

Flexible Internal Labor Market of Civil Service in Taiwan: Decentralized Job Mobility Fuelled by a Centralized Career-based System¹

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Abstract

Job mobility has recently been promoted in the public sector across countries as a way to diversify and enhance staff knowledge, experience, and skills. This paper evaluates its effect through the experience of Taiwan that boasts a highly flexible government internal labor market. The market allows for relatively open upward and lateral job mobility. This paper shows that Taiwan has an employee-friendly government internal labor market that helps retain talent for the state. However, the cost of a deregulated cross-agency manpower movement is a serious internal brain drain. By comparing the behavior and attitude between statutory civil servants and government contract employees in Taiwan, this paper posits that the availability of a flexible internal labor market inevitably causes a “footloose effect” on turnover decision.

Keywords: civil service system, internal labor market, job mobility, Taiwan

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臺灣文官系統彈性內部人力市場：集權永業制度所促進的分權工作流動

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摘要

近年來不同國家皆鼓勵公部門的工作流動，以多樣化及提升員工的知識、經驗及技能。本研究正是欲透過臺灣經驗評估其效果，因為臺灣擁有高度彈性的政府內部人力市場，其容許相對開放的縱向及橫向工作流動。本研究指出，臺灣的政府內部人力市場對員工十分友善，可為國留才。然而，這寬鬆的跨機關人力流動之代價為嚴重的內部人力流失。透過比較臺灣正式公務人員與政府約聘僱人員行為及態度可發現，存在著彈性的內部人力市場無可避免地造成轉調取向上的「釋放效應」。

關鍵詞：文官系統、內部人力市場、工作流動、臺灣

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Job mobility has recently been promoted in the public sector across countries as a way to diversify and enhance staff knowledge, experience, and skills. According to recent reports from the Organization for Economic Cooperation and Development (OECD) on the public human resource management of its members and partner countries, an increasing trend of internal mobility of civil servants within government exists, along with the increased publicity of available positions or the establishment of available staff pools in certain countries (e.g., Japan, the Netherlands, Italy, Belgium, and Austria). Other countries plan to increase such mobility (e.g., the United Kingdom, South Korea, Germany, Hungary, and Australia).² However, the effect of enhancing job mobility has never been evaluated. This issue is concerned with the internal labor market (ILM) that is one of themes in the comparative civil service system research (Van der Meer, 2011).

In the literature of organizational behavior, how various organizational factors affect the staff's attitude and behavior (e.g., job performance, organizational commitment, turnover intention) is a significant focus of studies (e.g., for office characteristics, see Kim & Young, 2014; for person-environment fit, see Sun, Peng, & Pandey, 2014), but we find no literature to examine the function of ILM policy and its subsequent effects. This paper fills this knowledge gap by examining the ILM in the civil service system of Taiwan.

Taiwan boasts a civil service system that allows flexible job mobility for nearly all statutory civil servants (SCSs) across government agencies, a type of occupational internal labor market (OILM) rarely found in other countries. This paper reviews how Taiwan makes this possible. Despite the flexible ILM setting, the OILM is only open to SCSs, and government contract employees (GCEs) are denied access to it. What can be learned from this discriminating ILM setting from the perspective of human resource management? The author compares the consequential behavioral performances of these two staff categories to elucidate the effect of such a selective ILM opening.

The author argues that a career-based civil service system and centralized recruitment are prerequisites for an efficacious ILM opening. They facilitate the cross-agency mobility of the SCSs. However, such a uniform system and a low opportunity cost of turnover emboldens SCSs to enter the OILM frequently for an alternative position. The OILM forms a secondary quasi-free job market for government agencies and SCSs.

² See reports from the OECD public employment and management website (<http://www.oecd.org/gov/pem/hrpractices.htm>).

The OILM helps lower the civil service turnover rate, but such a quasi-free market is dampening SCS commitment to organizations compared with GCEs and leads to a serious internal brain drain.

I. Internal Labor Market as an Analytical Theme for Public Personnel Management

A. ILM as an analytical concept

ILM typically refers to a firm measure in which pricing and allocation of labor are governed by a set of administrative rules and procedures. The remainder of jobs within the ILM is filled by promoting or transferring workers who have already gained entry into a firm or industry. The ILM is shielded from the competition of the external labor market (ELM) (Doeringer & Piore, 1971).

The ILM typically involves a specific structure of job ladders and job mobility within a firm or industry and offers opportunities for employees to develop and advance their career in an organization or a job cluster. The ILM also offers opportunities for managers to mobilize existing human resources to respond to ever-changing skill demands of jobs and helps reduce labor turnover, as more career advancement opportunities are offered to in-house workers. The rise of the ILM emanated from emerging large corporate firms during industrialization. The employers of these large firms faced increasing job security of employees guaranteed by newly-enacted labor laws and unionization from the early twentieth century onward. The problem of firm-specific skills and technology, the development of on-the-job training, personnel departments, formalized rule structures, and bureaucratic control all forced and facilitated a self-development of human capital from the incumbent pool by means of the ILM (Althausser, 1989; Osterman, 1984).

Typically, an ILM is a highly structured market composed of a series of job ladders. Job mobility in the ILM typically works in a vertical pattern moving up along one of the job ladders in a firm. Movement from one ladder to another may occur for similar job clusters, or from the top of one ladder to other ladders that contain higher ceilings (Pinfield, 1995). However, this so-called pattern of firm internal labor market (FILM) is not the sole category. The other category, OILM, can be identified by certain specific managerial,

professional, and technical workers (e.g., professors in universities and coaches for baseball teams) who may move across branches within a corporation or across various employers (Althauser, 1989; Althauser & Kalleberg, 1981). The ILM essentially consists of two categories: (A) FILM: a firm-specific market established by a single employer (organization, corporation), and (B) OILM: an occupation-specific market that spans more than one employer of the same or related industries.

As an analytical concept, the ILM cannot stand alone without reference to its distinction from the ELM. Job vacancies available in a firm can be filled by either workers from the labor market outside the firm (i.e., ELM), or workers within the firm (i.e., the ILM). The difference between the two markets rests not only on the sources of labor but also on staffing methods and the allocative structure of the two markets. The ELM is governed by market forces predictable by conventional economic theory. However, the rules governing ILMs in a firm accord certain rights and privileges to the internal labor force and constrain its career path. Job allocation is less determined by market choices than administrative rules. However, the flexibility of choice making also relies on the rigidity of rules. The less rigid the rules, the greater the market forces manifest in allocation. The degree of rigidity also defines the boundaries of ILMs in a firm (Doeringer & Piore, 1971). In addition, these two markets are interconnected. Those who enter the ILM must do so through limited ports of entry from the ELM, where the bottommost position levels in various job ladders are located (Pinfield, 1995).

B. ILM in governments: Limited development worldwide

Wise was the first to conduct a comprehensive review of the ILM specifically for public sector organizations. Similar to the aforementioned definition, she defined that the ILM involves “the administrative policies and practices that determine the way human resources are used and rewarded within an organization” (Wise, 1996, p. 100). She suggested that the dynamics of the ILM are driven by four categories of rules: job definition and classification systems, deployment rules (including mobility), job security and membership, and reward structure and wage rules.

The focus of the ILM for the public sector is related to breaking through the rigidity of the classification system prevailing across world governments. This viewpoint is reinforced by the ideology of New Public Management (NPM) that advocates flexible

personnel management and deregulating rules limiting managerial discretion (OECD, 1990). This viewpoint can help further mitigate the stress caused by downsizing and hiring freezes where the government must increasingly rely on the incumbent workforce (Wise, 1996). From the perspective of human resource management, encouraging job mobility is considered an approach to broaden the experience of employees and to improve their overall quality. This approach can motivate them by offering intriguing career prospects and developing a more desirable “boundaryless career” (Äijälä, 2002; Arthur, 1994). Government, as a multiorganizational entity, should be able to attain this goal by founding an OILM-type market.

Despite the thrilling signs of increasing job mobility in numerous governments worldwide, revealed by recent OECD reports noted at the onset of this paper, what the actual situations are and what they exactly imply remain uncertain. The existing literature does not substantiate a high degree of flexibility in the ILM policy among the governments of OECD members. Vertical rather than lateral movement is the common form of mobility in the ILM because of the prevailing decentralized system of recruitment and selection. The personnel systems of various government agencies are so loosely coupled that they do not favor interagency mobility (Van der Meer & Dijkstra, 2011). The inconsistency in job requirements among agencies, even for positions with the same title and grade, impedes mobility (Wise, 1996).

Those countries adopting a career-based system are seemingly favorable to the development of a lively ILM. The Hungarian government is planning to facilitate job mobility by introducing a career-based system (OECD, 2012). The case of a career-based system can be exemplified by the United Kingdom where top civil servants are first appointed to service and subsequently to a department, and they move frequently among departments and policy areas (particularly “fast-track” junior; Greer & Jarman, 2011; Horton, 2011). However, this type of interagency mobility is typically confined to senior levels or special corps of civil servants, such as officials in senior civil service grades in the United States, grand corps in France, and A-level staff in Japan (Horton, 2011; OECD, 1990; Van der Meer & Dijkstra, 2011). A low degree of openness of job mobility among public organizations remains. Consequently, few flexible practices are available to test the proposition that a more open ILM is desirable. However, Taiwan boasts such an exceptional open model for the test.

II. Civil Service System in Taiwan: An ILM Perspective

The civil service system in Taiwan is characterized by its centralized personnel management system, with an independent state-level organ, the Examination Yuan, to make most public personnel policies and administer all civil service examinations. In addition to public authorities, SCSs work in public hygiene and medical service institutes and state-owned enterprises (not all staff members are SCSs), and as administrative staff in public schools (excluding teachers). Most SCSs are recruited to service rather than to ministries or agencies through three entry-level national examinations (i.e., recruitment from the ELM; Su, 2010). Recruitment, selection, and placement for ELM entrants are all centrally controlled and coordinated by the Examination Yuan. Government agencies, namely employers, play no part in staffing from the ELM, except offering vacancies before examinations and advice on examination methods. Hence, Taiwan's civil service is embedded in a highly rigid and centralized career-based system. Paradoxically, such a centralized system facilitates the establishment of a nationwide civil service ILM.

Apparently, a uniform system enhances the transferability of staff in a gigantic state entity. Uniformity is first realized by a common ranking system. All SCS positions in central and local governments of Taiwan, except for several particular services such as police, customs, and judiciary, fit into a single common 14-grade hierarchical pyramid; Grades 1 to 5 lie in the elementary rank; Grades 6 to 9 lie in the junior rank, and Grades 10 to 14 lie in the senior rank. Civil service entrance examinations (CSEEs) offer three levels of ELM ports of entry. They are elementary-level examinations for entrants to Grade 1 positions, junior-level for entrants to Grade 3 positions, and senior-level for entrants to Grades 6, 7, or 9 positions. Separate special examinations in line with these three levels are organized by the Examination Yuan for recruiting staff for certain particular services just noted and for certain local government vacancies. Regardless of which port entrants enter, they enjoy opportunities to be promoted from the bottom to the top grade (Hwa, 2001).

The aforementioned ranking system only opens a path for upward mobility. Lateral mobility is facilitated by a unique classification system called "joint rank-in-person and in-position," which became effective in 1987. SCSs recruited from various examination

levels are classified into a specific grade and into a professional group (96 groups in total) according to the disciplines of examinations they take. Similar professional groups form a professional cluster (43 clusters in total). All professional groups are divided into two categories: administrative (45 groups) and technical (51 groups).

Positions affiliated with various professional groups span one to three grades, and positions of each professional group span a wide range of agencies. A free transfer to any positions of the same grade in the same professional group, or in various groups but in the same cluster, or related professional groups in diverse clusters across agencies is allowed.

Furthermore, job transfer between the administrative and the technical categories is also possible, but it is typically the case for an official from a position under the technical category to move to a position under the administrative category. Moreover, professional groups, clusters, and categories impose no constraint on the lateral transfer of officials who are Grade 12 and over, who are typically top career officials in the government. Civil servants with qualifications other than their original affiliated professions can also enter other professional groups.

These diverse methods of transfer are feasible because public managers of various agencies can selectively, albeit with constraints, fill vacancies through either the ELM (i.e., the CSEEs) or the ILM (i.e., vacancies open to nationwide SCSs with qualifications required). Hence, the ILM in Taiwan offers more opportunities for lateral and vertical movements than in the United Kingdom, where such movements are available only for senior and fast-track junior officials (Greer & Jarman, 2011). Hence, job mobility in the ILM of the Taiwanese government differs from the typical pattern in that the movements work in the form of upward mobility within a job ladder, and from the ceiling of lower-tier job ladders to the bottom of higher-tier job ladders (DiPrete, 1989, p. 262). The pattern in Taiwan opens a movement path among job-ladders on the same tiers.

Such a flexible system starting from the late 1980s has nothing to do with the inspiration of the NPM. The practice is rather a heritage of the Mandarin system of Imperial China that featured a rank-in-person system, allowing promotion from the lowest grade to the highest. The “joint rank-in-person and in-position” system is a compromise between rank classification and position classification, where position classification was transplanted from the United States into Taiwan in the 1960s. However, the experiment did not get through Taiwan because the “rigidity” of the U.S. system seemed to impose

too much constraint upon the career advancement of civil servants and was incompatible with the thousands of years of “generalist-oriented” culture of the Chinese mandarin (Hsu, 2006; Hwa, 2001). Subsequently, this hybrid system that incorporated a rank-in-position system into a rank-in-person system was adopted.

Not all staff in the Taiwanese government enjoy the privilege of entering the ILM. Only those who have obtained the SCS status by passing the CSEEs can access the market. Other non-SCS staff members who are directly recruited by government agencies must be confined to the workplaces that employ them, including GCEs. What are the behavioral performances of the two categories of staff in the ILM? GCEs serve as a reference group in this study to evaluate the effect of the ILM on SCS behavior. First, this study reviews the ILM incentive systems, the behaviors of the two workforces induced by the ILM institution, and policy responses to the behaviors to develop the frame of arguments. The four dimensions for analyzing the ILM dynamics as suggested by Wise (1996) are also adopted. The author then conducts a data analysis of SCS and GCE job mobility and compares the psychological attitudes of the two workforces to support the arguments.

The analyses are all substantiated by government documents and statistics, and the findings of two studies concerning the behaviors of SCSs and GCEs were conducted by the author in 2009-2010 (a personal research project sponsored by the National Science Council) and 2012 (an official research project commissioned by the Examination Yuan). They are further supplemented by the data concerning job mobility of civil servants collected by the Taiwan Government Bureaucrat Survey 2011, a comprehensive sampling survey of civil service.

III. Incentive Systems and Behavioral Performance in the ILM

A. Job definition and classification systems

As previously noted, SCSs are recruited to service by the CSEEs rather than to government agencies. They belong to a classified workforce whose strength is highly regulated by the Ministry of Civil Service under the Examination Yuan. The workforce

numbers approximately 340000, of which approximately 220000 work for the government administration. By contrast, the GCEs belong to an unclassified workforce, not counted as members of the regular establishment. They are fixed-term contract employees recruited directly by government agencies. The GCEs, which number close to 30000, consist of two subcategories: contract-based employees (approximately 12000) and auxiliary employees (approximately 18000). Contract-based employees are nominally required to perform certain professional and technological duties that existing SCSs are unable to perform; auxiliary employees are nominally required to perform certain temporary duties equivalent to those performed by Grade-5 or lower positions of SCSs. The GCEs provide supplementary manpower to fill the gaps left by SCSs. The author found that GCE duties cover a broad spectrum, but not to the degree that the personnel policy supposes. These duties tend to be peripheral, routine, and frontline, but by no means temporary.

These two categories of GCEs are not permanent staff in a legal sense, but their contracts tend to be renewed annually. However, their contracts will never become permanent regardless of how long they serve the government, unlike Germany and Luxembourg, whose GCEs obtain job security after specific years of service (Bossaert, 2005).

GCEs cannot obtain entry into the nationwide civil service OILM unless they have passed one of the CSEEs. However, these examinations are extremely competitive. The acceptance rates of the examinations averaged 4.71% from 2003-2012 (Ministry of Examination, 2013). The work experiences in governments accord no credit to those GCEs who intend to move to the SCS track by taking the entrance examinations. Hence, SCSs and GCEs both physically work in the same place, but GCEs are distinctly segregated from SCSs regarding their career development, by a high threshold of the competitive CSEE.

B. Deployment rules

As a consequence of segregation, the deployment rules (mobility and staff development) applied to the two workforces are completely different. After the adoption of the classification system of “joint rank-in-person and in-position” in 1987, the momentum of SCS job mobility was unleashed, enforced by supply and demand sides.

From the supply side, numerous agencies manage to fill their vacancies through the OILM, even for ELM ports of entry positions. First, each type of CSEE is typically held once a year, and is thus too time-consuming to fill a vacancy. Second, certain agencies, particularly those offering an enhanced career prospect (e.g., central government agencies that have a longer and higher job ladder), prefer selecting their staff themselves to involuntarily employing whosoever personnel authorities assign to them.

From the demand side, the positions of all newly appointed civil servants are centrally assigned by personnel authorities according to the new entrants' preference priorities and their examination scores. This means that only those who achieve a high score are likely to be assigned to their preferred agencies. No job matching occurs between employers and new entrants. This type of job placement by central assignment is conducive to job mismatching, so many new entrants search for alternative positions through the ILM as early as their first day of duty. The author calls this behavior "post-examination job matching." Numerous vacancies filled by ELM recruits are from "unpopular" agencies (e.g., in remote areas, outlying islands, or street-level agencies) that are not appealing in the OILM, so this becomes a "push effect" of turnover.

A high turnover rate of new recruits has been a vexing problem for government agencies (see Table 1). This led the Examination Yuan to impose a restriction on free transfer at the end of 2007, disallowing all new entrants from the senior, junior, and elementary level examinations to transfer to other agencies of various ministry or department lines in their first service year. The personnel authority in 2003 also extended a channel for local governments, which are always the victims of new recruit turnovers, to recruit their staff through special examinations. Recruits from this channel face a harsher condition for transfer because they cannot be transferred to other agencies in their first three service years, and no transfer to other agencies outside their affiliated region in their second three service years, namely a 6-year limit of transfer. In addition, central government agencies that have a high propensity to recruit their staff from the OILM were required to enlarge incrementally the share of vacancies earmarked for entrants from the senior, junior, and elementary level examinations from 2008 onward (Chang, 2009). These acts are aimed to curb the abuse of the OILM.

However, in addition to job mismatching during the entry stage, other reasons exist for incumbents to pursue lateral job mobility, such as career advancement, family

Table 1
Job mobility of new recruits from different types of examinations

cohort	level of government	senior-level examinations			junior-level examinations			elementary-level examinations			special examinations						
		leave assigned agency or change professional group in		2 years	leave assigned agency or change professional group in		2 years	leave assigned agency or change professional group in		1 year	leave assigned agency or change professional group in		2 years	leave assigned agency or change professional group in		6 years	7 years
		1 year	2 years	1 year	2 years	1 year	2 years	1 year	2 years	1 year	2 years	1 year	2 years	1 year	2 years	1 year	2 years
2001	Central	30.49%	51.22%	33.33%	50.00%	29.03%	43.23%	67.83%	70.38%								
	Local	27.11%	45.09%	24.85%	42.18%	29.74%	47.75%	65.65%	70.51%								
2002	Central	21.32%	37.52%	15.81%	33.76%	32.97%	59.34%	66.06%	70.14%								
	Local	35.85%	53.56%	36.33%	53.21%	32.99%	57.99%	70.87%	74.35%								
2003	Central	29.11%	48.73%	32.50%	51.88%	36.36%	56.36%	62.06%	68.93%								
	Local	47.30%	71.11%	38.74%	60.36%	46.15%	65.38%	67.01%	68.99%								
2004	Central	27.24%	56.04%	28.90%	55.49%	31.98%	63.37%	70.75%	76.40%								
	Local	46.53%	78.71%	36.33%	65.74%	42.15%	72.31%	80.52%	89.76%								
2005	Central	41.70%	56.39%	33.33%	52.22%	52.15%	69.38%	71.71%	80.67%								
	Local	66.43%	80.69%	49.28%	67.27%	51.36%	68.03%	87.22%	89.31%								
2006	Central	30.51%	46.43%	28.89%	46.11%	33.33%	47.62%	73.26%	73.90%								
	Local	49.09%	76.97%	41.46%	69.69%	39.29%	60.71%	81.40%	81.43%								
2007	Central	24.00%	39.18%	28.02%	43.48%	37.04%	51.85%	67.09%	n/a								
	Local	55.34%	71.51%	47.14%	67.43%	45.31%	59.77%	74.86%	n/a								
2008	Central	22.58%	42.08%	26.09%	45.65%	37.91%	57.01%	53.89%	n/a								
	Local	40.18%	62.21%	40.50%	59.73%	42.05%	60.61%	63.45%	n/a								
2009	Central	13.24%	39.55%	12.04%	39.42%	17.81%	45.89%	35.98%	n/a								
	Local	15.65%	77.89%	16.95%	73.79%	17.30%	73.61%	55.65%	n/a								
2010	Central	12.96%	40.09%	9.39%	44.13%	9.16%	29.01%	34.01%	n/a								
	Local	58.60%	78.19%	49.05%	73.78%	35.57%	57.22%	51.47%	n/a								
overall average		34.76%	57.66%	31.45%	54.77%	34.98%	57.32%	65.04%	76.23%								
average (central)		25.32%	45.72%	24.83%	46.21%	31.77%	52.31%	60.26%	73.40%								
average (local)		44.21%	69.59%	38.06%	63.32%	38.19%	62.34%	69.81%	79.06%								

Note. Derived from calculating the data provided by the Examination Yuan (collected in July 2012).

reunion, work stress, poor interpersonal relationships in the workplace, and repulsive job characteristics. The flexible ILM encourages “opportunism” among civil service examinees. They select the disciplines of entrance examinations with little regard for their own competence or career vision, but with more regard for the strategic viewpoint of selecting the discipline that offers a high probability for them to gain entry.

In sharp contrast to the variability of SCSs, all GCEs are enclosed in the agencies that employ them and may be assigned to various positions within the agencies, and even to a management position (particularly for contract-based employees). This means that only a FILM applies to them.

In addition, training opportunities are crucial for staff growth and upward mobility. The Examination Yuan arranges various general training programs for new recruits and candidates eligible for rank promotion. Although the GCEs share similar job tasks with SCSs, they are ineligible for any training program organized by the Examination Yuan. They can only join certain practical training programs organized by line agencies for job duties. Training has nothing to do with their career advancement, regardless of what position they take, because they bear no official grade or rank.

C. Job security and membership

Despite the global trend of reducing the job protection of civil service (OECD, 2005), SCS job security in Taiwan remains intact. This is upheld by a set of civil service laws enacted or amended in the last decades of the twentieth century. These laws also accord various privileges to SCSs. In addition to lifelong employment, active pursuit of job mobility is not detrimental to their status and basic salary level, despite the aforementioned restriction imposed upon the mobility of new recruits. According to the Law of Civil Service Protection enacted in 1996, the rank and grade of any SCS is strictly protected. The deprivation of the civil service status of an official (typically related to a severe disciplinary offence) and imposing other severe sanctions (e.g., salary downgrade or reduction) are not allowed without passing through stringent legal procedures.

After amendment of the Law of Civil Service Appointment in 1986, a SCS is allowed to voluntarily shunt to a one-grade-lower job position without demoting his/her original appointment grade (Article 18). This type of position demotion does not lead to a drop in his/her salary steps, as stipulated by the Law of Civil Service Compensation (Article

11). This channel is appreciated by those who intend to shirk their current positions of heavy workload or stress. This privilege broadens the spectrum of job mobility for SCSs with a low cost incurred. Despite the administrative discretions delegating public managers to disapprove transfer applications, managers seldom ban them.³ Reinforced by the aforementioned protection of grade/rank and remuneration and management practice, SCSs are tempted to enter the ILM, if necessary, because the opportunity cost of job mobility is relatively low.

These privileges are irrelevant to GCEs, who are employed on an annual contract basis without *de jure* job security guaranteed by public personnel statutes. If they are dissatisfied with their current positions, they cannot access the OILM for other government positions. The only action they can take is to quit the job. In theory, a job without security suffers from a high turnover rate. However, the actual situation in Taiwan may confound this thesis. Numerous GCEs become *de facto* permanent employees in that their contracts are typically renewed automatically. Government agencies consider GCEs as part of their regular staff rather than a temporary workforce. From the membership perspective, it can be postulated that SCSs tend to identify themselves more with civil service as a whole or the state, whereas GCEs identify with the organization they serve.

D. Reward structure and wage rules

A primary job reward for SCSs is to advance their career on the job ladder. In Taiwan, promotion is highly connected with the OILM. Whenever annual appraisals of a SCS are A's in two consecutive years or one A and two B's in three consecutive years, s/he is qualified for one-grade-upward promotion. This promotion refers to the positions in the agency s/he is serving and to OILM positions, primarily offered by outside agencies. Central government and special municipality government agencies typically have higher-tier and longer job ladders than other lower-level agencies, so the OILM vacancies offered by higher-level government agencies generate a magnetic force to SCSs in lower-level agencies. Hence, a general trend of work force movement exists from lower-level to higher-level government agencies in Taiwan. These "upward" movers are likely well-performing and aggressive SCSs in their original agencies.

³ This is likely because public managers are beneficiaries of flexible mobility.

By contrast, the primary job reward for GCEs is to secure a contract renewal, sometimes based on annual appraisal. Their jobs are not as secure as SCSs,⁹ and it is much easier to fire a GCE than a SCS. The GCEs is, to a less extent, motivated by material incentives, such as compensation. The salary scheme of GCEs differs from that of SCSs. The SCS scheme is a compound structure composed of a grade salary schedule and a position salary schedule. The salary increment follows a clear rule governed by the Law of Civil Service Compensation. This law does not apply to GCEs. They are paid according to two separate simple salary schedules. The salary schedule with eight higher salary grades (each grade has a number of steps) applies to contract-based employees; the other salary schedule with five lower salary grades (typically without any steps) applies to auxiliary employees. The starting salary grade and step of a GCE is determined by his/her education qualification and the required skill level of the position.

The salary schedule for GCEs allows for pay increment, but with no universally-applied rule. Agencies can exercise considerable discretion. The author observed that pay increment pertains more to contract-based employees than to auxiliary employees. The range of salary grades and steps of a specific position are fixed, and do not cover the entire salary schedule. Various agencies have diverse rules to govern the pay increment for well-performing GCEs. However, only a few agencies offer an increment to auxiliary employees, because of no salary step for them to climb up. Local government agencies tend to offer a fixed salary to both contract-based employees and auxiliary employees because of their hard budget constraints. Excellent performance does not guarantee pay increment for all GCEs.

Although it is possible to assign GCEs to various positions and even a supervisory post, they are ineligible for extra pay for a supervisory post to which their SCS counterparts are entitled. Such an assignment is not a promotion. GCEs are not supposed to assume any supervisory post and are ineligible for any type of job promotion in accordance with public personnel statutes. It is an expedient for certain agencies to assign “immobile” experienced GCEs to “key” positions because of the shortage of SCS strength and the high turnover rate of SCSs in these agencies.

Why are GCEs willing to be members of the “disadvantaged” group for a long period? From a rational viewpoint, no one would like to be a long-term contract employee. GCEs should opt for shifting to the SCS track or the private sector, if possible.

Numerous GCEs have attempted/are attempting to change their track by taking a CSEE. According to the two surveys the author conducted, approximately 65% of the GCE sample claimed that they had taken or were preparing to take the examination. Of course, these respondents were those who failed to pass the examination. However, the longer they invest in the examination and the government job, the more difficult it will be for them to detach themselves from the government, because their job experience in the government typically does not count in the private market. The GCE pay is considerably competitive in the job market (particularly for contract-based employees) and this quasi-civil service position offers more job stability than a private job does. The likelihood for most long-serving GCEs to maintain the same income level if they restart their career in the private sector is scant. These reasons account for why so many GCEs remain at contract-based positions for the long term.

E. Job mobility of SCSs and GCEs

What are the actual job mobility behaviors of SCSs and GCEs? For the job mobility of new recruits from the CSEEs, Table 1 shows that an average of 30% of new recruits of the 2001-2010 cohorts from the senior, junior, and elementary level examinations moved to other agencies or changed their professional groups in their first service year. The rates witnessed a downturn after imposing the 1-year limit of transfer at the end of 2007 (i.e., those new recruits can still move to other agencies in the same line). However, the outcomes were more or less the same for 2-year accumulated mobility rates of all cohorts, and the average 2-year mobility rates reached approximately 55%.

Those working in local agencies are apparently more mobile than those in central agencies, particularly for those higher-ranking recruits from the senior and junior level examinations. The average job mobility rates of these high-ranking rookies in central agencies were approximately 25% (in 1 year) and approximately 45% (in 2 years), in contrast to 38% plus (in 1 year) and 63% plus (in 2 years) in local agencies. This seems to prove the claim that central agency positions are more appealing to SCSs.

Recruits from special examinations face a harsh 6-year limit of transfer. However, the job mobility performance of SCSs in this category, similar to the behavior of recruits from general entrance examinations, casts doubt on the effect of this restriction. An

average of 60% of these recruits moved to other agencies or changed to other professional groups in 6-years, and 70% in 7-years.

Regarding active job mobility after the entry stage of career development, no accurate official data exist to project the trend. The number of interorganizational transfers varied from approximately 13000 to approximately 17000 each year during the 2003-2012 period, which represent approximately 4% of an annual interorganizational turnover rate (see Table 2). However, these transfers contain involuntary interorganizational job mobility, including top-down assignments and regular rotations for certain specific positions.

Table 2
Turnover rates of civil service in Taiwan (2002-2011)

year	voluntary turnover rate (resignation)	inter-organizational turnover rate (inter-agency transfer)	turnover rate by retirement	involuntary turnover rate (dismissal)	total organizational turnover rate	total civil service turnover rate
2003	0.06%	4.52%	1.78%	0.0052%	6.37%	1.85%
2004	0.22%	3.99%	1.86%	0.0032%	6.07%	2.08%
2005	0.12%	4.09%	2.19%	0.0034%	6.39%	2.30%
2006	0.10%	4.71%	2.11%	0.0024%	6.92%	2.21%
2007	0.11%	4.80%	1.94%	0.0045%	6.85%	2.05%
2008	0.11%	4.40%	1.86%	0.0065%	6.37%	1.97%
2009	0.12%	4.15%	2.07%	0.0109%	6.35%	2.20%
2010	0.12%	4.41%	2.57%	0.0068%	7.10%	2.70%
2011	0.15%	4.87%	2.95%	0.0076%	7.98%	3.10%
2012	0.10%	3.97%	2.97%	0.0079%	7.05%	3.07%

Note. turnover rate = the number of SCSs exiting the government or agency (for the case of interagency transfer) during the year ending the reference period, divided by the average SCSs in post over the year ending the reference period (where the average staff in post is calculated as the number of SCSs in post at the end of the relevant year and the last year divided by 2, and leavers are ALL leavers exiting the government or agency during the period). Derived from calculating the data available in Civil Service Statistical Year Reports of Taiwan (2003-2012). See the data from the official website of the ministry of civil service (<http://www.mocs.gov.tw/>).

Despite the absence of complete and accurate figures, the active pursuit of organizational transfers is a crucial strategy for most SCSs to advance their career. The data from the Taiwan Government Bureaucrat Survey 2011 may offer a clue. The data set is derived from a stratified random sampling survey of SCSs working in central administrative agencies. Totally, 1475 respondents were sampled for a questionnaire survey conducted in 2011. In response to the question “How many times have you successfully applied for a transfer to other agencies?” 64.4% of 1468 valid respondents successfully applied for at least one interagency transfer; 27.5% of valid respondents secured one approval for transfer; 19.7% secured two approvals, and three top movers secured 10 approvals. Suppose that a SCS after the first 5-years tenure is considered to have passed the entry stage of career development, and his/her second and subsequent active pursuit to other agencies represents career advancement rather than a post-examination job matching. Therefore, 40.3% of those respondents with more than a 5-years tenure pursue such advancement by active pursuit of interagency transfers (see Table 3). This shows that a considerable share of SCSs in Taiwan advance their career through the OILM.

Table 3

Sample's responses to “how many times have you successfully applied for a transfer to other agencies?” ($n = 1468$)

civil service tenure	no. of successful interagency transfer										Σ_{1-10}	$\Sigma_{1-10}/\Sigma_{0-10}$	
	0	1	2	3	4	5	6	7	8	9			10
5 or below	101	49	9	5	1							64	38.8%
6-10	53	98	61	31	9	3	1					203	79.3%
11-15	69	58	60	24	12	4	4			1	1	164	70.4%
16-20	97	70	61	31	14	14	3	4		1	1	199	67.2%
21-25	87	68	53	22	9	5	7				1	165	65.5%
26-30	74	31	23	14	9	2		1	1			81	52.3%
31-35	24	26	18	3	5	2	1		1			56	70.0%
36-40	16	3	4	1		1		1				10	38.5%
41 or above	2	1		1								2	50.0%
missing				1								1	
Total	523	404	289	133	59	31	16	6	2	2	3	945	64.4%

Note. Data drawn from the Taiwan Government Bureaucrat Survey 2011.

By contrast, GCE careers are confined to a fixed agency as long as they do not quit their job or fail to secure SCS status. Assessing the GCE turnover is difficult because no statistical record exists to register their turnover. However, their organizational tenure can be inversely compared with their SCS counterparts. Based on the two surveys the author conducted, the average organizational tenure of GCEs was longer than that of their SCS colleagues, which may indirectly attest to the frequent interagency movement of SCSs. In the author's sampling survey of 38 agencies under four local governments (Taipei City, Hualien County, Taichung City, and Kaohsiung City) conducted in 2009-2010, the average organizational tenure of the GCE sample (485 valid respondents) was 12.2 years. By contrast, the average organizational tenure of the sample from rank-and-file SCSs and the supervisory SCSs were respectively only 6.7 years (1048 valid respondents) and 10.3 years (323 valid respondents). In the other nationwide stratified sampling survey conducted by the author in 2012, the findings are similar. The average organizational tenure of GCEs was 13 years (687 valid respondents) compared with 9.2 years of the rank-and-file SCSs (2273 valid respondents) and 10.6 years of their supervisory SCSs (161 valid respondents). This may imply that typical GCEs are more versed in frontline routine tasks than their junior SCS counterparts are. This finding is supported by the author's interviews with certain frontline supervisors of local agencies in remote areas. Some of them revealed that they cannot help relying on GCEs to sustain daily operations because of the frequent turnover of junior SCSs.

The mobility patterns of the two workforces in the ILM should have certain effects on job performance, but it is difficult to compare adequately, because their job duties and responsibilities are not the same, although they are mutually overlapping. However, we can turn to their organizational commitment and turnover intention for comparison, given that job mobility is strongly related to turnover intention (Sousa-Poza & Henneberger, 2004) and it is well recognized that organizational commitment predicts turnover intention (e.g., Tett & Meyer, 1993). If the aforementioned statistical data show a long organizational tenure of GCEs and a high voluntary interagency mobility rate of SCSs, a further test of their psychological attitudes in terms of organizational commitment and turnover intention is warranted.

F. Psychological attitudes of SCSs and GCEs

According to the above institutional and data analysis of job mobility, three hypotheses of attitude of the government staff can be derived for further testing:

Hypothesis 1: The organizational commitment of rank-and-file SCSs is lower than that of GCEs.

Hypothesis 2: The turnover intention of rank-and-file SCSs is higher than that of GCEs.

Hypothesis 3: The turnover intention and the organizational commitment are negatively related with each other, but the relationship for rank-and-file SCSs is less significant due to the contribution of other factors.

In the author's 2012 survey, two variables for testing the attitudes of SCSs and GCEs are organizational commitment and turnover intention. The survey respondents were sampled from those units of government agencies where SCSs and GCEs were coworkers. Among the SCSs, only rank-and-file officials were sampled for the survey because supervisory officials are not considered a peer group of GCEs. Various numbers of respondents from diverse staff (sub-) categories were sampled from central and local agencies in proportion to their population sizes in different strata. Valid respondents to the questionnaire totaled 3091, including 2348 rank-and-file SCSs, 218 contract-based employees, and 525 auxiliary employees.

Regarding organizational commitment and turnover intention (referring to organizational turnover), organizational commitment was modified from questions drawn from the questionnaire by Farndale, Van Ruiten, Kelliher and Hope-Hailey (2011); turnover intention was modified from questions drawn from the questionnaire by Park and Rainey (2008). A 5-point Likert scale ranging from "strongly disagree" to "strongly agree" was set to measure their responses. One-way analysis of variance was conducted to assess whether significant differences exist across the three groups of staff. The results indicated that the organizational commitment of the two subcategories of GCEs is higher than that of SCSs. The difference is statistically significant ($p < .001$). By contrast, the turnover intention of SCSs is higher than that of the other two subcategories of contract staff. The difference is also statistically significant ($p < .001$) (see Table 4).

Table 4
Results of one-way analysis of variance

variables	staff (sub-)category	mean	Cronbach's α	standard deviation	F-ratio	significance	Scheffe test
organizational commitment	1. SCS	3.5627	.938	.64226	45.100***	.000	2>1 3>1
	2. Contract-based employee	3.7248		.71345			
	3. Auxiliary employee	3.8495		.63853			
turnover intention	1. SCS	3.1170	.787	.67923	20.637***	.000	1>2 1>3
	2. Contract-based employee	2.9523		.76678			
	3. Auxiliary employee	2.9211		.72076			

*** $p < .001$.

To further test the relationship between turnover intention and organizational commitment in these two staff groups, a hierarchical regression was employed. Gender, age, education, and organizational tenure were entered as control variables, followed by turnover intention. The results showed significant and negative relationships between turnover intention and organizational commitment across all staff groups. However, the results also indicated that the contract-based employees yielded the strongest negative effects ($\beta = -.351, p < .001$), followed by the auxiliary employees ($\beta = -.314, p < .001$) and SCSs ($\beta = -.203, p < .001$) (see Table 5). As shown in Figure 1, the SCSs showed less magnitude in the relationship between turnover intention and organizational commitment than the contract-based and auxiliary employees. It suggested that the turnover intention of SCSs be less mediated by their organizational commitment.

The above statistical findings substantially support the three hypotheses raised by the author. These also prove the postulation that SCSs identify themselves more with civil service or the state than with the organization they serve. The author reasonably suggests that the availability of a flexible OILM contribute to the turnover intention of SCSs, causing a “footloose effect.”

Table 5
Results of hierarchical regression among SCSs, contract-based employee, and auxiliary employee

	organizational commitment		
	SCSs	contract-based employee	auxiliary employee
step 1			
gender	.029	.086	.117
age	.185***	.218**	.029
education	-.063**	-.104	-.123
organizational tenure	.042	-.144	.102
step 2			
turnover intention	-.203***	-.351***	-.314***
R^2	.062	.046	.052
ΔR^2	.040***	.117***	.093***

* $p < .05$. ** $p < .01$. *** $p < .001$.

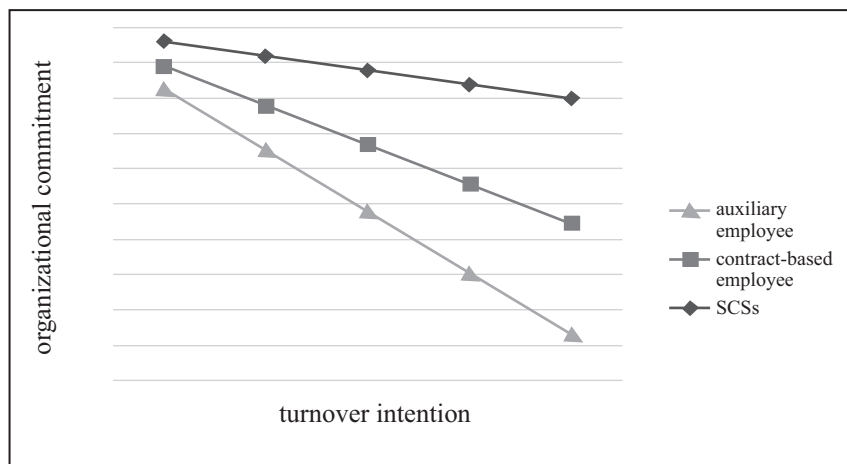


Figure 1 Linear patterns of the relationships between turnover intention and organizational commitment in the three staff groups

IV. Discussion and Conclusion

Taiwan likely offers the most flexible government ILM worldwide. This paper provides a valuable empirical study to examine how a highly flexible ILM influences the behavior of a civil service. The flexibility is made possible by a highly centralized and uniform career-based civil service system that facilitates a cross-agency manpower movement. Such a cross-jurisdictional ILM is governed by a strong central personnel regulator, Examination Yuan. Its operation is reinforced by the centralized examination-based staffing system for which a single set of standardized job requirements for all positions across nationwide agencies is a requisite.

The rigid staffing system from the ELM is paradoxically followed by an employee-friendly ILM that allows for relatively open upward and lateral job mobility within and across agencies. The ILM helps civil servants broaden their experience and thereby possibly develop a “boundaryless career.” However, access to the ILM is motivated not only by positive causes such as career development, but also by negative causes such as stress evasion. Providing an exit for civil servants is not necessarily negative. In addition, the ILM is a remedy to the unique unilateral job placement system in Taiwan, allowing for a post-examination job matching. The exit possibly helps talent retention for the state. Table 2 shows that the civil service voluntary turnover rates (i.e., resignation) in Taiwan from 2003-2012 were extremely low (perhaps unhealthy) (Meier & Hicklin, 2008; Ryu & Lee, 2013), at approximately 0.1%; the civil service turnover rate (including resignation, retirement, and dismissal) were approximately 2% to 3%. The turnover rates in Anglo-Saxon countries are much higher. The public sector turnover in the United Kingdom was reported to be an average of 12.6% in a recent release.⁴ The core unplanned turnover rates (including resignation, dismissal, retirement, and death) in the New Zealand government ranged from 9% to 11% from 2009-2013 (State Services Commission, 2013). The overall turnover rate of U.S. federal employees reached 7.1% (Cho & Lewis, 2012, p. 12). These governments offer no such exit as does the OILM in Taiwan.

However, the cost of a low civil service turnover rate is a serious internal brain drain. This results in human resource disparity among various levels and regions of

⁴ http://www.instituteforgovernment.org.uk/sites/default/files/whitehall_monitor_11.pdf

governments. The quasi-free market setting of the OILM tilts in favor of SCSs. The Examination Yuan has managed this challenge by imposing restrictions on the transfers of new recruits. The restriction for recruits from the senior, junior, and elementary level examinations now extends to their first three service years as of January 2014. The problem of the internal brain drain is manifested by comparing the situations and behaviors between SCSs and GCEs in this paper. The contract staff has ironically become a stable workforce in certain frontline positions in Taiwan. This situation seems to be an aberration that should be partially attributed to the centralized recruitment of civil service, by which geographical sources of new recruits are not likely to match vacancy seats. GCEs who are typically recruited from local areas and denied access to the OILM can mitigate the brain drain caused by the frequent mobility of SCSs.

Although the problems of the government ILM in Taiwan have evolved according to its unique context, this alerts other governments that are deregulating their ILMs to the “footloose effect.” Job mobility is enhanced at the expense of organizational commitment and manpower stability in certain agencies. Like for some disadvantaged or poorly-managed government agencies, they may further suffer if ILM measures, particularly the OILM, are not optimally designed. Enhancing job mobility by a flexible ILM inevitably produces loopholes for staff to take advantage. Job mobility for staff’s own purposes should be balanced with job mobility for managerial purposes.

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