using CFA, this study adopted the standard of eliminating items with factor loadings less than 0.5 to increase the reliability and validity of the questionnaire (Hair et al., 1998).

Table 2
THE RELIABILITY AND VALIDITY ANALYSIS FOR THE CONSTRUCTS

Construct	Items	Mean	S.D.	Standardized loadings	Composite reliability	AVE
Clan	3	4.30	1.113	0.763	0.8915	0.5788
	7	4.21	1.036	0.824		
	11	4.58	0.952	0.792		
	15	4.39	0.934	0.709		
	19	4.08	1.125	0.712		
	23	4.70	0.881	0.758		
Adhocracy	2	4.10	0.866	0.705	0.8874	0.5725
	6	4.08	0.897	0.823		
	10	4.42	0.932	0.849		
	14	4.19	0.897	0.733		
	18	4.57	1.038	0.545		
	22	4.48	1.007	0.840		
Market	1	4.62	0.879	0.613	0.8750	0.5423
	5	4.07	1.064	0.751		
	9	4.47	0.888	0.617		
	13	3.86	1.219	0.735		
	17	3.73	1.244	0.820		
	21	3.76	1.220	0.849		
Hierarchy	4	4.36	1.150	0.824	0.8916	0.5843
	8	4.37	1.068	0.859		
	12	4.44	0.918	0.870		
	16	4.10	1.128	0.650		
	20	4.32	1.079	0.536		
	24	4.22	1.099	0.789		

As presented in Table 2, the composite reliability exceeded 0.6. These results imply that all four constructs complied with the requirement of high internal consistency (Roberts & Wortzel, 1979; Fornell, 1992). Content validity was established through a literature review and by consulting experienced researchers and managers.

Construct validity was verified using convergent validity and discriminant validity. Convergent validity was checked for (a) a factor loading of greater than 0.5 between observed variables and a latent variable (Hair et al., 1998) and (b) a composite reliability for a latent variable of greater than 0.6 (Fornell, 1992). The statistics for this research (Table 2) met all three of these standards; we concluded, therefore, that the questionnaire that was used for this study possessed convergent validity.

Constructs have discriminant validity when the shared variance between any two constructs (i.e., the square of their intercorrelation) is less than the average variance extracted (AVE) of each construct (Fornell & Larcker, 1981). As shown in Table 3, the AVE of the underlying construct was greater than the variance shared with other constructs. This implies that

the four constructs exhibited discriminant validity

Table 3
FORNELL/LARCKER TEST FOR THE FIVE CONSTRUCTS

Construct	Clan	Adhocracy	Market	Hierarchy
Clan	[a]0.5788			
Adhocracy	0.518	0.5725		
Market	0.207	0.601	0.5423	
Hierarchy	0.353	0.205	0.522	0.5843

Note: [a] Average variance extracted on diagonal; The square of their intercorrelation below the diagonal.

RESULTS OF THE ANALYSIS

Characteristics of Organisational Culture of Accumulator Human Resource Strategies

This study employed one-way analysis of variance (ANOVA) to review differences of organisational culture amongst various HR strategies. Table 4 shows that significant differences ($p<0.05$) exist between the characteristics of organisational culture of various HR strategies which supported Hypothesis 2 of this study. Average values and Scheffe's Multiple Comparisons also indicated stronger Clan cultural features for HR departments that practice accumulator strategies which supported Hypothesis 3 of this study. Additionally, it was found that organisations that employ accumulator HR strategies achieved higher gross profits compared to those that practiced facilitation and utilization strategies. This showed that human capital accumulation strategies would help improve organisational performance.

Table 4
ONE-WAY ANOVA ABOUT ORGANIZATIONAL CULTURE AND STRATEGY TYPE OF HUMAN RESOURCE

	F	Accumulator strategy		Facilitator strategy		Utilizer strategy		Scheffe
		Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation	
Clan	25.33***	5.0185	0.35750	4.1608	0.63646	4.3056	0.95756	accumulator>utilizer***
								accumulator>facilitator***
Adhocracy	12.96***	4.2667	0.45699	4.4971	0.55031	3.9383	0.97199	facilitator>utilizer***
								accumulator>utilizer*
Market	20.79***	3.6296	0.72552	4.3830	0.70360	3.8364	0.82448	facilitator>utilizer***
								facilitator>accumulator***
Hierarchy	15.33***	4.0259	0.94679	4.1827	0.74038	4.7870	0.61720	utilizer> facilitator***
								utilizer> accumulator***

*p<0.1 **p<0.05 ***p<0.01.

Table 5
ONE-WAY ANOVA ABOUT GROSS PROFIT AND STRATEGY TYPE OF HUMAN RESOURCE

	F	Accumulator strategy		Facilitator strategy		Utilizer strategy		Scheffe
		Mean	Standard deviation	Mean	standard deviation	Mean	standard deviation	
Gross profit	103.723***	28.06	10.895	13.25	7.37	6.35	3.64	accumulator>utilizer***
								accumulator>facilitator*** facilitator>utilizer***

*p<0.1 **p<0.05 ***p<0.01.

Characteristics of Organisational Culture for Various Strategic Levels of Human Resource Departments

This study employed one-way analysis of variance (ANOVA) to review variations between organisational cultures amongst various strategic levels of HR departments. Table 5 shows that significant differences ($p<0.05$) exist between different characteristics of organisational culture and various strategic levels of HR departments which supported Hypothesis 1 of this study (Table 6). Additionally, average values as well as Scheffe's Multiple Comparisons also showed that when HR departments were included as a participant of organisation decision-making processes, the organisation would also demonstrate more distinctive features of the Clan culture. This observation thus supported Hypothesis 4 of this study. Additionally, organisations that gave higher strategic levels to their HR departments will be able to provide organisations with more strategic support and help establish activities linked to the organisation's overall strategy in order to achieve higher gross profits (Table 7).

Table 6
ONE-WAY ANOVA ABOUT ORGANIZATIONAL CULTURE AND STRATEGIC LEVEL OF HUMAN RESOURCE DEPARTMENT

		Strategic partner		Expert		Administrator		Scheffe
	F	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation	
Clan	19.347***	4.8894	0.35856	4.1853	0.67772	4.2614	1.02639	strategic partner>administrator***
								strategic partner>expert***
Adhocracy	9.953***	4.2358	0.47640	4.4741	0.60617	3.9508	0.99325	expert> administrator***
Market	30.567***	3.5597	0.68726	4.4253	0.70995	3.8220	0.75174	expert> administrator***
								expert> strategic partner***
Hierarchy	13.544***	3.9780	0.91873	4.2587	0.74138	4.7841	0.61587	administrator> expert***
								administrator> strategic partner*** expert> strategic partner*

*p<0.1 **p<0.05 ***p<0.01.

Table 7
ONE-WAY ANOVA ABOUT GROSS PROFIT AND STRATEGIC LEVEL OF HUMAN RESOURCE DEPARTMENT

		Accumulator strategy		Facilitator strategy		Utilizer strategy		Scheffe
	F	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation	
Gross profit	104.396***	28.42	10.65	13.26	7.55	6.42	3.65	accumulator>utilizer***
								accumulator>facilitator*** facilitator>utilizer***

*p<0.1 **p<0.05 ***p<0.01.

CONCLUSION AND RECOMMENDATIONS

Leading change is a key topic in modern organisation development theories and emphasizes constant vigilance of the state of the environment to help the organisation prepare for various changes instead of implementing organisational diagnostics only after problems occur.

HR departments would play important roles in leading change. Cultural molding and orientation of development pathways could be employed to gradually influence employee behaviors and values to achieve the desired changes. As the organ with the most intimate and frequent contact with every other department within the organisation, HR departments were often charged with the important task of creating organisational culture.

First, this study employed a one-way ANOVA to explain the differences in organisational culture for each strategy type of human resources and then used a one-way ANOVA to explain the differences in organisational culture at each strategic level of a human resources department. The above steps not only contribute to an understanding of the value of human resources departments and human capital in the organisational development process but also elucidate the content of the CVF. It is helpful for human resources managers to understand each stage within the organisational development process.

This study's results show that clan culture is stronger when organisations respect human resources and desire to develop human capital. In this case, a human resources department could participate in making an organisation's strategic decisions, thus acting like a strategic partner for that organisation. Thus, we can further infer that human resources departments and human capital are high value-added assets to a company when clan culture is stronger.

It is obviously that organisational culture is totally different in each level of human resource's value, the clan characteristic and business performance of the top sample groups are outstanding, no matter accumulator strategy or strategic partner, this concept is important for the manufacturing in Taiwan especially, because manufacturing in Taiwan always respect R&D more than human resource management, although R & D capability and knowledge accumulation are based on human capital.

Many leading Taiwanese businesses and corporations inherited the traditional Confucian philosophical approach when creating their organisational culture and place great importance on human-oriented (employee-focused) concepts. For example, Acer established an innovative business team that have been suitably empowered and granted enough flexibility to respond to the rapid advancements of ICT technologies. Employee shareholding systems, creative professional training programs and measures that encourage workers to propose business projects within the company were employed as well. Acer's beliefs on the inherently good nature of people as well as emphasis on ethics and morals have also been applied to their startups and emerging companies. These practices not only promote diversification of Acer's business portfolio, but also help retain talented professionals (Hsiao, Jin, Chiu & Yang, 2001).

Taiwan Semiconductor Company (TSMC), the leader of Taiwan's semiconductor industry, also features the characteristics of learning-oriented organisations. TSMC constantly reviews the objectives of its business strategies and gaps present within its functional organisations. HR development strategies therefore focus upon performance management tools coupled with digital HR systems that help improve employee competence training and career development. Human resource indexes and knowledge transfer systems are also in place to help TSMC slowly accumulate human capital within their enterprise.

Another example would be Advanced Semiconductor and Engineering (ASE), which employs Annual Objectives Development and employee job training to provide the company with an adequate and stable source of human capital to achieve its strategic business objectives.

Strong links between overall business development strategies and HR strategies are key to the successful growth and expansion of these 3 famous Taiwanese companies. These companies place great emphasis on personal development and requirements of their own

employees while featuring strong Clan cultural elements in order to provide a stable source of human capital that help maintain corporate competitiveness.

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