Development and Implementation of a Performance Management System that Efficiently and Effectively Drive Thai Public Sector Development

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Development and Implementation of a Performance Management System that Efficiently and Effectively Drive Thai Public Sector Development
Nicha Sathornkich
A Thesis submitted to the University of Manchester for the degree of Doctor of Philosophy in the Faculty of Humanities 2010

ABSTRACT

This thesis investigates how the Thai public sector, particularly at the provincial level, makes sense of the performance management system (PMS) aimed at driving forward the improvement in public service and enhancing the sustainability of service quality. The study explores the implications of the PMS implementation after the major civil service reform in 2002. The core aspects of this development include the nation-wide implementation of the PMS, the Provincial CEO scheme, as well as the incentive schemes put force to motivate and enhance such development and improvement. Although there is rich literature on performance management, there is limited in the Thai context, particularly at the provincial level.

The empirical study relies on a qualitative approach through intensively exploring five provincial case studies. In-depth, semi-structure interviews have been conducted within the provinces, as well as with executives from central agencies, training and development institutes, and key resource persons who are directly involved in the PMS implementation. The data analysis reveals that a strong commitment of the government at policy level brought in support and coordination among central agencies and has altered attention and resources towards the system implementation. Additionally, the PMS implementation together with the promotion of the Provincial CEO scheme has created new challenges for the Provincial Governors and the provincial administration in which there is shown to be a shift from an administrative approach to a more managerial and participative one. The performance agreement (PA) has played a crucial role in improving and evaluating performance, driving public sector development, and linking performance with the monetary incentive schemes. However, the study also finds a limitation of the PA execution in relation to its linkages with incentive distribution to individuals. Furthermore, several incentive schemes are available for different groups of people and cause misunderstanding and demotivating affects which, in turn, has impacts on the PMS as a whole.

The findings of this research provide new evidence on the PMS implications at the provincial level in the Thai public sector in which political policies are cascaded down into real practices and execution. Therefore, the result could be considered as extending the knowledge boundary in the context of public management. Crucially, the research highlights significant implications and specified factors enabling and inhibiting success in the PMS implementation.
DECLARATION

No portion of the work referred to in the thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.
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Crucially, my sincere thanks also go to the Provincial Governors of the five provinces that took part in this research for having granted access and facilitated data collection processes, as well as civil servants, staff members, representatives from the private sector, and citizens at the provinces who have contributed. I am additionally in gratitude to the contact persons who
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In addition, I wholeheartedly thank my family in allowing me to go out to explore the new world and in providing much support. I also would like to thank and bless my friends at home and at Manchester who support me in every respect during the study. Moreover, I would like to show my gratitude to Carla Hutchinson in providing me opportunities to lead the International Society’s trips during weekends which added very pleasant experiences during the period of living far away from home.
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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>AFP</td>
<td>Area, Function, and Participation concept</td>
</tr>
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<td>AR</td>
<td>The Administrative Renewal Project</td>
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<tr>
<td>BMA</td>
<td>Bangkok Metropolitan Administration</td>
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<td>BOB</td>
<td>Bureau of the Budget</td>
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<td>BSC</td>
<td>Balanced Scorecard</td>
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<tr>
<td>CCO</td>
<td>Chief Change Officer</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CSC</td>
<td>Civil Service Commission</td>
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<td>CSFs</td>
<td>Critical Success Factors</td>
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<td>CSTI</td>
<td>Civil Service Training Institute</td>
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<tr>
<td>DPIS</td>
<td>The Departmental Personnel Information System</td>
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<tr>
<td>GAO</td>
<td>U.S. Government Accountability Office</td>
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<tr>
<td>GAP</td>
<td>Good Agricultural Practices</td>
</tr>
<tr>
<td>GPP</td>
<td>Gross Provincial Product</td>
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<tr>
<td>HR</td>
<td>Human Resource</td>
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<tr>
<td>HRM</td>
<td>Human Resource Management</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<td>KPIs</td>
<td>Key Performance Indicators</td>
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<td>KRP</td>
<td>Key resource person</td>
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<tr>
<td>LUM</td>
<td>Lumphun Province</td>
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<tr>
<td>MBNQA</td>
<td>Malcolm Baldrige National Quality Award</td>
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<td>MOI</td>
<td>Ministry of Interior</td>
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<tr>
<td>NESDB</td>
<td>The National Economic and Social Development Board</td>
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<td>NGOs</td>
<td>Non-governmental Organizations</td>
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<td>NPM</td>
<td>New Public Management</td>
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<td>OB</td>
<td>Observation</td>
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<tr>
<td>OCSC</td>
<td>Office of the Civil Service Commission</td>
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<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
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<td>OPDC</td>
<td>Office of the Public Sector Development Commission</td>
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<td>OPM</td>
<td>Office of the Prime Minister</td>
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<td>PA</td>
<td>Performance Agreement</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>PAO</td>
<td>Provincial Administrative Organization</td>
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<td>PDC</td>
<td>Public Sector Development Commission</td>
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<tr>
<td>PD</td>
<td>Public Sector Development</td>
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<tr>
<td>PDRI</td>
<td>Prince Damrong Rajanubhab Institute of Research and Development</td>
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<tr>
<td>PHA</td>
<td>Phayao Province</td>
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<td>PHE</td>
<td>Phetchaburi Province</td>
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<td>PM</td>
<td>Performance management</td>
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<td>PMS</td>
<td>Performance management System</td>
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<td>PMQA</td>
<td>Public Sector Management Quality Award</td>
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<td>POs</td>
<td>Public Organizations</td>
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<tr>
<td>POCG</td>
<td>The Provincial Office of the Comptroller-General</td>
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<td>PRA</td>
<td>Prachuap Khiri Khan Province</td>
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<tr>
<td>RBM</td>
<td>Results-based management</td>
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<tr>
<td>SAM</td>
<td>Samut Songkhram Province</td>
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<td>SES</td>
<td>Senior Executive System</td>
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<tr>
<td>SSO</td>
<td>The Social Security Office</td>
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<tr>
<td>TAO</td>
<td>Tambon Administrative Organization</td>
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<tr>
<td>TQM</td>
<td>Total Quality Management</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programs</td>
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CHAPTER 1 INTRODUCTION

1.1 Government reform for public sector development

The Thai Government first introduced performance management (PM), referred to as Results-Based Management (RBM), in 1997, aimed at improving government agencies’ performance and accountability. RBM is a management tool focusing on results, which includes outputs and outcomes, rather than inputs and processes. It helps an organization to improve its operational efficiency and enhance service quality through identifying organizational objectives, and the factors that critically influence the achievement of those objectives. During the early stage, the RBM system was developed and implemented in the public organizations, at departmental level and later extended to the ministry levels, as a voluntary system, with support from the Office of the Civil Service Commission (OCSC). From 1997 to 2001, more than half of the departments implemented the Results-Based Management system (RBMS).

In addition, between 2001 and 2002, OCSC introduced a monetary incentive scheme to reward and enhance the improvement of service efficiency and effectiveness for all public organizations based on the RBM concept. To initiate this, government departments had to submit their performance proposals to the Public Sector Efficiency and Effectiveness Enhancement Commission appointed by the Civil Service Commission (CSC). Performance of a government agency was monitored and evaluated from five different perspectives: potential development, internal service capability, financial resource administration capability, customer satisfaction, and benefit to societies and the Nation. Incentives were allocated to government agencies based on their performance agreements (PAs), and later such incentives were further distributed to individuals.

However, since the major civil service reform in October 2002 and the enactment and enforcement of the Public Administration Act (No. 5) B.E. 2545 (2002), the Government Organization Restructuring Act B.E. 2545...
(2002) and the Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003), the Thai public management system has changed dramatically. Aiming to modernize government operations, modern management concepts, tools, and techniques have been employed. Based on these Acts, the priority has been given to the implementation of the concept of RBM throughout the public organizations which have all been mandated to implement the RBMS within their respective units in order to help them achieve excellence in service delivery. Furthermore, the Public Sector Development Strategies of 2003-2007, approved by the Cabinet in May 2003, indicate the objectives of public sector development and establish supportive and collaborative strategic plans for development, implementation, and evaluation of those objectives. Among those objectives are the emphasis on developing better service quality and leveraging high performance using a PA as the driving force to achieve public sector development (OPDC, 2003). As a consequence, the Performance Agreement and Incentives for Promoting the Good Governance Scheme was introduced in 2004, under the supervision of the Public Sector Development Commission (PDC). The Good Governance Sub-commission was appointed, and the Office of the Public Sector Development Commission (OPDC) plays a secretariat role. Additionally, the Public Sector Development Strategies also promote the new mindset, work culture, and values by focusing on learning based and learner-oriented strategies to develop an environment favourable for the learning process (OPDC, 2004c). This is aimed at promoting continuing development of the Thai Public Sector for sustainable results.

In addition, the government, since the major public sector reform in 2002, has promoted decentralization and mandated the role of the head of public organizations as a Chief Executive Office (CEO) within an integration of its performance management system (PMS), both functional and area dimensions, based on the use of the Performance Agreement and Incentives for Promoting the Good Governance Scheme as a significant driving force. This scheme is divided into three levels: ministry-level, departmental-level, and provincial level. It was the first time that management at the provincial level had been treated separately from its parent ministries or departments
and considered as one individual departmental-level organization. All seventy-five provinces, excluding Bangkok, participate in this scheme (OPDC, 2004c).

In the Performance Agreement and Incentives for Promoting Good Governance Scheme, performance of all public organizations at each level, is monitored within four perspectives: effectiveness, quality of services, efficiency, and organizational development, although the design details at each level may be different. However, since 2004, the framework and requirements of the Scheme have changed in response to government requirements, public expectations, and emergent conditions. The number of organizations participating in the scheme has also increased each year and in 2005 the concept of PM was expanded beyond the government agencies to include the Public Organizations (POs). However, the effectiveness and efficiency of the scheme have not been studied, in particular the experience in implementing performance management over the past five years at the provincial level, and it is now opportune to do so given the priority attached to development at this level.

1.2 Research Aims

This research aims to investigate how the public sector at the provincial level makes sense of the PMS in relation to management capacities to drive forward improvements and the sustainability of service quality. Research questions include:

- What are the impacts of the PMS on management capacity at the provincial level?
- What are the factors enabling and inhibiting the enhancement of the performance improvement and the creation of a self-sustaining management capacity at the provincial level?
- To what extent does the PMS enhance the capacity of provincial government management to deliver services?
- What role can be played by central organizations, such as the parent ministries or departments, training institutes, and the Office of the
17

Public Sector Development Commission, to support management capacity at the provincial level?

1.3 Organization of the research

The body of this thesis consists of seven chapters as follows:

Chapter One provides an introduction to the research with a description of the rationale to implement the PM in the Thai public sector, and the research design including research aims and research questions.

Chapter Two contains a review of the existing literature in the domain of PM both in generic terms and in a public sector regime. The chapter also provides a comprehensive review regarding the PM process which involves several key concepts and essential requirements which underpin the PMS when it is implemented.

Chapter Three offers information regarding the evolution of the PMS in the Thai public sector. The chapter illustrates the evolution of PM by dividing into two main parts: before and after the major civil service reform in 2002 and the attempts to implement the PMS within the Thai public sector. Moreover, the chapter reviews legislative requirements that underpin the necessity of the PMS implementation. The chapter also provides a comprehensive review of an integrated provincial administration which includes reference to the provincial development plan, the new expectations and requirements from the Provincial Governors after the major reform, the principle of an integrated provincial administration, and provincial supervision and auditing. The final part of this chapter focuses on the PMS at the provincial level regarding how the system was first implemented.

Chapter Four clarifies the research design and methodology being employed in this study. The rational underpinning the decision to select the research method is discussed. The chapter, first, provides information on the preliminary study conducted prior to the actual research taking place. This study fed useful information on the necessary process to construct the
current research design. Next, the in-depth research design is discussed in terms of key respondents to be involved in this research and for what purpose, methods used for data collection, obtaining access to data sources, as well as data analysis.

Chapter Five reports the findings of the analysis of the in-depth, semi-structure interviews with respondents in the five provincial case studies. The chapter is divided into three main parts. The first part concerns the nature of the provincial administration and the initial knowledge and experience of the PM concepts prior to the implementation of the system in 2002. This is followed by the implications of the PMS implementation at the provincial level during the period of 2002 to 2008. The final part of this chapter highlights key strategies and practices that are self-generated for the implementation of such the system.

Chapter Six reports the findings of the analysis of the in-depth, semi-structure interviews with respondents from central agencies and training and development institutes. Responses are presented based on the roles and responsibilities of each agency. The chapter also contains responses from key resource persons who have direct experience and are actively involve in the PMS implementation. In this part, key resource persons’ views are analyzed and presented regarding to the implementation of the PMS, the work of the PDC and OPDC, as well as training and development, and the incentives schemes within the system.

Chapter Seven, the final chapter of the thesis, discusses the results of the provincial case studies, central agencies, training and development institutes, and key resource persons. This chapter also refers to critical issues around the findings and links them with the literature. The summary of implications aims to provide a complete picture of what happened in the PMS implementation at the provincial level, as well as the identification of factors enabling and inhibiting the implementation of the PMS in relation to the research questions. Furthermore, the chapter also focuses on the contribution of this current research in terms of theory, methodology, as well
as practical recommendations. This is followed by recommendations for future research.

The appendices include pressures for public service improvement (Appendix 1), a compared list of ministries before and after the major civil service reform in 2002 (Appendix 2). Detail regarding the seven strategies for public sector development 2003-2007 is shown in Appendix 3. Appendix 4 contains background of Thai public administration including the five provincial case studies. This is followed by the list of 19 groups of provinces is provided in Appendix 5. Appendix 6 covers the construction of an interview guide and the list of potential interview questions. Finally, the list of respondents at the provincial level is shown in Appendix 7.
CHAPTER 2  THE PERFORMANCE MANAGEMENT SYSTEM

2.1 Introduction

Performance management (PM) has become a popular management technique since the 1980s and it was widely implemented in organizations around the world. PM reflects two key values which are performance efficiency and management that is organizations seek changes in management systems to enhance performance (Moynihan and Pandey, 2005). Hume (1995) contends that PM gains its popularity because, first, it integrates variety of human resource management (HRM) policies with the organization’s objectives and the individuals’ and groups’ performance targets. Such integration helps organizations generate and sustain their high-performance positions and provide a continuous drive towards the accomplishment of their organizational objectives with the targets set. Second, the change in management culture resulting from PM shifts management rationale from controlling workers to ensuring workers’ commitment to the organization’s objectives by aligning both individuals’ and groups’ objectives with those of the organizations. Performance is the ultimate goal of management systems (Moynihan and Pandey, 2005).

2.2 Defining performance management systems

Many scholars have defined PM emphasizing its place in different contexts. PM is a strategic and integrated approach to managing and improving the performance of individuals, teams, and organizations towards long-term organization’s goals attainment (Armstrong and Baron, 2003; Busi and Bititci, 2006). To accomplish these goals, organizations emphasize ‘the continuous development of the organization’s broad strategic capabilities and the specific capabilities of individuals and teams’ (CIPD, 2001 cited by Harrison, 2002: 244), but require realistic time periods for these accomplishments (Holloway, 1999). Not only does PM focus on what to be achieved, but also how it is achieved.
PM involves performance improvement activities: setting performance goals; allocating and prioritizing resources; developing measurements; setting agreed performance targets; monitoring and evaluating progress toward those targets; giving feedback; and providing intrinsic and extrinsic rewards to motivate people to realize their maximum potential (Amaratunga and Baldry, 2002 cited by Busi and Bititci, 2006; Hume, 2005; Philpott and Sheppard, 1992). In addition, the integration of performance improvement, HRM, and organizational development helps organizations to be able to identify core competencies, develop team and individual capabilities to facilitate progress toward organizational goals attainment, and continuously improve and sustain organizational competitiveness (Marchington and Wilkinson, 1997; Hume, 2005). Such an approach encourages organizations to establish an organizational culture in which individuals and teams take responsibility for developing their own skills, improving business processes, and increasingly contribute to the success of organizational goals (Philpott and Sheppard, 1992). PM approaches ensure that ‘strategic direction is set, current organizational objectives identified, appropriate budget allocations made and tasks set for the achievement of desired results. Better planning, measuring and reporting are promoted. Improved communication with and motivation of employees is emphasized’ (Commonwealth Secretariat, 1996: 1-2).

Furthermore, Buchner (2007) suggested that a performance management system (PMS) should contain such a component as the process for learning. It is because the system helps individuals and organization learning through the process of clarifying what is to be achieved, identifying how to achieve what they intend to accomplish, setting goals, self-monitoring progress and impact, and providing assessment and feedback. Similar viewpoint taken by Roberts (2001: 540) is that PM provides the connection between ‘whats’ (objectives, targets, and performance standards) and ‘hows’ (behavior, competences, and processes) of employee performance. Effective performance objectives, which managers and their employees agree in advance, are used to measure and assess employee performance. Competences are the prerequisite knowledge and skills that employees need to perform their job satisfactorily; for example, commitment and
contribution, teamwork, initiative, productivity, leadership, quality concern, and developing and empowering others (Roberts, 2001: 541).

Considering the PMS as a system for integrating the management of organizational and individual performance, attention is paid to the contribution of individual employee performance to organizational performance. The key issue is that ‘the extent to which there is an emphasis on organizational as compared to employee performance’ (Williams, 2002: 15). Gold (2007b: 278) noted that the process of PM can demonstrate that organizations are ‘organized and systematic in their approach to the management of employee performance, and that there is a clear link between such performance and organization’s goals. McAfee and Champagne (1993 cited by Williams, 2002: 15-16) suggested that an integrated PMS consists of three main processes: planning performance, managing performance, and appraising performance. Planning performance is concerned with establishing performance goals, developmental goals and action plan with employees at the beginning of a new performance period. Managing performance includes activities such as monitoring and documenting actual performance, providing feedback, coaching and counselling employees regarding performance. Appraising performance is the process of evaluating employees’ achievement and skills, and discussing those evaluations with employees. Additionally, an integrated PMS is not only concerned with formulating and implementing organization’s strategy, but also elaborating organizational PM together with the management of individual performance – planning, monitoring, and appraising. Furthermore, Rogers (1990 cited by Williams, 2002: 19) added that the integrated system includes systems, such as performance related pay, for rewarding individual accomplishments.

2.3 Individual and organization performance

A PMS aims to increase performance of both individuals and the organization towards the achievement of organizational targets and objectives (Hume, 2005). Such a system extends beyond rating individual performance (GAO, 2003). Rather the system aims to involve organizational
members, as individual and members of a group, in improving organizational effectiveness in the achievement of the organizational mission and goals (GAO, 2003).

Performance of an individual can be defined as the achievement level of the individual towards set targets (Hellriegel and Slocum, 1996: 427). The PMS aligns individual performance expectations with organizational goals by helping individual realize the linkage or the contribution between their daily activities and organizational goals. As a consequence, individuals are: encouraged to focus on their roles and responsibilities; fostered to collaborate within and across organizational boundaries; and being able to track and show progress toward the ultimate goal which is the accomplishment the organizational goals and other priorities (GAO, 2003).

The work of previous scholars conceptualized organizational performance in different perspectives. Some scholars defined the management of organization performance as the management of collective individual performance contribution to organizational effectiveness and the major focus is put on HRM functions (Nankervis and Compton, 2006). The organizational effectiveness referred to the achievement of organizational goals (Selden and Sowa, 2004). Hume (1995: 56) suggested that organizational performance can be referred to as: financial performance, customer service, quality of product or service, and efficiency or productivity. He also noted that there are other factors influencing an overall organization performance. Such factors include: the organizational structure, the quality of product or service, the demand of the customer or consumer, the competitive position, forward planning, technology, and human resources or employees.

### 2.4 The nature of performance management in the public sector

Historically, employment in the public service has demonstrated two unique characteristics. Firstly, it usually has a ‘welfare’ component which offers a degree of security unmatched in other sectors and is secondly it demonstrates a government’s intention of buffering against the unemployment (Commonwealth Secretariat, 1996: 5). In addition, traditional
public management demonstrates large, centralized bureaucracies and the 'command and control' system (Commonwealth Secretariat, 1998), driven by rules and budgets (Ellingson and Wambsganss, 2001). As a consequence, these lead to overstaffing, workplace inertia, an inefficient public service, or even more serious consequences as corruption, poor management cycle, and demotivation (Commonwealth Secretariat, 1996).

However, public management is forced to change by many pressures. Such pressures, for example, are globalization; an increase in international competition; changes in information technology; changes in public perceptions on role and performance of public institutions and the services; an increase in deficit, debt, and fiscal imbalances; demographic changes; and economic and social developments (Commonwealth Secretariat, 1996, 1998; OECD, 1995). In response to these pressures and challenges, there is a demand for changes in the public service institutions’ structures and processes for managing public actions (OECD, 1995). The concept of PM is adopted from the private sector with the aim of improving public service efficiency, effectiveness, and responsiveness that can respond to rapid changes and satisfy the needs of the customers and the citizens. As a result, such a system can demonstrate the improved and more effective public sector management and lead to an improved public perception of public services and the government (OECD, 1995).

2.4.1 What is the public sector’s performance?

PM is crucial for public organizations because it provides accountability to the public for government expenditures and service delivery, and provides better and more effective services (Rouse, 1999; OECD, 1995). Drucker (1989: 89) emphasized that ‘nonprofits need management even more than business does, precisely because they lack of the discipline of the bottom line.’ This notion can be applied to the public sector as well. Moriarty and Kennedy (2002 cited by Radnor and McGuire, 2003) suggested that because public services are operated without market competition, performance measurement is implemented as a substitute for market pressures.
Jackson (1995b:19-20) described that ‘public sector organizations are complex: they serve multiple objectives; have a diversity of clients; deliver a wide range of policies and services; and exist within complex and uncertain socio-political environments.’ This quote is aligned with many scholars, for example, Moynihan and Pandey (2005), Alford (2001), and O’Toole and Meier (1999, 2003 cited by Moynihan and Pandey, 2005: 423) proposed the model of public sector organizational effectiveness that not only considers environmental and organizational factors, but also focuses on stability that the public sector needs to ‘exploit and buffer the external environment while ensuring the regular maintenance and improvement of internal operations.’ Such external environment includes political environment and professional labour (Moynihan and Pandey, 2005).

The public sector is charged with producing ‘public values’ (Alford, 2001: 5). Such values include: the provision of the legal framework using laws and orders, the demonstration of market failure under the provision of public goods and intervention to involve negative externalities to minimize transaction costs, and the promotion of equity. Alford also pointed out that values in terms of the public sector emphasize the form of outcomes while, in private sector, values are considered the form of outputs. However, it is relatively difficult to identify and measure the public values or outcomes. One reason contributing to this difficulty is that public values tend to be non-comparable, for example, AIDS treatment vs. preventing breast cancer (Alford, 2001:6).

Another factor contributing to the complexity of the public management is that each public sector organization has multiple stakeholders. These include government, parliament, current customers, potential customers, citizens, communities, taxpayers, professional groups, unions, and suppliers, and employees (Jackson, 1995a; Rouse, 1999, 1997; Stewart and Ranson, 1988/1994). Different stakeholders have different interests, have different sets of values and performance expectations, and have different perceptions about good performance (Jackson, 1995a; Rouse, 1999, 1997; Painter and Isaac-Henry, 1997). Stakeholders’ interests need to be identified and balanced (Stewart and Ranson, 1988/1994). Rouse (1997: 78) also
suggested that organizations in the public sector can be distinguished from those in the private sector in that ‘they involve coercive relationships (policing), involve dependency (social security), are non-rejectable (arrest), involve conflict (a contested planning application), and have irreversible impacts (a court case lost).’ Additionally, Farnham and Horton (1999: 27) claim that public organizations are ‘created by government for primarily political purposes’; therefore, the implementation and execution of government policies becomes the prime purpose in decision making.

The public service values include equity, fairness, community, citizenship, justice, and democracy (Rouse, 1999: 78). Concerns over these values bring about different notions of service outcomes and the process by which they are achieved. Performance may be perceived as economy (Jackson, 1995a), effectiveness (Jackson, 1995a, Rouse, 1999; Holloway, 1999; Lawton and Rose, 1994), efficiency (Jackson, 1995a; Lawton and Rose, 1994), and quality (Rouse, 1999; Talbot, 2000). The definition of these terms may be problematic. In addition, the consumers of public values are the citizenry, unlike the paying consumers who consume private values (Alford, 2001). The provision of public values involves people as consumers who directly consume public values, beneficiaries who receive values without paying for it, and obligatees who have consumer-like interactions being subjected to legal obligations. Therefore, it is interesting to explore how the public organizations cope with, balance, and manage these varieties of interests and demands. However, the leadership and commitment of senior management plays an important role in driving performance which can potentially lead to dramatic performance improvement in financial terms, with respect to employee productivity and morale, and to flexibility in quickly adapting to change (Stiffler, 2006).

Even though public organizations exist with particular purposes and are given goals, they tend to be multiple and complex (Farnham and Horton, 1999; Rouse, 1997). Setting goals and objectives for the public sector organizations, therefore, is relatively complicated because multiple stakeholders are involved. These stakeholders may have conflicting objectives resulting in difficulties to identify and measure outputs when
evaluating performance (Rouse, 1997). The extent to which organizations have control over their performance may create the debate issue of the ownership of performance (Farnham and Horton, 1999; Rouse, 1995; Stewart and Ranson, 1988/1994). Furthermore, the consequence of multifunctional nature of public organizations is their structural complexities. The relationship between central and local government, the relationship between an organization with its parent, and the interdependency responsibilities between organizations make performance management even harder and more complex.

Performance may also mean outputs and outcomes (Talbot, 2000). Outputs refer to products and services that organizations deliver, whereas outcomes refer to the consequences of products and services delivered by organizations, in other words, social results (Boyne and Law, 2005). Outcomes can be divided into intermediate outcomes and final outcomes. The former are a result of service provision which is a step toward final outcomes, while the latter are the ultimate consequences of the outputs. In the public organizations, ultimate outcomes usually refer to the achievement of the organization’s objectives and focus on the recipients of a service rather than the characteristics of the service itself (Boyne and Law, 2005). According to system theory, given inputs an organization creates activities to process those inputs to achieve expected outputs and outcomes. This implies assumptions that inputs, outputs, and outcomes are clearly specified, and the relationship between input/process/output and outcome are precisely identified (Smith, 1995). However, the input/process/output and outcome model is not straight forward. For example, a single activity may result in different outputs and outcomes; therefore, to what extent outcomes are the result of that activity. The context of uncertainty and ambiguity that have impact on decision-making and policies must be taken into account (Johnsen, 2005).

An issue arises when discussing who is responsible for setting performance objectives and who is accountable for performance. Traditionally, individual ministers are accountable for their departments performance, while a cabinet accountable for the overall government policy and spending plans (Talbot,
and, therefore, ministers should be responsible for setting policies, targets, and allocating resources to departments. What if the individual department sets wrong objectives and targets, who is accountable at the political level. These, again, reflect one of the difficulties the public sector faces when dealing with performance. However, the use of performance measurement is found to be a politically laden tool (Johnsen, 2005) and top-down effort (Buchner, 2007). Thus, to better understanding and managing the public sector’s performance, the PM processes are to be reviewed.

2.5 Performance management processes

As referred in Chapter 1, this research aims to explore the PMS as an integrated system which comprises of three main ongoing processes: performance planning, managing for performance, and performance evaluation and feedback, as illustrated in Figure 2.1.

![Figure 2.1 The performance management system](image)

Performance planning is concerned with developing an organization’s vision, mission, and strategy; setting performance goals; identifying performance measures or indicators; and agreeing on performance details. Managing for performance is the process of delivering agreed performance, monitoring on the progress in achieving objectives, as well as developing training and development plans to support individuals to improve their capabilities and performance. Performance evaluation and feedback involve such activities as performance assessment and review, performance feedback, and reward and recognition. This model is used as a broad conceptual framework for
exploring the PMS at the provincial level and the necessary ideas draw from the literature are described below.

2.5.1 Performance planning

Performance planning is the first step in the PMS. Planning provides a framework by which an organization identifies its vision, where it wants to go, and how to achieve that vision (Gilley and Gilley 2003; Lawton and Rose, 1994). Performance planning links an organization’s goals to actions at individual level (Noella et al., 2000). For this research, a performance planning process consists of four important activities: developing organization’s vision, mission, and strategy; setting performance goals; identifying performance measurement; and developing a performance agreement.

2.5.1.1 Development of organization’s vision, mission, objectives, and strategy

Strategic planning has been adopted on a widespread basis in the public sector (Plant, 2006). An organization’s vision, mission, and objectives define the ‘heart’ of the business and lay the foundation for establishing a strong structure (Gilley and Drake, 2003: 109). A mission gives the organization ‘sense of purpose and direction’ on why an organization exist (Gilley and Gilley, 2003: 180). An organization’s vision provides managers and employees, a common set of expected goals and outcomes (Gilley and Gilley, 2003). Objectives state the end results of activities what is to be achieved and by when; and if possible, objectives should be quantifiable (Wheelen and Hunger, 2000). A strategy (a) provides direction and unity within an organization; (b) identifies outcomes an organization wants to achieve; and (c) outlines how to accomplish those desired outcomes (Gilley and Gilley, 2003).

Chandler (1962: 13) defined strategy to be ‘the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of necessary resources for these goals.’ In addition, Quinn (1998: 5) referred a strategy as ‘the pattern or plan that
integrates an organization’s major goals, policies, and action sequences into a cohesive whole. Strategy is concerned with identifying opportunities for an organization to offer a unique and valuable products or services that are differentiated from other competitors. In other words, strategy offers an advanced plan of: what products or services an organization will deliver, how such products and services will be delivered, and what resource needed in order to deliver those products and services; all of which are aiming toward achieving an organization’s goals (Hellriegel and Slocum, 1996; Banerjee et al., 2004; McGee et al., 2005). In this sense, a strategy not only involves future plan that identifies sets of actions required for the accomplishment of an organization’s objectives, but it also gives a sense of future control to some extent (Collier et al., 2001).

Furthermore, Mintzberg (1998a, 1998b) offered five definitions of strategy as five Ps: plan, ploy, pattern, position, and perspective. ‘Strategy is a plan’ in which it composes of intended directions for the future, namely intended outcomes (Mintzberg, 1987: 11). When defined as a pattern, strategy is concerned with consistency in behavior overtime. It looks at past behaviors: what really happened either intended or unintended that can be arise without preconception (Mintzberg, 1998). This may be called realized strategy. Mintzberg (1998, 1994) also highlighted that realized strategy may differ from intended strategy because emergent aspects exist, such as technological or political forces. It is the organizational leaders who are responsible for creating a strategy that responds to such contingent factors to deliver what an organization intended to do. When intentions are fully realized, it can be called deliberate strategy as against when a pattern develops with an absence of intentions, it can be called emergent strategy (Mintzberg, 1998; Mintzberg and Waters, 2004).

When a strategy is considered as a ploy, it is ‘a specific “manoeuvre” intended to outwit an opponent or competitor’ (Mintzberg, 1998: 14). Strategy can also be defined as a position where an organization locates itself within a particular market or industry or environment as Porter (1996: 68) illustrated with the view that ‘strategy is the creation of a unique and valuable position, involving a different set of activities.’ Finally, strategy is a
perspective dealing with a fundamental way of acting and responding of an organization. The keys to this final definition include: strategy is a concept which is an abstraction possibly that rests as a generalized direction; strategy is a shared perspective among staff members; and that strategy creates a collective mind shaping individuals thoughts and behaviors (Minztberg, 1998, 1994).

Porter (2004: 42) suggested that it is necessary to distinguish between operational effectiveness and strategy. Operational effectiveness refers to ‘performing similar activities better than rivals perform them.’ This includes not only performing them with more efficiency, but also performing them faster and with more economy, with better use of resources, less defects, as well as innovating and developing better products faster. In contrast, strategy means being different or being unique, such as deliberating different activities from those of rivals’ or performing similar activities in different ways (Porter, 2004).

Additionally, strategy planning is concerned with the future direction of an organization (Hacker et al., 2001). This involves a choice of strategies. Bryson (1995: 4-5) defines strategic planning as ‘a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it. It is the process of analyzing an environment where an organization exists; developing and choosing an organization’s vision, mission, and goals; and allocating resources (Hellriegel and Slocum, 1996). Strategic planning is a conceptual work (Hacker et al., 2001). Good strategic planning provides guidelines for communication, gains people participation and involvement, shapes different interests and values, facilitates wise decision making, encourages people commitment, and enhances successful implementation (Bryson, 1995).

Mintzberg (1994) indicated that strategic planning offers a hierarchy of four essential elements which are: objectives, budget, strategies, and programs. Objectives are ‘cascaded down the structural hierarchy, as devices of motivation and control – that is, to provide incentives as well as means against which to assess performance’ (Mintzberg, 1994: 71). Not only are
objectives needed to be cascading down, but also aggregating up. The budget can also cascade down and aggregate up the hierarchy. It is crucial to identify ‘who gets what’ and ‘who pays the cost’ (Siegel, 1997 cited by Mintzberg, 1994). Strategic planning also needs to verify the strategy hierarchy from the overall corporate strategies to business strategies, and to functional strategies. As such planning should convert strategies into the capital and operating programs required to implement them (Mintzberg, 1994). These draw attentions, align different interests, and create commitments among the top management and its subordinates within an organization toward achieving an organization’s desired objectives. In addition, Plant (2006: 5) illustrated that present strategic planning not only emphasizes the development of an organization’s strategic vision as it was traditionally viewed, but it is also focuses on linking strategies to daily activities and aligning it with PM.

Strategy planning in the public sector

Public sector organizations exist with particular purposes and are given goals (Farnham and Horton, 1999; Rouse, 1997), usually stated in their mission statements. Osborne and Gaebler (1993 cited by Ellingson and Wambsganss, 2001: 108) have made recommendation in Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector, that the advantages of mission-driven organizations over rule-driven organizations include:

‘being more efficient, more effective, more innovative, more flexible, and having higher employee morale. ... To be effective, an organization’s mission must be narrow enough to be achievable but broad enough to allow for innovative ways of meeting the needs of constituents.’

Unfortunately, however, Kerr (2009) comments that most mission statements are designed to be broad, vague, and socially desirable. The purpose is not to drive actions, but the mission statement needs to be converted to strategies, then these are converted into tangible goals, and then into actions. It is interesting to explore how the public institutions develop their missions and convert them into actions.
However, these purposes and goals tend to be multiple, complex, unclear defined, and often conflicting (Farnham and Horton, 1999; Rouse, 1997). Therefore, the organization may not be able to identify clear strategic objectives; those objectives can be numerous and diverse; and the strategic goals may be unstable (Mabey, Salaman, and Storey, 1999). When developing vision and strategy, an organization needs to consider internal factors, such as assets, the qualities of the staff, and tasks to be achieved, as well as external factors, for example, demand for services, and the changing environment, so that it will be able to effectively adapt itself to respond to the changing environment. However, organizations tend to have difficulties in taking into account the changing environmental factors (Lawton and Rose, 1994; De Waal, 2001). Jackson (1989/1995b: 31) suggests that the top management have to have clear objectives, otherwise poor performance will result. Moreover, for strategies to be successful, the organizational structure is needed to support empowerment at lower levels in the organization.

When cascading down organization’s objectives to lower level objectives, parenting styles should be taken into account. The styles are defended as the intent to which corporate headquarters influences the strategic planning processes at lower levels in the organization and controls and manages these lower levels. Parenting styles can be divided into three categories: financial control, strategic control, and strategic planning (Goold, Campbell, and Alexander, 1994 cited by De Waal, 2001: 21-24). Corporate headquarters in the strategic planning style plays an active part in the development process of the lower levels. The planning process is time-consuming and control focuses on long-term strategic objectives. For strategic control style, corporate headquarters issues strategic guidelines, but the lower levels independently develop their own strategic plans. These plans are evaluated and prioritized by the headquarters. Emphasis is placed on defining both short- and long-term financial and non-financial objectives. The headquarters checks on those objectives on a regular basis. The last parenting style is financial control. The corporate headquarters fully delegates responsibility and authority on developing strategic plans to those at the lower levels. The only interest paid by the headquarters is the
achievement on financial targets as forecasted in the strategic plans. However, strategic planning has to have a clear alignment and linkage between higher-level decision making and operational performance; and strategic planning has to be linked with the budgeting process, so that organizational priorities are funded and monitored (Plant, 2006).

To summarize, Bryson (1995: 7) contends that the potential benefits of strategic planning can be seen in four major dimensions. First, strategic planning enhances strategic thinking and actions resulting from: (a) systematic information gathering to understand and analyze both internal and external environments and different interests from different groups, (b) organizational learning, (c) clarifying the organizational direction, and (d) setting organizational priorities for action. Second, strategic planning improves decision making as the result of: (a) focus of attentions is aligned and (b) strategic intentions are clearly communicated, then coordination begins and discretions are under control. Third, as a consequence of enacting strategic thinking and actions and improved decision making, strategic planning enhances organizational responsiveness and improves performance by which it encourages organizations to clarify and address organizational issues, effectively respond to internal and external demands and pressures, and deal effectively with the changing environment. Finally, strategic planning helps individuals better perform their roles, deliver their responsibilities, and work cordially in team.

Strategic decision making

Decision making involves a rational process in choosing the best alternative that offers the highest expected value (Arnold et al., 1993; Rollinson et al., 1998). The processes of making decision, therefore, involve identifying or creating alternatives and selecting the highest potential choice possible. Decisions in organizations include operational, tactical, and strategic decisions (Arnold et al., 1993). Operational decisions concern with making decisions in daily routine activities while tactical decisions deal with non-routine activities. Strategic decisions are concerned with an organization’s goals and have large magnitude impacts on the entire of an organization
The decisions provide guidelines for an organization's direction over the medium to long term drawing committed resources into the planning process to implement such strategies. (Haberberg and Rieple, 2008). However, organizations can be politically influenced by both internal and external, such as various groups or stakeholders. Such influences may facilitate or constrain organization's strategy because strategies are developed as a process of bargaining and negotiation between stakeholders who are involved in the strategy development process. These stakeholders' concerns and expectations may be different and, sometimes, conflicted (Collier et al., 2001). An example is the bargaining between the public sector executives and central government can be precisely observed in resource allocation processes (Collier et al., 2001).

After a decision has been made, it is usually assumed that there will be a commitment to actions. It is possible, however, that such actions can occur without commitment to act (Mintzberg et al., 1998c: 158). Cooke and Slack (1991) suggest that a good decision occurs when decision makers fully recognize the background, objectives, alternative courses of action, and range of potential consequences of a decision. In addition, Bryson (1995: 224-226) suggests that when making decisions leaders should be concerned with five considerable components. First, leaders should be capable of designing and using both formal and informal networks and communication within and among organizations in order to balance competing demands from several stakeholders, influence and drive forward organizational strategies, and handle conflicts during strategy implementation. Second, leaders must be skilled for dealing with all parties involved in the strategy implementation, such as stakeholders. These skills include negotiation and bargaining and options creation. Third, leaders need to know whom and how to influence to obtain appropriate resources for strategy implementation. Next, leaders are required to build winning, sustainable coalitions and alliances so that they can support and defend during strategy implementation. Finally, leaders should avoid bureaucratic confinement. When implementing changes, leaders usually challenge the rules and regulations and bureaucratic restrictions.
Leadership

Bryson (1995: 9) comments that strategic planning helps leaders, managers, and planners think and act strategically, and such planning helps organizations focus on producing effective decisions and actions to deliver what it is meant to. However, strategic planning is not a substitute for leadership (Bryson, 1995). Bryson and Crosby (1992 cited by Bryson, 1995: 212) state that ‘public leadership is the inspiration and mobilization of others to undertake collective action in pursuit of the common good.’ In other words, leadership can be referred to as the capacity to develop and shape organizational routines, or to influence other group members, or to have power to translate an organizational vision into reality and sustain it, or to maintain commitment to existing routines towards the achievement of the defined organizational goals (Haberberg and Rieple, 2008; Rollinson et al., 1998). A leader can have a strong influence on the individual and group behavior and performance (Rollinson et al., 1998). This influence is in form of power and control, where the followers have consent willingness to come under another’s control, rather than the practice of authority. Bryson (1995: 212) suggested that to be effective, leaders need to: understand the context; understand the people involved including oneself; sponsor the process; champion the process; facilitate the process; foster collective leadership; use dialogue and discussion to create a meaningful process, clarify mandates, articulate mission, identify strategic issues, develop effective strategies, and possibly develop a vision of success; make and implement decisions across a range of different areas; enforce rules, settle disputes, and manage residual conflicts; and put it all together.

Communication of organization’s vision/mission

Once a strategic decision has been made, strategy is going to be implemented. As mentioned earlier, the implementation of a new strategy creates significant change within an organization (Hacker et al., 2001). To do so, leaders play an integral role. They are needed to be visionary to be able to link strategy with daily work (Hacker et al., 2001). This change requires magnitude support from leaders because the understanding of an
organization’s strategic direction is crucial for the succession of an organization’s objectives. It is important to communicate the strategic direction throughout the organization. Hacker et al. (2001: 237) suggests communication helps inform individuals on the change in requirements and create better understanding of the strategic importance. Effort is required both for communicating an organization’s strategy and for the provision of feedback. A good communication process supports meaningful analysis of performance information which, in turn, reinforces performance improvement (Plant, 2009). Regularly reporting on progress of strategy planning and performance helps the management inform and involve key stakeholders in the implementation of organization’s strategies (Plant, 2009).

Balanced Scorecard (BSC)

The Balanced Scorecard concept was introduced by Kaplan and Norton in 1992. They contended that the BSC is a system which ‘translated an organization’s mission into a comprehensive set of performance measures that provide a framework for a strategic measurement and management system’ (Kaplan and Norton, 1996: 2). The set of performance measures was developed within four perspectives: financial, customer, internal business processes, and learning and growth (Kaplan and Norton, 1992, 1996). Financial measures indicate how well an organization is performing towards its profitable targets. Customer measures indicate how well an organization can attract and retain its target customers. Internal business process measures indicate the level of an organization’s performance with respect to activities that are critical to meet customer and financial objectives. Learning and growth measures indicate the level of personnel and system development essential for the long-term growth and improvement of an organization. Such a set of measures provides the balancing mechanism in terms of short-term and long-term, financial and non-financial, and lagging and leading measurement (Kaplan and Norton, 1992, 1996), as well as the linkages among organization’s strategies where achieving results in one perspectives leads to improvement in measures in other perspectives (Ellingson and Wambsganss, 2001). Kaplan and Norton (1996 cited by Cole and Parston, 2006: 34-35) also clarified that
‘Focusing on short-term financial results alone will not deliver long-term shareholder value. To do that, an organization also needs to focus on customers and on its own capabilities as well as on ensuring that it is engaged in the learning and development that will enable it to deliver value is the long term. The short-term bottom line does not equate to long-term value delivery.’

When government agencies adopt the BSC concept, modification has to be made especially for the financial perspective.Originally, BSC was designed for profit organizations, and, therefore, measures in this perspective usually focus on financial terms, such as revenues, earning per share, return on stockholders’ equity, return on capital employed, and percentage of sales growth. However, Ellingson and Wambsgansss (2001) suggest that the financial measure for a public sector organization is the budget which, in theory, can be financially determined the cost per unit service, a per capita cost of providing a unit of service, or a per capita cost per unit satisfaction level. However, there is no incentive for the organization to reduce budget spending because the amounts they save tend to be reduced in the future (Ellingson and Wambsgansss, 2001). They also indicate that the goal for governmental organizations is to deliver public services, but measures on quality and quantities of service provision are limited, and sometimes it is difficult to estimate in terms of financial value. The measure of effectiveness and efficiency as exemplified as an aim in BSC can be used to demonstrate the governmental performance because the success of government agencies cannot measure based on financial terms like for-profit organizations (Ellingson and Wambsgansss, 2001).

For the customer perspective, public sector organizations tend to please elected officials and interest groups because they can influence budget funding and thereby customers can potentially be ignored (Osborne and Gaebler, 1992). Therefore, it is important to clarify who are the customers, so that the needs and expectations of those customers can be identified, and then measures can be developed accordingly.

In the internal business process category, the emphasis is paid on those internal processes that have impact on customer satisfaction. There are
three areas to be included: innovation, operations and service after sale (Kaplan and Norton, 1996). For public sector organizations, innovation involves research and development for future products which Osborne and Gaebler (1993 cited by Ellingson and Wambsganss, 2001: 116) recommend that government agencies focus on 'prevention to solve problems rather than services to respond to them.' Unfortunately, such innovation is likely to be constrained by budget and political system (Ellingson and Wambsganss, 2001). For operations, governmental organizations can identify and measure the timely, consistent, and the efficiency of service delivery. In addition, after sales service for the governmental organization means after the service delivery, so that organizations may measure in response in terms of timely delivery and feedback.

The learning and growth perspective emphasizes the long-term investment in employees, information systems, and organizational capabilities (Ellingson and Wambsganss, 2001: 117). Measures in this category may include employee satisfaction, employee retention, and employee productivity (Kaplan and Norton, 1996). Significant drivers of these measures are employee learning (Ellingson and Wambsganss, 2001), and employee participation in decision making process (Osborne and Gaebler, 1992).

**2.5.1.2 Performance goal setting**
Public organizations are characterized by multiple stakeholders. These include parliament, current customers, potential customers, citizens, communities, taxpayers, professional groups, unions, and suppliers, and employees. Different stakeholders may have different interests (Jackson, 1995a, 1995b, 1995c; Rouse, 1997) and conflicting objectives (Rouse, 1997) resulting in complication in goal and objective setting. As a result, for public organizations, goals and objectives tend to be 'multiple and complex and outputs difficult to measure, with the consequence that the evaluating performance is problematic' (Rouse, 1997: 74). For example, the British public agencies’ targets cover output, time, quality, cost, and policy (Cabinet Office, 1995 cited by Talbot, 2000:64).
Many studies found that the goal-setting theory has an effect on performance in any work situation (Locke et al., 1981 cited by Buchner, 2007). This theory is based on the assumptions that goals can drive employees to aspire towards superior performance (Locke, 1968 cited by Mabey, Salaman, and Storey, 1999: 129; Boyne and Chen, 2007). Goal difficulty and specificity are found to have the strongest effect on performance. In particular, difficult and specific goals led to higher performance when compared to vague do-your-best goals (Locke and Latham, 2002 cited by Buchner, 2007: 63). Gibb (2002) suggests that the more demanding of a goal, the more learning and development will be needed. It is because the high, specific goals ‘direct the learners’ attention to content that is relevant to the goals and relates learners’ effort to attain the high goal level’ (Locke and Latham, 1990 cited by Maier et al., 2003: 23). Goals provide direction on priorities, and challenge and stimulate effort (Buchner, 2007). However, difficult goals can lead to high performance only when an individual is committed to them (Locke and Latham, 1990 cited by Cowling, 1998). Locke and Latham (2002 cited by Buchner, 2007) also suggest that there are five moderators that influence goal-driven performance: goal commitment, goal importance, individual’s self-efficacy, feedback, and task complexity. An employee’s perception on these moderators affects their performance.

However, setting a meaningful goal can be difficult when the confusion of means with ends occurs which Wheelen and Hunger (2000) called goal displacement. This displacement includes (1) substitute activities that do not link to goal accomplishment for those that link, typically by focusing on easy measurable activities, and (2) suboptimization by claiming that accomplishing units goals as organization’s accomplishment. Participation in goal-setting process is crucial. If employees perceive that a goal is set and delegated by others, it will be a disincentive. Questions arise here are to what extent employees commit to goals and what they have learned from the goal-setting process.
Precise goals or vague aspiration?
Scholars who support planning contend that clear goals or targets help organizational members to emphasize on outcomes rather than processes, suggest directions, and motivate organizational members to work toward superior performance (Boyne and Chen, 2007). Precise goals or targets together with the PMS provide information on organizational progress that facilitates managers in decision making to make corrective actions. Organizations are more likely to be successful with vague goals (Quinn, 1980 cited by Boyne and Chen, 2007). Opponents of planning, on the other hand, argue that quantified targets constrain performance. Mintzberg (1994) claims that clear targets may direct to the disregard of significant areas of activity. In addition, precise goals or targets can demotivate organization members who disagree with the selected targets (Smith, 1990, 1995), and such explicit targets may undermine the autonomy of professional members who expect to exercise their own judgment to set goals for the provision of public services (Boyne and Chen, 2007).

2.5.1.3 Identification of performance measurement
Performance measurement is the essential fundamental of the PMS. The purpose of measuring performance is to stimulate actions to improve performance; and these actions needed to be integrated in organizational change and improvement efforts (Parsons, 2007; Meekings, 1995). Performance can be measured and presented in quantitative terms and in different dimensions which makes information visible, tangible, and comparable. This information crucially allows the management to manage its performance in a more accurate and effective way. More importantly, this information is ‘a means of organizational learning’ (Jackson, 1993/1995b: 20). Using performance indicators, an organization can monitor and evaluate ongoing performance towards goals or expectations which are established in advance. In addition, performance indicators motivate individuals and cause them to modify their behavior in order to meet the targets (Jackson, 1995c). To be effective, a performance measurement system requires a culture that welcomes and uses the results of measurement (Gaster and Squires, 2003). Moreover, governmental organizations deliver service under an uncertain and complex environment; thus the validity of performance
indicators depends heavily on the distribution of performance ownership at different levels of the organization. A manager who holds responsibility for elements of performance can have influenced performance in two ways: (a) the degree to which performance is affected by "environmental" factors outside the control of the organization, and (b) the extent to which performance is constrained by lack of capacity to consider the interdependence of different units, services, or activities within an organization (Carter, 1989/1994: 211-212). More importantly, it is necessary to note that there is no right or wrong set of performance indicators; and there is no single ideal indicator (Jackson, 1995a; Stewart and Walsh, 1994/1995). Learning is 'the crucial contributor to dealing with changes, coping with uncertainty and complexity environment and creating opportunities for sustainable competitive advantage' (Antonacopoulou et al., 2005 and Bratton et al., 2004 cited by Gold, 2007a: 339).

Jackson (1993/1995b: 4, 1989/1995b: 28) distinguished the differences between performance measures and performance indicators. The former demonstrates performance that can be measured precisely; the relationship between activity and outputs or outcomes associated with it can be illustrated unambiguously. When this relationship is ambiguous, performance indicators are used. Performance indicators are 'provocative and suggestive' which suggest that a problem might exist, and managers need to pay attention to the issue. However, in this research performance indicators and performance measures are used interchangeable.

Identifying performance indicators takes time, efforts, resources, and raw data in preparation (Jackson, 1995a). These indicators are meaningless unless they are compared with targets or standards. In addition, to obtain a holistic picture on an organization’s performance, a number of different performance indicators are required. These indicators need to be balanced between results and process indicators (Jackson, 1995a), leading and lagging indicators (Kaplan and Norton, 1992), financial and non-financial indicators (Jackson, 1995a; Kaplan and Norton, 1992), as well as short-term and long-term indicators (Kaplan and Norton, 1992; Johnson and Kaplan, 1991 cited by Wiggin and Tymms, 2002), so that they can effectively reflect
perspectives and expectations of different stakeholders, and that they can feedback information for performance improvement.

Since what get measured tend to get done, an organization tends to have too many performance indicators, and that leads to information overload and ignorance (Jackson, 1995a). On the other hand, paying attention to a few indicators results in some elements of the task are not included in the measures and in the narrowing focus based simply on performance being measured (Stewart and Walsh, 1994/1995). Managers tend to develop indicators that are easy to measure (Stewart and Walsh 1994/1995; Fowler, 1990 cited by Mabey, Salaman and Storey, 1999). In addition, as a consequence of information provided by performance, indicators usually are in quantitative terms, which are likely to engage management by behaviors which resulting in a distorted view of performance (Jackson, 1995a; Grasso and Epstein, 1987 cited by Rogerson, 1995). Therefore, learning how to improve performance and use performance indicators to support the learning process are essential to improve the PMS. Measuring performance is not only measuring to learn, but also learning to measure (Parsons, 2007). The former involves actions to be taken in order to improve performance, such as feedback, learning, and change. This can help organizations align measures and culture which in turn foster organizational learning. Additionally, Parsons (2007) maintains that learning to measure incorporates tools and techniques ensures the alignment of vision, strategy, actions, and measures.

Furthermore, to maintain their effectiveness, performance indicators need to be continuously reviewed (Dixon et al., 1990); and linked with the organization’s strategy. As strategy changes, indicators are to be reviewed and changed. The connection between measures and actions is required, so that it encourages progress on monitoring process which again means performance can be improved. These relationships between strategy, actions, and measures can be perceived as a learning process (Dixon et al., 1990). Jackson (1993/1995b: 25) maintains that government agencies demonstrate ‘the capacity to learn from information signals that indicators provide, as well as the organizational capabilities to act upon that learning.’ Even though the need for change is recognized and accepted, there will
undeniably be winners and losers. The latter can be expected to complain loudly, argue over performance indicators to be used, and often challenge performance information (Talbot, 2000; Johnsen, 2005), while the silent majority may not clearly declare support or being against. However, Talbot (2000) also suggests that if there are no complaints or appeals, it can be implied that people are not interested; and thus measures are not changing anything. The search for better performance indicators including which ones should be made mandatory is an ongoing effort (Johnsen, 2005; Smith, 1995). Smith (1995: 283) notes that publishing performance information can lead to eight unintended behavioral consequences: tunnel vision, suboptimization, myopia, measure fixation, misrepresentation, misinterpretation, gaming, and ossification. However, despite these misbehaviors, performance measurement opens communication within and between public organizations, societies and communities; and enhances democratic competitions (Johnsen, 2005).

2.5.1.4 Developing a performance agreement
A performance agreement (PA) is the statement of intent presenting what an organization has agreed to accomplish within a specific time period. An agreement is used as a tool to hold organizations' and executives' accountable for results, to align executive performance expectations with organizational goals, to help translate organizational strategic goals into day-to-day operations linking employee performance to organizational results, and to reflect specific organizational priorities, structures, and cultures (GAO, 2000). GAO also reports that using a PA enhances collaboration, interaction, and teamwork across organizational boundaries, and increases opportunities to discuss and routinely use performance information to seek opportunities for performance improvement. Furthermore, such an agreement can help maintain the consistency of program priorities and the continuity of those programs during leadership transition period (GAO, 2000). A PA provides a clear picture of how day-to-day operations contribute to the organizational results; and as a consequence, bring about employee commitment and involvement (GAO, 2000), as well as synergy in partnership (Covey, 1995). In addition, this agreement is not usually a legal contract, but rather a psychological and social contract (Covey, 1995).
order to create a PA, desired results must be specified; this, however, may be difficult since public organizations have multiple stakeholders who have various expectations. Therefore, balancing and prioritizing these needs and expectations are crucial. In sum, the PA identifies specific desired results; establishes guidelines on how to achieve those results; directs frameworks for budgeting and resources allocation as well as staffing; and defines accountabilities and enhances capacities both at the organizational level and the individual level.

An agreement is viewed as a multidimensional construct that is embedded in a social context of intergroup relationships; and is shown to be associated with judgments of performance (Shanley and Correa, 1992: 245). According to the intergroup context, agreement can be viewed as ‘multilevel phenomenon that encompasses individuals’ judgments about their own situation, the comparison of such judgments with those of reference group members, and the projection of such judgments across formal and informal group boundaries’ (Shanley and Correa, 1992: 245). An agreement can be specified into three dimensions: perceived agreement, actual agreement, and accuracy (Shanley and Correa, 1992). A perceived agreement is the extent to which ones believe themselves to agree, while actual agreement is a real concordance of their positions. Accuracy is the comparison between perceived and actual agreement. According to Bourgeois (1980 cited by Shanley and Correa, 1992: 246) a positive relationship between an agreement and performance is found when perceived agreement and actual agreement align. Such an agreement benefits performance through cooperation or synergies. When perceived agreement and actual agreement are non-aligned, dysfunctional conflicts occur. These may because involved parties may disagree on major objectives. Performance will suffer from disillusionment and latent conflict when perceived agreement is high but actual agreement is low. When perceived agreement is low and actual agreement is high, on the other hand, performance suffers from missed opportunities and false conflict. Perceived agreement is based largely on an individual judgment about the similarity of one’s position with that of another. Additionally, actual agreement and accuracy combine an individual judgment with the real situation of the group. When perceived and actual agreement
differ, affective and cognitive factors account for biases and differences in expectations, whereas group and intergroup factors are associated with collective distortions. The public organizations’ perspectives on a PA may effect how they create and execute their agreements.

A public PA is a matter of negotiation. This involves the balance of power and participation (Gaster and Squires, 2003). Power comes from various sources: from position, professional status, and from the positive or negative strength of individual personalities (Gaster and Squires, 2003; Stoner, Freeman, and Gilbert, 1995). In addition, power derives from past experience, from acknowledged citizen and consumer rights, from knowledge, and from acting collectively (Gaster and Squires, 2003). These sources of power, together with power distance, provide potentially a limitation of choice and influence the choice of what is to be measured and at what level (Gaster and Squires, 2003).

2.5.2 Managing for performance

Managing for performance is a process of developing programs, budgets, and procedures to implement organizational strategies and policies (Wheelen and Hunger, 2000). This is the process of directing, influencing, and motivating employees to perform essential tasks. Three important aspects are: (1) work arrangements and resource allocation; (2) motivation; and (3) learning and development.

2.5.2.1 Work arrangements and resource allocation

Once an organization sets its objectives and strategies, and agrees on services to be delivered, it is time for implementation. Work arrangement and resource allocation are essential to fulfil the basic requirements to service provision. Strategic plans are linked with budgeting and resource allocation processes so that organizational priorities are adequately funded and implemented through programs with sufficiently and appropriately staffing and activities that meant to direct toward achieving desired results (Wheelen and Hunger, 2000; Plant, 2006; Stiffler, 2006).
Many scholars suggest that the organization’s culture has a powerful influence on how employees relate to organizational performance (Wheelen and Hunger, 2000; Broadbent, 2007). Argyris (1960 cited by Wiggin and Tymms, 2002) found that budget systems can increase the level of fear and mistrust in an organization and encourage a blame culture. Thus, an organization’s culture was required to support strategy. Additionally, cooperation is one of the factors that lead an organization to success. Employees play a significant role in cooperating and establishing the conditions for work synergy and this requires monitoring on a regular basis (De Waal, 2001). In addition, high commitment employees work harder and generate higher performance than those with lower commitment (De Waal, 2001; Stiffler, 2006).

2.5.2.2 Motivation
In order to effectively and efficiently achieve organizational objectives, employees need to be motivated to maximize the use of their abilities and skills. Motivating employees to perform assignments at their best effort and thriving for improvement is an important element to ensure high performance. Motivation is ‘a psychological concept related to the strength and direction of human behavior’ (Robertson, Smith, and Cooper, 1992 cited by Cowling, 1998). Major motivation theories include need theory, self-efficacy theory, two-factor theory and expectancy theory.

Needs theory
Abraham Maslow (1943 cited by Fulop and Linstead, 2004) contends that human beings are driven by needs and he developed a hierarchal classification of human needs where psychological needs are the primary need for survival. Following the most basic needs are safety/security, social acceptance or affiliation, esteem and recognition, and self-actualization at the top. He proposed that individuals are motivated by unsatisfied needs.

Self-efficacy theory
Self-efficacy can be defined as ‘people’s judgments of their capabilities to organize and execute courses of action required to attain designated types
of performances' (Bandura, 1986 cited by Maier et al., 2003: 23). An individual's perceived self-efficacy is the determinant of ‘the person’s commitment to the goal level, the selection of strategies with which to attain the goal, and the degree of effort made in pursuit of it’ (Bandura, 1997 cited by Maier et al., 2003: 23).

Two-factor theory
The two-factor theory of motivation was developed by Herzberg based on the study of job attitudes in 1959. He concludes that work dissatisfaction and satisfaction result from two different sets of factors: hygiene and motivation factors (Stoner, Freeman, and Gilbert, 1995; Filley, House, and Kerr, 1976). Dissatisfiers, which he called ‘hygiene’ factors, are factors concerned with the context of work, rather than the content of work, that prevent employees from becoming dissatisfied and demotivated. These factors include salary, work conditions, job security, interpersonal relations, administration, and company policy. The most important of these factors is company policies that can lead to ineffectiveness and inefficiency of work (Stoner, Freeman, and Gilbert, 1995; Filley, House, and Kerr, 1976). The second most important dissatisfier is incompetent technical supervision by supervisors who lack knowledge of the job or the ability to schedule work or to coach (Filley, House, and Kerr, 1976). Hygiene factors do not motivate. Positive rating of these hygiene factors does not effect work satisfaction, but decrease dissatisfaction (House and Wigdor, 1967, cited by Cowling, 1998).

Satisfiers or motivation factors are related to the content of work itself and the reward of work performance. These factors include achievement, recognition, responsibility, advancement, personal growth, and a sense of performing interesting and meaningful work (Stoner, Freeman, and Gilbert, 1995; Filley, House, and Kerr, 1976; Fulop and Linstead, 2004). The presence of these factors causes satisfaction. However, the absences of such factors may lead to dissatisfaction. Motivation factors are effective in motivating the individual to superior performance and effort (Filley, House, and Kerr, 1976). In terms of job content, Herzberg proposed that individuals can be motivated through job enrichment that is increasing basic skills on
the horizontal level and increasing autonomy and responsibilities on the vertical one (Fulop and Linstead, 2004: 285).

Expectancy theory
The expectancy theory, developed by Vroom in 1964, hypothesizes that people assign values to the expected outcomes of various courses of action, and, therefore, decide about their behavior in terms of most likely to lead to the outcome which they hope to accomplish (Mabey, Salaman, and Storey, 1999; Stoner, Freeman, and Gilbert, 1995; Filley, House, and Kerr, 1976). Guest (1997 cited by Buchner, 2007: 62) is convinced that the expectancy theory provides a key linkage between motivation and performance. Nadler and Lawler (1977 cited by Stoner, Freeman, and Gilbert, 1995: 456) describe four assumptions about behavior in the organization based on expectancy approach:

- Behavior is determined by a combination of factors in the individual and factors in environment.
- Individuals make conscious decisions about their behavior in the organization.
- Individuals have different needs, desires, and goals.
- Individuals decide between alternative behaviors on the basis of their expectations that a given behavior will lead to a desire outcome.

According to these assumptions, the expectancy model consists of three major components:

- Performance-outcome expectancy. An individual's motivation to perform depends on their expectation of the consequence of outcomes or reward of their performance. Individuals value the rewards (intrinsic or extrinsic) offered by the organization. These expectations, in turn, influence an individual's choice of behavior to perform their tasks. Outcomes or rewards for an individual's performance can be divided into two types: intrinsic and extrinsic. Intrinsic (psychological) outcomes or rewards are experienced directly by an individual, for example, feeling of achievement, increased self-esteem, and satisfaction of developing new skills. Extrinsic outcomes
or rewards, on the other hand, are controlled by others, such as supervisor and managers. Examples are bonuses, praise, and promotions.

- **Valence.** The outcome of a particular behavior has different power to motivate (or valence) which varies from individual to individual.

- **Effort-performance expectancy or instrumentality.** An individual’s expectations of how difficult it will be to perform successfully affect their decisions about behavior. Individuals tend to select the level of performance that leads to the best chance of accomplishing their desired outcomes or reward. Individuals will put in more effort if they believe that good performance will lead to the achievement of their valued rewards. Therefore, those rewards are linked to and reflect the effort they devote to the job. (Mabey, Salaman, and Storey, 1999; Stoner, Freeman, and Gilbert, 1995; Roberts, 2001).

To drive for performance, organizations have to: link the objectives of the organizations with the goals of individuals; connect budgets and resources with organizational objectives; measure performance with aims to justify future directions; link financial information with human resources; and reward individual employees based on their performance (Stiffler, 2006). Communication is one of the integral components for managers to clearly communicate their expectations and objectives, thereby ensuring that employees understand which behaviors are required. Individuals, on the other hand, must have the opportunity, ability, resources, and effective management in order to be able to engage in ‘good’ performance and carry out their tasks (Roberts, 2001).

### 2.5.2.3 Learning and development

Learning is ‘a process within the organism which results in the capacity for changed performance which can be related to experience rather than maturation’ (Ribeaux and Poppleton, 1978 cited by Collin, 2001: 279). Therefore, learning is a natural process which people engage in throughout their life (Collin, 2001; Hawkins, 1994). Argyris (1998, 2002) defined learning based on a match or mismatch between the intended outcomes and the
actual ones. He maintained that learning occurs when there is either a match or a mismatch between intentions and outcomes. He also pointed out that it is the individuals who perform the action that lead to learning, not organizations. Organizations, however, influence how individuals learn. In addition, Salaman (1995) viewed learning as a means for improvements based on the analysis of historical data concerning cause and effect relationships; furthermore, learning can also focus on what might happen. Therefore, learning happens at present based on past experience to invent possible futures which we wish to achieve or avoid (Salaman, 1995). Evans (2003) suggested that learning is the process of seeing things from different perspectives. As a result of learning, individuals increase knowledge and improve skills which enhance their capacities to adapt to the environment and to change the environment (Collin, 2001; Moorhead and Griffin, 1995; Statt, 1994; CIPD, 2002). This suggested that learning is a continuous adaptation, and thereby leads to changes. It involves social experience, interaction, and communication. Even though people experience to be lifelong learners, they are not necessarily competent or confident learners (Collin, 2001).

Learning can be viewed as ‘a social experience, built upon interaction and dialogue with significant others in a context where people are willing to share their ideas with others. The best solutions often occur when different points of view are integrated into this dialogue’ (Starkey, 1996: 130). Learning in this way, people are allowed to think of themselves, question the continuing viability of what they thought they knew, and learn how to learn unlike the traditional training methods that teach people what to think (Starkey, 1996). Therefore, to support learning, managers need to create a positive climate for learning, supervise on the connection between learning activities and organizational goals and objectives, provide access to learning resources, create opportunities for employees to examine and explore their learning, and initiate regular feedback on learning and performance to motivate learning (CIPD, 2002).

Learning is involved in training, education, and development (Gibb, 2002). Training is aimed narrowly at learning undertaken for the development of
skills to ensure performance effectiveness, while education is ‘learning undertaken in educational institutes in pursuit of qualifications in advance of employment’ (Gibb, 2002: 6). Development is concerned with the change of the whole person in knowledge, skills, experience, and growth, which are becoming more complex, more elaborate, and differentiated, through a career and a lifetime (Gibb, 2002; Collin, 2001). Collin (2001: 280) suggested that, ‘in the individual, the greater complexity, the more new alternative ways to act and respond to the environment. This leads to the opportunity for even further learning, and therefore learning contributes to and promotes development.’ On the other hand, ‘development provides a sense of superior and elaborate learning’ (Gibb, 2002: 7). Furthermore, development involves self-motivation, takes into account a holistic approach, and address long-term needs (Revans, 2001 cited by Evans, 2003). Therefore, learning is ‘the crucial contributor to dealing with changes, coping with uncertainty and complexity of the environment and creating opportunities for sustainable competitive advantage’ (Antonacopoulou et al., 2005 and Bratton et al., 2004 cited by Gold, 2007a: 339). Learning at the individual level is ‘the way to keep ahead … to maintain employability’ (Honey, 1998 cited by Collin, 2001: 272). Additionally, to conquer effective learning, organizations need to create a positive climate for learning.

According to Kolb (1984: 38), learning is ‘the process whereby knowledge is created through the transformation of experience.’ He also noted that experiential learning model ‘offers a system of competencies for describing job demands and corresponding educational objectives and emphasizes the critical linkages that can be developed between the classroom and the “real world.” It pictures the workplace as a learning environment that can enhance and supplement formal education and can foster personal development through meaningful work and career-development opportunities. And it stresses the role of formal education in lifelong earning and the development of individuals to their full potential as citizens, family members, and human beings’ (Kolb, 1984: 4).
Based on the Lewinian model of action research and laboratory training, learning is conceived as a four-stage cycle, as illustrated in Figure 2.2. First, the cycle begins with current concrete experience which is the basis for observation and reflection. This is the process of data collection and observations happening when individuals are having experiences. Next, the implications of these data are analyzed in the observations and reflections stage. Experiences are reviewed. Then, analyzed data are fed to the theory, and new concepts and models are constructed which are used as guide in the modification of behavior and the choice of new experience. These concepts and models finally result in actions intended to maximize desired outcomes and to test such concepts and models (Kolb, 1984, 1996; Salaman, 1995; Mumford, 1995). To be effective, learners need four different abilities: (1) concrete experience (CE) that is the abilities to involve themselves fully, openly, and without bias in new experiences; (2) reflective observation (RO) that is the abilities to observe and reflect these experiences from various perspectives; (3) abstract conceptualizations (AC) that is the abilities to create and integrate those observations into logically sound theories; and (4) active experimentation (AE) that is the abilities to use these theories in decision making and problem solving (Kolb, 1996: 271). It can be noted that feedback processes is essential.

Kolb (1984: 26) suggested that learning is a continuous process which requires resolution of conflicts. These conflicts include the conflicts between concrete experience and abstract concepts, and the conflicts between observation and action. In addition, the learning process is best facilitated in
an environment where group discussion is dynamic that different interpretations and experiences can be shared and discussed, and group members treat one another as peers (Kolb, 1984).

Argyris (2002: 67) suggests that, learning, first, occurs ‘when an organization achieves what it is intended; that is, there is a match between its design for action and the actuality or outcome. Second, learning occurs when a mismatch between intentions and outcomes is identified and it is corrected; that is, a mismatch is turned into a match.’ Learning occurs only when there is a match or mismatch. Argyris and Schon (1978 cited by Pedler, 1994: 147) define single-loop learning as ‘error detection and correction’ model. Errors are detected and corrected without questioning or verifying the underlying causes of these errors. Single-loop learning occurs ‘when matches are created, or when mismatches are corrected by changing actions’ (Argyris, 2002: 68). Double-loop leaning often starts from crisis (Pedler, 1994). This type of learning occurs ‘when mismatches are corrected by first examining and altering the governing variables and then the actions. Governing variables are the preferred states that individuals strive to “satisfice” when they are acting. These governing variables are not the underlying beliefs or values people espouse. They are the variables that can be inferred, by observing the actions of individuals acting as agents for the organization, to drive and guide their actions’ (Argyris, 2002: 68). This learning is aimed at maximizing effectiveness ensuring that targets are accomplished rather than focusing on operational efficiency (Hawkins, 1994). The questions arise here is how performance feedback is given and is used to improve performance.

It is usually assumed that ‘learning has positive consequences, that organizations have the capacity to learn collectively, and that such learning occurs at different speeds and levels within firms’ (Mabey, Salaman, and Storey, 1999: 306). The outcomes of a person’s learning and development are ‘the way they think, feel, and interpret their world (their cognition, attitudes, overall philosophy of life); the way they see themselves, their self-concept and self-esteem; and their ability to respond to and make their way in their particular environment (their perceptual-motor, intellectual, social,
and interpersonal skills’) (Collin, 2001: 280). Learning is aimed to ‘produce behavior that can be repeated time after time in relatively unchanging conditions’ (Gold, 2007a: 341). Performance brings about immediate changes in activity, but it is learning that creates fundamental changes in structures and systems that can be used to achieve goals (Parsons and Shils, 1951 cited by Callahan, 2003). Learning can be perceived as a mean to achieve performance; and reversely performance can be a mean to create learning (Callahan, 2003).

However, learning does not always have solely positive outcomes; the process may involve conflict, abuse of power, mistrust, etc. (Coopey, 1996; Easterby-Smith et al., 2000), and the outcomes may be loss of capability or detrimental in some other way (Crossan et al., 1995; Miner and Mezias, 1996). Learning outcomes in turn influence learning context, learning process, and other learning content/outcomes (Knight and Pye, 2004). These outcomes of learning may, in turn, influence the learning process.

2.5.3 Performance evaluation and feedback

Performance evaluation and feedback is the process in which activities and performance are monitored so that actual performance can be evaluated as against the desired performance. Poor performance will be corrected; and standards will be set to sustain those desired performance. Training and development plan will be developed to enhance employees’ skills and capabilities. In addition, performance information is also used for giving reward and recognition. High commitment employees work harder and receive higher overall performance rating than those with lower commitment (Cascio, 2000 cited by De Waal, 2001).

2.5.3.1 Performance review and feedback

The process of periodically reviews matches actual performance, targets, against forecasts to ensure timely preventive and corrective action to keep the organization on track (De Waal, 2001: 9). Feedback information is given with the purpose of continuing the process of goal-directed action and evaluating the consequences of that action (Kolb, 1984). This reflects the
role of PM as a communication process by providing actual performance information with regard to strategic objectives and resources agreed targets, offering opportunities to discuss progress toward goals and strategies in order to address any performance gap, and therefore providing advice on how to improve performance (Mabey, Salaman, and Storey, 1999; GAO, 2000). Performance variations usually rely on two factors: employee-based factors and system-based factors (Soltani et al., 2004). The former includes employee knowledge, skills abilities, and motivation, while the latter involves system constraints and includes anything outside the individual employees’ control. System factors are the major determinants of performance (Cardy, 1998 cited by Soltani et al., 2004). Performance information is made readily accessible and reliable to executives in a timeframe and format which are useful for them (GAO, 2000). The issues here are who actually uses this information and how do they use it.

As a result, of performance review and feedback, a work process is made subject to corrective actions and standardized so as to reduce performance deviations (De Waal, 2001). This stimulation provides potentially the learning processes are the learning processes, in particular the double-loop learning cycle. This is opposite to giving feedback is usually associated with judgment whether a particular performance good or bad in this judgement. As a consequence, feedback can have two possibilities: (1) validation when the judgment is agreed; and (2) the presence of negative subsequent performance when judgment is disagreed. Even though feedback is aimed to motivate employees, it, unfortunately, is more likely to have a demotivation impact (Gold, 2007b). Additionally, some findings found that performance measures have had an embarrassment effect (Mayston, 1985 cited by Johnsen, 2005), and thus managers, rather than politicians, are likely to use it (Poister and Streib, 1999 cited by Johnsen, 2005).

Based on control theory, feedback is a primary tool for self-regulated behavior control aiming to minimize the discrepancy between espoused standards for behavior and actual ones (Carver and Scheier, 1981, 1988 cited by Buchner, 2007). It is an ongoing process that individuals self-monitor their current behavior and compare such behavior with the
standards. If there is a gap between actual behavior and standards, individuals may either change behavior to reduce the gap or change standards.

Success in performance improvement and management also lies in part in understanding the organizational culture which covers aspects of value, psychological conditions, attitude, and behavior (Parsons, 2007). In order to be an effective learning organization, a ‘blame culture’ should not exist. Therefore, performance information should be openly communicated and discussed so as to discover underlying causes of poor performance and solve problems and improve it, rather than finding who to blame. In other words, culture is needed to support learning and disclosure (Parsons, 2007).

Even though feedback is essential, in practice most performance management systems do not emphasize it (Coen and Jenkins, 2000 cited by Buchner 2007). Feedback usually comes late since managers seem to be too busy to provide it. Therefore, managers need to provide feedback not only on a regular basis, but also on a timely basis, so as to have an impact of performance improvement. With in the Thai context, issues arise on how performance feedback is given and what impact it has.

2.5.3.2 Performance Appraisal at the individual level

Performance review and feedback also contain the development purpose by providing directions to improve performance through discussing development needs, identifying learning opportunities and planning action (Gold, 2007b). Performance appraisal is a process of, either formal or informal, annual discussion between employees and their supervisors with regard to individual employee performance assessment (Mabey, Salaman, and Storey, 1999). Such an appraisal can provide significant contribution to ‘the identification of training needs, strengthening of communication and provision of legal defensibility’ (Graber et al., 1992 and Bach, 2000 cited by Soltani et al., 2004). It supports the alignment of training and development programs to strategic needs, enhances the effectiveness of staffing processes, and therefore enhances performance (Illes, 2001 cited by Soltani et al., 2004).
2.5.3.3 Reward systems
Definition: reward, incentive, and bonus

Armstrong (Armstrong, 1993: 2) distinguishes the distinction between rewards and incentives as follows:

*Rewards recognize past achievements and provide remuneration and other financial and non-financial benefits in accordance with individual and team contributions and competences. Incentives encourage and energize people to do more and to do better in the future by offering the opportunity to earn financial and non-financial rewards.*

In other words, rewards are desired, positive work outcomes to the individual (Hellriegel, 1996; Schermerhorn, 2005), while incentives pay attention to the ‘promise of future rewards’ (Armstrong, 1993: 2) and meant to influence individuals’ behavior as an inducement which the offer is communicated prior to the actual performance (Bratton and Gold, 1994: 194). Torrington and Hall (1987 cited by Bratton and Gold, 1994: 191) put more emphasis that ‘reward suggests a special payment for a special act’ individuals receive. Bell (2000: 107) illustrates that ‘the ideology of reward emphasizes psychological growth and satisfaction of emotional and social needs and the opportunity for achievement, responsibility, recognition and learning as an integral part of the job.’

Additionally, a bonus contends a more concrete definition as it can be referred to a cash lump sum provided to individuals or groups of people in return for high level of effort and performance contributed to the accomplishment of predetermined performance target (Hume, 1995). Such bonus payments are obviously connected to both quantitative and qualitative aspect of performance. However, it is important to note that in this study the researcher uses the term rewards, incentives, and bonus interchangeable, defined as ‘objects that have the power to stimulate behavior’ (Lawler, 1971: 18), since they are mutually supportive.

Rationale for rewarding

Behaviorism scholars point out that providing a reward is meant for people to behave or act the way we want them to. Used as an incentive mechanism,
rewards convey an obvious signal to employees: ‘Do this and you'll get that’ (Kohn, 1993: 3) or ‘If you achieve this level of performance, you will receive this amount of reward’ (O’Neill, 1995: 22). These quotes reflect Thorndike’s the law of effect:

> Of several responses made to the same situation, those which are accompanied or closely followed by satisfaction to the animal will, other things being equal, be more firmly connected with the situation, so that, when it recurs, they will be more likely to recur; those which are accompanied or closely followed by discomfort to the animal will, other things being equal, have their connections with that situation weakened, so that, when it recurs, they will be less likely to occur. The greater the satisfaction or discomfort, the greater the strengthening or weakening of the bond (Thorndike, 1911 cited by Lawler, 1971: 82-83).

These imply that providing rewards or positive outcomes may make possibility that the desired behaviors will be repeated in the future; on the other hand, behaviors that result in negative outcomes have less possibility to be repeated (Kerr, 2009; Schermerhorn, 2005). Rewards have an incentive power to stimulate individuals’ behaviors to behave in a particular way or in a particular direction (Lawler, 1971; Armstrong 1993). Therefore, a reward system directly links pay with performance (Bratton and Gold, 1994) and that rewards are given with the assumption that individuals are likely to put more efforts into the task.

Why organizations pay incentives?

In general, organizations administer incentives with aiming at it will motivate individuals to work harder and more commit to organizations. Armstrong (1993: 3-4) addresses that organizations introduce reward strategies with the expectations that rewards will:

- enhance organizational effectiveness (Armstrong, 1993; Haberberg and Rieple, 2008; Lawler, 1971);
- support and change culture towards what the organization values (Von Glinow, 1985);
- improve integration among policies and processes;
- support managers in achieving their goals;
motivate employees to a higher performance level (O’Neill, 1995a; Bratton and Gold, 1994; Lawler, 1971);
attract and retain high performers (Von Glinow, 1985; O’Neill, 1995a; Bratton and Gold, 1994);
increase employees’ commitment (Burgess and Ratto, 2003; Mauborgne and Chan, 1997; Lawler, 1971);
promote fairness and equity (Kerr, 1997);
 improve employees’ skills and encourage individual development;
enhance continuous improvement;
develop teamwork (Burgess and Ratto, 2003);
provide value for money for an organization;
be easily manageable or administrative simple (O’Neill, 1995a); and
be easily controllable (Taylor, 2000).

Lawler (1971) illustrates that when pay is linked to performance, it has motivational impacts, and satisfaction will be connected with performance. As result, high performers tend to have lower rate of turnover and absenteeism. All these effects lead to an increase in the significance of pay and pay satisfaction. In addition, reward systems offer a good two-way communication tools by linking an organization’s strategy with organizational culture by providing signals to individuals what the organizational priorities and what is valued (Thorpe, 2000b).

Rewards and Motivation: Extrinsic versus intrinsic rewards and social rewards

Rewards can be classified into two basic types: extrinsic and intrinsic rewards. Extrinsic rewards are those tangible outcomes supplied by one person to influence another’s behavior, for example, salary, job security, work conditions, status, and administration (O’Neill, 1995; Hellriegel and Slocum, 1996; Rollinson et al., 1998). These rewards are made available by someone else, not the individual himself, or by the organization. Extrinsic rewards are closely associated with Herzberg’s hygiene factors of motivation related to the job context. Furthermore, the extrinsic rewards are likely to
generate immediate and powerful effect, but this effect may not necessarily last for long (Armstrong, 1993).

Intrinsic rewards, on the other hand, are psychological, personally satisfied, self-generated outcomes that come from the individual internally, and not depend on the actions of other person (Armstrong, 1993; Rollinson et al., 1998). Intrinsic rewards, for instance, include self-recognition, achievement, self-control, a sense of responsibility, and personal growth and development (Hellriegel and Slocum, 1996; Rollinson et al., 1998). These rewards are incorporated with Herzberg’s motivator factors found in the job content. Herzberg (1959 cited by Bowey and Thorpe, 2000: 84; Armstrong, 1993) stresses that ‘human beings needed to satisfy “hygiene factors” before they would begin to work at superior level of performance. ... individuals would only work at what he called a “performance-motivated performance” by the fulfillment of so-called “motivator factors”.’ As a result, the impacts of intrinsic rewards are likely to have a deeper and longer effect to the individual because they inherent in individual internally (Armstrong, 1993).

Expectancy theory suggests that when individuals realized that their efforts resulting in an outcome they valued, they will exert effort to do so (Perry et al., 2009). Organizations offer rewards aiming at such rewards may motivate individuals to increase efforts resulting in an increase in performance towards the achievement of certain goals (Fay and Thompson, 2001; Gavish, et al., 2000; O’Neill, 1995). However, individuals find it demotivating if they feel that external, uncontrollable factors out of their control actively influence reward receiving (Brown and Armstrong, 1999).

Frey and Osterloh (2002: 13) suggest that, under a certain circumstance, there is a trade-off between intrinsic and extrinsic motivation, called the crowding-out effect, where an extrinsic reward undermine intrinsic motivation. This phenomenon can be referred as ‘the hidden costs of reward’ or ‘the corruption effect of extrinsic motivation.’ Also, Rollinson et al. (1998: 151) suggests that there is another type of rewards which is called social rewards. These rewards are psychological content which an individual
obtains through interaction with other people, such as having a shared common purpose, reassurance or confirmation of identity.

Money as a reward

In spite of being classified into extrinsic and intrinsic rewards, rewards can also be categorized as financial and nonfinancial rewards. Many scholars agree that money is the desirable rewards that play significant influence to individuals’ behaviors (Lawler, 1971; Kohn, 1993). It is an essential source of motivation which is associated with to the basic lower-order needs, psychological needs in particular, in Abraham Maslow’s hierarchy of needs model. Taylor (2000: 1) also adds that not only does the money is important for it own sake, but it also ‘a mean to the achievement of the other ends’, the increase in purchasing power. These align with Kohn (1993b) where he points out that typically individuals concern with their salaries, it does not prove that money is motivating. Additionally, Lawler (1971: 16) contended that an individual has an innate biological drive for money. Such a drive for money is independent of any other drive, and even if all other drives are satisfied, individuals will still seek money. This can be aligned with Kerr’s comment (1997: ix, 2009) that money is not a saturated reward; that is ‘nobody refuses it, nobody returns it, and people who have lots of it will generally do all kind of things to get more.’ This implies that more money does not guarantee increased satisfaction; in contrast, too little money can irritate and demotivate (Kohn, 1993b, 1997).

However, Herzberg’s motivation model rejects money as a motivator. He rather considers money as a hygiene factor or dissatisfier in the sense that its presence does not provide a motivating affect and it generates impacts in a short period of time, but its presence, however, prevents (job) dissatisfactions which is not related to performance exertion of an individual (Armstrong, 1993; Lawler, 1971). In addition, Herzberg’s original study (Herzberg, Mausner, and Snyderman, 1959 cited by Lawler, 1971: 32) illustrated that, first, pay can be ‘a source of dissatisfaction when it was unfairly low,’ and, second, it can be ‘a source of satisfaction when it was seen as a form of recognition or a reward.’
In addition, Vroom’s expectancy theory suggests money acquires valence (Lawler, 1971), and that the strength of motivation depends on the relationship between efforts or contributions individuals put on the tasks, the expected outcomes or rewards they would receive, and the actual outcomes or rewards they get (Rollinson et al., 1998). Therefore, money is likely to have motivational impacts when the link between effort and rewards is clear and individuals’ perceived that the rewards are worth valued (Armstrong, 1993; Lawler, 1971). In this case, money is seen as a means to an end (Lawler, 1971). Gellerman (1968 cited by Lawler, 1971: 13) contended that ‘to some people money seems to represent social respectability; to others it may mean recognition for achievement; to still others it stands for worldliness, materialism, and the “root of all evil.”’ It can be implied in this case that money become important when it symbolizes intangible goals. Therefore, the effectiveness of using money as a motivator is still questionable.

Since money is a scarce resource which may not be made available, it is better to use nonfinancial rewards that can fulfill self-actualization or intrinsic needs (Kerr, 1997, 2009). Nonfinancial rewards, for example, include giving recognition, performance feedback, greater responsibility or more challenging job, or opportunity to participate in decision making.

Performance-Related Pay (PRP)
Lawson (2000: 304) offers the rationale for performance-related pay in that there are two essential elements to be considered: (a) the linkage between the performance management and the performance-related pay; and (b) the linkage between performance targets, individuals’ performance, and the performance of an organization. For these elements to be effective, it requires performance targets that linked with the organization’s objectives; performance of individuals to be measurable; and the improvement in individuals’ performance results in the improvement of organizational performance. Taylor (2000) also suggests that the performance-related pay (PRP) systems help organizations to simplify job roles and duties, improve
communication, reinforce management control, and identify developmental opportunities. However, such a performance-related pay initiatives tend to be problematic when implementation. The poor implementation of such initiatives is likely to be because of the absence of good PM practices (Perry et al., 2009). Perry et al. (2009) also adds that creating and maintaining the perceptions that the performance-related pay is valid, fair, and nonpolitical is essential for the success of the implementation of such systems.

Individual or group reward
At present, individual incentive schemes are likely to be declined because of such factors as the nature of the work that requires more integrated and collaborated work of individuals; an increased emphasis on quality that against the rationale of incentive scheme in that it emphasizes on speed at the expense of quality; timeliness of incentive scheme offering is unlikely to captured or rewarded individual in a suitable time because of the rapid job rotation; and, for piece-work workers, individual incentive scheme tend to increase health and safety problems when individuals compete for higher quantity of their piece-work (Armstrong, 1993). Furthermore, offering rewards may suffer individuals since it can bring up arguments and divisiveness among them resulting in competition among individuals and disruption of teamwork (Armstrong, 1993). Group reward can weakens individual motivation because individual effort may not be clearly tied to reward (Armstrong, 1993), and, more importantly, when individual perceives that there are free-riders among group members (Gavish et al., 2000).

Rewards Allocation: Equity versus Equality
Reward allocation models can be classified into two basic models: performance-based or equity-based, and equality-based. The performance-based or equity model ‘rewards individuals in proportion to the value of their contribution,’ (Gavish et al., 2000: 394). The rewards are paid on an individual basis based on individual performance or activities resulting in an
increased in individual efforts, intra-group competition, and group conflict (Gavish et al., 2000). According to the equity theory, individuals are motivated to put effort to perform a task when they perceive that they received rewards are fair in comparison to such rewards received by others (Rollinsion et al., 1998). The attention is paid on the individuals’ perception of reward obtaining among them. This perception may be based on distributive justice which is the degree of equity in rewards distribution, or procedural justice which is concerned with how decisions are made about rewards distribution or outcome determination (Rollinsion et al., 1998: 173; Mauborgne and Chan, 1997). Distributive justice suggests that when individuals receive compensation or resources they deserve, they are satisfied with that outcome. This is the ‘realm of outcome fairness’ (Mauborgne and Chan, 1997). For the psychological of fair process or procedural justice, it creates trust and commitment which, in turn, motivates individuals to devote their effort beyond their duty through sharing their knowledge, innovation, and creativity (Mauborgne and Chan, 1997). However, when perceived unfairness, individuals will try to reduce it by: altering outcomes by asking for a higher pay; altering inputs by reducing effort; changing persons to compare with; or resigning (Adam, 1965, cited by Weibel and Rota, 2002; Armstrong, 1993).

Equality-based rewards model, in contrast, focuses on the group members as a whole where rewards are equally distributed to each member regardless of individual contribution. The model emphasizes on the group’s overall contribution. The attention is paid on the proportion of the rewards one received in compare with others. As a consequence, this model enhances group cohesiveness, and, at the same time, this may allow free-riding phenomenon to be occurred (Gavish et al., 2000). However, Burgess and Ratto (2003) argue that team rewards may induce peer monitoring and foster cooperation among team members, and hence decrease free-riding. When individual perceives that the distribution of rewards is unfair, they are likely to lower the level of commitment, higher level of absence and staff turnover resulting in organization damages (Taylor, 2000).
Rewards in the Public Sector

In recent years, the public sector is driven to improve the effectiveness of the public services and to reinforce accountability through the use of private principles (Radnor and McGuire, 2004). Incentive or rewards schemes are one of the private-dominate approach that currently adopted and deployed in the public sector. The implementation of paying for performance in the UK for example alters the public sector ‘from passive, reactive pay administration to active, strategic reward management’ that enhance the accomplishment of an organization’s goals (Brown and Armstrong, 1999: xii). It is, however, the use of explicit incentives in the public sector is relatively infrequent, and that incentives in the public sector may, the UK in particular, be absent or very low-powered due to strong union opposition and weak government (Burgess and Ratto, 2003: 286).

Theoretically, incentive pay scheme has potential to create a clear linkage between an individual’s pay and performance (Lawler, 1990). However, implementing such a scheme into the public sector may be difficult in many aspects. First, typically the public sector serves many principals. These principals usually pay attention is different dimensions of output. More importantly such interests may not align (Burgess and Ratto, 2003). Dixit (1996, 1997 cited by Burgess and Ratto, 2003: 288) states that in the multi-principals setting, ‘each principal will offer a positive coefficient on the elements(s) she is interested in and negative coefficient on the other dimensions. This creates a negative externality on the other principal who have to face lower efforts in those dimensions.’

Second, a public sector organization may not have a single, clear goal. Therefore, linking reward system with organization’s objective may not as obvious as it should be (Taylor, 2000). These result in difficulties to measure and monitor performance, and to distinguish good performers from the bad ones. Generally, individuals tend to deliver the quantity targets despite quality. Perverse incentive effects typically occur when a job requires individuals to perform several tasks but only some are measured and rewarded (Burgess and Ratto, 2003: 292). As a consequence, individuals are likely to pay attention or increase effort on the rewarded tasks.
Third, in many cases in the public sector, individuals put efforts to make their contribution to the same output and they work in team. Holmström (1982 cited by Burgess and Ratto, 2003: 289) suggests that ‘the greater the uncertainty in output measurement and the greater the size of the team, the more complex is the design of an optimal incentive scheme and some form of monitoring may become necessary.’ The free-ride problem is likely to exist when all team members share the same output; and such the problem potentially results from the lack of success of team-based rewards (Burgess and Ratto, 2003). However, teamwork may also facilitate a process of communication and shared learning.

Forth, the intrinsic motivation among those in private sector may different from those in public sector. When introduced financial rewards, it sends a message that the relationship between individuals and the organization is a pure market relationship (Burgess and Ratto, 2003). This kind of relationship suffers the intrinsic motivation and individuals can develop a ‘distaste for the required effort’ (Kerps, 1997 cited by Burgess and Ratto, 2003: 290). Khojasteh (1993) developed a survey on the Herzberg’s motivation theory to record perceived dissatisfaction with categorized intrinsic and extrinsic rewards from both public and private sectors’ points of view. He found that the public sector placed higher values on achievement and advancement and significantly less value on pay and job security than those in the private sector. In addition, Khojasteh also showed that reward categories that provide high motivational potential for the private sector managers include pay, job security, achievement, and advancement, while for the public sector managers only pay and achievement in reward categories are having a high motivational potential.

Rewards and Punishment

Punishment and rewards are two sides of the same coin. Rewards have punitive effect because they are manipulative in the sense that when tied rewards with desired certain behavior, managers manipulate their subordinates (Kohn, 1997: 19). Once individuals not obtaining rewards they
expected, they are likely to perceive that they are being punished (Kohn, 1993, 1997). Armstrong (1993: 83) also argues that the more-skilled workers are likely to be penalized by their skills as they are ‘given more difficult and often less remunerative job.’

Do rewards really work?

The introduction of reward systems is intended to motivate individuals to perform better work or to work harder in a way that increase organizational effectiveness. However, the question around this issue is Do rewards really work? or Does it generate the desired impact? Kohn (1997) suggests that rewards are effective only on temporary compliance, but they are ineffective in sustaining changes in attitudes and behavior. Once there is no longer reward available, individuals tend to slip back to their old behaviors. He also maintained that rewards fail for various reasons. First, as discussed above, pay has no motivational impacts. Second, rewards punish when the received rewards is not equal to the expected rewards. Third, rewards disrupt relationships and destroy cooperation when individuals compete for it. Forth, rewards disregard reasons when the assumption held was incentive can solve organizational problems then underlying problems are less likely to be discussed. Fifth, rewards discourage risk-taking when individuals are unlikely to take risk which may, in turn, jeopardize their rewards. Finally, rewards undermine interest where individuals are motivated to work because of various reasons apart from extrinsic rewards. ‘The more a manager stresses what an employee can earn for good work, the less interested that employee will be in the work itself’ (Kohn, 1997: 22).

Fay and Thompson (2001) did a survey on the relationship between conditions for success and measure of success of rewards initiatives from 300 organizations in the US and Canada and found that organizations require essential capabilities to be successful in the implementation of the rewards initiatives. These capabilities include: (a) the ability to set and measure targets; (b) having the noticeable payouts; (c) record keeping and administrative capability; (d) timing relative to market trends and business
situations; (e) fit with work practices; (f) fit with other human resource and rewards programs; (g) fairness; and (h) management support (Fay and Thompson, 2001: 222). They also add that criteria for success on rewards initiatives include financial results, productivity, turnover, legal and regulatory compliance, employee satisfaction, and culture alignment. These findings may imply the similarity of findings of Taylor (2000) and Kohn (1997) that there is an increase in the management control and reward system may decrease trust and increase conflict at work. O’Neill and Payne (1991 cited by O’Neill, 1995a) also express concern over incentive/bonus pay that, first, the pay are designed as an additional payment to the base pay; and hence the only risk faced by individuals is the absence of rewards. Second, since rewards are linked with meeting performance targets, such targets tend to be minimized in order to make certain for the reward granted.
CHAPTER 3 PERFORMANCE MANAGEMENT SYSTEMS IN THE THAI PUBLIC SECTOR AND AN INTEGRATED PROVINCIAL ADMINISTRATION

3.1 Background: The Evolution of the Results-Based Management (RBM)

In the 1990s, it seemed to be the era of public sector reform where it can be found in many countries, such as the United States of America, Australia, and New Zealand. Ineffective public administration was considered to be the major cause of the reform. In addition, the rise of good governance, new public management (NPM), and transparency government concepts added more pressure to the public sector to change (World Bank, 1992; OECD, 1995; GAO, 2003; Hood, 1991). As a result, commonly, such the reform has the purpose of improving public services to be more effective, efficient, responsive, and adaptive to change. The reform took place in the major areas, for example, administration, budgeting, and personnel (World Bank, 2005; GAO, 2003). Downsizing and controlling of personnel spending become more strengthen (World Bank, 2005). The concept of managing for result, RBM, or PM plays an integral role in improving quality of public services (GAO, 2003).

In the Thai public sector, the concept of results-based management system (RBMS) was adapted and used with the purpose of enhancing public service quality, efficiency, and effectiveness. The evolution of the RBMS can be divided into two major periods: before and after the major Civil Service Reform of 2002. The rationales under this separation are based on the differentiation of: (a) the requirements for the implementation of the RBMS, (b) the organization responsible for the system supervision, and (c) the RBM processes and procedures.
3.2 Before the major Civil Service Reform of 2002

3.2.1 RBM at the early stage

Under Section 8 of the Civil Service Act of 1992, the Civil Service Commission (CSC) has authority to provide advice to Cabinet regarding policy on public personnel administration, civil service management system, the improvement of administrative procedures and processes within ministries, public bodies, and department, as well as the enhancement of the public agencies’ organization development. The Office of Civil Service Commission (OCSC) introduced new strategies to gear toward the continuous improvement and the development of public service efficiency and effectiveness by adopting and implementing the RBM concept. RBM in the public sector aimed at improving performance and accountability of public services. Unlike traditional public administration that heavily focuses on inputs and processes and relies on rules and regulations, RBM transforms such emphasis onto results which include outputs and outcomes. It helps organizations improve its operational efficiency and enhance service quality through identifying organizational objectives and the factors that critically influence the achievement of those objectives. Moreover, RBM also helps organizations establish systematic performance monitoring and measurement through key performance indicators (KPIs) and regular performance reports resulting in better decision making and public service improvement.

In 1994, a study of models and concepts for performance measurement was carried out by OCSC. At this early stage of the RBMS implementation, majority concerns were placed on performance measurements for achieving efficiency and effectiveness. The system focused particular on measuring performance at program and function levels where desired goals and objectives were set, KPIs were identified in terms of outputs and outcomes indicators, and monitoring and evaluation of such performance were carried out. The pilot implementation took places in six departments and one municipality (Boripanthakul, 2006). Through the RBMS implementation, these departments and the municipality experienced difficulties and faced difficult trade-offs in management changes. They also experimented with a
wide range of re-engineering efforts developed and deployed in order to improve their service delivery. They believed it was worth the effort when they can proudly prove to the citizen their performance in the improvement of citizen’s lives and opportunities (Boripanthakul, 2006).

Simultaneously, OCSC also launched the ‘Public Performance Improvement Project’ in the Social Security Office (SSO), Ministry of Labor, aimed at reengineering the Office’s work processes and implementing the RBMS. The project aimed to pilot the implementation of the RBMS at a larger scale, the departmental level. At this level, the linkage between organization’s strategic plans, critical success factors (CSFs), and key performance indicators (KPIs) were drawn and highlighted as the focal point for the organizational accomplishment. The performance of the SSO was measured by KPIs identified in four major areas: efficiency, effectiveness, customer service, and compliance of the employers to the Social Security Law. The project was successfully implemented and utilized within the SSO headquarters and its 76 provincial offices (Boripanthakul, 2006). Crucial performance information was systematically collected and reported on a regular basis. Such information helped executives and managers to make better decisions. Furthermore, benchmarking among provincial offices was set and actively discussed within the whole organization. It was reported verbally at the time by an official that knowledge of the RBMS and concept, as well as the ongoing situations were communicated throughout the organization and its provincial offices via SSO bulletins, seminars, trainings, and websites. At the SSO headquarters, top executives and middle managers provided strong support and involvement in developing and deploying the RBMS. The implementation of the RBMS at the SSO can be considered as the starting journey leading the way to further system development. SSO’s managers and key persons were invited to provide lectures in academia, public service trainings, and conferences both locally and internationally.

3.2.2 RBMS under the Administrative Renewal Project (1998-1999)

The Administrative Renewal (AR) Project can be regarded as a tool to streamline economic management and public administration. Pressures
forced the public sector to improve its efficiency, effectiveness, and quality of the services are demonstrated in Appendix 1. The AR Project contained four key objectives: (a) to increase the efficiency, effectiveness, and accountability of the civil services; (b) to reduce operating cost; (c) to improve quality of personnel; and (d) to increase transparency and political neutrality (OCSC, 2002). To achieve these objectives, the AR project consists of five key elements which include rightsizing the civil service, HRM, senior executive system (SES) development, government organization framework, and RBMS.

For the AR Project, the RBMS was applied at sector, ministerial, and departmental levels within the government structure and pilot studies took place in the Ministry of Commerce and the Department of Insurance, Ministry of Commerce. The AR Project was under supervision of the CSC, and the OCSC was responsible for project execution. At sector level, the system was piloted in export function of the economic sector with the development and implementation of such a system at the Ministry of Commerce at the ministry level, and the Department of Insurance at the department level.

Table 3.1 Four perspectives of the RBMS

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Issues</th>
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<tbody>
<tr>
<td>External perspective</td>
<td>Customer, government, government concerns, etc.</td>
</tr>
<tr>
<td>Internal perspective</td>
<td>Knowledge, ability, skills, morale, motivation, organization behavior, and work processes.</td>
</tr>
<tr>
<td>Innovation perspective</td>
<td>Research, information, technology, information networking and system development.</td>
</tr>
<tr>
<td>Financial perspective</td>
<td>Economy, cost, resource utility, cost effectiveness, and corruption protection.</td>
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</table>

In implementing the RBMS at this stage, the OCSC took lessons learned from the implementation of the system at SSO in order to develop and enhance the system in a more systematic and conceptual manner. In order to do this, the OCSC has adopted and applied the Balanced Scorecard (BSC) concept, developed by Norton and Kaplan (1992), to ensure that the
organization focuses on all the important perspectives which will contribute to its success. Such achievement was monitored and evaluated within four different perspectives: external perspective, internal perspective, innovation perspective, and financial perspective, as details shown in Table 3.1. CSFs and KPIs within each perspective were developed, and targets according to each KPI were set on an annual basis, performance information was kept in a more systematic manner using technology for the information system. Reports against targets are produced for managers so that they can make better decisions and ensure that the organization is focused on what it wants to achieve. The RBMS processes are shown in Figure 3.1. In particular, RBM can be used by Senior Executives to support many activities; for instance, management of government programs, management of organization, develop and justify budget allocations, assist with policy formulation, establish accountability mechanism, communicate with media and stakeholders and respond to criticism. RBM enables staff to understand the purpose of the work they do, how they fit into the larger picture, and what the value of their effort is. It gives staff the opportunity to contribute ideas and make improvements, to understand what is required of them, and to share in their organization’s success.

Figure 3.1 The RBMS processes
Later in this project, the RBMS was implemented in all eight departments under the Ministry of Commerce. Linking the departmental RBMS with the system at the ministry level provided opportunities for the Ministry of Commerce and OCSC to realize the importance of the contribution and the linkage of departmental performance accomplishment on the achievement of the ministry goals and objectives. However, goal attainment at the ministry level was more on a bottom-up approach which cumulated from the achievement of the departments rather than top-down one.

It is necessary to note that participation in the AR project was voluntary. From the period of 1994 to 2001, seventy-nine (out of the total of 126) departments implemented the RBMS. The success of the system was based heavily on the enthusiastic RBM supporters who were committed to experiment toward the success of the RBM approach, top executives and the management team of an organization in particular. The RBMS processes encouraged two-way communication, teamwork, and participation in all levels in an organization. It also generated a more sounded and reliable database as the result of the definition of terms and terminology and an agreement to standardize data collection. Success in implementing the RBMS was made possible where there were strong leadership, structured monitoring processes, and effective incentive practices (Boripanthakul, 2006). However, it was reported verbally at the time by an official that there were controversies over the accuracy and appropriateness of CSFs, KPIs, and targets. The majority of difficulties occurred under data collection processes where new data was required but no data collection forms had been designed and there was no adequate information system support. Calculating performance rating seemed to be difficult since it involved a complicated calculation. However, organizations which implemented the RBMS were motivated to continue developing and upgrading the system since they received applause and recognition from other government agencies, the private sector, and even international institutes.

Meanwhile the concept of RBM was widely communicated and discussed among the public, private, and academic environments. RBM was included in public service training syllabus at all levels. Furthermore, in 2001, the
Government aimed to encourage and fasten the use of the RBM concept within public sector organizations; therefore, the Public Sector Efficiency and Effectiveness Enhancement Scheme was introduced.

3.2.3 The Public Sector Efficiency and Effectiveness Enhancement Scheme (2001-2002)

Since the implementation of the RBMS seems to provide a profound positive impact on the improvement of civil service efficiency and effectiveness, CSC took a further step in motivate government agencies to increase their efficiency and effectiveness by proposing the Public Sector Efficiency and Effectiveness Enhancement Scheme to the Cabinet in order to expedite the implementation of the RBMS in all public agencies by offering monetary reward to the departments according to their goals' accomplishment.

As the consequence of the Cabinet approval on 3rd April 2001, all government organizations have to create their own proposal determining their desired goals and objectives, and identifying performance measures together with proposed performance targets on a fiscal year basis. Such a proposal, naming a performance agreement, will be submitted to OCSC acting as the secretariat for the Public Sector Efficiency and Effectiveness Enhancement Commission appointed by the CSC. At the end of the fiscal year, each organization will submit their performance reports for committee’s verification, and OCSC sought second opinion from the Audit Committee, appointed by the Minister of Finance, for better performance verification. Finally, Public Sector Efficiency and Effectiveness Enhancement Commission, with the approval from the CSC and the Cabinet, will allocate monetary reward to eligible departments and such departments will distribute this reward to their staff using guidelines provided by the Commission.

A performance agreement (PA) proposal was developed with key indicators categorized in five perspectives including: potential development, internal service capability, financial resource administration capability, customer satisfaction, and benefit to societies and the Nation, details shown in Table 3.2.
Repeatedly, the concept of the BSC was used as background structure in developing more suitable perspective categories for the PA and measurement. The PA plays an integral role in gaining commitment from the government organizations to deliver agreed targeted services and improvements. There were 141 departments, including universities, participated in this scheme. In addition, the agreement was expected to be ideally signed off at all levels within the government organizational structure, cascading down from the ministry level, departmental level, divisional level, and individual level. At the end of the fiscal year, each department was required to submit self-assessment performance report to OCSC for further evaluation and verification. Performance report received additional verification and comments from the Audit Committee and the Comptroller General’s Department.

Table 3.2 The five perspectives of the PA for the Public Sector Efficiency and Effectiveness Enhancement Scheme

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Description</th>
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<tbody>
<tr>
<td>Potential development perspective</td>
<td>The government organizations must demonstrate the development of human resources, organizational structure, and information system.</td>
</tr>
<tr>
<td>Internal service capability perspective</td>
<td>The government organizations must demonstrate its process improvement, e.g. cycle time reduction, work process reduction, revision of rules to enhance service efficiency and effectiveness.</td>
</tr>
<tr>
<td>Financial resource administration capability perspective</td>
<td>The government organizations must demonstrate value for money and the effectiveness of financial administration and public expenditure.</td>
</tr>
<tr>
<td>Customer satisfaction perspective</td>
<td>The government organizations must demonstrate the level of customer satisfaction towards its services.</td>
</tr>
<tr>
<td>Benefit to societies and the Nation perspective</td>
<td>The government organizations must demonstrate the impact or/and potential impact of the organizations’ core services or core programs/projects on societies and the Nation.</td>
</tr>
</tbody>
</table>
Finally, the allocation of the special annual monetary reward depends upon the achievement of such targets agreed within the PA. For the fiscal year 2001, the Cabinet granted a monetary reward for a total of 4,450 million Baht to be allocated for eligible departments. The amount of reward an organization received depends upon the level of target accomplishment based on the agreed system of performance-based pay. Additionally, the reward is a one-time pay off that will be not included in the salary-based pay and will not be brought forward to the retirement pension plan.

Once an organization receives its reward, it is the responsibility of the executives to set detailed guidelines for reward allocation within its organization. However, the ground rules approved by the Cabinet are that: the rewards are paid based on the level of the individual performance; reward payment are made as soon as possible once performance is evaluated; and the reward helps to increase an individuals’ motivation to maintain the level of excellent performance or to better perform. The Cabinet also granted the approval on individuals who are eligible for reward to those who receive an annual salary increase either 1.5 or 2.0 steps. (An annual salary increase for a certain job were based on a ‘single-pay-scale structure where every position in the same position relied on one pay scale, and such an increase could be classified in to five steps: 0 = No salary increase, 0.5, 1.0, 1.5, and 2.0 = the highest salary increase). The suggested guideline for reward allocation for individuals heated the controversy over the eligible individual that tied with the annual salary incremental at least 1.5 steps. Departments claimed that they received such limited amount of budget for salary increase and that forced them to grant only 1.0 step salary increase for some high performers. As a consequence, on 22\textsuperscript{nd} January 2002, the Cabinet approved to expand the limitation of the eligible individuals for reward to those who get annual salary increase at least 1.0 step and participated in efficient and effective programs/ projects.

The implications of RBM can be obviously seen in many ways. Examples include government organizations became more aware of both internal and external pressures for improvement in service efficiency and effectiveness. Therefore, they needed to develop their performance measures in order to
monitor their service provisions, so that they can precisely show the public their level of performance in a more concrete and systematic manner (Boripanthakul, 2006). In addition, it was reported verbally at the time by officials that the RBMS drives the need to develop systematic data collection and an information system to set reliance and updated databases. Such databases can be beneficial to the executives for better decision making, better communication, and to confirm their departmental position towards the achievement of the long-term organizational vision. However, the implementation of the RBMS also has some difficulties including resistance from civil servants regarding the adoption of the western concept, the understanding of the BSC; the limitation of knowledge on how to develop CSFs, KPIs, and performance targets; the complication of implementation processes and the many steps required for high attention and participation from the top executives; insufficient information technology and limited information system; the lack of systematic performance reports; the lack of knowledge and skills for proper performance analysis; controversy over the eligibility of individuals to receive rewards; the fairness of reward allocation within the organization; and the limitation of budgeting processes and procedures in allocating rewards at individual level. The Public Sector Efficiency and Effectiveness Enhancement Scheme lasted for two fiscal years (2001-2002) before the major civil reform took place in 2002. However, the concept of the RBMS was carried forward and even strengthened by being included in the Public Administration Act (Volume 5) B.E. 2545 (2002).

3.3 After the major Civil Service Reform of 2002

2nd October 2002 marked the major civil service reform in which public administration changed dramatically in order to meet the 21st century challenges and to boost the country’s competitiveness. It was stated in this Civil Service Reform Plan that the public sector needs to be more responsive to higher demands and expectations of the public, more active and adaptive in response to economic growth, and the expansion of roles and influences of the private sector. This reform was to promote major
changes in many dimensions in the public administration; for example, new public administration practices due to new laws and regulations, and new paradigm shifts in civil servants' cultures and values. Such changes would have profound impacts on the PMS.

### 3.3.1 The new legislations and plans

The major civil reform in 2002 was based on the enactment and enforcement of several legislations and plans. Two major Acts were passed by the Parliament and announced in the Royal Gazette on the 2nd October 2002, which were effective on the following date including: the Public Administration Act (Volume 5) and the Government Organization Restructuring Act B.E. 2545 (2002). Later there were Royal Decree and strategic plan issued in response to such Acts. The following section describes changes and impacts each legislation and plan brought as they cascaded from conceptual framework into practices, as shown in Figure 3.2.

**Figure 3.2 New legislations: from conceptual framework into practices (Source: OPDC, 2004c)**

<table>
<thead>
<tr>
<th>Good Governance</th>
<th>State Administration Act (Volume 5) of 2002 Section 3/1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness</td>
<td>Participation</td>
</tr>
<tr>
<td>Quality</td>
<td>Transparency</td>
</tr>
<tr>
<td>Accountability</td>
<td>Responsiveness</td>
</tr>
<tr>
<td></td>
<td>Decentralization</td>
</tr>
<tr>
<td></td>
<td>Rule of Law</td>
</tr>
</tbody>
</table>

**The Public Administration Act (Volume 5) B.E. 2545 (2002)**

The Public Administration Act set guidelines how public agencies are organized and managed. With an aim to effectively improve public services and other related functions, the Public Administration Act (Volume 5) B.E. 2545 (2002), Section 3/1, set a moving direction for public administration
towards practicing performance management concepts by emphasizing that public administration must address the following (OPDC, 2004: 41):

- benefits that accrue to the Thai people
- results-oriented administration
- effective administration
- worthiness of government functions
- de-layering of work processes
- abolishment of unnecessary agencies and functions
- decentralization of missions and resources to local administrative units
- empowerment in decision-making
- facilitation of and responsiveness to the needs of the people; and
- accountability for endorsements.

Public agencies are obliged to demonstrate the above requirements not only in their public administration, but also in budget allocation and in appointment processes. The Act sets a crucial direction for public administration towards practicing PM and also promotes the expectation on public agencies to demonstrate the principle of good governance, focusing on accountability, endorsement of public participation, information disclosure, and performance monitoring and evaluation. The concept of RBM is highlighted.

The Public Administration Act (Volume 5) of 2002, Part 4, Section 71/1, also establishes the Public Sector Development Commission (PDC), appointed by the Cabinet. The Commission comprises the Prime Minister or Deputy Prime Minister authorized by the Prime Minister as a chairman; a minister appointed by the Prime Minister as Vice-chairman; one commissioner selected by the Decentralization of Local Government Organization Committee; and a maximum of 10 additional Commissioners appointed by the Cabinet, selected from among persons of high calibre having knowledge and expertise, with at least one specialists in each area of jurisprudence, economics, political science, public management, business administration, finance, organizational psychology and sociology (OPDC, 2004). The uniqueness of this Commission is that three of the ten commissioners will work as ‘full time commissioners’, responsible for undertaking studies, monitoring, making proposals and giving consultations to the Cabinet on general matters regarding public sector development. These commissioners
work in coordination with the Office of the Public Sector Development Commission (OPDC), giving technical support in their areas of expertise to ensure that the OPDC operates in accordance with Section 71/10 of the Public Administration Act (Volume 5) of 2002 and as assigned by the Cabinet and the PDC.

Section 71/10 of the Public Administration Act (Volume 5) of 2002 specifies roles and responsibilities of the PDC to cover provision of advice and suggestions to public development and other related public organizations. The advice includes government organization structures, budgeting system, personnel, values and ethics, compensation, and other related public administration matters. In addition the Commission is also responsible for monitoring and evaluating public sector development and administration and reports on such developments have to be submitted to the Cabinet, the House of Parliament, and the Senate on an annual basis.

Additionally, the OPDC was founded as a result of the Section 71/9 of the Public Administration Act (Volume 5) of 2002 to do administrative work for the PDC and other tasks involving analysis, technical research, and consultation in accordance with the Section 71/10. The OPDC is a non-departmental government body under the Office of the Prime Minister, and is directly accountable to the Prime Minister. The Office plays a major role in promoting continuous public sector development for sustainable results and has direct responsibility for promoting and implementing the RBMS within the Thai public sector.


The obvious consequence of this major civil reform was the change in the government organization structure due to the Government Organization Restructuring Act B.E. 2545 (2002). The restructuring is based on the following purposes (OCSC, 2004c):

- To revise roles and responsibilities of public organizations so as to modify such roles and responsibilities to eliminate redundant work and to create to smaller organizations;
• To create organizations’ strategy to provide guidelines for clearer strategic implementation and action plans including targets, outputs and outcomes, CSFs, KPIs, and work standards, all of which have to be announced to the public;
• To develop an information system and database to facilitate the new public management;
• To set standards for public services so they are more efficient and transparent to the public;
• To provide opportunities for the customers to participate in improving public services;
• To develop monitoring and evaluating systems based on a RBM concept; and
• To clarify roles of civil servants and bureaucratic politics under the new public management concept.

As a result of the Government Organization Restructuring Act B.E. 2545 (2002), the total number of ministries and departments was increased from 14 to 20 ministries as details shown in Appendix 2, and departments from 126 to 143. The reasons for an increase in the numbers of ministries and departments aimed at grouping and simplifying the government agencies’ roles and responsibilities and addressing key issues to be dealt with in the 21st century (Foreign Office, 2006).


The Royal Decree on Criteria and Procedures for Good Governance, B.E. 2546 (2003) provides more detailed criteria and procedures for public administration for public organizations to deliver the requirements of the Public Administration Act (Volume 5) of 2002. In this Decree, the Good Governance in public administration has been verified as the following (OPDC, 2004b: 2):

(1) responsiveness;
(2) result-based management;
(3) effectiveness and value for money;
(4) lessening unnecessary steps of work;
(5) reviewing mission to meet changing situations;
(6) providing convenient and more client responsive services; and
(7) regular evaluation.

In addition, Section 9-19 in this Decree provides guidelines for all
government agencies to implement the RBM concept within their respective
organizations to help them achieve excellence in service delivery and
sustain public sector development. In execution of the RBM concept, all of
which shall be comply with standard criteria and procedures on such a
matter as specified by PDC, government agencies are required to: (1) create
performance plans and specify measures in compliance with their missions;
(2) monitor and review their performance on a regular basis; (3) create an
official PA or other measures stating responsibility for public administration
specifically for such an agency; and (4) develop government agency’s four-
year performance plan and annual performance plan. Both four-year and
annual performance plans are to comply with the four-year the State
Administration Plan.

The State Administration Plan
(Four-year Government Strategic Plan)

Four-year Strategic Plan
• Ministry/Department
• Province

Annual Operational Plan
• Ministry/Department
• Province

Figure 3.3 Cascading government strategic plan onto an annual operational plan

The State Administration Plan is a four-year plan made by the Council of
Ministers based on the policy of the Council presented to Parliament. The
Secretariat of the Council of Ministers, the Office of the Prime Minister, the
Office of the National Economic and Social Development Board, and the Bureau of Budget are involved in its preparation. The approval of the State Administration Plan by the Council of Ministers bind responsibilities among the Council of Ministers, Ministers, and government agencies to deliver the promised missions within the duration of its term of office. The plan consists of objectives and required work results, and identifies responsible agencies or persons for each mission, estimates income and expenditure, pinpoints potential resources required for implementation, creates an operational plan, and specifies monitoring and evaluation measures. The State Administration Plan is later cascaded down into a four-year agency plan and annual operational plan, demonstrated in Figure 3.3. Budgets are allocated to government agencies to deliver their missions specified in those plans.

Furthermore, Section 45-49 requires each government agency to develop measures to monitor and evaluate its performance in terms of results of the mission, service quality, value for money, and customers' satisfaction. Performance evaluation can include an overall government agency's performance, unit performance, and individual performance. The PDC may propose to the Council of Ministers to allocate extra budget as the bonus awarding government agency for its effectiveness improvements.

The Public Sector Development Strategies of 2003-2007

The Public Sector Development Strategies of 2003-2007, approved by the Cabinet in May 2003, indicate the objectives of public sector development and establish supportive and collaborative strategic plans for development, implementation, and evaluates of those objectives. The Strategies also identify certain conditions for government agencies in implementing the RBMS and specify KPIs.

The Public Sector Development Strategies of 2003-2007 consist of seven major items including:
• Strategy 1: Re-engineer the work processes aimed at improving service quality, efficiency, effectiveness, and value for money through the RBMS implementation
• Strategy 2: Restructure the framework and administration of public organizations for being a responsive government
• Strategy 3: Reform the financial and budgetary systems
• Strategy 4: Review the HRM and compensation systems
• Strategy 5: Change management paradigms, culture and values
• Strategy 6: Modernize the public sector through e-government system development
• Strategy 7: Enlist public participation in the work of the government system for open democracy, citizen involvement and participation

These seven strategies (details can be seen in Appendix 3) aimed at enhancing service quality, rightsizing the government, promoting a managing for results approach, and establishing a participatory form of public sector organization. The PDC is responsible for encouraging all government agencies to design and to make strategies work through the introduction of the Performance Agreement and Incentives for Promoting the Good Governance Scheme. This scheme plays an integral role in linking strategies into action and further detail is discussed in the next following section.

3.3.2 The implementation of the PMS at all levels of the Thai public sector under the Performance Agreement and Incentives for Promoting the Good Governance Scheme

**Principles:** To promote Good Governance in the Public Sector which complies with the Economic and Social Agenda of the Country and the demands citizens, OPDC initiated the PA as a framework for each agency to help build a common comprehension and expectation between accountability of the holders and accountability of the receivers of public services. The PA is used to: (1) change and improve the culture, methods and processes of public service in the direction of RBM; (2) improve the performance, budget allocation, monitoring and evaluation of government
agencies; and (3) introduce incentives based on performance-related pay to encourage public organizations to implement the RBMS, and enhance continuous performance improvement.

**Work Process:** There are two committees in formulating the process of PA. The first committee is called the Monitoring Committee, responsible for developing guidelines and frameworks for target setting and negotiation, the performance evaluation process and incentive allocation. Its duties include monitoring and ensuring the standardized evaluation process as well as solving problems emerging and Public Sector Development Commissioners function as committee members. The second committee is called the Agreement Negotiating Committee, appointed by the Chairman of the PDC and its responsibilities include negotiating the goals set in the agreement, identifying KPIs and incentives requests, as well as evaluating the performance against what are indicated in the agreement. In addition, OPDC monitors and evaluates the performance of each government agency based on what was stated in its Agreement as well as providing an incentive scheme in accordance with the performance achieved. The PA process is illustrated in Figure 3.4.

![Diagram of the PA process](image-url)
A PA evaluates each public organization’s performance in four major perspectives: strategic effectiveness; quality of service; efficiency of work processes; and organizational development (see Table 3.3). Each perspective consists of many KPIs. Some of the KPIs are mandated and some are based on a department’s choice to make its own decision to adopt the most suitable indicators. However, each KPI has its criteria and detailed procedure for departments to execute and to be evaluated.

<table>
<thead>
<tr>
<th>Perspective 1</th>
<th>Perspective 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Effectiveness</td>
<td>Quality of Service</td>
</tr>
<tr>
<td>Work effectiveness and completion of goals and missions of an organization.</td>
<td>Quality of public services based on public satisfaction survey and transparency of public administration.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Perspective 3</th>
<th>Perspective 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency of Work Process</td>
<td>Organizational Development</td>
</tr>
<tr>
<td>Efficiency of work process based on promptness, time, and resource reduction in service delivery.</td>
<td>Organization’s readiness for change based on human resource management, knowledge management, information technology, and change management.</td>
</tr>
</tbody>
</table>

Table 3.3 Four perspectives for performance evaluation

The OPDC requires all agencies to formulate their own strategic plans, negotiate their own KPIs in accordance with their strategic goals, and formulate PAs. Government agencies also monitor and self-assess their own performance and create performance reports at 6, 9, and 12 months following agreement. Reports are in form required by official documentation and online reports are submitted via a specially designed program. However, there are some indicators that require results from a specific agency; therefore, OPDC is responsible for contacting organizations that owe information to arrange for data generation and reports. Examples include information on Gross Provincial Product (NESDB), tourism (Tourism Authority of Thailand), border trade (Ministry of Commerce), etc.
**Implementation:** Since 2004, every departmental-level organization and province has entered the evaluation scheme and developed a PA on an annual basis. There are 163 departmental-level organizations and 75 provinces participating in this scheme with initially ten out of 21 ministries involved in a pilot scheme which aimed to cascade a ministry’s strategic plan and targets to its cluster-level and departmental strategies, and also link departmental performance to a ministry’s performance. The number of agencies participated in this scheme is illustrated in Table 3.4.

<table>
<thead>
<tr>
<th>Participating organizations</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
</tr>
<tr>
<td>Government Departments</td>
<td>143</td>
</tr>
<tr>
<td>University</td>
<td>20</td>
</tr>
<tr>
<td>Province</td>
<td>75</td>
</tr>
<tr>
<td>Public Organizations (POs)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>238</td>
</tr>
</tbody>
</table>

Table 3.4 Participating organizations in the Performance Agreement and Incentives for promoting the Good Governance Scheme from fiscal year 2004-2007, adapted from OPDC Annual Report 2006 (OPDC, 2007: 156)

In 2005 OPDC reviewed the KPIs framework and their means of measurement in order to make them more challenging and as a result added several KPIs to the framework, for example, Law Improvement and Blueprint for Change, as indicators of better effectiveness in organizational development. The OPDC consequently expanded its scope of responsibility to cover not only government agencies and provinces, but also all public organizations (POs) attached to all ministries. However, different rules and conditions are applied in each case.

**Monetary Incentive:** PDC allocates an annual bonus sum of 5,550 million Baht to government departments and provinces with a total performance score above 3.0 points (from the five-point scale where 5.0 is the maximum scale). Departments with an overall performance score less than 3.0 point
are not eligible to receive any incentive. The principle for the incentive distribution is based on the assumption that performance scores fall into a normal distribution. The higher the performance score, the more incentive granted under a zero-sum basis. Two factors taken into account when allocating incentives are the organization’s overall performance score and the amount of basic salary paid, not including allowances and other benefits. An organization’s spending on basic salary reflects an organization’s size and an assumption is that any organizations that has the same overall performance score and paid the same amount of basic salary will get the same amount of monetary incentive. After PDC allocates incentives to eligible organizations, the head of the organization is responsible for creating incentive allocation criteria to distribute such incentives to individuals. However, such criteria need to be in compliance with PDC guidelines and government organizations must report their allocation criteria to PDC for further analysis, not for approval unless criteria are against PDC guidelines.

3.4 Integrated Provincial Administration

After the major civil reform, the focus has turned to provincial administration because it is the point where government agencies have a close connection to the citizen; therefore, improvement in provincial administration should considerably enhance the citizen’s quality of life and has the ability to quickly respond to the needs and problems of those living in the area. The following sections focus on public administration at the provincial level. However, additional background of the Thai Civil Service and Thai public administration can be found in Appendix 4.

3.4.1 Provincial Development Plan

The evolution of provincial development plans literally started in the Third National Economic and Social Development Plan B.E. 2515-2519 (1972-1976) when the government introduced a rural development plan as one part of the entire economic development plan. The provincial development plan was used as a tool for a bottom-up planning; a province develops programs and projects and submits them to central agencies for approval. However,
this approach was ineffective because of the increase in severe poverty and the income imbalance between rural and urban societies. The provincial development plan became more structured during the Fifth National Economic and Social Development Plan B.E. 2525-2529 (1982-1986) when the planning system was deployed and used for providing rural development directions. In this plan, a focus was made on increasing citizen participation in the development processes. Citizens were encouraged to take part in community development, analyze their problems, and select the desired project that was fit for their community. However, the main concern was still on poverty reduction and quality of life.

Table 3.5 Provinces involves in the pilot comparative study

<table>
<thead>
<tr>
<th>Pilot Province</th>
<th>Comparative Province</th>
<th>Nature of Province</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lampang</td>
<td>Phitsanulok</td>
<td>Medium-sized province</td>
</tr>
<tr>
<td>Sisaket</td>
<td>Surin</td>
<td>Poverty</td>
</tr>
<tr>
<td>Angthong</td>
<td>Chainat</td>
<td>Agriculture</td>
</tr>
<tr>
<td>Phuket</td>
<td>Phangnga</td>
<td>Tourism</td>
</tr>
<tr>
<td>Narathiwat</td>
<td>Pattani</td>
<td>Border</td>
</tr>
</tbody>
</table>

In 2001, the Cabinet approved the government policy on decentralization aimed at promoting provincial administration towards integrated provincial administration through strategy-driven and citizen-centred approaches and networking, in the area dimension in particular. This creates dramatic changes in the provincial administration from typically receiving orders from parent ministries and departments to acting like a strategic business unit where a CEO has full authority and duties on managing the unit, in terms of decision making, human resources, and budgeting. A province becomes a strategic business unit, and all provincial government agencies, under different parent ministries and departments, are sub-units. A one-year pilot comparative study (1\textsuperscript{st} October 2001 – 30\textsuperscript{th} September 2002) on integrated provincial administration, under the supervision of the MOI, was launched in five provinces: Lampang, Sisaket, Chainat, Phuket, and Narathiwat in comparison to the provinces acted as comparative control in Phitsanulok,
Surin, Anongthong, Phangnaga, and Pattani (see Table 3.5). The project mainly focused on administration at the provincial level where: (1) the Provincial Governor managed his province as if he was a CEO; (2) the provincial management team created the provincial strategic development plan giving direction for provincial administration; and (3) promoting and involving participations from provincial government agencies, local administration, private sector, as well as citizen and communities (Chulalongkorn University, 2005; Office of the Permanent Secretary for Interior, 2009).

Results revealed that an integrated management style at the provincial level had provided positive effects on public service deliverables. These include the fact that the Provincial Governor can manage and integrate the use of resources available within the provinces in a more efficient and effective manner. Engagement in developing the provincial strategic plan creates sense of ownership and alignment among provincial offices. Citizens were satisfied with the content of the provincial strategy, but not fully satisfied with the results. This was because programs and projects did not receive sufficient budget to fully carry out. The pilot provinces were better off in development compared with those ordinary provinces (OPDC, 2004b).

However, implementing an integrated provincial administration also had difficulties and challenges. Creating a provincial strategic development plan proved difficult, plausibly due to the lack of knowledge and experience in strategic planning and strategic deployment. It was noted that the plan itself lacked standardized indicators to monitor and evaluate the efficiency and effectiveness of the strategic execution. In addition, difficulties challenging the Provincial Governor in managing in the new management style were the absence of or having limited authority over HRM and budgetary management (OPDC, 2004b). This is because provincial officers are appointed, relocated, promoted by their parent ministries or departments, not by the Provincial Governor. Activities carried out in the province, along with budget allocation, are usually based on ministerial and departmental plans. The linkages and connection among national-level, ministerial-level department-level, and provincial-level plans were not clear. Moreover, the
present laws and regulations constrain management authorities of the Provincial Governor because decentralization was not fully implemented. Decentralized authorities are subject to very sensitive and complicated issues because guidelines for decentralized decision-making authority opens room for interpretation; in addition, decentralization procedures take time since laws and regulations may need corrections and further need legal and regulatory instruments to fully define function and structure of the sub-system (World Bank, 2005).

However, to push forward the concept of the Provincial Governor acting CEO managing his province under the strategic management approach in accordance with the government policy on decentralization and the Eighth National Economic and Social Development 1997-2001, that prioritized the Area, Function, and Participation Concept, the Cabinet approved the plan for the extension of integrated provincial administration in the total seventy-five provinces, except Bangkok, starting from 1st October 2003 (OPDC, 2004c). In addition, the Regulation of Office of the Prime Minister Concerning Provincial Management B.E. 2546 (2003) was announced providing a more obvious framework for system implementation and provisioning requirements.

3.4.2 The new expectations and requirements from the Provincial Governors

Since the Cabinet approved the extension plan to implement the integrated provincial administration in every province throughout the country, starting on 1st October 2003, the new expectations and requirements from the Provincial Governor and his agencies has tremendously increased. Roles and responsibilities of Provincial Governors in the integrated provincial administration are the following (Jatisripitak, 2003; Rutjanaseree, 2003; OPDC, 2004; Shinawatra, 2003; Sirisumphand, 2004; Chulalongkorn University, 2005; Office of the Permanent Secretary for Interior, 2009).

First, a Provincial Governor is no longer a Ceremonial Governor or Ceremonial Chairman, but a CEO who is fully accountable for the management of his provincial administration; is the chairman of provincial
management commission; and has substantial authorities in making decisions on budgeting, personnel, and resources utilization. The province will be viewed as one organization having provincial offices as functional divisions. This organization is a strategic-driven organization; therefore, the Provincial Governor Post becomes a Strategic Post. The Provincial CEO is expected to be the Prime Minister's Assistant in the area dimension.

Second, a Provincial Governor is the leader of the leaders in every aspect for provincial offices and the private sector within his province, strategic management in particular. The leadership role of the Provincial Governor is essential in developing and providing guidelines and directions for the provincial mission, strategy formulation and implementation, as well as creating participative environment for every sector, public, private, local administration, NGOs, communities, and citizen, in the citizen-centred strategic management processes.

Third, the change in the roles of the Provincial Governor is from governing his province to management and providing services. At provincial level, the focus is paid on the integration of the requirements from functional, area, and agenda dimensions. Functional dimension is the authorities and duties attached to one provincial agency as set legally. Area dimension concerns the needs of people within the province while agenda dimension reflects the government requirements. A Provincial Governor has to juggle and fulfil these requirements while managing the province.

Next, a Provincial Governor is meant to be coordinating, aligning, empowering, and inspiring people towards the same strategic direction. The emphasis in doing this is on building teamwork and networking, bringing in participation and involvement, communicating changes and requirements, and drawing and utilizing resources available from the various sectors both within and outside the province and from different levels of the governmental administrative structure.

Lastly, the Provincial Governor plays an important role in being Chief Change Officer (CCO) who himself demonstrates willingness and readiness
for changes. More importantly the Provincial Governor is expected to have a ‘Can Do’ attitude and play roles in leading, coaching, and managing the changes.

3.4.3 **Principles of an Integrated Administration at the Provincial Level**

An integrated provincial management system focuses on management at the provincial level aiming to deal with management issues, solve problems, and enhance development within the province in a more efficient and effective manner. In adopting an integrated strategic management concept, the provincial offices are aligned towards the same direction and targets; as a result, personnel, budget, and other resources can be utilized effectively to make the delight and contribution towards improving living conditions of the people and to maintain public order and safety, as well as maximize profit of the nation.

An integrated administration at the provincial level is under the concept of shared ideas, shared responsibilities, shared approach in achieving work solutions, networking, and integrated resources. The principles for such a system include (OPDC, 2004):

- having good management that links together national strategy, regional strategy, and provincial strategy accordingly;
- providing opportunities for public sector as well as private sector and citizens to involve and participate in developing provincial development strategy and solving area-based problems;
- receiving supports from central, regional, and local government agencies in order to have sufficient authorities in budgetary and personnel decisions, as well as support on the information system, and legal issues;
- promoting decentralization to local administration and creating a work coordination environment rather than monitoring and controlling;
- enhancing work delegation to officers by providing services and developing a information system to support decision making; and
- having a monitoring and evaluation system.
The structure of an integrated provincial administration system (shown in Figure 3.5) is meant to make the province the centre of high performance service deliverable units. Work responsibility is classified into clusters for more efficiency and manageable aspects under the supervision of a provincial governor through the Provincial Management Committee. The committee engages participation in provincial management from the public through the Citizen Board. In addition, the provincial governor has a provincial strategic team to provide him advice.

Additionally, the Cabinet, in 2003, also approved the concept of an integrated administration at the regional level to gather together groups of nearby provinces that have similar characteristics. The idea was for provincial management to be more effective by strategic-driven with better resources sharing and utilization. There are 19 groups of provinces, called Provincial Clusters, approved by the Cabinet on November 17, 2003, as shown in Appendix 5.
3.4.4 Provincial Supervision and Auditing

Deploying the provincial strategy requires support and supervision from several parties. For example, Deputy Prime Ministers, appointed by the Prime Minister, play important roles in providing supervision and direction for the assigned provincial clusters as well as for provinces within the cluster. They have also need to bring support from central agencies and integrate provincial strategies with those of ministerial and department levels. Central agencies are required to provide support on legal issues, management developments, and auditing and inspection in order to facilitate the implementation of the integrated management system at the provincial level. Central agencies are, for example, Ministry of Interior, Bureau of the Budget, Office of the National Economic and Social Development Board, Office of the Civil Service Commission, Office of the Public Sector Development Commission, Office of the Permanent Secretary, and research and training institutes. Key required support from each agency is shown in Table 3.6.

<table>
<thead>
<tr>
<th>Central Agencies</th>
<th>Key Required Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Interior (MOI)</td>
<td>Provincial administration</td>
</tr>
<tr>
<td>Bureau of the Budget (BOB)</td>
<td>Budgeting and financial management system</td>
</tr>
<tr>
<td>Office of the National Economic and Social Development Board (NESDB)</td>
<td>Strategic directions, information system</td>
</tr>
<tr>
<td>Office of the Civil Service Commission (OCSC)</td>
<td>Personnel management system</td>
</tr>
<tr>
<td>Office of the Public Sector Development Commission (OPDC)</td>
<td>Public development, Change management development</td>
</tr>
<tr>
<td>Office of the Permanent Secretary (OPS)</td>
<td>Auditing and inspection</td>
</tr>
<tr>
<td>Research and Training Institutes, Academic Institutes</td>
<td>Concepts and principles, Knowledge and technical Know-How, research and development</td>
</tr>
</tbody>
</table>

Table 3.6 Key required supports from central agencies

In addition, the integrated management at the provincial level also motivates participation and involvement from the private sector, business, local administration, local intelligences, communities, and citizens especially in strategy development and implementation. These are aimed at creating
strategically driven provincial management that: is more responsive, timely, and efficient public service provision which can immediately solve area-based problems, maintain substantial developments, and eventually satisfy the needs of the local citizens.

### 3.4.5 The Performance Management System at the Provincial Level

The concept of a RBMS or PMS has been adopted in order to drive the development and implementation of the integrated management system at the provincial level. An annual PA has been developed and played integral roles in driving, motivating, and monitoring the development initiatives. Even though the PM processes are similar to those reviewed in the earlier part in this chapter, at the provincial level, there are additional processes and several parties involved.

**Figure 3.6 The process of implementing the performance management at the provincial level [adapted and translated from OPDC (2004)]**

In 2004, the process of implementing the PMS at the provincial level was first started (see Figure 3.6). Since it was the first time provinces was recognized as autonomous organizations, providing knowledge and principles was crucial. An action learning program, a series of workshops proposed by OPDC, was launched aimed at preparing top executives, in terms of knowledge and principles and technical know-how, for the implementation of strategic and performance management systems. Such
top executives include the Provincial Governor, Vice Provincial Governor, Permanent Secretary, Deputy Permanent Secretary, Director-General, Deputy Director General, Inspector-General, as well as representatives from private sectors, e.g. the Federation of Thai Industries, the Thai Chamber of Commerce, and the Thai Bankers’ Association. In the following years, the CEO Retreat Program was provided in order to communicating essential information, requirements, and changes; sharing lessons learned; and preparing top executives for the next steps.

Next, the provincial cluster’s strategy is developed by the provinces in that cluster under the supervision and facilitation of NESDB. The strategy of the provincial cluster is proposed for the Cabinet approval. Then, each province prepares its own strategy and cascades accountability for implementing its cluster’s strategy. Deputy Prime Ministers, NESDB, OPM, BOB, and OPDC are responsible for screening the provincial strategy. Next, an annual PA is developed and signed by the Provincial Governor, the Prime Minister, the appointed Deputy Prime Minister, the MOI, and Permanent Secretary for Interior as the promise to deliver the agreed targets. Strategy is, then, deployed. It is the responsibility of the Deputy Prime Minister to supervise, support, monitor, and motivate the strategic implementation. The MOI provides support and facilitation in terms of personnel, administrative procedures, as well as coordination. The Inspector-general monitors and audits processes and performance. At the end of the year, the PDC evaluates provincial performance and allocates monetary incentive to motivate and sustain developments.
CHAPTER 4 RESEARCH DESIGN AND METHODOLOGY

4.1 Introduction

The purpose of this chapter is to clarify the research design and to discuss the methodological issues and philosophical and theoretical principles underpinning the choice of methods used to collect data in this research. The chapter contains important details concerning preliminary study, research questions, data collection methods, and key players in this research. The final section discusses the approach to data analysis.

4.2 Selection of Research Methods

Qualitative Research

The focus of qualitative research is the study of social relations (Flick, 2006), aimed at describing ‘life worlds from the inside out’, primarily meaning that views are generated from respondents on how they see their worlds (Flick et al., 2004: 3). Denzin and Lincoln (2003: 4-5) maintain that qualitative research is composed of ‘a set of interpretive, material practices that make the world visible’ in which the researcher studies objects in their everyday context and tries to ‘make sense of, or to interpret, phenomena in terms of the meanings people bring to them.’ Qualitative studies provide nonmathematical detailed descriptions concerned with explanation, and usually answer ‘what,’ ‘why,’ and ‘how’ questions and allow the researcher to study complex objects without predetermining people’s points of view or presetting variables (Flick et al., 2004; Patton, 2002; Strauss and Corbin, 1998). Furthermore, a qualitative study offers rich information on the phenomenon under investigation. It not only reflects what happens, who is involved, what are people’s relationships, but it also provides historical data of what happened, and how things happened or the sequence of events or activities (Becker, 1996). Janesick (2003: 57-58) points out that qualitative research design aims to achieve an understanding of the holistic picture and the relationships within systems, cultural values, and social behaviors under
the given settings. As a consequence, ethnography is being constructed (Van Maanen, 1998). This research approach provides considerable detailed information on a context-specific phenomenon gathered from a small number of people or cases. However, the qualitative research approach also promises to increase the understanding of the cases and situations investigated on which, later, theory can be built. Therefore, qualitative research emphasizes more on exploration, discovery, and the description of specific contexts or cases than on generalizations, and flavors an inductive, interpretive approach (Bryman, 2004; Van Maanen, 1998; Patton, 1990).

Data collection for the qualitative research consists of interviews, observations, and documents (Patton, 2002). Interviews focus on in-depth interviews using open-ended questions aimed at exploring people’s experiences, perceptions, opinions, feelings, and knowledge. These provide direct quotations for interpretation. Observations generate descriptions of people’s activities, behaviors, conversations, interpersonal interactions, as well as organizational or community processes. Observational data capture what occurs and how it occurred. Documents can be written materials or other documents both officially produced and held as personal records. Documents, for example, include organizational records, official reports and publications, personal diaries, letters, photographs, audiovisual materials, and written responses to open-ended questionnaires. The researcher usually spends time in the field being studied in order to collect firsthand information from observations, interviews, and interactions. The major concern of qualitative data collection is that the quality of collected data depends greatly on the researcher’s skills, competence, sensitivity, and integrity in filed-note taking, observations, interviews, and document reviews which result in validity and reliability of the research findings (Patton, 1990, 2002).

Qualitative studies can be used to explore an area that little is known about in order to have understanding (Strauss and Corbin, 1998). Therefore, qualitative data is gathered without predetermined categories or codes even though data collection processes may have a predetermined structure about who is going to be interviewed, what are the interview questions, and where
and what processes are to be observed, or even without any pre-structuring (Punch, 2006). Rather such categories and codes derive from data in an analytical stage. This allows research respondents to express and provide information in their own terms which is beneficial to the depth, openness, and detail of qualitative inquiry (Patton, 1990). In addition, a loose structure of qualitative inquiry allows flexibility for the researcher to handle emergent information or unanticipated information (Silverman, 2000; Van Maanen, 1998). However, a common criticism of qualitative data is on the point that the researcher is the instrument (Patton, 1990; Punch, 2006) resulting in validity being greatly dependent on the researcher’s skills and competence in doing fieldwork (Denzin and Lincoln, 2003). In addition, the loose structured design provides room for researcher’s flexibility and innovation, and a strong capacity to generate a critique (Silverman, 2000).

**Quantitative Research**

Dabbs (1982: 32) suggests that quantity is concerned with an amount of something; thus, quantitative research can be referred to counts and measures of things. Quantitative research presents data in quantifiable terms, and is employed in more standardized data collection processes by having predetermining variables aiming to measure the pre-constructed theory or concept (Patton, 2002; Flick, 2004). Bryman (2004: 65) called this approach ‘a measure of a concept’ where a concept can be in the form of independent, control, or dependent variables. In using a standardized measurement, a researcher can consistently measure differences (Bryman, 2004). In addition, quantitative research uses independent and dependent variables to describe how things are in terms of causality under predetermined response categories with assigned numbers, and through statistical validity processes findings can be generalized. Patton (2002: 20) maintains that quantitative data are ‘systematic, standardized, and easily presented in a short space.’

While qualitative research can be considered to be an exploratory research aimed at discovery, description, and then theory generation, quantitative research, on the other hand, fundamentally focuses on theory verification or
justification (Van Maanen, 1998; Punch, 2006). To verify the existing theory, a researcher may be discouraged to explore new problem areas because of structured, predetermined research questions, conceptual framework, and designs (Punch, 2006). Thus, doing a quantitative study requires prior literature to establish the conceptual framework; in contrast, doing a qualitative study can be approached in a situation in which little or nothing is known (Bryman, 2004). Flick (2006: 12) suggests the guiding principles of quantitative study include:

‘to clearly isolate causes and effects, to properly operationalize theoretical relations, to measure and to quantify phenomena, to create research designs allowing the generalization of findings, and to formulate general laws’.

**Selection of Research Methods**

Having reviewed the different characteristics between qualitative and quantitative studies along with the limitation of the availability of the information on the development and implementation of the PMS in the Thai public sector, at the provincial level in particular, selecting a qualitative study better fits the research intention in many ways. First, qualitative studies are more suitable for the purpose of discovering concepts and relationships in raw data (Strauss and Corbin, 1998). This is compatible with the research aims: to explore how the Thai public sector, at the provincial level, makes sense of the PMS and to draw a holistic view of the development and implementation of the PMS. Second, many scholars maintain that interviewing and observation are sensitive enough to ‘capture the nuances of human living’ in order to better understanding social behaviors (Strauss and Corbin, 1998: 28; Janesick, 2003; Patton, 1990). Even though qualitative studies involve a smaller number of people and cases, the study methods promise to generate considerable rich detailed information which can help build a better understanding of the cases and situations. Finally, little is known in the area of the PMS at the provincial level. More importantly, the confidence in gaining access to sources of needed information played a significant part in making a decision on the research methods. Essential sources of potential information are the key interviewed persons, who for example, are: Provincial Governors, Heads of Provincial Offices, and top
executives of central agencies. These respondents promised to bring out insight and detailed information.

4.3 Preliminary Study

Before the construction of the central research strategy a preliminary study was conducted in order to gather general views on the current PMS. Even though the PMS, known as the Results-Based Management System (RBMS), was introduced since 1997 the system has changed in terms of processes and procedures, but maintained the essence of the system objectives in that it is meant to improve public sector performance in terms of quality, accountability, and reliability (OCSC, 1997; OPDC, 2004a).

However, at the start of my research there was limited research available on how the Thai public sector views its PMS and implications for service improvement. To provide baseline information on my research in this respect, I launched a pilot study to initially survey civil servants’ perceptions of PM in February, 2007, using the Twenty Statements Test asking what participants think of PM. It has opened-end questions divided into three parts: (1) the perception of the current PMS (fiscal year 2007); (2) the perception of the previous PM approaches (fiscal year 2004-2006); and (3) the perception of the future potential of the PMS. The test was distributed to 15 civil servants working at the OPDC because this office is a host agency in the implementation of the PMS and has direct responsibilities to monitor and evaluate public sector development. It also recommends, advises, and cooperates with other agencies in public sector development, monitoring, and evaluation. However, while only five responses were returned and analyzed, they did usefully provide steers on the potential direction of my research.

The initial findings found that respondents perceived the current PMS was similar to the previous ones. They considered the PMS as both achieving potential external impacts and maintaining internal management cohesiveness. Viewed as potential external impacts, the PMS was an integrated management system that brought strategy into actions; linked and cascaded national strategy plans with strategy at ministerial, departmental,
and provincial levels; aligned organizational objectives with individual objectives; and monitored and controlled both organizations’ and individuals’ performances. Furthermore, the PMS was viewed as a continuing management system aimed at achieving results (outputs and outcomes) within certain periods of time. The initial study, however, found conflicting perceptions of the PMS. When respondents perceived such a system as a controlling system, attention was paid on controlling inputs, such as the budget, personnel, time, and other resources. Inputs, the budget in particular, needed to be fed into the systems in time and within an appropriate quantity; programs or projects may be minimized or cancelled if an inappropriate amount of budget was granted. However, a positive perception on the PMS was that the performance of public sector organizations can be illustrated to the Thai citizen with concrete, obvious, and transparent evidences. Additionally, the PMS also helps organizations solve problems and conflicts occurring within organizations with more accuracy, transparency, and with fairness in manner through the use of performance indicators. Such indicators enhance HRM systems by ensuring concrete, transparent, and reflective appraisal that precisely links individuals’ performance with promotions and rewards.

Perceived as the maintenance of an internal management system, PM is a continuous performance improvement process towards goal attainment that deals with planning, managing performance, monitoring, reviewing, rewarding, and developing. Reporting on performance against plans and targets and focusing more at the organization’s level rather than the individual’s level plays an important role. PM is a process in creating a work environment and work processes that support individuals in working at the highest efficiency. Participants indicated that successful performance was based on those meeting plans and targets within a specific period of time. Employee competency and development were essential features of its process.

However, respondents reported that the current PMS was losing effectiveness because of the increase in number of performance indicators and the attention paid more on monetary reward rather than performance
improvement. Consequently, negotiation on performance targets with central agencies aimed for ‘relatively easy’ targets, and a distortion and manipulation of data occurred in order to report a ‘good’ level of performance in order to secure the image of organization and to receive rewards since the higher the performance level, the more monetary reward an organization can detain. Respondents also reported obstacles in practicing the PMS faced by public organizations as follows: (a) there were too many central agencies working on performance monitoring and evaluation causing organizations to submit multiple reports to various agencies and some of those were duplicated work; (b) the number of performance indicators was increasing every year diluting the crucial targets; and (c) an annual PA was relatively rigid and inadaptable prohibiting organizations to cope with changes.

Suggestions given by respondents to improve the future PMS were that such systems should: (a) link with individual development plans to enhance human resource capabilities at the highest potential; (b) be flexible and adaptable with rapid changes; (c) involve managing risks and uncertainties; (d) facilitate culture changes; and (e) emphasize on a few vital performance indicators and those should be easy to understand. PM processes additionally should: (a) involve people’s participation and involvement at all levels (strategic planning and prioritization, strategic implementation, performance indicator development process, and performance monitoring); (b) encourage cooperation and collaboration among public organizations; (c) establish joint accountability among related organizations; (e) facilitate performance data collection and auditing processes. Respondents also suggested that central agencies should engage in cooperation and collaboration to integrate their performance monitoring and evaluation systems so that the workload of multiple reports can be reduced. Suggestions were given that instead of giving monetary reward, recognition should be considered so as to save budget for other significant improvement programs and projects.

From this pilot study, it is essential to note that although the Thai public sector often uses and speaks technical words in English, the term ‘performance management’ was not familiar. In addition, when translating
the word ‘performance management’ into Thai, the term was not recognized even though I used the same translated term which many translated books available in the market use. Rather the same concepts as PM are better known in terms of ‘Results-Based Management,’ ‘Performance Agreement,’ and ‘Performance Agreement and Incentives for promoting Good Governance Scheme.’

4.4 Research Design

4.4.1 Research Questions
Taking into account the literature reviewed on PM and the preliminary study, this research aims to investigate how the Thai public sector at the provincial level makes sense of the PMS in relation to management capacities to drive forward improvements and to enhance the sustainability of service quality. The significant research questions are:

- What are the impacts of the PMS on the management capacity at the provincial level?
- What are the factors enabling and inhibiting the enhancement of the performance improvement and the creation of a self-sustaining management capacity at the provincial level?
- To what extent does the PMS enhance the capacity of provincial government management to deliver services?
- What role is played by central organizations, such as the parent ministries or departments, training institutes, and the OPDC, to build management capacity at the provincial level?

4.4.2 Key Players
There are four main key players involve in this research: provinces, central agencies, training and development institutes, and key individual informants.

4.4.2.1 Provinces
The objectives for exploring the PMS at the provincial level are:
- To explore the implementation of and learning from the PMS at the provincial level including the impacts in two areas; roles and
responsibilities played by different groups in the provinces; the PMS as a supporting system in driving service quality, as well as learning needs and capacity building necessary for better PM practice

- To examine factors enabling and inhibiting the enhancement of the performance improvement and the creation of a self-sustaining management capacity at the provincial level
- To explore the extent to which the PMS enhances the capacity of provincial government to deliver services

### 4.4.2.2 Central agencies

For central agencies, the objective is to explore the roles and responsibilities of these central agencies in supporting learning and development at the provincial level in the implementation of the PMS. These agencies include: the Bureau of the Budget, Office of the Civil Service Commission, Office of the Inspector for Interior, Office of the National Economic and Social Development Board, Office of the Prime Minister (Inspector-General), and Office of the Public Sector Development Commission as detail shown in Table 4.1.

#### Table 4.1 Central agencies and their functions

<table>
<thead>
<tr>
<th>Central Agency</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bureau of the Budget (BOB)</td>
<td>Budget system management</td>
</tr>
<tr>
<td>Office of the Civil Service Commission (OCSC)</td>
<td>Personnel management</td>
</tr>
<tr>
<td>Office of the National Economic and Social Development Board (NESDB)</td>
<td>National and regional strategy</td>
</tr>
<tr>
<td>Office of the Prime Minister (OPM) (Inspector-General)</td>
<td>Auditor and secretariat to the Deputy Prime Minister who provide support, supervision, monitoring, and motivation to the provinces in the provincial strategy implementation</td>
</tr>
<tr>
<td>Ministry of Interior (MOI)</td>
<td>The parent ministry to the Provincial Governor and Governor’s Office</td>
</tr>
<tr>
<td>Office of the Public Sector Development Commission (OPDC)</td>
<td>Host agency in the implementation of the PMS and the public sector development</td>
</tr>
</tbody>
</table>
4.4.2.3 Training and development institutes

Training and development institutes provide information regarding the extent to which training courses make an impact to ensure that individuals have sufficient capacity to manage and deliver services. There are two training and development institutes involved in this research. First, the Prince Damrong Rajanubhab Institute of Research and Development (PDRI), MOI which is responsible for research and development related to the ministry’s work system, such as with human resource planning and development, and knowledge management. The MOI is the parent ministry of the Provincial Governor and staff at the Provincial Governors’ office. This Ministry has authorities and responsibilities in maintaining public order, social justice; the promotion and development of politics; the development of regional administration and local government; promoting local government and community development; the internal security registration information for internal affairs and immigration; preventing disasters; and organizing public works and town & country planning. An interview with the Director of Research and Development Unit within this training institute was arranged.

The Civil Service Training Institute (CSTI) is another important training and development institute which is responsible for: research and development of human resource development, including training curriculum development and educational media products; and organizing and support civil service trainings. The Institute also provides studies and analyses on civil servant development, civilian officers on education leaves, and students under government scholarships. An interview with the Director of this Institute was arranged.

4.4.2.4 Key individual informants

Key individuals are involved in order to obtain outside-in perspectives from individuals participating in the implementation of the PMS. The researcher managed interviews with three key individuals who are actively involved in the design and implementation of the system in the Thai public sector. First, an interview was arranged with a former Public Sector Committee member (full time), Orapin Sobchokchai (Ph.D.) as a key person who played an
active role in the development and implementation of the PMS. She was also involved in the Administrative Renewal Project organized by the OCSC aimed at improving the quality of public administration. Dr. Sobchokchai is also a guest lecturer at universities on public service reform, good governance, and public participation. She is currently the Director of the Office of Knowledge Management and Development (OKMD) and is also appointed from the Public Sector Development Commission to be a member of the Negotiation Committee which is responsible for annual performance target negotiation (universities and educational institutes in particular).

Second is Associate Professor Pasu Decharin, Ph.D., Department Head, Faculty of Commerce and Accountancy, Chulalongkorn University. He plays a significant role in teaching, conducting workshops in strategic management, PM, and advocating the use of the Balanced Scorecard (BSC) in the public sector. He has been involved since 2003 in several workshops for the Civil Service on the implementation of PM. Dr. Decharin was commissioned by the OPDC to organize a workshop specifically for Provincial Governors and Provincial Top Executives in preparation for setting up the provincial strategic planning and PMS in 2004. In 2006 he was appointed by the Public Sector Commission to the Good Governance Sub-Commission. This Sub-Commission has a direct responsibility for the development and implementation of the PMS in the Thai public sector. Dr. Decharin is an author of various books about strategic management, key performance indicators, and the BSC. He is also an author for the New Perspective (weekly) in the Bangkok Business Newspaper, and the “Management Idea” in the weekly Manager Newspaper.

Finally, the researcher arranged an interview with Assistant Professor Dr. Kalayanee Koonmee, the Director of Human Resource and Organization Development (International), School of Human Resource Development, National Institute of Development Administration. Dr. Koonmee is actively involved in incentive management. She has since 2005 been commissioned by the OPDC to develop an incentive management concept for the Thai public sector. She is an expert in compensation management, human resource methodology, competency, and talent management.
### 4.4.3 Research Methodology

To conduct this study, several research methodologies were used in different stages as demonstrated in Table 4.2 below. Details in methodologies used being discussed in the following sections.

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Major Methodologies Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Introduction</td>
<td>Literature review, document review and analysis</td>
</tr>
<tr>
<td>2 The performance management system</td>
<td>Literature review, document review and analysis</td>
</tr>
<tr>
<td>3 Performance management systems in the Thai public sector and an integrated provincial administration</td>
<td>Literature review, document review, policy review and analysis</td>
</tr>
<tr>
<td>4 Research design and methodology</td>
<td>Literature review, survey and analysis</td>
</tr>
<tr>
<td>5 Research findings: Provincial case studies</td>
<td>Case studies, interview, observation, personal work experience, formal and informal discussion</td>
</tr>
<tr>
<td>6 Research findings: Central agencies, training and development institutes, and key resource persons</td>
<td>Interview, case studies, observation, document review, formal and informal discussion</td>
</tr>
<tr>
<td>7 Discussion and conclusion</td>
<td>Policy review and analysis, document review, literature review</td>
</tr>
</tbody>
</table>

Table 4.2 Major methodologies used in different chapters

#### 4.4.3.1 Case study

A case study is a research methodology particularly suited to exploring and understanding organizational behaviors in a period of change (Cassell and Symon, 2004). This methodology is preferred in the study of organizations because it allows the use of multiple methods to collect data to reflect triangulation. It is possible to conduct a study with either a single case or multiple cases. The case can be selected based on the theoretical sampling concept which focuses on a few specific samples that best demonstrate what the researchers aim to study (Silverman, 2000) which provides an information-rich case (Patton, 1990). Critics typically argue that a single case study offers a poor basis for generalization (Yin, 2003). However, Yin (2003:
37) suggests that case studies rely on analytical generalization and replication of the findings can be performed. Therefore, understanding multiple-case studies is preferred to a single-case study in the essence that multiple-case studies offer more compelling, more powerful, and more possibility of replication logic. Additionally, although the contexts of the multiple cases may differ, common conclusions from all cases can be drawn, resulting in the expansion of external generalizability of the findings.

Case studies focus on the implementation and practice of the PMS at the provincial level. In this respect each of the five out of seventy-five provinces is considered as one individual departmental-level organization separated from its parent ministries or department for the first time. Provinces are selected purposefully in order to describe and illustrate their administration situations, provide evidence on the PM impacts and what can be learned on the impact on management and capacity development. Initial criteria for selecting provinces were developed aimed at typical cases whose findings are likely to illustrate what is typical elsewhere (Patton, 1990, 2002; Denscombe, 1998).

Criteria for case selection
The selected provinces meet the following fundamental criteria:

- Performance evaluation score. Provincial performance is evaluated based on the annual PA which precisely indicates performance indicators, targets, and scoring systems. Performance scoring varies from 1.0 to 5.0 where a performance score of 3.0 or above is acceptable or satisfied. Each province submits a self-assessment report to the OPDC. This report represents an initial self-assessment of actual performance measured by performance indicators against targets. Then the OPDC with other necessary agencies verify this assessment and announce the final score. Potential provinces should have final performance score of 3.0 or above during 2004 to 2007 for inclusion in this research because this is equated with a functioning and contributing PMS that is acceptable.
• Provincial governor length of service at the province. Provincial governors should govern the provinces for some period of time before an interview starts. This will be best if the provincial governor continues governing his province from the previous year and has personally negotiated the current PA because it will create commitment and continuity in implementing the PA and provide an experience basis meaningful for the research.

• Award received. If the province received awards for service delivery, it will be an advantage and indicates again that developments are occurring relevant to the research questions of this study.

4.4.3.2 Interview

An interview ‘is a conversation with a purpose’ (Holloway, 1997: 94). Primary data is gathered from interviewees who have direct experience on the studied subject to reflect facts and beliefs (Silverman, 1993) and attention is paid to the interviewees’ thoughts (Denscombe, 1998). An opened-ended interview is preferred to facilitate interviewees to respond their views openly, naturally, and give opportunities for them to raise important concerns or issues (Silverman, 1993). In addition, non-ordered questions provide flexibility for an interviewer to ask supplementary questions or adapt questions to seek clarification or to gather further information for better understanding (Silverman, 1993; Collis and Hussey, 2003; Flick 2006).

An interview can be conducted as structured, semi-structured, or an unstructured dialogue. A structured interview involves rigid control over the format of questions and answers. As a result, it lacks flexibility and sensitivity in response to context (Mason, 2002), but gives consistency in analysis. An unstructured interview, on the other hand, has a loose structure in which the dialogue tends to flow naturally allowing interviewees to develop their thoughts and speak freely about the proposed topic which may provide more answers or information to the questions (Mason, 2002). This technique is particularly useful when little is known about the topic or the area of study (Holloway, 1997). With semi-structured interviews, questions are set with flexibility in regard to the order in order to obtain a better response to
revealing information or problems (Collis and Hussey, 2003), and prove suitable for complex and open-ended questions (Saunders et al., 2000). However, to gather all important information, questions may be varied from one interviewee to another, depending on the situation (Holloway, 1997). This research conducts in-depth semi-structured interviews entirely in the Thai language. The reason to employ semi-structured interviews was based on the idea that it can offer flexibility and individualization to adapt questions in response to the matters raised for further clarification and exploration which promote an ‘open discovery’ nature in the research (Collis and Hussey, 2003; Patton, 1990).

Reliability of the data is one of the major concerns in qualitative studies, issues of bias in semi-structured interviewing in particular. The problems occur, from both interviewer and interviewee sides, due to the flexibility and non-standardization of detailed approach. Interviewing aims at discovering interviewees’ viewpoints of a specific phenomena or program and being able to make explicit shared understandings and differences (Patton, 1990). Interviewer bias arises when an interviewer influences interviewees’ by making comments or demonstrates non-verbal language aimed at disrupting their contributions. Interviewee bias, on the other hand, may occur when interviewees have expectations about the research or the interviewers, or have judgement on what interviewers would like to have as answers. The bias may also happen when interviewees try to avoid discussing specific issues or topics which they may consider to be sensitive information (Easterby-Smith et al., 1991).

Being aware of such advantages and disadvantages of interviewing methods and aiming to minimize biases, various practices were applied in the interviewing processes in this research. First, interviewing was conducted in a semi-structured manner so as to provide flexibility in questioning, using an interview guide approach giving standardization to some extent. The structural foundations of the research are directly linked to the Interview Guide and are shown in Figure 4.1 as detail discussed in the following section. Second, the questions were asked to ensure that an interviewee would possibly reveal his/her genuine meaning, feeling, attitude, belief, and
understanding without engaging in non-verbal language or adding comments. Alternative versions of questions were created in order to re-examine the interviewee’s statements. Theory-driven questions were asked for the purpose of making the interviewee’s implicit knowledge more explicit (Flick, 2006). Additionally, sensitive or confrontational questions were asked near the end once the interviewee had built up confidence in the researcher (Flick, 2006). Third, taking in to account that an interviewee usually has more than one role in an organization, I tried to restrict the direction of the interview to the actual experience of the respondent in the PMS and associated areas. Next, to avoid the researcher ‘becoming native’ to the studied subject due to a researcher long period in a given organization resulting in bias in data collection and analysis, I selected potential provinces that I have never closely encountered or had direct contact with at earlier period of time. This includes key potential informants at the provinces. Finally, permission from interviewees to record conversations was agreed with an option to pause the recorder when it involved sensitive issues in order to enhance confidentiality.

An in-depth semi-structured interview was conducted with the top executive in each provinces; for example, Provincial Governor, Vice Governor, Chief Change Officer (CCO) appointed by provincial governor to oversee the implementation of change programs within the province, Head of Provincial Governor Office, and the Public Sector Development (PD) Team. The Public Sector Development Team is a group appointed by the Provincial Governor to play a significant role in implementing, delivering, monitoring, and evaluating the PA within a province. This group usually consists of a combination of staff from different departments and ministries working in the province, not only those from MOI. Interviews were also conducted with the top executives at the parent ministries and departments who supervise and cascade targets to the provinces, as well as the top executive at OPDC, who steers the PM processes, to explore how they support provinces in implementing such systems and the necessary learning.
Constructing an interview guidelines for the provinces

Having reviewed the significant literatures on PM and the PMS in the Thai public sector, the study diagram, shown in Figure 4.1, was created as a basis for constructing potential interview questions for the provinces (see Appendix 6 for the list of potential interview questions).

The PA is used as a significant tool to drive the PMS, organizational performance, and new projects/programs. As the starting point, the actions on the implementation of the PMS in the province are the focal point. Next, a review of past performance helps the province to better understand what actually happened, what problems arose and why, and which then, the province can be able to construct solutions for the problems, what should be done, and what changes should they make in order to feed useful information and feedback to the process of next year’s PA development. These illustrate the impact of the PMS implementation and demonstrate
changes in public service provision, as well as possibly reveal enabling and inhibiting factors affecting performance improvement.

In executing the agreed PA, provinces require supportive management structures and a clarification of the roles and responsibilities to carry out their promised tasks. Support required from central agencies is obtained, as well as the actual support the central agencies provide. The requirements to deliver results draw attention to the review of the internal learning capacity since they are new requirements, and that leads to the capacity building necessary to strengthen the provincial administration. Thus, the process potentially results in an enhanced capacity to meet the emergent performance targets.

4.4.3.3 Observation

Unlike interviews which may present the combination of how something is and how something should be, observation enables the researcher to discover how things factually happen within the setting (Flick, 2006; Patton, 1990). Observation data is collected from natural situations which include what the researchers see, hear, feel, and smell. Behaviors are observed through the flow of activities and events in their natural theme. In qualitative research the form of observation commonly used is participant observation. Denzin (1989: 157-158 cited by Flick, 2006: 220) suggests that ‘participant observation will be defined as a field strategy that simultaneously combines document analysis, interviewing of respondents and informants, direct participation and observation, and introspection.’ The major concern in participant observation is to define the role of the researcher in the extent to which the researcher is involved in the behavior being studied. Gold (1958 cited by Flick, 2006: 216-217) classifies four types of participant roles: the complete participant; the participant-as-observer; the observer-as-participant; and the complete observer. Problems involve observation are: not all issues under study can be ‘visible’ particularly achieving accessibility to the location or person and in dealing with the ethical issue of obtaining an observed person’s consent (Flick, 2006; Punch, 2005; Patton, 1990).
In this research, I had opportunities to observe activities at some of the Offices of the Provincial Governor where interviews took place, particularly in relation to the Provincial Strategy Group. I informed Head of the Provincial Strategy Group or/and Head of the Provincial Governor’s Office about my observation on activities happening within the unit during the break between each interviewing without restricting myself to description without any value judgements being made.

I also had permission from the OPDC to observe three important workshops organized by the OPDC. These workshops were:

- Feedback from the 2007/2008 Annual Performance Agreement (Provincial Level) Workshop (3-hours workshop with representatives from 75 provinces)
- Feedback from the 2007/2008 Annual Performance Agreement (Ministry and Departmental Level) Workshop (3-hours workshop with representatives from all departments and ministries)
- Negotiation Committee Workshop (3-hours workshop)

The first two workshops aimed at hearing feedback, comments, and suggestions from provinces, departments, and ministries regarding the annual PA processes, performance indicators and targets, as well as problems and obstacles in practicing the PMS. Participants are those who have direct responsibility in implementing and managing the PMS in the organization. The workshop for the Negotiation Committee aimed to prepare the Committee members for the next annual performance negotiation; for example, introducing new committee members, discussing last year’s problems and seeking solutions, sharing experiences, and setting policy tones and direction for performance indicators and target negotiation.

4.4.3.4 Document Review

Wolff (2004: 284) defines documents as “standardized artefacts, in so far as they typically occur in particular formats: as notes, case reports, contracts, drafts, death certificates, remarks, diaries, statistics, annual reports, certificates, judgments, letters or expert opinion.” Documents can serve as
evidence of an event or facts. Moreover, Punch (2006) suggests that documents not only include written texts, but they also include visual and audio evidence. Documents used in the research normally have not been produced specifically, purposefully, at the request of the researcher; therefore, they are already available waiting for assembly and analysis. Documents can be regarded as a means for communication which once written, they are preserved as independent of the time and place of the message, resulting in the lack of immediate opportunities for clarification (Wolff, 2004; Bryman, 2004). As a consequence of being non-reactive and unobtrusive materials the validity of data may be increased (Bryman, 2004). Scott (1990: 6 cited by Flick, 2006: 248) suggests four criteria for assessing the quality of documents as the followings.

- **Authenticity.** Is the evidence genuine and of unquestionable origin?
- **Credibility.** Is the evidence free from error and distortion?
- **Representativeness.** Is the evidence typical of its kind, and, if not, is the extent of its untypicality known?
- **Meaning.** Is the evidence clear and comprehensible?

Documents used in this research are mainly based on official documents from various government organizations such as annual reports; research studies, press releases, organizations’ mission statements, strategies, official publications, and work manuals and instructions. According to Scott, these documents are judged on the basis that they are authentic and meaningful; however, the other two criteria require more attention. Generally the authors want to deliver their viewpoint in their documents. According to the credibility concern, official documents are aimed at providing accurateness and error free information as they meant to serve as references and official guidelines. Some of documents have gone through various processes of verification and approval before announcements and publications. Most of the official documents are made available to the public due to the Official Information Act, B.E. 2540 (1997). Representativeness is linked to a sense of uniqueness which is likely to be a complicated issue. However, Bryman (2004) points out that the characteristics of being official or quasi-official make the official documents interesting in their own right even if they are apparently biased. Additionally, in the context of qualitative
research, the representative character may not be important because the case is not required to be subject to statistical validity testing.

Being an OPDC officer myself, I have gained access to organizations and relevant internal documents, and, to some extent, certain documents that were regarded as sensitive. Documents used in this study include: the provincial PA and performance reports; the OPDC performance evaluation and annual report on Public Development; PDC meeting reports; complaints and comments posted on the OPDC website (www.opdc.go.th); related ministries or department annual reports; research studies, and officers’ field notes.

4.5 Getting access

4.5.1 Provinces

Again, being an OPDC officer, I used the OPDC connection to gain access to the provinces chosen because normally the OPDC appoints one of its staff members to be a contact person with each province. At the early stage, the discussion with the OPDC staff concerned aimed at clarifying research aims, objectives, provincial selection criteria, and potential interview questions in order to select the provinces to be invited to participate in this research. The potential provinces were selected based on selection criteria shown in 4.4.3.1. Next, the OPDC staff members made informal contact with the provincial contact persons passing on an informal invitation to the provincial governors. After the provincial governor informally agreed to take part in the research, then, I asked the OPDC to issue an official letter to the provincial governor to officially invite the provinces to participate in this research and ask for permission to conduct interviews. This letter contains research details, for example, research aims, research questions, potential interview questions, and targeted interviewees. After the provincial governor agreed and appointed a contact person, I made contact with the assigned person to provide opportunities for clarification of research aims, providing additional information, especially details regarding the criteria for interviewee selection, and to agree the schedule for the site visits. The duration of a visit
was 3-5 days for each province. The contact person selected potential interviewees and obtained approval from the provincial governor. Invitations to participate in the research from a provincial governor were sent to those selected interviewees and interview schedules and venues were arranged.

Table 4.3 Number of interviews in each province

<table>
<thead>
<tr>
<th>Province</th>
<th>Number of interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lumphun</td>
<td>12</td>
</tr>
<tr>
<td>Phayao</td>
<td>11</td>
</tr>
<tr>
<td>Phetchaburi</td>
<td>9</td>
</tr>
<tr>
<td>Prachuap Khiri Khan</td>
<td>12</td>
</tr>
<tr>
<td>Samut Songkhram</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>

Five provinces participated in the research were Lamphun, Phayao, Phetchaburi, Prachuap Khiri Khan, and Samut Songkhram. A total of 55 interviews were conducted at the provinces (see Table 4.3); interviewees included those in the public and private sectors, and the community. Examples of interviewees include: Provincial Governor, Vice Provincial Governor, Deputy Governor, Chief of Provincial Governor’s Office, Chief of Provincial Strategy Group, Policy and Plan Officer, Head of Provincial Departments, Chairman and Vice Chairman Provincial Chamber of Commerce, Chairman of the Federation of Thai Industries at Provincial Cluster, Provincial Tourism Society, and farmers. See Appendix 7 for more detail of respondents. Each interview took approximately 60-90 minutes. However, during interviews, the researcher had a chance to immediately observe the work environment and atmosphere at the Provincial Governors’ Offices.

4.5.2 Central agencies, Training and development institutes, and key individual informants

I asked OPDC to provide an official letter to heads of central agencies and training and development institutes for permission to conduct interviews and ask for potential informants to be assigned by heads of those agencies.
Information on this research and criteria for selection of potential informants and potential questions were attached with the request letter. After the agencies agreed and assigned informants, I informally contacted those informants to arrange the interview schedule and to provide opportunities for informants to clarify the aims of the research and to make certain that such informants could provide rich information regarding the research questions. The assigned informants were informed that they could invite other potential informants to participate in the interview or schedule additional separate interviews as the result of research clarification. Table 4.4 shows the number of interviews for each group of key player. Interviews were conducted at the agencies.

Table 4.4 Interviewing conducted in each group of key player

<table>
<thead>
<tr>
<th>Key Players</th>
<th>Number of interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central agencies</td>
<td>10</td>
</tr>
<tr>
<td>• Bureau of the Budget</td>
<td>1</td>
</tr>
<tr>
<td>• Office of Civil Service Commission</td>
<td>2</td>
</tr>
<tr>
<td>• Office of the National Economic and Social Development Board</td>
<td>1</td>
</tr>
<tr>
<td>• Office of the Prime Minister</td>
<td>1</td>
</tr>
<tr>
<td>• Ministry of Interior</td>
<td>2</td>
</tr>
<tr>
<td>• Office of the Public Sector Development Commission</td>
<td>3</td>
</tr>
<tr>
<td>Training and development institutes</td>
<td>2</td>
</tr>
<tr>
<td>Key individuals</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
</tr>
</tbody>
</table>

4.6 Qualitative Data Analysis

The process of qualitative data analysis involves transforming and interpreting qualitative data collected (Flick, 2006; Punch, 2006). Coding and categorizing play important roles in qualitative data analysis. Coding is the process of assigning labels against pieces of data, offering a foundation for data storage and retrieval (Punch, 2006). Data are disseminated and broken
down into discrete parts for examination with subsequent comparison for similarities and differences and conceptualizing. These processes lead to the development of theories (Strauss and Corbin, 1998; Flick, 2006; Bryman, 2004). Categories are ‘concepts, derived from data, that stand for phenomena’ (Strauss and Corbin, 1998: 114), where phenomena refers to central ideas in the data represented as concepts (Strauss and Corbin, 1998: 101). Strauss (1987: 27-28 cited by Flick, 2006: 308) suggests that the starting point for the coding paradigm to be employed involves the following questions:

- **Conditions:** Why? What has led to the situation? Background? Course?
- **Interaction among the actors:** Who acted? What happened?
- **Strategies and tactics:** Which ways of handling situations, e.g. avoidance, adaptation?
- **Consequences:** What did change? Consequences, results?

This study uses the discourse analytical approach to explore the way in which at the macroscopic level (the implementation of the PMS in the Thai public sector) and in a more microscopic perspective (internal implementation of such system at the provincial administration) the practices and the performance of the provinces are affected. Discourse analysis is primarily concerned with all aspects of communication. Such aspects include ‘its content, its author (who said it?), its authority (on what grounds?), its audience (to whom?), its objectives (in order to achieve what?)’ (Worrall, 1990: 8 cited by Punch, 2006: 221). Potter and Wetherell (1994: 48) suggest the three features that make discourse analysis relevant to qualitative research:

*First, it is concerned with talk and texts as social practices; and as such it pays close attention to features which would traditionally be classed as linguistic content – meanings and topics – as well as attending to features of linguistic form such as grammar and cohesion. Indeed, once we adopt a discourse analytical approach, the distinction between content and form becomes problematic; content is seen to develop out of formal features of discourse and vice versa. Put more generally, the discourse analyst is after the answers to social or sociological questions rather than to linguistic ones.*

*Second, discourse analysis has a triple concern with action, construction and variability (Potter and Wetherell, 1987). People perform actions of different kinds through their talk and their*
writing, and they accomplish the nature of these actions partly through constructing their discourse out of a range of styles, linguistic resources and rhetorical devices.

A third feature of discourse analysis is its concern with the rhetorical or argumentative organization of talk and texts. Rhetorical analysis has been particular helpful in highlighting the way discursive versions are designed to counter real or potential alternatives (Billig, 1991). Put another way, it takes the focus of analysis away from questions of how a version relates to some putative reality and asks instead how this version is designed successfully to compete with an alternative.

Bryman (2004) suggests that discourse analysts consider codifying may be difficult. They rather prefer an ‘analytic mentality’ style and as what Potter (1997: 147-8 cited by Bryman, 2006: 371) called ‘a craft skill, more like bike riding or chicken sexing than following the recipe for a mild chicken rogan josh.’ In response Parker (1992 cited by Parker 2004: 310-311) suggests an approach that is more systematically designed and offers steps for identifying contradiction, construction, and function of language. These steps include:

(1) turn the text into written form, if it is not already; (2) free associate to varieties of meaning as a way of accessing cultural networks, and note these down; (3) systematically itemize the objects, usually marked by nouns, in the text or selected portion of text; (4) maintain a distance from the text by treating the text itself as the object of the study rather than what it seems to ‘refer’ to; (5) systematically itemize the ‘subject’ – characters, persona, role positions – specified in the text; (6) reconstruct presupposed rights and responsibilities of ‘subject’ specified in the text; (7) map the networks of relationships into patterns. These patterns in language are ‘discourse’, and can then be located in relation of ideology, power, and institutions.

It is essential to note that in this research the use of the computer-assisted qualitative data analysis program, NVivo software version 7, was initially explored and tested. However, a decision was made to rely on a manual analysis which offers more flexibility and more accuracy than the use of NVivo. The process of coding using NVivo is also time-consuming and sometimes cannot accurately generate relevant statements or responses.
CHAPTER 5 RESEARCH FINDINGS: PROVINCIAL CASE STUDIES

5.1 Introduction

This chapter reports the findings of the analysis of the in-depth, semi-structured interviews with respondents in the provincial case studies: Lumphun, Phayao, Phetchaburi, Prachuap Khiri Khan, and Samut Songkhram. Background information on these provinces can be found in Appendix 4. The chapter is organized into three parts. The first part concerns the nature of the provincial administration and the initial knowledge and experience of the PM concept prior to the implementation of the PMS in 2002. The second part reveals implications of the implementation of the PMS within the provinces between 2002 and 2008. These implications are presented in eleven aspects related to the research questions, as detailed below. The final part highlights key strategies and practices that are self generated which provinces have been deployed for the implementation of such the system.

All interview responses which have been translated from Thai to English are indicated by quotes. Attached to each quote are the respondent’s details including: province’s name and interview number; all of which are presented in brackets after the quotes, illustrated in Figure 5.1. However, to ensure anonymity, all respondents’ names have been taken out.

Figure 5.1 Information shown in the bracket after the quotes

```
“.......................” (ABO1)
```

Provincial Name

Interview Number
The respondents’ provinces are presented in abbreviations, shown in Table 5.1.

<table>
<thead>
<tr>
<th>Province’s Name</th>
<th>Abbreviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lamphun</td>
<td>LAM</td>
</tr>
<tr>
<td>Phayao</td>
<td>PHA</td>
</tr>
<tr>
<td>Phetchaburi</td>
<td>PHE</td>
</tr>
<tr>
<td>Prachuap Khiri Khan</td>
<td>PRA</td>
</tr>
<tr>
<td>Samut Songkhram</td>
<td>SAM</td>
</tr>
</tbody>
</table>

Table 5.1 Provincial name in abbreviation

The findings regarding the impacts and implications of the implementation of the PMS are reported in eleven main aspects. These aspects are:

- Top executive commitment and buy-in. This aspect aims at demonstrating what roles top executives play and how they show their commitment to the PMS, as well as how these executives communicate with their staff members on its design and implementation.

- Department, middle managers and staff members participation and buy-in. This aspect looks into how Heads of provincial departments, middle managers, and staff members are involved in the PMS development and implementation in terms of their reactions, roles and responsibilities, and communication.

- Culture of performance excellence. This aspect attempts to illustrate the working culture that is influenced by the implementation of the PMS, including how the system affects service provisions and improvements.

- Training and knowledge. In this aspect, training and knowledge that top executives and staff members have received are revealed together with the recognition of learning needs in relation to further training programs, including aspects of knowledge transfer and the development of communication channels.

- Execution of the PMS. This aspect focuses on issues relating to how the PMS is implemented in terms of its simplicity and understanding,
processes and procedures. Additionally, reactions and resistances are revealed on this aspect.

- Linking of the PMS to the provincial vision, strategy, and the PA. This aspect reveals how the PMS is linked to the provincial vision, strategy and the PA, and how the system translates the provincial vision and strategy into actions.

- Linking of the PMS to incentives. This aspect focuses on issues concerning how the PMS is linked to incentive allocation within the province.

- Resources to implement the PMS. This aspect focuses on resources (e.g., personnel, budget, office equipment, technology) utilized to implement the PMS.

- Outsider points of views. This aspect shows how representatives from the private sectors and the community participate in the development and implementation of the PMS and what roles they play.

- Support from central agencies. This aspect describes support that the province receives from the central agencies in the development and implementation of the PMS, as well as the emergent needs for future support.

- Enabling and inhibiting factors for the PMS execution. This aspect summarizes factors revealed by the respondents that have positive and negative influences on the implementation of the PMS.

5.2 The nature of the provincial administration prior to the implementation of the performance management system in 2002

5.2.1 The nature of the provincial administration

Prior to the major civil service reform of 2002, the perception of the respondents was dominated by the long-established public sector tradition that work is driven by rules, procedures, and allocated budgets. Particularly at the provincial administration, tasks were largely assigned and cascaded from the parent ministries and departments based on decisions made centrally with concrete detailed instructions and report forms. These features are illustrated by the following statement:
“We received orders from the department. When the Government announced their policies, the department then sent us letters providing detailed instructions what we were required to do, including processes and procedures to be followed, as well as when and what to be reported using forms.” (LUM3)

In addition, the relationships among provincial departments within a province appeared to be formal and professional relationships in which contacts made were purely in terms of the requirements of work and sharing information. Information was shared through reports because of the insufficient database development and limited accessibility. This culture was mentioned by respondents as follows.

“There were formal monthly provincial meetings with the Governor. All department heads were required to participate and report their performance, as well as current or emerging issues. Normally, we made contacts with other departments in order to deal with work arising, for example, following monthly and quarterly budget spending reviews.” (PHA8)

Respondents also revealed that there was limited work coordination among provincial departments particularly in terms of providing mobile services at the villages and communities. This resulted primarily from plans being developed on a provincial department basis. At the same villages and communities it appeared that different departments set schedules for delivering mobile services on different days resulting in several work disruptions and distractions. More importantly, the mobile service sometimes was scheduled in an inappropriate period, for example, it was set during the peak harvesting time. These were revealed by the following statement:

“We set our own schedule for mobile services and other departments also set their own ones. At the same village people were called out from their fields several times for several services. Even though they realized that services were important to them (e.g., healthcare and agriculture knowledge transfer), they sometimes were not be able to attend especially during the harvesting time.” (SAM4)
5.2.2 The prior experience of the performance management concept

Some of the respondents were unaware of the concept of PM. It was perceived as an academic concept which was not possible to apply in the public sector due to its difficulties in identifying outcomes and responsible agents. They may have heard of this concept from their central offices, but they did not associate their work with it or had a true understanding of the concept. The PMS was viewed purely as measurements and indicators that generated additional workload for data collecting and reporting. However, some of the respondents had experienced measurement-related concepts (e.g., RBM, BSC, and Hospital Quality Assurance) which provided a suitable background when the PMS was developed. This concern was shown as the following:

“In the health sector, we dealt with measures and indicators all the time. For example, the hospitals were required to pass the Hospital Quality Assurance. We collected hundreds of items of health information: birth rate, death rate, cause of death, discharge rate, length of hospital stay, disease statistics, etc. We set targets as usual. These provided healthcare departments advantages in many ways. First, we were familiar with measures and indicators. Second, we got used to data collection. Third, we have defined concrete definitions of the terms. Finally, and may be more importantly, we have already had a systematic database and reports. Therefore, the PMS was not a big issue.” (PHA9)

5.2.3 Conclusion

Before the implementation of the PMS in 2002 the nature of the provincial administration was of a typical public management form that led by inputs, rules, and processes. Provincial departments had little influence on planning and setting their targets because such decisions and targets were normally set and cascaded from their parent ministries and departments. Each provincial department individually received its budget from the allocation of its parent department. The formal relationships among provincial departments were found to be dominantly work-related and limited information was shared due to the insufficient database and limited information accessibility. Paper-based reports played an important role in
connecting and building relationships among departments. A lack of coordination among departments particularly in mobile service provision into the villages and communities caused disruptions and distractions resulting in missing opportunities for service accessibilities.

The PM concept was known only among postgraduate staff and those participated in the measurement-related concepts. However, it was questioned how it would be implemented in the public sector because the concept originated from the business sector. This is because the public sector has unique characteristics that are different from those of the business. Initially the PM concept was perceived as a measurement concept using measures and indicators making it in practical terms more or less data collection for reporting. Unfortunately, this data was not directly used for management decision making.

5.3 The implications of the implementation of the performance management system with the provincial case studies

5.3.1 LUMPHUN PROVINCE (LUM)

5.3.1.1 Top executive commitment and buy-in
The Provincial Governor and Vice Provincial Governors played significant roles in being reachable and creating open-minded management. They demonstrated that they utilized the system and being active learners recognized its value in improving services. Communication between top executives and their subordinates became less formal and while stress and tension were unavoidable they could be handled. These were revealed by the following statement:

“I tried to show to staff, not only those working at the Governor’s Office, but also those working in other provincial departments, that my door was always open. Whenever you want to talk and whatever the topics, you were very welcome without making prior appointment. Of course, the majority topics being discussed were about the PMS, the PA, and incentives. I have got direct feedback and suggestions which some were taken for further investigation and implementation. I also demonstrated that I used
information from the PMS in decision making and encouraged all departments to develop sufficient and reliable database.” (LUM1)

“We are all new to the PMS. However, I set targets to myself and my staff that we must learn the lessons and improve every year. Data must be utilized for planning and decision making. We need to work hard, but, at the same time, we need to look after ourselves. Being healthy is essential. I realized that this was tough and stressful, but we have to make a balance between work and health.” (LUM2)

Lumphun’s top executives also demonstrated that they were involved in and supported the PMS by taking charge of the implementation of the system, as well as actively support the implementing team. This is illustrated by these statements:

“I have looked myself into each and every process of the PMS. I used this PMS and the PA as one of the tools for managing the Province. I used it for monitoring and planning for future projects.” (LUM1)

“The team who is responsible for the PMS implementation got priority and support from not only top executives, but also heads of the provincial departments. Requests from this team usually received high priority in providing responses.” (LUM2)

In addition, top executives of Lumphun Province also demonstrated the willingness to learn and encouraged continuous learning as can be found in this statement:

“This was the first step into the PMS. We are all new to the PMS. We were only in the learning period; therefore, there were possibilities for errors and mistakes. We have to learn from them. As a result, we needed to spend a few years for learning and improvement as a continuous process which never ends. We are exploring and experimenting with this system. However, I set targets for myself and my staff that we must learn the lessons and improve every year.” (LUM2)
5.3.1.2 Heads of provincial departments, middle managers, and staff members participation and buy-in

At the preparation stage the PMS particularly involved top executives and senior management, but disregarded heads of provincial departments, middle managers, and other working staff who directly contact customers. This, to some extent, created middle managers and staff anxiety and resistance among these staff because of asymmetric knowledge and understanding.

“Firstly, in the preparation processes for the PMS implementation, only top executives were involved and received vigorous training. However, they were on the top and just took care of the policies, not practically implementing the system. They did not have time to transfer knowledge. These left us (the implementation team) to sought our way out. Therefore, we had quite a bad time at the beginning.” (LUM3)

5.3.1.3 Culture of performance excellence

The implementation of the PMS introduced the most challenging concepts using new terms and talking new language and new kind of conversations. Many respondents experienced these changes.

“We usually talked about our targets during coffee break. We asked each other how far to meet the targets. We monitored our performance and looked forward to next year’s target setting. Everybody talked about performance.” (LUM4)

The PMS also created a more friendly working condition that facilitates work. Additionally, a respondent revealed that because he was born in Lumphun, he devoted himself to his work with an aim that this Province would be better off.

“Lumphun is my birthplace and I have always wanted to do my best for my province. The PMS offered one way to work better.” (LUM4)

5.3.1.4 Training and knowledge

At the starting point a series of trainings and workshops were provided for top executive preparations which were more likely to have an academic orientation. However, such trainings and workshops required time devotion
from those executives because they lasted 5-7 days. The Provincial Governor found it was difficult for him to leave the province for such a long period. Also travelling and accommodation costs increased significantly.

“Training and workshops were useful, and they provided such detailed information. As a result, a workshop took a long period of time which it became more difficult to attend the whole workshop. I considered that workshops should also provide to those at middle management, heads of provincial departments in particular. These persons played important roles in system implementation and communication. Annual or bi-annual retreats were essential for updating, following up the progress, and sharing lesson learnt.” (LUM1)

A respondent commented that providing education and knowledge through periodic teleconference or cable television program was an additional interesting option. Like the open universities which create their own schedules for their lessons and cable television which markets their products and services, it is possible for the public sector to have its own television channel broadcasting its programs for education and communication.

“I would love to see the government or the central agencies broadcast their own programs to provide information, communicate with people, and receive direct feedback from the provincial departments, just like the cable TV and those open universities that have their own programs on a regular basis. Alternatively, periodic teleconference would be useful where central agencies had chances to directly communicate with provincial departments for instruction and clarification. This would be the education channel especially for the civil servants.” (LUM9)

5.3.1.5 Execution of the PMS
In the early stage of the PMS development and implementation, the Province established a special team, named a Public Sector Development (PD) Team. This Team is responsible for issues relating to provincial strategy development and implementation, the implementation of change management programs including the PA and PMS implementation, and monitoring and evaluating provincial performance. The Provincial Governor appointed the team members from several provincial departments so as to
create network of coordination and cooperation among departments. These members are those recognizable and reputable members of their departments.

“The PD Team was the collection of the creams from many departments working together to fulfil a demanding requirements of the PA and the PMS. We had members from the Provincial Industry Office who had strong background of the RBM and measurements. We had members who were familiar and had experience in planning.” (LUM3)

The respondents also commented that the PD Team smoothly and successfully worked together even when there was a change in the Provincial Governor due to the fact that the core members mainly remained the same for the past five years. However, the Team members also had to balance their responsibilities between their core responsibilities and their responsibilities to the team’s requirements resulting in health-related problems and work-life imbalance. These were expressed by the respondents as the following:

“The core Team members were here since the beginning. They developed and implemented the system. They saw changes, development, and improvements of the system. They had not lost their sights from the system. These, I believe, was the most advantage for our Province.” (LUM4)

Regarding the PM concept, respondents from Lumphun Province revealed that they did not totally understand the concept and were uncertain how it could be applied to the public sector. This is because a government agency has multiple tasks and serves multiple stakeholders and customers. As a result, it is difficult to identify outputs and outcomes. Considering the province as an organization even makes the system more complicated because roles and responsibilities are on a large scale and that it is difficult to create a PMS that can cover all aspects. These were pointed out by some respondents.

“The implementation of the PMS at provincial level happened very quickly. The concept was very new to civil servants. The concept may be well known to those recent postgraduates, but not known to the majority of staff working at the province. Imbalance of knowledge made it difficult for communication
and buy-in. The lack of understanding of the PM concept itself makes it difficult to develop. More importantly, the system tried to cover all aspects of the provincial roles and responsibilities; however, it was proved to be difficult and complicated.” (LUM6)

The major concern with the execution of the PMS was performance indicators. Good understanding of the philosophy of the development of performance indicators is essential, so that such indicators are utilized efficiently and fairly without distortion. This concern is revealed in this statement:

“Performance indicators were the major elements of the PMS. Understanding of the indicators was in terms of what was to be measured, what data would be used, how to measure, when to measure, and how to interpret such data. Good understanding of these elements led to better understanding of what we intend to measure and what information will be revealed. Therefore, this could reduce misuse and distortion. However, so far, we seemed not to have a good understanding of such indicators. As a result, it created a bad impression in the PMS as its difficulties were hard to resolve.” (LUM6)

Moreover, the demands of the PMS development and implementation have created resistances and a bad impression to some extent. It can be found from these statements:

“Developing and implementing the PMS demanded high attention and support from those top executives and heads of the provincial departments. Tens of meetings were held in order to complete only one task. Sometimes executive meetings just provided guidelines for further development, leaving details for further studies. These created frustration and stress for responsible staff.” (LUM5)

“The concept of the PM was new and it needed studying. The system was meant to penetrate into the typical public administration which was doing what you were told, and developing a new culture of creativity, participation, and continuous learning. Many ‘dead woods’ found it was difficult to understand such a concept, cope with the new challenge, and finally resisted
By products from the implementation of the PMS were a more accurate and up-to-date provincial database and the better understanding of the work processes and procedures. These were because the system required accurate data for monitoring performance which meant that data collection was clarified in terms of terminologies and definitions. Workflows were mapped in order to mark the starting and finishing points for an accurate and reliable data collection.

“We spent time clarifying and setting up data collection procedures. We drew workflow to map out work processes and to select the starting and the finishing points for data collection, as well as setting time for regular data reports, so that the database would be accurate and up-to-date.” (LUM4)

5.3.1.6 Linking of the PMS to provincial vision, strategy, and the PA
In developing the PMS a provincial vision and strategy were required to steer provincial performance. However, translating vision and strategy into actions was difficult as respondents revealed that practically the PMS was attached to the PA. This meant that performance monitored and measured in the PA received prioritized attention and was managed. Thus, only partial aspects of provincial key responsibilities were managed.

“Due to the fact that the PA was promoted in order to be used as a tool for the PMS implementation, to some degree the PMS is linked to the vision and strategy of the province.” (LUM9)

“The PMS initially required us to create provincial vision and strategy as the starting point. However, we were allowed to develop only a limited number of performance indicators explicated in the PA. We were told to be selective in choosing performance indicators for the PA, approximately 8-10 indicators for our strategy. Precisely these indicators were not able to cover of aspects of the provincial work.” (LUM5)

Moreover, many KPIs in the PA are related to detailed work processes especially those measuring cycle time and work reduction, total quality
management, risk management, and change management. These involved detailed instructions of process implementation and required outputs and as a result respondents reported that they were distracted and disrupted from their core responsibilities. They considered that they were required to work for less important requirements which little related to their core ones. This is illustrated in the following statement:

“At the same time, not only was the PMS implemented, but also other new management ideas, for example, change management, risk management, total quality management in terms of Public Sector Management Quality Award (PMQA) criteria, knowledge management, etc. All of these concepts required detailed evidence for the implementation. At provincial level work was at an enormous scale because it involved all work from all provincial departments. I believed you could not imagine how large the scale of our work in order to fulfil only one requirement. This did not include the difficulties in managing work among several departments which individually had their own chains of command.” (LUM3)

5.3.1.7 Linking of the PMS to incentives
The provincial performance is evaluated based on the PA. Provinces that have performance score more than 3.0 are entitled to receive monetary incentive. The higher the performance score, the higher the incentive to be received. At provincial level, incentive distribution is two folds. After receiving the incentive, each province individually creates its incentive distribution criteria to be used in distributing the incentive to provincial departments. Later the provincial departments develop their distribution criteria for distributing this incentive to their staff members. Although incentive distribution criteria at any levels within the province must follow main guidelines provided by the OPDC, provinces still have considerable flexibility and challenges in managing its incentive. Respondents reported that it was a challenging job for the Province to create incentive distribution criteria. Even though the OPDC provided some concrete guidelines, it was the province that was responsible for the incentive distribution.

“An allocation of incentive was a new concept to the province. Incentive was meant to be given to high performers. However, it was uncomfortable and reluctant exercise to decide and judge how much incentive an individual
would receive because the individual performance scorecard was not developed. Incentive allocation also had strict accounting rules administered by the Comptroller’s Office.” (LUM3)

In addition, performance target setting was viewed as unreasonable when setting performance score at satisfactory level (equalled to a score of 3.0) for a given budget. To obtain a higher incentive, a higher the performance score is expected. However, with a given budget, the province was required to increase its efficiency, effectiveness, and economy which were considered impossible to some extent.

“We could manage the budget more efficiently and effectively with paying less. This could be done to some extent. However, we may receive the same amount or less of budget every year with more demanding requirements. I considered this unfair and unreasonable for the working staff.” (LUM8)

Even though incentives linked with the PMS, it was only linked with tasks attached to the PA. However, the PA did not cover the holistic aspects of the provincial responsibilities and consequently there was an aggressive competition to win over a place in the PA.

“Due to the fact that the province linked its incentive allocation strategy with the performance indicators under the PA, only departments who were responsible for such indicators were entitled for incentive. Therefore, every department tried to get places in the PA, as many as possible. If their names did not exist, limited cooperation could be expected.” (LUM7)

5.3.1.8 Resources to implement the PMS
The implementation of the PMS received supportive resources in terms of knowledge from the central agencies, OPDC and local academic institutions in particular. Such an implementation was later granted extra budget for execution but not on a regular basis. The Provincial Governor’s Office was required to set aside its budget for this task as it was the system’s host. Provincial departments spent their own budget for the system implementation.
“Apart from knowledge preparation, the province was pretty much left on its own. We had to rearrange our budget because there was no extra budget allocation for the PMS implementation and execution. The first year we received an extra budget of ten million Baht for this execution, but it was not enough. Most of the budget was used for travelling costs and meetings. Also with the limitation of how this special budget can be spent, only a few projects met the spending criteria.” (LUM3)

Internet accessibility was one of the major concerns of the Province. The main reason was that the government and central agencies excessively use internet to deliver and communicate their requirements and instructions. In addition, teleconference via satellite was heavily used aiming to involve more participants and reduce travelling costs, but there were limited accessibilities. This was revealed in this statement:

“Teleconference was very useful because we could involve more people. However, at the early stage, the system was available only at some provinces; for example, in this region we had to travel to Chiang Mai for the teleconference participation. At the present, all provinces can access the teleconference which is helping us to reduce travel time and costs, and can involve more people as we wish.” (LUM4)

Typically internet provided wide varieties of knowledge, most of which was in English. A respondent revealed that sufficient English skills were also necessary for information searching via internet and improving knowledge and understanding.

“Internet provided a quick reference for knowledge and understanding. However, most of the contents were in English. Thus, having sufficient English skills was essential for knowledge seeking.” (LUM2)

Respondents also maintained that there was a need for a lawyer working at the province in giving advice on legal issues especially to the Provincial Governor. Due to the rapid changes in laws and regulations together with the government policies in decentralization, empowerment, and delegation, central agencies delegates more authorities to the Provincial Governors and
some of which are needed to further delegated to the local administration. Being unaware of the law requirements can cause unintentional wrongdoing. “We were not allowed to comment on human resources in terms of the number because of the government policy, but we would like to get at least one lawyer working at the Provincial Governor’s Office because the new Acts and the changing laws and regulations put the Governor in jeopardy of being unaware of law violation.” (LUM1)

Some respondents raised a concern on the lack of persons with planning, statistical, and analytical skills which were necessary for strategic planning, target setting, and performance monitoring and evaluation. “Improvements would not happen if we could not read and analyze the numbers.” (LUM5)

In addition, frequent position relocation was one of the major causes of the lack of skilled persons. Staff members working at the provincial departments can be relocated by the order of their parent ministry/department. The Provincial Governor may provide feedback on the persons to their parent ministry/department for promotion and relocation. However, practically the Provincial Governor has little power in dealing with these aspects. Promotions and relocations mainly depend on decisions of the parent ministry/department. Respondents reported that the frequently relocated staff members at all levels have made them lose valuable resources and they did not have time for preparation. It also caused disruption particularly when the Provincial Governor was relocated. “Staff members working at the provincial departments had a high frequency of relocation. This caused disruptions and inhibited knowledge transfer because of the short notice given.” (LUM1)

5.3.1.9 Outsider points of views
The private sector is mainly involved in the process of provincial vision, mission, and strategy development. This process allows both public and private sector to communicate and exchange information. Respondents from the private sector reported that by being involved in the PM process they could better understand the rational of the public policy and at the same time
give feedback and add information and their expectations to the public sector. In addition, an involvement of the private sector develops network and provides external auditing where information is made clear for decision making, monitoring, and evaluation. These were revealed in the following statement:

“The PMS has opened opportunities for the private sector to officially participate in the public administration. These created not only a good relationship between these two sectors, but also opened channels for communication and information sharing. The province may not keen on business, but we could help.” (LUM10)

When both public and private sectors discuss plans they can better integrate the expectations and the needs for the private sector into the public plans, so that the plans can provide direction for both sectors, and public sectors can receive support and participation from the private sector.

“Taking the provincial vision and strategy at heart, we could more adequately offer help and support to the Province. For example, when the Province needed to promote the campaign for touring historical routes, we helped by encouraging travel agencies to create new itineraries to include visiting historical places within the province and nearby. We were looking for new potential tourist attractions and we could recommend the responsible government agencies where and how to promote and develop those places and market them.” (LUM12)

5.3.1.10 Support from central agencies
The respondents were concerned that the PMS would not receive continue support from the government and the central agencies. Based on respondents past experiences, they perceived that this new concept would draw attention for some period of time and then would be abandoned. The possible reasons are that the highly demanding system requires strong and continuous support from the government and top executives and they are required to demonstrate that they utilize the system effectively and fairly.

“I really hoped that the strong support from the government and the central agencies would last long. I have seen many new concepts developed and implemented, but later were abandoned when there no longer held attention.
I would not want this concept to face the same tragic pathways as earlier concepts. They were like fashions. We said we were modernized by adopting new emerging concepts, but, unfortunately, we could not maintain them for long.” (LUM5)

Respondents reported that they have received academic-based contents support from both central agencies and the academic institutes; however, there are limited examples of benchmarking and best practices particularly in the public sector. Such information needs to be made available via internet with more friendly access.
“The majority of examples given by the OPDC and those available via internet were more from the private sector. Little is known from the public sector. I thought we have had some examples, but we do not know where to look for. It may be because such information has not been made available for the public.” (LUM6)

Repeatedly, respondents were concerned that technological supports were necessary. These were in the form of infrastructure and software, e.g. information system, internet access, intranet. It is recognized that web conference can reduce travel time and involve more people especially for training and information generating. These were revealed in the following statement:
“We have developed provincial database and intranet for the provincial uses, but we still need high speed internet to access information available via web sites.” (LUM8)

Respondents also pointed out that third party involvement especially in the performance evaluation processes could promote transparency and fairness. These parties include auditors, representatives from the private sectors, NGOs, and communities, and academic institutions.
“We did self-evaluation, but to be fair and transparent third party involvement was necessary.” (LUM4)

However, there were conflicts of interest in terms of opening room for development innovations. On the one hand some respondents required
more examples and concrete and detailed instructions on how and what to do, pre-designed forms to be reported, and what kind of evidence they needed. On the other hand, respondents also needed room for development innovations. These conflicts were revealed in the following statement: “We could be creative but the concrete instructions inhibited them.” (LUM3)

5.3.1.11 Enabling and inhibiting factors for the PMS execution
Responses from all of the interviewees revealed several factors that enable and inhibit the execution of the PMS. Such factors are as follow:

Enabling factors:

- Knowledge sharing and exchange with technology support
- Recognition. PMS enables staff to recognize how much they have done, how best they perform, where the problem is.
- Support from academia as consultants.
- Involvement from private sector brings about cooperation and suggestion from outsiders.
- Local people work for their province. Many staff members were born or settle at the province; therefore, this creates sense of ownership where they work to improve their province.
- Work continuation. Staff members at the Governor’s Office tend to work for a longer period of time before relocation; therefore, they continue their improvements and pay more attention for developments.
- Learning by doing.
- Lumphun is a relatively small province; therefore, the number of staff is relatively small and provincial offices are located closed together. These make communication, both formal and informal, easier.
- Management skills of the Chief of Provincial Governor’s Office in the allocation of limited staff to work toward the provincial targets achievement.
Inhibiting factors:

- Inadequate staff qualification. The majority of staff working at POTS has background in physical education (due to organization restructuring reform); therefore, they have limited knowledge of tourism.
- Lack of statistical and analytical skills in order to analyze performance data for planning and improvement.
- Lack of planning specialist, just depend on experience
- Lack of knowledge and skills in new public management and the PM concept, KPI in particular.
- Limited English proficiency leads to limited communication and further concepts exploration.
- Lack of presentation skill
- Lack of self-awareness in service provision to meet citizens’ needs
- “Dead woods” need no changes.
- Lack of lawyer working in the provincial office. Changes in laws, regulations, and management concepts result in changes in provincial administration.
- Frequent staff member relocation
- Workload increase. The PMS adds extra work to the routine. Within limited staff, PM processes create loads of job, e.g. data collection.
- All work is measured by KPIs – as it is said ‘what gets measured gets done’, work without KPIs are left alone with limited support – work measured by KPIs are limited, and they are just a small proportion of all work.
- Data from different organizations reveals different information mainly because of different terms and definitions.

5.3.2 PHAYAO PROVINCE (PHA)

5.3.2.1 Top executive commitment and buy-in
Due to the fact that the current Phayao’s Provincial Governor was involved in the PMS development at Phayao Province since the early stage, it provides several advantages to the development of the system to date. She
has, for example, a strong understanding of how the provincial vision and strategy were created, has been involved in the major PM processes (e.g. obtaining vision and strategy approval from the Cabinet, negotiating the provincial PA, and participating in performance monitoring and evaluation). She has also participated in several training events and workshops specifically organized for the preparation of the top executives. Importantly, she realized that the PM concept highlights the work of the province and makes the province more recognizable in terms of real ‘provincial administration.’ She indicated that:

“The PM concept was useful and helpful for the provincial management. [...] The PM concept required us to have accurate, inside, and a better understanding of the province: history, geography, demography, local problems, local needs, etc. We manage our province with strategy, with goals, and with indicators for monitoring and evaluation. I believe these added more value to the provincial administration and we were no longer sit in the monthly provincial meeting and hear just what the provincial departments want the province to do. Our work and efforts have been recognized.” (PHA1)

In addition, the respondents emphasize the importance of the PMS that added value to the provincial administration, particularly in creating and disseminating provincial vision and goals. Drawing attention to the goals is making management at the provincial level more coordinated and synergized towards the same destination. These are revealed in the following statement:

“We have to manage the province using the new management approaches: strategy management, participation, performance monitoring and evaluation. We are required to work together in order to utilize our limited resources in a more efficient and effective manner. We are experiencing more aggregated and conglomerated work and events happening within the province. These are, for example, the mobile services into the villages and communities that involve several provincial departments (e.g., Provincial Office of Agriculture and Cooperatives, Provincial Industry Office, Provincial Public Health Office, Bureau of Social Development and Human Security, and Community Development Provincial Office).” (PHA1)
The strong and close support from the government, particularly from the Deputy Prime Minister who oversees this region, has made the implementation of the PMS more comprehensive and competitive.

“Many attempts have reached international coordination, for example, we (provincial governor and private sectors) signed a memorandum of understanding (MOU) with China for an annual agriculture trade fair to boost exports. As a result, we can export more of logan to China.” (PHA1)

5.3.2.2 Department, middle manager and staff members participation and buy-in

Respondents reported less optimistic perspectives regarding the usefulness of the PMS. It was certain that the implementation of the system created more workload, stress, and confusion. These are illustrated in the following statements:

“Another new academic-based concept that arose from the private or business sector will have to be carefully applied to the public sector. It was new languages that sometimes are difficult to understand or communicate about, and it definitely generates more work.” (PHA7)

“When the system was first implemented, all staff members felt like crazy and went mad, but today we can handle the situations and the demanding requirements.” (PHA4)

Furthermore, the PMS was considered to be the management of the PA and was not implemented into the holistic work of the Province. This was revealed by a respondent as the following:

“PM was just the management of the PA. If it was indicated in the KPIs within the PA, it was managed and later received bonus. Other major work was left out, and no one paid attention.” (PHA8)

However, a respondent showed that the PMS creates an interesting and challenging job in every process.

“I believed we are working on the right track. We did real analysis, planning, and gaining participation from various sources. All efforts got returns; we
could solve our own problems, and we could create plans reflecting all aspects and real needs.” (PHA4)

In addition, a respondent revealed that he was personally engaged in the system because of the high sounding provincial vision.

“It was fascinating that part of Phayao’s vision was set as being ‘a pleasant city for dwelling’ which was, for me, very accurate because many retired civil servants have moved here. It is because of good weather, quiet atmosphere, and convenient transportation.” (PHA3)

5.3.2.3 Culture of performance excellence
Respondents reported that the PMS has created a new working culture where the centre of the staff’s conversation is about setting targets, achieving targets, monitoring performance through KPIs, training, and incentives. Data was systematically collected and a database was developed in order to provide a concrete and accurate evidence for evaluation and decision making. Moreover, in the monthly provincial meeting, one of the important agenda items is monitoring the accomplishment of KPIs based on the PA. These are illustrated in the following statement:

“Everywhere we can hear people talking and discussing about the PA, KPIs, and their progress towards targets. Achieving the PA was the major concern of us all.” (PHA10)

In addition, the provincial departments are responsible for tasks assigned by their parent department/ministry as well as those related to the provincial vision and strategy. The relationship between the provincial department and its parent department/ministry has changed in that the provincial departments are becoming more focused on their local needs. The provincial departments no longer completely rely on orders from their parent department/ministry. They, rather, propose their projects and targets that are more responsive to the needs of the local communities, as well as negotiate resources for delivering the assigned tasks. Furthermore, the sense of unity among provincial departments is stronger when working towards the PA’s goals. These are revealed by the following statement:
“The provincial departments are more responsive to the needs of the people in the province. We did not just follow orders from the parent department/ministry, but we have tried harder to make our people’s needs heard. We think more of local needs and we want to make it real. We pushed forward the needs of the local people in order to get support for the tailor-made projects.” (PHA7)

Respondents reported that the PMS stimulates provincial departments to improve their services and change attitudes towards customer-focused aspects. Shared thinking, shared implementation, and shared responsibilities are at the heart of the PMS. The provincial departments worked more closely together. Moreover, every two months on Monday, there is a ‘Coffee Forum’ which is the meeting among several provincial office representatives (e.g., Office of Commercial Affairs, Provincial Industry Office, Provincial Public Health Office, and Provincial Office of Agricultural Extension) to discuss current issues, for example, the drop in the sale of OTOP and OTOP promotion.

“We planned together when to get off to the villages and communities to deliver services, so that people could get the most of their time when leaving their fields.” (PHA10)

Respondents reported that the system was likely to be distorted due to the fact that attention was paid on making the performance score as high as possible so that higher monetary incentive was granted.

“The real development and improvements are limited because staff members were keen to give expected and pleasant answers, and they studied hard to get higher performance score with limited ‘real’ improvements, just paper-based evidences.” (PHA9)

5.3.2.4 Training and knowledge
Respondents conveyed that intensive preparations (CEO Retreat Program) for top provincial executives are very important. Not only are the preparations useful in terms of context, but also they are essential for executives who have different backgrounds.
“CEO Retreat Program was very informative and helpful for the provincial executives. Typically Provincial Governors came from two different backgrounds. Firstly, they were former Head of Provincial Governor’s Office. They have some background of planning and monitoring, but like ‘ducks’ who can swim but not good swimmers and can fly but not good flyers. Secondly, they were former Deputy Governors who were keen on public administration, but not on management. Therefore, this Program offered a refresh, up-to-date concepts and knowledge, as well as outside-in perspectives from the reputable private sector or businessmen.” (PHA1)

Central agencies organized and offered a series of training and workshops for those directly participating in the PMS implementation, distributed manuals and press releases, and developed an online knowledge centre. However, there is limited accessibility to some degree; for instance, the limited places for trainings or workshops, limited numbers of copies of manuals, limited internet access.

“They (central agencies and the Provincial Governor’s Office) said all manuals and related knowledge were available on the websites, but it was very difficult to get access through these websites because of the limited internet capacity.” (PHA6)

Academic institutes were involved into the system as consultants and specialists. For example, Rajamangala University of Technology Lanna was involved in developing e-learning systems and knowledge management, One Tumbon One Product (OTOP) innovation and improvement in particular. These helped staff cope with a new management concept and its demanding requirements as illustrated by the following statement.

“At the beginning the OPDC commissioned an academic institution to be our program consultant and assigned its staff as our coordinator. These helped us in terms of academic-based knowledge and a direct linkage with the central agencies. We also sought further help from academic institutions within the area particularly in information technology. Later, we tried to build up our e-learning and database so as to motivate learning processes.” (PHA6)
Some respondents reported that it was difficult to communicate the concept of the PM to staff members because of the educational background differentiation. The available press releases or manuals carry heavily academic-based language and terminologies which are difficult to understand.

“I have difficulties communicating the PM concept to my staff members. Some of my staff members are only high school graduates. The majority of the members did not have management background. Thus, communication to them requires tailor-made conversations and takes time.” (PHA8)

“Some manuals are like text books that contain difficult words, complicated graphs and figures, and did not draw our attention. When I read, I feel like I have to translate from Thai to Thai again.” (PHA5)

A respondent pointed out that the Thai customs in saving others’ feelings and helping each other made improvement and development difficult to achieve for the under performers because managers were hesitant in drawing attention to those who under performing and in some cases feedback to those under performing made them embarrassed and to lose face. Therefore, under performers did not receive true performance evaluation feedback from the superiors and achieve appropriate development.

“It was a difficult situation in identifying who performed badly and needed to be re-trained.” (PHA10)

5.3.2.5 Execution of the PMS
At the starting point the implementation of the PMS created stress and anxiety for staff members because the system depended heavily on academic knowledge. However, learning processes and knowledge sharing occurred.

“We were very confused and stressed. The implementation of the PMS required wide ranges of knowledge: vision and mission development, strategic management, planning, target setting, measurements, TQM, incentive management, and much more. These happened within days or weeks or months. It was very quick, abrupt, and dramatic changes. Luckily,
the OPDC commissioned an academic institution to be our consultant. This did help, but it was not fast enough to keep track of the OPDC’s schedule. However, we kept learning." (PHA6)

Respondents reported that the implementation of the PMS required strong support from the top management and the government. Support from the provincial top executives continued, but, unfortunately, due to the political changes, the province obtained little support from the government.

“I still encouraged departments to link the PMS to their daily routines, not just the PA. However, under time and budget constraints and uncertain political situations, I would not expect much from it. Sadly we no longer receive support from the government as well as budget allocation for participating in the annual agriculture trade fair, leaving the private sector to continue.” (PHA1)

A respondent commented that the PMS paid attention only to short-term goals. The possible reason for this was that the Province is lack of ‘real’ long-term plans because the system was attached to the annual PA evaluation. Such plans were mainly based on provincial departments’ plans and budget. There was a need to monitor long-term results or outcomes. This situation is revealed in the following statement:

“We just focused on the achievement of the PA’s targets which were set annually. The plans were likely not to link with long-term plans because of uncertainties, e.g., political situations and government policies. Outcomes of the projects should be monitored in the long term, so that such projects provide sustainable results.” (PHA1)

5.3.2.6 Linking of the PMS to provincial vision, strategy, and the PA
Respondents revealed that work under the PA gains significant success and attention. When work is continuously measured, sustained results can be expected and continuous improvements occur.

“Work becomes more integrated; we think as one team aiming for the same goals. We learn and experience together. Everyone tries to make a contribution for the success of the province. We create and use plans as
guidelines for implementation and deliverables. Activities are arranged based on the plans, not day dreaming or aimlessness.” (PHA4)

“Now we have provincial strategies and provincial offices we need to adjust work to cooperate with such strategies and to satisfy area needs. Provincial Offices have started negotiating with their parent ministries/departments regarding their requirements from the centre, their expected supports, and their local needs.” (PHA1)

However, a respondent revealed that the link between the provincial strategy and the action plans was limited.

“There was a weak linkage between the provincial strategy and the action plans. For example, we did not identify what the ‘pleasant city for dwelling’ looked like and how we could measure. Therefore, we could not set proper targets and appropriate plans.” (PHA9)

5.3.2.7 Linking of the PMS to incentive
Incentive distribution was one of the major concerns and conflicts for all staff members. The issues of unfairness, ambiguity, and discrimination were aroused based on the provincial incentive distribution guidelines. The possible reasons for these include: the distribution guidelines were based on involvement in the PA and that the PA covered just some portions of the roles and responsibilities of all provincial departments; the lack of participation in the development of the distribution guidelines; the lack of supporting evaluation mechanisms at the lower level of management; the complexity of the distribution criteria and guidelines; and the comparison among the same provincial department in different provinces. These were revealed in the following statements:

“There were conflicts and controversy between the concept and the real practice. The concept for incentive distribution was to promote and motivate high performers, and it was not a welfare which all people were entitled to. This incentive was meant to be an additional motivator for those who performed well. From the provincial level, the incentive was distributed to the provincial departments, and then the departments distributed it to individuals. Problems arise when there were no performance evaluation
mechanisms at the lower level. Although there were regular bi-annual performance evaluations for promotion, I was not certain how these were utilized. Having incentive distributions caused more problems and conflicts rather than motivate people.” (PHA9)

“It was a tough position in deciding who to receive this incentive because one of the criteria for the eligible person, set by the OPDC, was they must be civil servants or permanent employees. However, we also had temporary employees who contributed to the achievement of the PA. It was very difficult to explain why and to maintain a high level of motivation in this regard.” (PHA8)

In addition, respondents revealed that challenges related to the implementation of terms led to a misunderstanding of the initial objectives for the implementation of the PMS. The possible reason was the PMS was introduced using the PA as its major tool for implementation under the Performance Agreement and Incentive for Promoting Good Governance Scheme. This scheme offered monetary incentive to motivate government organizations and individuals to improve quality, efficiency, and effectiveness in public services. This ‘incentive’ when communicated was referred to as a ‘bonus’, where ‘bonus’ was likely connected with profits. This ignited the controversies over the issue of making profits in government organizations and the use of taxpayers’ money. More importantly respondents reported that the incentive scheme destroyed their pride in serving the King. Rather, it created greediness, competition, and selfishness. The concept of incentive was against the concept of public work where government organizations delivered services without profit making. Incentive was paid on the taxpayers’ expense which could be better used elsewhere. These were revealed in the following statement:

“We should use and speak the correct terms. The term ‘bonus’ should not be used. We did not pay a bonus, but we rewarded high performers to motivate them to sustain their efforts and to give recognition to their contributions. Although the reward is in cash, it is very little. We did not pay in multiple of their salaries, rather we paid in a very small percentage, approximately 10-15% of their salaries or even less as hundreds Baht.” (PHA1)
Furthermore, respondents revealed that the differences between executive incentives and other staff members’ incentives created controversies regarding its size and criteria for distribution. They perceived this as unfair treatment. Such concern is revealed in the following statement:

“I do not understand why the same PA brought in a different bonus for different groups of people. If claimed that it was the incentive for the executives, why would they have different measures.” (PHA8)

More importantly respondents suggested that performance indicators should cover local administration as well, so that the PMS could fully cover the whole public sector. Even though currently local administration claims that it has already implemented the PMS, such a system does not connect or align with the PMS from the centre. Unfortunately, the system was loosely developed and used as a show-off to claim for incentives which were then granted inappropriately. The amount of incentive for local administration was extremely high (up to five times of salary) while incentives for regional and central administration were relatively low (10-30 percentage of salary). The MOI and BOB should intervene in local administration’s incentive scheme as revealed below.

“Serving the provincial administration was like orphans. We fought for such a small amount of bonus. We were jealous of executives who received much higher bonus. Most of all we envy those in local administration where they claimed that they had implemented the PMS and were rewarded a bonus. I reckon that the system was operated under relatively easy KPIs and targets compared to our ones. They had got up to five times of their salaries. How could this be? How could they receive such a large amount of budget support? No one looked into it. The MOI, BOB, and OPDC should pay close attention to this issue. It was not fair for everyone working at the central and regional administration. We were blamed that we wasted taxpayers’ money, but no one looked into the local administration’s incentive.” (PHA7)

5.3.2.8 Resources to implement the PMS
In the development and implementation of the PMS, the PD Team was appointed and recruited competent persons from the various provincial departments. The team members not only delivered all the demanding
requirements, but they also built communication channels and encouraged participation in the system implementation. These revealed by a respondent as the following:

“We recruit potential persons from different departments to join the Team creating a strong and competent Team. They were responsible for keeping track of the schedule as well as communicating all the requirements to their departments. They sometimes gave lectures on the related-issues for other staff members because they had more chances to participate in training and workshops.” (PHA1)

In addition, respondents indicated that the lack of lawyers and persons with mathematical and statistical skills were major constraints in managing the change process. The following statement demonstrates these needs.

“We needed at least one lawyer working at the province because the changing laws and regulations made the Provincial Governor vulnerable. Moreover, working with targets, measurement, and evaluation, the province needed staff with statistical skills to be able to analyze and make sense of the numbers the performance indicators revealed. Otherwise, numbers were meaningless.” (PHA8)

Respondents revealed that they would prefer to have authority in budget management and needed extra budget for the execution of the PA and the PMS. The reason for this is that the budget was allocated long before the establishment of the provincial strategy and the budget was allocated based on the proposals of the central departments/ministries. Plans and budget were separately attached to the provincial departments. The top executives had little to do with the provincial departments’ plan, just asking for cooperation. Respondents also indicated that although in 2009 provinces would be able to develop their own programs and projects and proposals for budget allocation, there were complicated procedures to be followed.

“We desperately needed to have our own budget and acquired authority to manage it. We could not entirely achieve our targets because there was no budget directly attached to the execution of the PA.” (PHA1)
5.3.2.9 Outsider points of views
A respondent from the private sector revealed that the private sector gained higher respect from the public sector and had more chances to participate in provincial administration by being a member of provincial management committee. He has seen dramatic improvements in the public services, but there was a comment for further improvements.

“We were proud of being recognized by the public sector and were invited to be members of the provincial management committee. We could contribute more to the Province. So far, public services have improved dramatically, for example, faster and more simplifying services with more customer-oriented views and a service mind. Emerging problems received immediate responses; person in-charge can be seen and reached more easily. However, the one stop service venue was not a real one stop service. This, for example, was demonstrated when the tourism society proposed to arrange a Windsurfing competition at Kuan Phayao (a fresh water lake), the society had to seek permission from the Treasury Department for the use of Kuan Phayao. In addition, they had to obtain permission from the Department of Fisheries because such activity may disturb aquatic animals. Unlike a proposal to arrange an activity in a department store, permission can be asked only from a store manager. […] Staff members should keep in their mind that all activities, services, or even their salaries come from the tax payers; therefore, they have to work more efficiently and effectively, and be concerned about value for money and customer needs.” (PHA11)

5.3.2.10 Support from central agencies
Respondents maintained that the CEO Retreat program, organized by OPDC, was very useful for the management at all levels, including Chief District Officers who work directly and closely with the citizens. At district level, coordination is crucial because it is the point located closest to the citizens in service provision. In addition, respondents also suggested that the Provincial Governors should commission a series of training modules and bi-annual major training programs. The duration of the training modules could be between 1-2 weeks, one week of classroom training, then go back to work for some period of time, and later come back for the lessons learned and discussion. The course for the Provincial Governors should contain
issues on marketing and production because Provincial Governors who have an administrative background lack these skills.

“The CEO Retreat program, organized by OPDC, was excellent. We listened to successful businessmen to get their views and expectations of the public sector. We were inspired by these people and tried to get them involved in the management of the province so that we could learn more from them. We tried to find ways to coordinate with them. So far, coordination and collaboration with the private sector enhances the provincial strategies success. I wished that the OPDC could be able to offer this program to the management at all levels; it would be perfect. However, the training program should be a combination of classroom-type training modules providing knowledge of concepts and theories and practices. Such training modules should finally wrap up with sessions which focus on discussion and shared experiences of the lessons learned.” (PHA1)

Another concern respondents revealed was the language used by different parties; for example, key central agencies (e.g., NESDB, OPDC, BOB), and those from academia. In terms of such concepts as strategic management, PM, and the performance-based budgeting system, agencies refer to different formats and provide different definitions and terms. The possible reason is such concepts are translated from English. When translated in to Thai, it introduces new Thai vocabularies which sometimes need further definition and explanation. More importantly, some English terms with different meanings are translated into only one Thai term; for example, the term ‘goal’ vs. ‘target’ and ‘aim’ vs. ‘objective’. Additionally, the different Thai terms are used for the same meaning; for example, the word means aim or objective. These cause confusion when different central agencies use different English or Thai terms for the same meaning.

“The most annoying thing was that different central agencies used different terms and even academia referred to different vocabularies. It made communication rather difficult when communicating with people having different backgrounds. Also it creates problems when producing papers submitted to different organizations. It was a tedious and stupid thing checking to see whether we use the correct terms based on the central agencies’ formats.” (PHA4)
The respondent was also concerned that there was the need for research and development that could be made available for the public. Publications of research papers, manuals, and other necessary media were in high demand because there was limited knowledge in implementing new modern management concepts within the public sector, the Thai public sector in particular.

“Central agencies should conduct or commission more research in the public sector and publish it for further reference.” (PHA2)

5.3.2.11 Enabling and inhibiting factors for the PMS execution
Responses from all of the interviewees revealed several factors that enable and inhibit the execution of the PMS. Such factors are:

Enabling factors:
- Strong top executives commitment and leadership in the system implementation and utilization
- Building joint responsibilities among provincial departments by involving them in the system implementation
- Good staff preparation for changes through training and coaching
- Good understanding of the philosophy and rationale of the monitoring and evaluation system
- Good information system and database

Inhibiting factors:
- The limited scope of the PMS to cover holistic provincial roles and responsibilities
- The Thai culture of avoiding losing face and failure
- Limited staff members with necessary skills, e.g. legal issues, and statistical, mathematical and analytical skills
- Lack of historic data and inappropriate data collection and management making it difficult to plan or set targets.
- Unstable government policies and support
- Lack of budget funding for provincial strategies
- Paper-based improvements, not ‘real’ improvements
• Incentive distribution criteria and guidelines
• Comparison among different incentive schemes

5.3.3 PHETCHABURI PROVINCE (PHE)

5.3.3.1 Top executive commitment and buy-in
Respondents maintained that even though government organizations did not have precise KPIs indicators (e.g., revenue, profit, return on asset, etc.) similar to private organizations, having a PMS and the PA allowed government organizations to align their goals and measure and monitor their progress toward those goals. This helped management decision making in terms of continuous monitoring and evaluation, as exemplified in the following view.

“The PMS, the PA in particular, helps government agencies demonstrate their achievements in terms of target accomplishment. The system aligns all provincial departments toward the same goals and allows monitored and measured progress toward that goal. We were proud of showing the public our performance with concrete and precise KPIs. This makes the management at the provincial level become more transparent and strategy-oriented.” (PHE1)

A respondent realized that the sustainability of the PMS depends heavily on support from the top executives especially at the provincial level and from middle managers.

“The Provincial Governor was being a role model in giving first priority to the PM. He monitored progress, provided supervision, and used information generated from the PMS for evaluation and planning. He demonstrated how to work under the PMS and encouraged staff members to do their best by encouraging staff members to aim to provide services to satisfy customer needs, not for receiving high performance scores.” (PHE2)
5.3.3.2 Department, middle manager and staff members participation and buy-in

Respondents demonstrated that they were proud of being recognized and involved into the PMS development and implementation and that created sense of ownership in the success and sustainability of the system. Even though the PM process involved many difficulties, they perceived these difficulties as challenges to be overcame.

“My responsibilities increased and were valued because our department was responsible for information management and provincial database development, particularly the provincial customer survey. We were proud to present to the public how good we were in delivering public service, how we improved, and we always welcomed comments and suggestions for further improvements.” (PHE9)

5.3.3.3 Culture of performance excellence

Respondents reported that work conditions became more team-based approach as a result of the PMS including brain storming for problem solving. The top executives at the provincial level played a significant role in being strategic leaders, leading and integrating problem solving and building networks and coordination.

“The PMS influenced provincial departments to work in more coordinated and collaborated ways. For example, when arranging an agricultural clinic in a remote area, there were not only those responsible for agriculture, fishery, and livestock departments involved, but also those from the public health department to offer general health check and health education.” (PHE5)

Moreover, respondents highlighted that the Province valued participation and involvement from all sectors within the Province. This helped the Province create networks, coordination, and communication channels and better handle and solve the emerging issues. The following statement described this aspect.

“All sectors were involved and participated in the provincial management more than it used to be. For example, there was a watchdog network project aimed at direct listening to public distress. Every community appointed its five representatives to join the Tuesday Meeting with the Provincial
Governor when their Chief District Officers join the meeting. A “We love Phetchaburi” Group and 32 sub groups were established with the purpose of monitoring significant projects. Examples of projects are planting one million toddy palm trees (Borassus flabelliformis) in a three year project, and Phetchaburi River Preservation Project. An additional project was the involvement of the District Youth Council in the provincial re-imaging project. The District Youth Council involves young people in creating projects within their district areas. For example, Phetchaburi province is infamous for gangs and mafias; therefore, at Ta Yang District, the youth founded a group named ‘Genuine Phetchaburi’s Son’ aimed at re-imaging Phetchaburi youngsters. The group organized creative activities, with partial subsidy from the province, for example, drugs protection and prevention, and helping the Red Cross building houses for the poor. The group had received a national award from the Prime Minister for their creative and successful projects. However, after the province encourages the group to create new activities, it is quite difficult to keep activities continuously going without further support.” (PHE1)

Respondents realized that the PMS influenced changes in work culture. They reported that the traditional working manners where customers have to wait and beg for their services were eliminated because they were becoming more customer-oriented. The PMS brought about monitoring and auditing systems in order to check and govern public service provision. Standards, service guidelines, and workflows were set and to be followed. Cycle time reduction occurred with the elimination of unnecessary procedures and a reduction of the customer’s unnecessary costs in receiving services. Benchmarking and best practice concepts were employed for service improvements.

“Customers’ suggestions were taken more seriously and actions were taken in order to improve our services. Customers were more knowledgeable and aware of their own rights while civil servants were no longer their masters, but rather their service providers. […] Some compulsory KPIs (e.g. cycle time reduction) forced the provincial management to think more about reducing cycle time and simplifying service processes resulting in higher quality of service and higher customer satisfaction. We have managed to conduct a customer satisfaction survey every year since 2007; and so far we
received high customer satisfaction rates. These motivate staff members to continuously improve their services and benchmark them with the same service level offered in different provinces.” (PHE9)

In addition, respondents revealed that they tend to work in a more proactive manner when they understand and realize that their work contributes to the achievement of the provincial targets and they wanted to continue improving their services.

“We were no longer work in a ‘made to order’ manner but we started thinking more of the targets and the goals we wanted to accomplish. Our work was essential to the achievement of the provincial goals and targets. We could do better; there were chances to improve our services.” (PHE8)

More importantly, the implementation of the PMS encouraged the process of learning and continuous process improvement (Plan-Do-Check-Act). A respondent was likely to be certain that this system would continue as revealed in the following statement.

“Performance data provided rich information but, in the past, the province did not make the most out of it. Currently, data was organized and collected in a more systematic way and was used for future planning, decision making, and problem solving. In addition, performance data was used to demonstrate the success of the province to the general public.” (PHE3)

A respondent also pointed out that a regular communication with the citizens living in the Province was essential in communicating the provincial plans and expectations to the wider public and making a good understanding of provincial initiatives as revealed in the following statement.

“Every Saturday, there is a half-hour radio program named ‘Governor meets his citizens’ in which the Provincial Governor broadcasts on what is going on within the province. This is the channel where he shares information with his citizens and people could phone-in to share information, give suggestions, and discuss. The current Provincial Governor established this radio program since he first governed this province in 2007.” (PHE1)
However, a respondent was concerned that staff members working at the provincial level were responsible for the requirements from two equally important and demanding parties: their parent ministry/department and their province. It was difficult to handle and balance such requirements when there were conflicts of interest; and that added more pressure and stress to staff members in service delivery.

“Staff members working at provincial offices were wearing two hats. On the one hand, they were being under their parent ministry/department where they had to fulfil central requirements; and, on the other hand, they had to serve provincial strategies and objectives. If these two requirements were the same, it benefits the job and makes the job easier. If not, they have to work harder to deliver requirements from these two demanding parties.”

(PHE6)

5.3.3.4 Training and knowledge
A respondent revealed a major concern in developing the capacity of the Chief District Officers because they are persons who work closest to the citizens and they make immediate impressions on the citizens in delivering public services. The Chief District Officers are required to be more proactive, develop strong leadership, and build interpersonal skills in order to gain involvement and participation from and communicate with every sector in the society.

“At the provincial level we had more chances to join training and development programs, but at district level there was little. Capacity building designed especially for Chief District Officers was essential. They work closest to the citizens where citizens rapidly recognized changes made in service provision. They worked at a point where drawing involvement and participation from all parties was essential. Additionally, they were a point in direct connection and communication with the citizens and communities.”

(PHE1)

More importantly, a respondent reported that training and development programs affected little in behavioral changes.

“We received lots of training and workshops. Unfortunately, there were little achieved in behavioral changes. Knowledge acquisition was not a problem.
The true problem was that we knew the concepts and we implemented them, but it seemed like the implementation happened on the paper and had little to do with the behaviors." (PHE4)

5.3.3.5 Execution of the PMS

In the execution of the PMS respondents reported that the system embarked on integration both in operational plans and in budget support, but at the provincial level governors did not have power or authority to enhance this process. So far budget regulations did not support provincial management, and provincial operation plans were still based heavily on parent ministries’ plans which may not meet the provincial needs. The possible reason for this is the administrative structure at the provincial level where there are mainly three different types of government organization located within a province: central-, regional- and local- administrative departments. Although a Provincial Governor is ‘Head’ of all regional-administrative departments within a province, unfortunately he does not have direct authority to manage the regional-administrative departments.

“A Provincial Governor was expected to play a strategic leader role, but without authorities and power to manage his province how could he be the provincial leader? The central agencies told us what they expected from us what roles should we play, but regulation support was little. The Provincial Governor did not have his own budget, and he could not manage his personnel. The province itself did not have ‘real’ management autonomy.” (PHE1)

Respondents raised their concerns that staff members’ knowledge and understanding of the PM concept and performance indicators affect the efficiency and effectiveness of the implementation of the PMS. The lack of good understanding causes distortion and system malfunction.

“There was a culture of avoiding losing face and being named as under performing. Performance scores were unconsciously compared by everyone. The scores revealed that there were some provinces that performed well and others performed badly. This was a major threat for the executives at all levels because of the following consequences. We experienced rapid relocation of the Provincial Governors due to the low
performance scores, blame from colleagues, impacts on individual reputations, and a series of reports explaining the reasons why there was low performance score. Therefore, we made sure that we achieved a satisfactory score. We thrived for the perfect score of 5.0, not less than that.” (PHE6)

“The PMS aimed at self-monitoring and self-development. No one else knew better than those working in the Province; thus, having good understanding of the PM concept and measurement philosophy was essential. Our performance was monitored and measured in order to improve and better handle the emerging issues; therefore, we needed real accurate information. We wanted to know our weaknesses and strengths so that we could improve. Mistakes and errors, as well as a low performance score should be acceptable and not considered losing face or to be punished. Otherwise, these would cause system malfunction and distortion by setting easy targets and manipulating data.” (PHE2)

5.3.3.6 Linking of the PMS to provincial vision, strategy, and the PA
Respondents recognized that the PA was the focal point of the PMS which linked the provincial vision and strategy to the real actions. Moreover, for a provincial department, the provincial targets were cascaded into departmental targets and linked with individual ones. However, action plans depended on the provincial departments’ plans with limited amalgamation and integration.

“Plans used to execute the PA were the combining of the provincial departments’ plans, just like the layers of plans put together and presented as a provincial plan not integrated plans. Target setting was likely to be the calculation of the already set targets of those departments. Little integration and collaboration could be found.” (PHE5)

However, respondents also pointed out that involving local administration in the implementation of the PMS created a contribution to the achievement of the provincial targets as illustrated in the following statements.

“In driving provincial strategies, involvement from local administration is crucial. Representatives from the local administration as well as respectful
persons from villages and communities were involved in the development of the PMS particularly in developing the provincial vision and strategy. Moreover, for the new guidelines in developing budget proposals, the Province was required to involve and acquire public opinions on the programs and projects to be attached to the budget proposal. The PA and KPIs enhanced public services to meet citizens’ expectations and better solving in dealing with local distress.” (PHE4)

5.3.3.7 Linking of the PMS to incentive
Respondents reported that the provincial performance score was certainly linked to the incentive distribution. The concept of providing incentive in creating motivational effects appeared well matched; however, in reality this incentive did not generate the expected result, rather it was likely to demotivate people. This was revealed in the following statement:
“The concept of incentive was acceptable, but the amount of incentive an individual received was very little. This incentive did not motivate people, but it was likely to be a demotivator.” (PHE6)

5.3.3.8 Resources to implement the PMS
Respondents reported that human resource was crucial for the implementation of the PMS. However, there were issues related to this essential resource; for example, staff members with inadequate knowledge, lack of learning initiatives, and a lack of service mind, motivation, and systematic thinking.
“The PMS involved new concepts and knowledge that needed to be provided to all staff members at all levels. We focused more on the knowledge provision; however, the real knowledge creation and transfer were limited. People still lack learning initiatives; they just wait for knowledge to be served. Skills in applying concepts into practices are essential. Staff members need systematic thinking.” (PHE1)

More importantly there were uncontrollable factors affecting the implementation process; for example, frequent staff member relocation. This was revealed by the following statement.
“Frequent staff member relocation was the major problem because this caused disruption in system execution.” (PHE8)

5.3.3.9 Outsider points of views
Information was not available due to the turbulent political unrest and the political demonstration at the Provincial Town Hall as a result of which the researcher was asked to leave the Town Hall immediately for safety and security purposes. All staff members were for full preparation in dealing with this demonstration and violence was expected.

5.3.3.10 Support from central agencies
A respondent suggested that the OPDC should set a fixed annual timetable for the organization of the PA, like budgeting calendar provided by the BOB, so that the Province could better plan for provincial activities. This was revealed in the following statement:

“Unlike the BOB that have a fix budgeting calendar that a certain activity is required at a consistent time very year, the OPDC announced year-by-year a timeline for the annual PA development and negotiation. I wished the OPDC to announce a fix calendar like that of the BOB so that we could plan our activities better and such a plan could then be aligned with other important activities; for example, budget proposal development, annual auditing from the MOI.” (PHE3)

In addition, respondents also maintained that the central agencies especially parent ministries and departments were required to genuinely facilitate and support the provincial administration in terms of budget allocation and personnel. Furthermore, the BOB and NESDB were required to provide support and facilitation in terms of budget expenditure and strategy alignment at the national level as well as strategic management. This was illustrated in the following statement.

“Management in the functional dimension (ministries and departments) should truly facilitate the management at the area dimension (provincial administration). Provincial programs and projects needed subsequent and sufficient subsidization from the ministries and departments. NESDB should
provide us information regarding national plans and expectations and link them with the regional, and provincial plans and expectations, while BOB designs the budget to support projects to deliver the expected results. Budget funding should not heavily rely on just a function’s proposals; rather there should be provincial-proposed projects.” (PHE3)

5.3.3.11 Enabling and inhibiting factors for the PMS execution

Responses from all of the interviewees revealed several factors that enable and inhibit the execution of the PMS. Such factors are as follows:

Enabling factors:

- Goal alignment and performance measurement for provincial departments
- Involvement and participation from local administrative leaders that facilitate the implementation of provincial projects/programs.
- Citizen participation in provincial projects/activities
- The development of the capacity of Heads of provincial departments and Chief District Officers as a result of these people working closely to customers and citizens.
- Provincial Governor being a role model in executing the PMS
- Good communication between the public sector and the citizens through a weekly radio broadcasting

Inhibiting factors:

- Rules and regulations which constrain provincial control of budget and personnel
- Uncertain political situations which result in attention being paid more on the emerging political-related issues rather than the sustainable programs or projects
- Limited knowledge and good understanding of the PM
- Demotivated incentives
5.3.4 PRACHUAP KHIRI KHAN PROVINCE (PRA)

5.3.4.1 Top executive commitment and buy-in
A respondent maintained that the implementation of the PMS was mandated by the enactment and enforcement of the Public Administration Act of 2002 and the Royal Decree on Criteria and Procedures for Good Governance required all of government agencies to produce an annual PA with incentives distributed according to the PA’s results. Moreover, the government policy on decentralization, delegation, and empowerment initiated and promoted the concept of the Provincial Governors playing roles of the Chief Executive Officer (CEO). They could not deny these new requirements and expectations. They positively reported that roles and responsibilities of the Provincial Governor in the provincial administration were becoming more recognized and valued. As a consequence, top executives wanted to utilize this opportunity to better manage the Province in a more efficient and effective way.

“Roles and responsibilities of top executives at the provincial level to were imposed and enhanced by the enactment of the Public Administration Act of 2002. A Provincial Governor became CEO of a ‘province organization’ who manage and lead this ‘organization’ toward the achievement of the provincial goals. The Provincial Governors were about to receive what they were asking for. Thus, they had to prove that they were able to lead and manage the provinces like professionals and the PMS was an important management tool for that task.” (PRA1)

To demonstrate commitment to the PMS a respondent pointed out that the top executives at the province tried to utilize the system in monitoring and evaluating progress and in decision making and problem solving. The following statement reveals the above aspects.

“Top executives played an important role in managing and utilizing the PMS to enhance provincial performance. The provincial monthly meeting among heads of provincial departments chaired by the Provincial Governor included a performance report agenda in its schedule with the aim to monitor progress, adjust processes, track problems, and find possible solutions for emerging problems. At the beginning, the PMS was an unfamiliar tool because it involved a new concept and new management philosophy. After
learning and understanding the PM processes and mechanism, we used the system more on monitoring and evaluating our performance particularly the accomplishment of the PA. Moreover, we tried to use data generated from the system as an integral part in decision making and problem solving.” (PRA2)

A respondent also revealed that the changes in the Provincial Governor due to relocation created little impact on the direction of the provincial management because the provincial vision and strategy steered the direction towards strategic goals and the PA was agreed upon an annual basis. The newly appointed Provincial Governor was required to follow this agreed PA until the next cycle; therefore, disruption during the change over was only for a short period of time. However, a respondent indicated that the change in the PD team members created higher impact on the development and the implementation of the PMS in terms of their implicit knowledge. This was illustrated in the following statement.

“Prior to the introduction of the PA when the new Provincial Governor took his office, he carried his own direction and expectation. However, the PMS employing the concept of strategic management offered the direction that the province would follow the provincial vision and strategy carefully developed and approved by the Cabinet. The newly appointed Provincial Governor would follow the agreed PA until the end of the PA cycle. This made the transaction period smoother.” (PRA6)

5.3.4.2 Department, middle manager and staff members participation and buy-in
Respondents pointed out that the PA provided a sense of direction and expectation which made their task more recognizable and valuable. The following statement illustrates this aspect.

“The PA provided us directions, what is to be delivered and its target. Tasks included in the PA received full attention from everyone.” (PRA5)

Respondents reported that the provincial departments additionally participated in the PMS by being the owner or supporter of a KPI. The KPI owners were responsible for managing, monitoring, seeking participation
and help from others to deliver requirements, and reporting results while the KPI supporters provided coordination, collaboration, and participation to accomplish the tasks required. This is revealed in the following statement.

"Being a KPI owner created a huge amount of work because this KPI involved detailed and sophisticated data. Additionally, it was a challenging task of coordination to collect data." (PRA9)

5.3.4.3 Culture of performance excellence

Respondents reported that provincial management was based on decisions of the Provincial Management Committee which involved representatives from central agencies (e.g., NESDB, OPDC), regional administration (e.g., heads of the provincial departments), and local administration as well as those from the private sector and citizens (e.g., businessmen, community leaders, respected individuals) appointed by the Provincial Governor. This committee aimed to enhance participation in provincial administration and communication with the wider public. The following statement demonstrates the effect this committee created.

"The committee was quite effective; they offered channels for communication among public, private and citizen sectors, gained participation from various sectors, and created a sense of ownership. This was the driving force for the implementation of the PMS and the execution of the PA." (PRA2)

In addition, respondents reported that having the PA helped departments significantly improve their service provision in terms of faster services with clearer workflow with unnecessary processes eliminated resulting in higher customer satisfaction.

"A KPI on cycle time and process reduction helped us increase speed of service provision because unnecessary processes were eliminated and a precise workflow was created to maintain standard of service delivery. Customer surveys reported higher customer satisfaction rates." (PRA10)

Respondents revealed that the contribution of a provincial department towards the achievement of the provincial goals was becoming clearer through the use of KPIs and the PA. The system also encouraged people to
think and to be creative. As a result, they were more active in this contribution as illustrated in the statements below.

“Responsibility was assigned to the provincial departments; therefore, they knew what they were expected to contribute to the province’s goal accomplishment.” (PRA3)

“The PMS forced people to think rather than copy in terms of developing vision, strategy and the PA, as well as executing them.” (PRA8)

Moreover, a respondent indicated that the PMS created work coordination among all sectors within the Province. An example demonstrates this:

“Protecting and scanning for bird flu incidents was a success story in obtaining participation and involvement where the Province involved all related departments. The Provincial Public Health Office was the operation owner accompanied by Provincial Office of Agriculture and Cooperative, Community Development Provincial Office, Provincial Office of the Basic Education, academia, and the Provincial Chamber of Commerce. They went off to farms for bird flu scanning, and, at the same time, they provided general health checks, distributed bird flu information, and offered agricultural and occupation related consultancies.” (PRA7)

5.3.4.4 Training and knowledge

Respondents commented that the majority of training and workshops took place in Bangkok and usually involved only top management participation. This caused work disruption and increased travelling and accommodation costs. Non-executive staff members had little chances to participate in the series of training programs organized by the central agencies. More importantly, respondents reported that they experienced limited knowledge transfer and information sharing from those trained individuals. The possible reason for this limitation were that trained individuals did not have time for knowledge transfer because of work awaiting to catch upon, and materials (e.g., manuals, instructions, and other training media) were kept as individual possessions.

“Top executives frequently left the Province for a series of training and workshops. This caused work disruption to some extent, including high
travelling and accommodation costs. Moreover, training programs were
usually designed for top executives and middle managers leaving staff
members at other levels to find their own way to acquire new knowledge.”
(PRA4)

Furthermore, respondents also emphasized the importance of having a good
understanding of the PM philosophy especially in terms of management and
improvement, not controlling, in that a good understanding facilitated the
implementation of the PMS, encouraged work coordination and
collaboration, and reduced resistances. These are revealed by the following
statement.
“Staff members were to be educated so that they could understand the PM
philosophy and rationale of performance evaluation resulting in smooth
implementation and a reduction of resistance to changes. The success of
the system implementation required work coordination and collaboration
among departments.” (PRA11)

5.3.4.5 Execution of the PMS
Respondents indicated that performance evaluation involved two important
parties: evaluators and those who were evaluated. Evaluators were
expected to have a good understanding of measurement and evaluation and
be able to provide suggestions on performance improvement. Additionally
evaluators were required to understand roles and responsibilities of the
Province as well as the unique characteristics of the Province (e.g., historical
background, geography, demography, local issues, etc.). Those who were
evaluated also required an understanding of the evaluation techniques so
that the PMS and the PA were successfully executed. In other words,
evaluators and those who were evaluated have to have knowledge
symmetry. This was revealed in the following statement.
“Knowledge and understanding among central agencies as evaluators and
provinces as those who are evaluated are needed to be equal. Evaluators
should have clear guidelines on what is to be evaluated, how to evaluate,
what actions or results they are looking for from the provinces, and how they
can support provinces. In the mean time, provinces need to understand the
philosophy of evaluation, what benefits they will receive, how to execute,
what to be reported. These will make both parties ‘sing the same song’.”  
(PRA1)

In addition, respondents reported that they spent considerable time doing paper work for record keeping and reporting. They perceived that doing the required paper work wasted their valuable time at the expense of providing and improving their services and also producing reports involved high costs (e.g., paper, printing ink, office essentials, etc.). Repeatedly respondents indicated that they were required to produce several performance reports submitted to different central agencies; for example, OPDC, BOB, MOI, OPM, and Office of the Auditor General of Thailand. These increased their workload and costs because reports contained slightly different information, but the majority of the content remained the same. A respondent was also concerned that time spent in producing reports meant service improvements suffered. Thus, they suggested using information technology to reduce this duplicated work and costs. This is revealed in the following statement:  
“We were required to produce several reports for several central agencies. These reports mostly contain the same content but different in format. I wished that all central agencies would simplify and create a standard report that suites all their requirements. I hoped to see a program or software so that the Province collected and entered data to that program once, and then all central agencies could run the program to generate their desired reports whenever they want. This would significantly reduce costs of office materials and time spent for producing reports.”  
(PRA3)

A respondent also pointed out that some KPIs in the PA did not fully depend on the provincial performance.

“Some performance indicators, i.e. gross domestic product (GDP), did not reflect performance of the province because there were many other factors that influenced GDP and those factors were not under the province’s control.”  
(PRA10)

5.3.4.6 Linking of the PMS to provincial vision, strategy, and the PA  
Respondents reported that the PA was developed based on the provincial vision and strategy; however, the PA failed to cover all aspects of the
provincial roles and responsibilities because most of the KPIs focused more on the economic side and little on the social one. Additionally, tasks left out of the PA were neglected. The statements below illustrate these concerns.

“*It was very difficult to draw a definite line to scope the roles and responsibilities of a province. Therefore, it was difficult to develop a holistic PMS or a full coverage PA. So far, we set up our provincial vision and strategy to be our flagship and to direct attention towards the same goals. We just tried to make the most out of the current PMS and the PA since we were mandated to implement them.*” (PRA1)

“A PA provided staff members a sense of direction, what to be delivered and its target. Tasks included in the agreement receive full attention from everyone in the organization; in contrast, tasks left out suffered with negligence.” (PRA11)

5.3.4.7 Linking of the PMS to incentive
Respondents reported that because the monetary incentive was linked to the PA, KPIs in particular, there was a competition among provincial departments in making their KPIs as part of the PA to secure their chances to receive this incentive. Crucially, respondents indicated that the philosophy and the good intention of the implementation of the PMS, the PA, and incentive were misled because staff members paid more attention in obtaining as high incentive as possible resulting in system distortion. When attention was paid more on receiving incentive rather than efficiently and effectively executing the PMS or the PA, staff members tried any possible way they could to make the performance score as high as possible, since the higher the performance score, the higher the incentive to be received.

“It became ‘number game’ to play; for example, setting targets, evaluating performance, and establishing performance score, all involved numbers. We were playing with numbers rather than making real improvements. We were just talking numbers. Of course, there were some improvements, but they could be better off if we paid ‘real’ attention on them.” (PRA7)

In addition, respondents indicated that incentive distribution created conflicts and dissatisfaction among staff members, as well as damaged provincial
unity. The possible reasons for these were the lack of understanding of the philosophy and concept of incentive and incentive distribution criteria. Respondents reported incidents as the following:

“The main concern in the conversations was on how much bonus you received, not how good you performed.” (PRA10)

Moreover, respondents revealed that incentive became more problematic when comparison included that distributed within the local administration. It was obvious that the amount of incentive an individual at the local administration level received was significantly higher than that received by individuals at the provincial administration level. More importantly, respondents maintained that it was an unfair treatment when provinces faced more challenging and difficult tasks compared to those of the local ones, but received less incentive.

“We worked extremely hard in order to get bonuses. We had tough KPIs and targets to be accomplished. What did we get for return? It was just a tiny amount of money. I did not blame anyone because I understood that bonus came from tax payers. What upset me most was that when you looked at the bonus the local administration received. It was amazingly huge. They talked about their bonus in terms of how many times of their salaries, but for us it was just 2-15% of our salaries. How did this happen?” (PRA6)

However, in contrast, a respondent maintained that even though the amount of monetary incentive an individual received was relatively small, it was meaningful in terms of an extra income.

“Although we commented that the amount of bonus was tiny, it was an extra income. Although there was controversies over its distribution, it still better off having it rather than abandon it. Salaries of civil servants were lower than the market rate; therefore, this incentive just increased our earnings.” (PRA7)

5.3.4.8 Resources to implement the PMS
Respondents were concerned that staff members having a masters degree, particularly in management field, were better able to cope with the requirements of the PA. The majority of staff members lacked analytical
skills and knowledge for managing performance data resulting in its limited use in planning and decision making.

“The PA heavily involved calculating and analyzing data. We found that we struggled in making sense out of those numbers.” (PRA10)

Furthermore, respondents revealed that staff relocation was one of the most important obstacles faced in the administration. The province could not fully manage its human resources resulting in it not being able to prepare for relocation and substitution. Such relocation could happen at any time with a short notice. In addition, a limited number of staff caused each staff member to be added more pressure to already overloaded work.

“Relocating staff members was horrendous. It came with a very short notice and we could not prepare for substitutes.” (PRA9)

A respondent considered that delays in budget transfer from parent ministry/department resulted in poor provincial performance in executing programs and projects allocated from the central ministries/departments.

“To achieve the PA’s targets, we had to start our plans and execute our programs and projects. However, we had to wait for budget to be transferred from the central departments; therefore, late budget transfer resulted in late execution and eventually provincial performance suffered.” (PRA3)

5.3.4.9 Outsider points of views
A respondent considered that stakeholder involvement provided benefits to the execution of the PMS and the PA in terms of increased work coordination and cooperation among the public and private sectors.

“The PM offered opportunities to private sectors to participate in provincial administration by being appointed by the Provincial Governor to be a Provincial Management Committee member resulting in the private sector having a better understanding of government policies, provincial directions, concurrent problems, and being able to provide information, give advice and suggestions, and suggest possible solutions to problems. The PMS developed a sense of partnership with the private sector and academia in public management. Administrative power alone could not achieve provincial
5.3.4.10 Support from central agencies
Respondents reported that there was a need for coaching in the PMS implementation and execution. Regular communication to update knowledge and share experiences and series of training and workshops were essential. “Coaching from central agencies was needed. Regular communication to create a better understanding of what is going on is essential. In addition, specialized teams for a specific issue may be required as necessary. Regular retreat programs were necessary to keep staff members on track and provide opportunities for sharing experiences.” (PRA3)

A respondent also considered that citizens, community leaders in particular, needed to be informed, educated, and developed, so that they could cooperate well with authorities.
“It was necessary for citizens especially community leaders to be informed and involved in the public management. This would facilitate the work of authorities and reduce conflicts.” (PRA5)

5.3.4.11 Enabling and inhibiting factors for the PMS execution
Responses from all of the interviewees revealed several factors that enable and inhibit the execution of the PMS. Such factors are:

Enabling factors:

- Clearer provincial direction and expectations for all provincial departments
- The demonstration of the Provincial Governor in utilizing the PMS in decision making and problem solving
- The continuation of the PD core team members working in the Province
- Participation and coordination from several sectors in provincial management, e.g., the private sector, communities, and academia
• Involvement of provincial departments in the PMS in terms of being KPIs’ owners or supporters

Inhibiting factors:
• Personnel issues: the lack of knowledge and analytical skills, relocation, limited number of staff members, limited training received, and work overload
• Incentive-related issues: perception of unfair treatment and the lack of understanding
• The perception of the PMS as the ‘numbers game’ to be played
• Frequent training had made the top executives left the province which caused work disruption
• Time spent for report productions rather than for improvements
• Attention paid on the execution of the PA leaving other essential provincial roles and responsibilities with less attention

5.3.5 SAMUT SONGKHRAM PROVINCE (SAM)

5.3.5.1 Top executive commitment and buy-in
A respondent revealed a positive reaction towards the PM and PA implementation by recognizing and approving their importance and the advantages of the system created. Like the private sector, the public sector is required to measure its efficiency and effectiveness in delivering public services and the system enhances transparency, value for money, and customer satisfaction. The following statement illustrates this positive view.

“I agreed that the public sector needed to implement a measurement system; and the introduction of the PMS and the PA did this job and should have been implemented earlier. The good thing was, at least, we got started now. The PM concept and the PA helped us demonstrate how good we perform in terms of efficiency, effectiveness, and economy of our service provision. We took into account customer’s suggestions even more seriously than previously. We made it real, not just talking about them without actions. We had targets to inspire our service improvements. All we had to do was

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keep going and to learn how to better utilize the system to improve our performance.”(SAM1)

This respondent also maintained that signing the PA among the Provincial Governor, Deputy Prime Minister who was appointed by the Prime Minister to oversee the provincial administration and management, MOI, and its Permanent Secretary, illustrated a concrete commitment to the PA execution between the affirmative body and the affirmative recipient. While the former agrees to deliver performance to meet targets, and the latter holds responsibilities in supporting and providing advice in the execution. More importantly, this signed agreement tied political responsibilities from the government to the announced policies during the election’s campaign and linked these with management. This is revealed in the following statement:

“Signing a PA started the new era for the public management in that this agreement connected political responsibilities to the public management. The election campaign was translated into the government policies, and then linked with the practical programs and projects. We as the public sector would deliver the agreed results, and at the same time the government and the MOI had to support us. Undelivered targets were to be looked at for causes from the government’s, the ministry’s, and the province’s aspects. Policies without such support would not be able to be delivered. We all were agreed; thus, we all were responsible for delivering those agreed targets. It was shared responsibilities among, at least, three parties.”(SAM1)

However, a respondent considered that the concept of the Provincial Governor playing a CEO role was not fully applicable because the Provincial Governor did not have full authority in managing his province particularly in terms of personnel and budget due to laws and regulation constraints. This is revealed in the following statement.

“A CEO manages his company in all aspects: company’s strategy, goal setting, personnel, budget, and pay and reward. Crucially, the CEO has full responsible for his decisions and the results of the company’s operation either in profit or lost. The introduction of the CEO concept had greatly made roles and responsibilities of the Provincial Governor recognized and valued for this strategic position. However, the Provincial Governor faced difficulties
in managing his province. These included the absence of real ‘organization’ because the provincial administration consisted of several provincial departments under different parent ministries/departments management structures where he did not have authority to manage. A province is not equal to a company or a department. The Provincial Governor is not equal to a head of a department who has power to manage his department in terms of personnel and budget. Even though currently there are plans for the province to propose its own budget and to create a personnel database, these are under consideration but strongly require legal support.” (SAM1)

5.3.5.2 Department, middle manager and staff members participation and buy-in
Respondents reported that the PM implementation encouraged teamwork through involvement and participation in the PM processes as revealed in the following statements.

“To drive the PMS implementation and execution, team working was essential. Our major concern was on building a ‘Samut Songkhram Team’. When talking about Samut Songkhram, it not only meant those working at the Governor’s Office or those under the MOI, but it also included everyone working in every provincial department within the province. I wished that everyone working in this Province perceived that they were the one and the only ‘Samut Songkhram Team.’ In so doing, first, we organized three seminars aimed at ice breaking among officers and reducing gaps between vertical and horizontal dimensions. Next step we tried to reduce burdens in the horizontal dimension by using sports. So far, I have seen staff members greeting each other along the hall ways; they also had more friends working at different provincial departments. I reckoned that it was a good sign for team building.” (SAM1)

“Implementing the PMS itself created teamwork because the system required participation and involvement for brain storming. Almost everyday after work, we got together to educate and brainstorm for ideas and to prepare for the system implementation, monitoring, and reporting. The KPI owners were assigned and the owner had priority to participate in training, workshops, or seminars organized by central agencies on related issues.
Then, they transferred and shared knowledge to others and became mentors in implementation.” (SAM2)

Moreover, respondents also indicated that assigning every provincial department to be responsible for drug eradication related issues in a specific District created a sense of ownership and made provincial departments work closer to communities. This was revealed in the following statement.

“Every provincial department took part in drugs eradication. Each department was assigned by the Provincial Governor to be responsible for a specific District to look closely at this issue. They had to go out to the District to explore, to be familiar with that area, and to work with communities in eradicating drugs. This allowed a department that rarely had connection with the communities gave a chance to explore and to know the area better. People started to mention ‘our District’ and ‘our Province’. There was a monthly meeting designed especially for drug eradication and reports were produced twice a month.” (SAM5)

5.3.5.3 Culture of performance excellence
Respondents reported that work became more integrated and coordinated. There was more public, private, and citizen participation and involvement in provincial management. The following statement illustrates the building of this capacity.

“The public and private sectors and citizen participated and were involved in provincial programs and projects in many ways; for example, representatives from the student union joined the provincial monthly meeting, chaired by the Provincial Governor. They provided useful information, feedback, and suggestions on several issues, e.g., drugs, poverty, and security, etc. These representatives acted as liaisons between the public and students in schools located within the province. Examples of their suggestions agreed for execution were that it should be community villages’ responsibility to support drug addicted persons and take them to the rehabilitation premises. This was a peaceful manner in dealing with drugs. Another example was the river and canals protection project which involved school clubs and scouts. The next example was the involvement of the Member of the National Assembly representing the Province, the senator, and representatives from the
Provincial Chamber of Commerce, the Federation of Thai Industries, Rotary clubs, and Lions clubs in the monthly provincial meeting. Another example was every Monday there was a talk with farmers to collect and promote local intelligence.” (SAM1)

A respondent also indicated that the PMS provided direction and targets that made their job measurable as revealed in the following statement.

“The PMS made it clear what we were aiming for, what targets did we have, and how to measure the progress toward those targets. Job requirements became more precise, measurable, and verifiable. Programs and projects were aligned with the provincial vision and strategy and were able to be implemented as a whole.” (SAM2)

Moreover, a respondent considered that the result of having KPIs was that work was assigned and allocated, and contribution towards the achievement of KPIs’ targets was shared. The following statement reveals this development.

“Responsibility over KPI execution was assigned based on a departmental basis. KPI owners were responsible for planning, implementing, gathering involvement and participation, monitoring, and reporting progress and results. At the beginning provincial departments hesitated to be KPI owners because of limited knowledge. Later, when they became more knowledgeable, they became owners voluntarily.” (SAM4)

As a consequence, a respondent maintained that the PMS helped to improve service quality and individual performance with recognition of cost-effectiveness. The following statement illustrates this aspect.

“Information generated from the PM process revealed that our deliverables were not cost-effective. We worked very little; we spent three days for one draft of a letter and the supervisor had to revise it again. We wasted our time and budget. What we did was to produce two accounts: one for our deliverables and the other for spending. By keeping these records and analyzing them, we would have precise documents that mirror our performance as a whole or even individual performance.” (SAM1)
5.3.5.4 Training and knowledge
A respondent revealed that at the beginning staff members lacked a knowledge and understanding of the PM concept. However, under close supervision from the OPDC and participation in a series of training events, they learnt and understood more on the concept and its implication. However, respondents considered that training costs were relatively high because of travelling costs and allowances. In addition, most of the training modules were very short resulting in limited understanding.

“Training costs were high because training usually took place in Bangkok with a very short period of time. As a result, participants might not be able to understand the subject well enough to transfer further to others working at the Province. In addition, there was a limited number of training places available for participants from each province.” (SAM5)

More importantly, a respondent revealed that although staff members who had direct responsibility for the system implementation had more chances to participate in training programs, they still did not received proper training. This was because usually top executives and managers were assigned to participate in the training programs, but they were not practically responsible for detailed implementation.

“What happened was that the trained persons were not those who implemented the system, and those who implemented the system received limited training. Transfer of knowledge from the trained persons was limited.” (SAM6)

In addition, respondents commented that online training, internet, intranet, CDs, and email were not good resources for information distribution because of limitation in internet accessibility and work overload. Manual or published handbooks were more appropriate, but costly. Regular training via teleconference reduced costs and involved more participants.

5.3.5.5 Execution of the PMS
Respondents revealed that the PMS execution allowed the Province to follow its strategy and plans towards goals and that the top executive’s
relocation did not affect provincial plans because the new incumbent had to follow the agreed targets appearing in the PA.

“Since we kept the PA at heart of the PMS implementation, the change in Provincial Governor did not create disruption and discontinuation of work as it used to be. Whoever came to the Province would follow the provincial vision and strategy, and the agreed PA targets.” (SAM8)

Furthermore, respondents reported that the PMS and the PA were more likely to be used as the monitoring and controlling system. The system monitored progress made towards targets and the budget spent for programs and projects. Plans became more meaningful. The following statements reveal this situation.

“We checked what were our milestones to be met and when, and how much budget was to be spent. We recorded and collected data.” (SAM3)

“We monitored almost everything. We closely looked at and followed our plans. We had KPIs focusing on monitoring our progress and those tracking our outputs.” (SAM9)

In addition, respondents reported that they experienced the evolution of the KPIs and their targets from relatively easy and straightforward ones to more complicated and difficult to accomplish ones. This evolution allowed the Province to become more familiar with the system and its learning needs. However, the continued use of specific KPIs made the Province had a difficult time in achieving targets because the longer a specific KPI is kept in use, the harder its target. The following statement illustrates this point.

“The incremental target of 10% higher in the sale of melons each year made it impossible. The target added up to the prior one every year. How it would possible when the amount of melon growing areas remained the same? We would increase product yield, but there were limits in target setting.” (SAM4)

5.3.5.6 Linking of the PMS to provincial vision, strategy, and the PA
Respondents considered that the provincial vision and strategy were the baseline for the development of the PMS and the PA. They realized that the PMS linked vision and strategy into actions and monitored progress made
towards goal achievement, both at the organizational and individual levels. Moreover, the PMS linked strategy planning to resources and budget planning. These were revealed in the following statement.

“From the provincial PA to the individual scorecard, the PMS linked them together and made the evaluation system more precise. The individual scorecard kept monitoring results against targets with regard to where you were working. This provided concrete evidence that was objective, transparent, and could be audited.” (SAM2)

5.3.5.7 Linking of the PMS to incentive
At the provincial level respondents pointed out that the initial idea that the higher the PA’s score, the higher the incentive the Province received, was proved wrong in practice. The possible reason for this was that the amount of budget granted from the government to be paid as the incentive for all government agencies, including provinces, remained the same each year while there was an increased in the number of eligible agencies resulting in more competition to win the incentive distribution. Moreover, the initial concept for incentive distribution was that those working at the province would receive incentive from two sources: from their parent ministries/departments and from the province they served because of their contribution to both parties. However, in practice this initial idea also proved wrong because they only received incentive from the Province. They perceive this phenomenon as unfair and a betrayal of the initial promise. The following statements illustrate this situation.

“We were betrayed. We achieved a higher performance score, but received fewer bonuses. This was unfair when we had extremely challenging targets with limited resources, delivered them and received less incentive. Compared to those central agencies, our tasks were a lot harder and more complex and complicated, but we received less.” (SAM3)

“Our performance contributed to the success of both our parent ministries/departments and the Province, and we supposed to share a bonus from both parties. However, the truth was we only obtained a bonus only from the Province. Our contribution to the success of the
ministries/departments resulted in no payoff. In contrast, those parents exploited our efforts.” (SAM2)

Within the provincial administration level, respondents reported that incentive was definitely connected to the PA in terms of KPI owners being entitled to incentives. However, the distribution criterion generated both favourable and discriminatory decisions due to the PA limitation that it did not cover all aspects of the provincial roles and responsibilities. A respondent suspected that those working at the Provincial Governor’s Office usually received higher incentive because they claimed that they organized the PA process, including playing a part in KPI reporting; therefore, they were entitled to almost all of the KPIs payoffs.

“I suspected that the Provincial Governor’s Office claimed most of the bonuses. They claimed that they managed the PA processes and played on essential part in producing the provincial performance reports. I reckoned that this was not correct. This Office did not have direct responsibility for delivering the results required; rather they were like administrators doing filing and gathering results from the responsible provincial departments to produce reports. I do not refute that they were an important team, but I do not agree how they claim responsibilities.” (SAM8)

5.3.5.8 Resources to implement the PMS
Respondents indicated that staff relocation was the most problematic issue because they already had limited staff members and all these members had overloaded work. Moreover, for some provincial departments they were short of staff because positions were not filled.

“The most difficult situation for us was staff relocation. The order came with very short notice and we could not prepare for substitutes because all of us already had work overloads.” (SAM6)

In addition, a respondent reported that there was a need for a rise in the number of legal officers to deal with disciplinary actions because of the enactment and enforcement of new regulations and delegation and decentralization policies.
“Currently, we faced with more appeals and disciplinary actions due to new law enforcement and new rules and regulations. Being practitioners, it was very important to follow the requirements of these laws and regulations.” (SAM1)

5.3.5.9 Outsider points of views
Respondents revealed that they worked closely with staff members of the Provincial Office of Agriculture towards quality certification in particular. They indicated that staff members provide academic and research information to farmers and that the farmers provided feedback in return. Activities involve not only farmers but also students and young farmers resulting in an increase in farming values.

“We (farmers and staff members of the Provincial Office of Agriculture) worked hard in meeting Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP) qualifications. Officers provided us academic-based knowledge and supervised us in the certification processes while we provided practical knowledge back.” (SAM10)

5.3.5.10 Support from central agencies
Respondent reported that they needed support from specific central agencies on particular issues. For example, support from the Department of Agriculture (DOA) was necessary for GAP and GMP certification. To be qualified, farmers had to prepare their farmland and apply for their product certification with applications being made through the DOA for justification and evaluation. The processes of product certification were unpredictable due to the limitation of the DOA which was responsible for evaluation. Moreover, the renewing process of these certifications was not clear. As a result, there was a high potential that the province was incapable of achieving its targets on product certifications.

“We educated and supervised farmers in improving their farmland and organically producing their products to be able to qualify for the GAP and GMP certification resulting in producing products that met export standards. However, the application for GAP and GMP certification was delayed due to the limitation of the DOA. This Department claimed that they did not have
enough personnel to work on applications and not enough evaluators. In addition, the renewal processes were unclear. These caused not only constraint in unachieving the provincial targets, but also disrupted exports.” (SAM4)

5.3.5.11 Enabling and inhibiting factors for the PMS execution
Responses from all of the interviewees revealed several factors that enable and inhibit the execution of the PMS. Such factors are:

Enabling factors:
- Commitment from top executives at the provincial level built on closely monitoring progress
- Linkage from the provincial vision and strategy to resource and budget planning
- Work coordination and integration among the public sector, the private sector, and communities
- Sense of meaningful and purposeful tasks and measurable achievements
- Sense of ownership when working more closely to the communities
- Close supervision and strong support from OPDC in the PMS implementation and knowledge provision

Inhibiting factors:
- Personnel issues: relocation of staff members, position vacancies, the lack of legal personnel, limited opportunities for training, and overloaded work
- Budget constraints due to a lack of authority
- Inadequate supports from central agencies in terms of certification processes and procedures
- Adverse reactions from extremely challenging targets that perceived as impossible targets resulting in demotivation
- Unfulfilled promises on incentive distribution
5.4 The summary of the implications of the PMS implementation

The introduction of the PM concept and the implementation of the PMS at the provincial level created dramatic changes in the provincial management as detail has shown in previous sections. This section summarizes the major impacts of the PMS implementation on management capacity and service provision as well as highlighting self-generated strategies and practices in the five provincial case studies which related to the research questions.

5.4.1 Impacts of the PMS on management capacity

The impacts of the PMS implementation on management capacity in the five provincial case studies are summarized into four main categories: leadership and management, organizational development, technical development, and relationship development.

5.4.1.1 Leadership and Management

Respondents from all provinces reported that there were dramatic changes in the management at the provincial administration particularly in terms of leadership and management strategy. Roles and responsibilities of the Provincial Governor were enhanced by playing the CEO of the province in managing and leading the province towards provincial strategic goals, rather than acting as a rubber stamp. Strategic management was deployed in order to give directions and inspire all staff members to work towards goal achievement. These aspects are revealed in the following statement:

“A Provincial Governor became CEO of a ‘province organization’ who manages and leads this ‘organization’ toward the achievement of the provincial goals. The Provincial Governors were about to receive what they were asking for. Thus, they had to prove that they were able to lead and manage the provinces like professionals and the PMS was an important management tool for that task.” (PRA1)

However, respondents pointed out that there were difficulties for the Provincial Governor in executing the CEO roles and utilizing the PMS to this end. Such difficulties included legal constraints and the absence of
management authorities (e.g., personnel and budget). The following statement highlights this concern.

“The Provincial Governor faced difficulties in managing his province. These included the absence of real ‘organization’ because the provincial administration consisted of several provincial departments under different parent ministries/departments management structures where he did not have authority to manage. A province was not equal to a company or a department. The Provincial Governor was not equal to a head of a department who had power to manage his department in terms of personnel and budget. Even though currently there were plans for the province to propose its own budget and to create a personnel database, these were under consideration and strongly required legal supports.” (SAM1)

In addition, management decision making became more information-based and open for discussion in terms of integrated problem solving. Progress was continuously monitored against set targets or milestones and finally performance was monitored and evaluated on an annual basis using KPIs under the PA. These are revealed in the following statement.

“Performance data provided rich information but, in the past, the province did not make the most out of it. Currently, data is organized and collected in a more systematic way and is used for future planning, decision making, and problem solving. In addition, performance data is used to demonstrate the success of the province to the general public.” (PHE3)

Furthermore, the execution of the PA tied responsibilities to both those who were obliged to directly deliver performance (provinces) and those who provided support (political and parent ministry/department’s top executives at the centre).

“Signing a PA started the new era for the public management in that this agreement connected political responsibilities to the public management. The election campaigns was translated into the government policies, and then linked with the practical programs and projects. We as the public sector would deliver the agreed results, and at the same time the government and the Ministry of Interior had to support us. Undelivered targets were to be looked at for causes from the government’s, the ministry’s, and the
province’s perspectives. Policies without support would not be able to be delivered. We, all, were agreed; thus, we, all, were responsible for delivering those agreed targets. It was shared responsibilities among, at least, three parties.” (SAM1)

Respondents indicated that the implementation of the PMS and the PA reduced discontinuity and disruption during a Provincial Governor transfer because the new Provincial Governor had to continue executing the provincial strategy and delivering the requirements based on the PA. This is indicated in the following statements.

“Prior to the introduction of the PA when the new Provincial Governor took his office, he carried his own direction and expectation. However, the PMS employing the concept of strategic management offered the direction that a province would follow the provincial vision and strategy carefully developed and approved by the Cabinet. The newly appointed Provincial Governor would follow the agreed PA until the end of the PA cycle. This made the transfer period smoother.” (PRA6)

“This (PD) Team was one of the provincial backbones. No matter who was the Provincial Governor, they kept eyes on development and improvement of the Province toward achieving the provincial visions and targets.” (LUM1)

However, respondents reported that the execution of the PMS was limited to the PA and not thoroughly executed in a holistic manner. The majority of efforts focused on achieving the KPIs’ targets agreed in the PA. The possible reasons were that meeting the KPIs’ targets was directly connected to receiving incentives and the wide range of roles and responsibilities of the province that made developing a holistic provincial PM complicated. Additionally, the provincial strategy, linked with the PA, focused more heavily on economic impacts and less on social ones. Nevertheless, in some provincial departments the PMS was connected and cascaded from the organizational level to the individual level resulting in a more precise contribution to organizational goal accomplishment. The following statement illustrates this phenomenon.
“The PMS did not fully and truly link with incentives. It was because it was only the PA that was connected. In other words, only a partial slice of the PMS connected to incentives. As a result, it proved the old saying that ‘what gets measured gets done.’ Attention was highly paid on what were explicated in the PA.” (LUM6)

Moreover, the execution of incentives generated one of the major controversial issues in PM due to its distribution criteria and the comparison among incentive schemes available for different groups of government officers (e.g., executives, staff members working at the local administration). Respondents perceived that the incentive distribution destroyed civil servants’ integrity and pride and made public responsibilities akin to those in business. The term ‘bonus’ used for incentive distribution was one of the possible reasons for staff being mislead. Also staff members tend to look at the amount of incentive they received more than how good they performed. “Staff members just looked at how much bonuses they received and compared it with their colleagues working in the same province or event those working at different province. Confusion and dissatisfaction occurred when they found that they received fewer bonuses than their colleagues. They did not bother with the rationale on how incentives were distributed.” (PRA3)

“We should use and speak the correct terms. The term ‘bonus’ should not be used. We did not pay bonus, but we rewarded high performers with incentive to motivate them to sustain their efforts and to make recognition of their contribution.” (PHA1)

Respondents also revealed that the PMS was misleading and distorted in order to make the performance score as high as possible so as to maximise the incentive the province would receive. However, this high performance score did not directly relate to real improvement and development. The following statements illustrate this situation.

“It became ‘numbers game’ to play; for example, setting targets, evaluating performance, and performance scores, all involved numbers. We were playing with numbers rather than making real improvements. We were just
talking numbers. Of course, there were some improvements, but they could be better off if we paid ‘real’ attention on them.” (PRA7)

“Mistakes and errors, as well as a low performance score should be acceptable and not considered losing face or to be punished. Otherwise, these would cause system malfunction and distortion by setting easy targets and manipulating data.” (PHE2)

5.4.1.2 Organizational Development
Respondents reported that there were changes in the provinces in several ways. Staff members worked in more coordinated, collaborative, and networking manner. A sense of provincial ownership was created when contributing to the same provincial goal accomplishment. Staff members started referencing ‘our province’ rather than ‘my department’. The following statements illustrate this development.

“The sense of ‘Lumphun Organization’ was developed. We were working towards the same goals. Work became more meaningful when there were targets to drive for.” (LUM4)

Respondents indicated that the PMS execution provided a sense of direction and targets for their work. Moreover, KPIs helped them monitor and measure their progress towards the goal achievement in a more transparent and objective manner through a systematic data collection. As a consequence, the system motivated continuous learning and development by making sense of KPIs’ data for improvements.

“The PM concept and the PA helped us demonstrate how good we perform in terms of efficiency, effectiveness, and economy of our service provision. We took into account customer’s suggestions even more seriously than it used to be. We made it real, not just talking about them without actions. We had targets to inspire our service improvements. All we had to do was keep going and learn to better utilize the system to improve our performance.” (SAM1)

“Performance indicators were the major elements of the PMS. Understanding of the indicators was in terms of what was to be measured,
what data would be used, how to measure, when to measure, and how to interpret such data. Good understanding of these elements led to a better understanding of what we intend to measure and what information would be revealed. Therefore, this could reduce misuse and distortion. However, so far, we seemed not to have a good understanding of such indicators. As a result, it created a bad impression in the PMS as its difficulties were hard to resolve.” (LUM6)

However, the sustainability of the PMS required holistic long-term support from the government as well as central agencies in terms of policy, simplified PM processes, training and knowledge, and technical support.

“Management in the functional dimension (ministries and departments) should truly facilitate the management at the area dimension (provincial administration). Provincial programs and projects needed subsequent and sufficient subsidization from the ministries and departments. NESDB should provide us information regarding national plans and expectations and link them with the regional, and provincial plans and expectations, while BOB defends budget to support projects to deliver the expected results. Budget funding should not heavily rely on function’s proposals; rather there should be provincial-proposed projects.” (PHE3)

5.4.1.3 Technical Development
The implementation of the PMS required continuous learning and improvement. KPIs were used for monitoring and evaluating performance and the results were necessary for understanding lessons learned and what improvement in planning had occurred. The following statements illustrate this issue.

“This was the first step into the PMS. We are all new to the PMS. We were only in the learning period; therefore, there were possibilities of errors and mistakes. We have to learn from them. As a result, we needed to spend a few years on learning and improvement as a continuous process which never ends. We are exploring and experimenting with this system. However, I set targets to myself and my staff that we must learn the lessons and improve every year.” (LUM2)
However, a respondent pointed out that transfer of skills and knowledge was limited due to the lack of learning initiatives, the lack of knowledge and skills, and overloaded work. The following statements revealed this evidence.

“The PMS involved new concepts and knowledge that needed to be provided to all staff members at all levels. We focused more on the knowledge provision; however, the real knowledge creation and transfer were limited. People still lack learning initiatives; they just wait for knowledge to be served. Skills in applying concepts into practices are essential. Staff members need systematic thinking.” (PHE1)

Respondents indicated that the PMS implementation induced the need for specific skills and knowledge; for example, mathematical and analytical skills in order to better make use of the system, as well as legal knowledge to facilitate new requirements according to new laws and regulation enforcement and reform. These needs are revealed in the following statements.

“The PMS is likened to a control panel where it shows only numbers and, perhaps, quick response signs (e.g., traffic lights signs as: red means severe or definitely urgently needs attention, yellow means need close monitoring, and green means on target). We needed someone who was capable of reading these signs and analyzing them for further reactions. Additionally, mathematical skills were needed for incentive distribution calculation.” (PHA6)

Moreover, technical skills for data collection were also essential. A systematic and reliable data collection and precise terminology and definitions were important for the validity and reliability of the data. However, respondents reported having difficulties in collecting data as the following statements demonstrate:

“Data collection was problematic because of inaccurate definitions. We found that definition given to the same terminology differed among departments. Some definitions were based on a specific regulation. Therefore, we spent a considerable amount of time in clarifying such definitions and make them universal for provincial use. Some of the terms
still used a different definition in different systems. However, we were concerned that definitions should be used universally to all users.”(LUM9)

5.4.1.4 Relationship development
As a result of the PMS implementation and execution, teamwork, work coalitions, and networking among provincial departments were enhanced while the private sector and communities were able to join in policy development and contribute their specialties into the provincial administration particularly in policy design and implementation. In addition, the private sector reported that they perceived as being honoured when appointed to be provincial committee members. Relationship building among provincial departments is revealed in the following statements:

“The implementation of the PMS has changed our work atmosphere dramatically. Not only does it create new conversations on measures and targets, it builds network and shared information cultures. Staff members worked more closely and have got to know each other better. Along the corridors and hallways, we greet and recognize each other. We have more friends.” (PHA8)

Relationship with the private sector and communities is revealed in the following statements:

“The committee was quite effective; they offered channels for communication among public, private and citizen sectors, gained participation from various sectors, and created a sense of ownership. This was the driving force for the implementation of the PMS and the execution of the PA.” (PRA2)

Furthermore, the PMS encouraged communication among staff members and between the public sector and the private sector and communities. This drew attention on the PM and the PA execution and created a better understanding on government policy intentions with the private sector and communities. Community channels were established through meetings, brain storming, site visiting, report publication, and radio broadcasting.
“Everywhere we can hear people talking and discussing about the PA, KPIs, and their progress towards targets. Achieving the PA was the major concern of us all.” (PHA10)

However, communication difficulties emerged due to the different education backgrounds, ambiguity of terms and definitions, and limitation of English proficiency.

“I have difficulties communicating the PM concept to my staff members. Some of my staff members are only high school graduates. The majority of the members did not have management background. Thus, communication to them required tailor-made conversations and this takes time.” (PHA8)

5.4.2 Impacts of the PMS on public service provision

Respondents indicated that the implementation of the PMS and the PA influenced improvement in public service provision. Additionally, staff members become more concerned about efficiency and cost-effectiveness. The possible reasons for service improvement included: the use of KPIs in monitoring progress and outputs and the targets agreed and set for service improvement. The following statements illustrate the impacts of the PMS implementation on service provision.

“The PA and KPIs enhanced public services to meet citizens’ expectations and to better solve local distress.” (PHE4)

Moreover, customers’ needs were at the heart of service provision and provided references for service improvement. The mobile service to citizens living in the remote areas is an example of the coordinating and cooperative work among provincial departments. The following statement illustrates this aspect.

“We planned together when to get off to the villages and communities to deliver services so that people could get the most of their time when leaving their fields.” (PHA10)
5.5 Key strategies and practices

The actual strategies used in the implementation of the PMS and their execution varied in detail between provinces. This section highlights self-generated strategies and practices deployed within the provinces that demonstrate how each province selected a course of action most appropriate to the needs as it saw them.

5.5.1 Lumphun Province

Respondents revealed that emphasis on continuous learning and maintaining the PD core team members brought about the continuous improvement in the PMS implementation. Respondents recognized that there were needs for further study on the PMS and KPIs in order to better utilize and to draw benefits from the system. The PD Team consisted of high potential members serving the province since the beginning of the PMS implementation. The continuation of their services resulted in an improved collection of knowledge and strong teamwork. In addition, the recognition of the Team efforts and devotion from the top executives motivated the Team members.

5.5.2 Phayao Province

The top executive’s strong commitment made the implementation of the PMS a success. At the national level, the commitment of the Deputy Prime Minister actively engaged in the development and implementation of the system was vital. At the provincial level, the commitment from top executives was demonstrated through being role models in the system utilization and acting as continuous learners. Data collected for the system was analyzed in order to make decision, solve emerging problems, and plan for improvements. These executives encouraged provincial departments and individuals to use the PMS and applied the PM concept to their day-to-day work.
5.5.3 Phetchaburi Province
Phetchaburi paid attention more on the customer’s needs and expectations. A customer survey was conducted on a regular basis and results were analyzed and published. In addition, direct communication from the top executives to the citizens via weekly radio broadcasting and frequent site visits to the villages and communities helped create a good understanding of public policy initiatives and provided a channel to gather comments and suggestions.

5.5.4 Prachuap Khiri Khan Province
Work coordination and cooperation among provincial departments was the highlight of the PMS implementation. This resulted from the directions given by the provincial vision and strategy and the use of KPIs that drew attention towards provincial goal accomplishment.

5.5.5 Samut Songkram Province
The strategies in creating a sense of ownership among staff members and in heavily involving participation in the public programs and projects from various groups created a unique PMS implementation in Prachuap Khiri Khan Province. Staff members became more collaborative and united in aiming towards the provincial goal accomplishment. At the same time, private sector, students, and community groups were involved in the Provincial programs and projects resulting in more coordinated and cooperative working among those groups.
6.1 Introduction

This chapter contains the findings of the analysis of in-depth, semi-structured interviews with respondents in the central agencies, training and development institutes, and with key individual resource persons. The interviews aimed at exploring the roles actually played by central agencies and training and development institutes in supporting the implementation of the PMS at the provincial level and at collecting additional comments and suggestions from key resource persons who are directly involved with improving the PMS implementation and execution. Responses on concerns raised from the provinces in terms of central support and advice were obtained. Moreover, data collected from observations of three workshops on the PMS in relation to provinces were added as appropriate. This chapter is organized into two parts. The first part concerns the roles and responsibilities undertaken by central agencies and training and development institutes. The other part deals with key resource persons’ views on the PMS implementation and the work of the Public Sector Development Commission (PDC) and the Office of Public Sector Development Commission (OPDC). Also referred to are training and development, as well as the incentive scheme.

All interview responses which have been translated from Thai to English are indicated by quotes. Each quote is attached with the respondent’s details including: respondent’s organization name in abbreviation and interview number; all of which are presented in brackets after the quotes, shown in Figure 6.1. Observation data is indicated by ‘OB’. To ensure anonymity, all respondents’ names have been taken out.
Organization’s names are presented in abbreviations as shown in Table 6.1.

<table>
<thead>
<tr>
<th>Name</th>
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<tr>
<td>Central agencies</td>
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<td>The Prime Minister’s Office</td>
<td>OPM</td>
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<td>Bureau of the Budget</td>
<td>BOB</td>
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<td>Office of the National Economic and Social Development Board</td>
<td>NESDB</td>
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<tr>
<td>Office of the Civil Service Commission</td>
<td>OCSC</td>
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<td>Office of the Public Sector Development Commission</td>
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<td>Ministry of Interior</td>
<td>MOI</td>
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<td>Training and Development Institutes</td>
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<tr>
<td>Prince Damrong Rajanubhab Institute of Research and Development</td>
<td>PDRI</td>
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<tr>
<td>Civil Service Training Institute</td>
<td>CSTI</td>
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<tr>
<td>Key Resource Person</td>
<td>KRP</td>
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Table 6.1 Organization name in abbreviation

The analysis of the findings is presented under seven key aspects based on the organization’s key roles and responsibilities as relating to the PMS implementation and execution. These seven key aspects are:

- Vision and strategy provision (NESDB)
- Budget system management (BOB)
- Personnel management (OCSC)
- Inspection and auditing (OPM)
- Support from the parent ministry (MOI)
- Public sector development (OPDC)
- Training and development (PDRI, CSTI)
6.2 Roles and Responsibilities Played by the Central Agencies

6.2.1 Vision and strategy provision (NESDB)

A respondent explained that the NESDB provided the Cabinet’s strategy for four regions and development guidelines for 18 groups of provinces or provincial clusters on May 11, 2008 accompanied by the National Economic and Social Development Plan for 2009 onwards. Details of the provincial cluster are shown in Appendix 5. The strategy and development guidelines are aimed at translating the National Economic and Social Development Plan into practices and providing guidelines for provinces in developing the provincial vision and strategy. The regional strategy and development guidelines were prepared with help from BOB since 2007 by initially undertaking a SWOT analysis and then brainstorming ideas and suggestions from representatives from the state sector, private sector, and public sector in the regions. A respondent considered that the NESDB succeeded in developing and providing the national and regional strategy as portrayed in the following statement.

“I had seen a good trend in the provincial strategy presented to the Deputy Prime Minister appointed by the Prime Minister to oversee the group of provinces in provincial management where such strategy was linked with provincial SWOT analysis and regional strategy development.” (NESDB1)

However, provinces commented that the national and regional strategies as well as development guidelines were not precise enough for a province to develop its provincial strategy. In this respect, the respondent maintained that these strategies and guidelines were aimed at providing directions for provinces in developing their strategies and, at the same time, providing room for creativity and innovation in order to meet the interests of the public. This is illustrated by the following statement.

“The national and regional strategies and development guidelines were to provide directions to provinces. NESDB provided a big picture at the national level and regional level. We suggested that the central region was potentially be food producers because there were fertile lands of the Chao Phraya River basins which were appropriated for growing rice and vegetables. However, we did not pin point and tell exactly what a province had to do.
The province had to think what option was best suited to its capacity and the needs of the local people.” (NESDB1)

This respondent also pointed out that attempts were made to link regional strategies and development guidelines for provincial clusters to budget preparation so as to translate vision and strategy into actions. In 2010 provinces used these regional strategies and development guidelines for provincial clusters in preparing their provincial budget proposals.

“NESDB together with BOB tried to link strategy into action with supporting budget assigned to those programs and projects linked with the provincial strategy.” (NESDB1)

In addition, this respondent revealed that the lack of personnel and time made NESDB staff members unable to give close supervision to provinces in the provincial strategy development and to evaluate outcomes of significant programs and projects.

“Due to the lack of personnel and time, we were unable to fully support provinces in the provincial strategy development and we could not evaluate outcomes generated from all programs and projects. What we did was focusing on flagship projects based on the regional strategy; for example, coastal erosion prevention project.” (NESDB1)

However, this respondent reported that the implementation of the PMS and the PA resulted in better plan execution because there were KPIs for monitoring progress and supporting results evaluation.

“The PMS and the PA made the task of translating plans into actions even better. Strategy was linked to plans and plans were translated into real actions.” (NESDB1)

Another important concern raised by the provinces was the assignment from the NESDB for each province to collect and calculate data for Gross Provincial Product (GPP). Developing a database for GPP involved collecting various sophisticated data and undertaking complicated calculation techniques. NESDB delegated this task to the province aiming to keep data collection close to sources. Additionally, detailed information
collected for GPP calculation could be used for planning, decision making, and problem solving. At the provinces, the Provincial Office of the Comptroller-General (POCG) was responsible for GPP data collection and calculation. However, staff members at POCG maintained that they had difficulties in GPP process because of a lack of understanding of the data required in the GPP calculation, a lack of technical skills, frequent staff member relocation, and limited staff members, as well as limited support from the NESDB.

In response to this concern, the respondent explained that since 2005 the NESDB has provided a series of workshops in preparing provinces to collect and calculate their own GPP starting from 2008. NESDB regional offices provided close supervision on this matter. However, the respondent realized that provinces faced difficulties due to the fact that GPP’s data collection and calculation were new to provinces and it involved collecting several data which had never previously been collected or had not been stored in a systematic manner. Frequent staff member relocation made this matter worse because of the disruptive effect.

“The NESDB prepared provinces far in advance through a series of workshops since 2005. Provinces started collecting and calculating GPP from 2008. Three years of learning and building up database is envisaged.” (NESDB1)

Additionally, in response to the comment from provinces that they received limited support from NESDB, the respondent indicated that apart from a series of workshops, the NESDB regional offices were assigned to work closely with provinces. Additional support could be requested to meet specific needs.

“If provinces felt that they needed additional support, they could put their requests to the NESDB regional office.” (NESDB1)
6.2.2 Budget system management (BOB)

Evolving budgets for provincial management has been one of the most problematic aspects in the PMS implementation and execution. Provinces reported that most of the budget available to them was heavily based on the ministerial or departmental programs or projects which were managed at the ministerial or departmental level. At the provincial level these budgets were managed by the provincial departments and, therefore, the Provincial Governor did not have full authority over them. Even though there was a budget granted specifically for the Provincial Governor to be used for the CEO projects, this budget has been withdrawn since 2008.

In response to this concern, a respondent described that problems regarding budget management occurred because changes in management happened more quickly than changes in laws and regulations. As a result, it seemed that the Provincial Governor, as the CEO, and the PM concept did not receive proper support as a result of implementation without the necessary legal, administrative, and budgeting framework in place.

“Budget administration was based on Budget Procedures Act, B.E. 2502 (1959). Since the government announced policies concerning provincial management, there were several new regulations governing budget administration as well as public administration including that at the provincial level. However, to issue a new law or regulation or amend the prior ones took time. We realized that the Provincial Governor faced major problems in budget management with the implications for provincial performance, but we had to carefully review these laws and regulations and then revise or develop new ones to facilitate these new management requirements. Since 2003, there were new regulations in relation to the implementation of the provincial CEO concept; for example, the Regulations of the Office of Prime Minister Governing Provincial Budgeting For Reconstruction, B.E. 2546 (2003), the Regulations Governing Budget Administration, B.E. 2546 (2003) and the Amendment (No.2) B.E. 2547 (2004), Royal Emblem Regulations Governing Budget Administration, B.E. 2548 (2005) and the Amendment (No.2) B.E.2551 (2008) and the Amendment (No.3) B.E. 2552 (2009).” (BOB1)
This respondent also pointed out that prior to 2009 provinces were not eligible to receive budget directly allocated to the provinces’ development plans because of law restrictions resulting in provinces suffering a lack of status as official agencies and ineligibility for a direct budget allocation. Budget Procedures Act, B.E. 2502 (1959) identified that only official agencies and state enterprises were entitled to budget allocation and those official agencies are ministry, bureau, and department, but excluding provinces. However, after the enforcement of the Public Administration Act (No.7), B.E. 2550 (2007) and Regulations Governing Budget Administration (No.3) B.E. 2552 (2009), provinces were declared to be able to receive budget allocations. The following statement illustrates this development.

“Prior to 2007, a province did not have a status equal to an official agency; therefore, it was not entitled to budget allocation based on the Budget Procedures Act, B.E. 2502 (1959) and the Annual Expenditure Budget Act. Provinces solely received budget allocation through ministries and departments. The Regulations of the Office of Prime Minister Concerning Provincial Management, B.E. 2546 (2003) required BOB and government agencies to communicate detailed information on operational plans, projects, and the budget allocated to provinces so that provinces could integrate and coordinate budget expenditure to meet provincial’s strategies. It was noted that the roles of the Provincial Governor were still limited to integration and coordination. Later in 2006, the Regulations of Office of Prime Minister Concerning Provincial Budget Administration, B.E. 2549 (2006) required regional government agencies to fully empower budget administration to the Provincial Governor. However, budget expenditures were still based on the ministerial or departmental operation plans and projects. Under the enactment and enforcement of the Public Administration Act (No.7), B.E. 2550 (2007), provinces were given the status of official agencies by law concerning budget procedures. As a consequence, provinces were entitled to direct budget allocations based on their own budget expenditure proposals in provincial development plans as stated in the Regulations Governing Budget Administration (No.2), B.E. 2551 (2008) and the Amendment (No.3), B.E. 2552 (2009). At present, provinces were included in the budget preparation and allocation.” (BOB1)
This respondent, however, was concerned that provinces were entitled an equivalent status as official agencies only for budget administration because there was no organization establishment act to support their existence. The Provincial Governor, therefore, played two distinctive roles. First, he was the Provincial Governor under the Ministry of Interior who was responsible for integrating and coordinating provincial departments’ operational plans and projects. Second, he was the ‘Director General of a Province’, leading as a CEO in governing the holistic provincial administration and development. In respect of the latter, the respondent maintained that difficulties rose in the budget spending in terms of what sources of budget the Provincial Governor could use for a specific project: either budget from the provincial departments’ or budget directly allocated to the provinces. It must be noted that budget allocated directly to the provinces was mainly for capital investment aimed at economic stimulation and excluding general administration expenses, for example, personnel expenditures (e.g., salaries, wages), maintenance costs, and utilities. Therefore, budget spending was vulnerable to misallocation and misplacement.

“Budget spending would bring about confusions in practice in terms of where the budget should come from: the provincial departments, ministries, or the province itself. Budget the province received was mainly for investment; therefore, it could not be used for personnel and operational expenditures. Such personnel and operational budget still relied on the ministerial and departmental budgets. Thus, provinces had to make payments from the ‘right pocket’; otherwise, they faced wrongdoing.” (BOB1)

In addition, the respondent also pointed out that the sources of the budget further affected the procurement and maintenance processes as illustrated below.

“The source of the budget used further related to procurement processes in terms of who was the property owner and who should be responsible for maintenances according to procurement regulations. An example would be building a road. When utilizing the provincial budget, this road when finished belongs to the province; therefore, the province was responsible for its maintenance. However, the budget the province received does not included maintenance costs. Thus, the province had to hand over this road to the
Department of Rural Roads for future maintenance. Another example was that the province wanted to construct a building for the use of cooperative activities using the state property. The state property was under the management of the Treasury Department. The cooperative did not own the building; rather it was entitled to the right to utilize the building but carried the maintenance costs. The building’s ownership still rested with the Treasury Department. These were crucial elements which provinces and the Provincial Governor should be made aware of because wrongdoing happens easily and investigation is nonnegotiable: either repay or disciplinary actions can result.” (BOB1)

Furthermore, in response to the provincial complaints that budget preparation involved hierarchical, bureaucratic processes and procedures, the respondent perceived that the major reason for these complaints was the lack of familiarity due to the fact that provinces had long been following orders from the parent ministries or departments and they had little chance to develop their own plans. In addition, a lack of knowledgeable persons on budget administration contributed to the difficulties in budget preparation because this preparation involved terminologies and concrete guidelines and deadlines for every process and procedure. However, support (e.g., advisory, manuals, workshops, and online support) was available. The following statement illustrates this situation.

“I was not surprised by knowing that the provinces had difficulties in preparing their own budgets. First of all they had been following orders from the parent ministries and departments for a long time. They had to rely on their own devices for developing provincial development plans and preparing their own budgets. It was new in terms of the process itself, terminologies used, formats, and a fixed time table. Budget processes and procedures involved many steps in establishing the local needs, developing and agreeing on the provincial development plans and budget, getting approval before submitting to the BOB, and entering information into the e-budgeting system. It would take many cycles before the provinces get used to the system.” (BOB1)
Another issue the provinces were concerned with was that their budget proposals must match with one of the five pre-categorized strategies, which are economic development, social development, natural resources and environmental management, safety and security, and public management, leading to a need to reorganize their strategies already appearing in the PA to fit these categories. For this respect, the respondent revealed that the five pre-categorized provincial development strategies were aimed at limiting data entering into the system to be manageable and enhance integration and crystallization of the development plans. It was slightly problematic the first time because provincial development plans were developed well before 2007 for their inclusion in the PA; therefore, they had to adjust their plans to fit with these categories. However, for the coming year, this would likely stay the same or be subject to little changes.

“Grouping provincial development strategy into five categories made provinces rethink and integrate their plans resulting in crystallization and integration.” (BOB1)

A respondent maintained that Provincial Governors were better in handling at solving immediate problems, but they lacked long-term planning skills because of frequent relocation. Additionally, the lack of information in terms of national direction, global changes, and international relationships crippled the vision of the Provincial Governors. These were revealed in the following statement.

“The Provincial Governor’s general administration was multi-dimensional and enormous. They might not think strategically because they did not know where to go and what to aim for. In addition, their general wisdom was limited; for example, they might want the provinces to be the centre of Indo-China trade, but they did not know what the centre of trade looked like and what to do to achieve that goal.” (BOB1)

A respondent was concerned that the new requirements on the Provincial Governors pushed them to be strategic leaders and developers and to manage their provinces through a strategic management approach. He raised crucial questions concerning the Provincial Governor as illustrated in the following statement.
“The Provincial Governors became strategic leaders and developers who managed and developed their provinces based on a provincial strategy which they had never been exercised earlier. This new requirement raised an important question of whether persons appointed to be Provincial Governors are necessarily those only from the Ministry of Interior. An example for this was that whether the Provincial Governor of the industrial-led province, such as Samut Prakarn, would be better off if he had industry-related background. Alternatively, should one province have two provincial governors: one, appointed from the Ministry of Interior, responsible for general administration and the other, recruited from other ministries or from the private sector, responsible for strategy formulation and implementation. The Ministry of Interior offered Provincial Governors with more mastery characteristics rather than developer ones.” (BOB1)

However, the respondent demonstrated a positive attitude towards the PMS implementation and a belief in the Provincial Governor’s new requirements. Time was needed to allow those involved in the system to acquire the knowledge and become familiar with the system.

“This was a huge change in the civil service. It could not be rushed. The PM’s philosophy was right. All we had to do was keep educating, developing, and exercising the PMS. Laws and regulations were gradually changed to support the system. It would become easier and become a more familiar process as time went by.” (BOB1)

6.2.3 Human resource management (OCSC)

Human resource (HR) activities were limited at the provincial level. A respondent revealed that human resource management (HRM) processes such as recruitment and selection, evaluation and promotion, and relocation, were centrally and heavily dependent on the parent ministries/departments, not on the province itself. Personal profiles were kept and updated at the centre. Thus, this made HRM receive less attention from the top executives at the provincial level. When considering HR activities, the major focus was paid simply on classroom-like training. The following statement reveals this situation.
“HRM processes received limited attention from the Provincial Governor and the managers at the provincial level. Although the Provincial Governor might provide comments and suggestions to the ministries and departments on HR issues, it seemed that those ministries and departments paid little attention. When talking about HR activities, the major concern was training, especially classroom-like training.” (OCSC1)

The respondent maintained that the present OCSC helped provinces prepare for the new Civil Service Act which affected radical changes in HRM particularly in terms of position classification and HR practices. The PM concept was used in the HR activities especially in the individual evaluation for promotion and salaries increase. HR databases at the provincial level were developed.

“We were helping provinces prepare for the enactment and enforcement of the new Civil Service Act. First, we encouraged provinces to develop HR databases using the Departmental Personnel Information System (DPIS) so as to better manage and plan for provincial HR. Second, we develop a more concrete individual performance evaluation to be linked with promotion, salaries increase, and disciplinary actions. Third, we offered a series of workshops and conferences to educate and communicate civil service officers regarding the new Act.” (OCSC1)

However, the respondent pointed out that obstacles for the new HRM occurred because the culture of the top executives at the provincial level meant them not paying attention to HRM, in particular they were reluctant to deal with low performers, disciplinary actions and orders of discharge from the government service. The additional possible reason for this included misuse of the HR personnel and the lack of individual performance evaluation that linked individual contribution to the achievement of the organization goals.

“I have received a verbal reported that persons who worked at the HR Unit were likely to be assigned tasks unrelated to HR issues. In addition, persons appointed to HR positions were usually meant to exploit benefit from holding these positions; for example, promotion to a higher rank.” (OCSC2)
The respondent commented on the provincial concerns of complicated HRM particularly in the new position classification which they were to responsible for re-classifying persons into the new categories. However, OCSC offered help and support in a numbers of ways as revealed in the following statement:

“Apart from traditional training and workshops, we (OCSC) offered road shows into the regions aimed at communicating and educating on the new Act and its requirements, as well as receiving feedback in which the Secretary-General of Civil Service Commission chaired the events. We invited academic institutes to be our partners and network in offering HRM support.” (OCSC1)

In addition, the OCSC’s proposal on establishing a new HR Unit within the Provincial Governor’s Office was approved without adding new positions but mandating positions already available, even though these persons worked might have a limited HR background.

“The province had an HR unit directly responsible for HRM activities. OCSC provided full support for their work; and the next step was building a professional HR career path to draw real attention to HRM and prohibit position exploitation.” (OCSC1)

The respondent also commented that the accumulation of knowledge was limited. Knowledge management as utilizes in the OCSC within the remit of HR practices was implemented, but not further developed and not utilized. Knowledge transfer was limited particularly in recent years in which many knowledgeable persons retired and early retired.

“The concept of knowledge management was likely to be implemented, but utilization was limited. There were limited documentary records.” (OCSC1)

The respondent considered that the PM concept required teamwork with task assignment and targets so that evaluation and reward for contribution was to be transparent. A merit system was crucial in managing for results.

“For the PMS to be completed, the provincial vision and strategy had to linked to departmental level and the individual level, as well as targets cascaded down to each level so that evaluation and reward became more
precise resulting in conflict reduction. Tasks would be strategically delivered towards the achievement of the provincial goals rather than delivered with personal discretion. In the near future there would be a channel at the provincial level through the Province CSSC for appeal and complaints to enhance the merit system.” (OCSC2)

In addition, the respondent noted the provincial concern on the limited number of staff members working at the provinces causing work overload and work-life imbalances and that quality, efficiency, effectiveness, and value for money for public service provision needed to be improved. Information technologies, software applications, and new management concepts were necessary. It was crucial to build staff members’ capacity, enhance competency, and develop knowledgeable workers in order to suit the new requirements based on modern management concepts such as PM, NPM, and knowledge management.

“Stress and tension were high during this changing period when there were new laws and regulations enforced, new requirements, and new management concepts deployed and implemented resulting in a paradigm shift in working culture, values, and morale. I believe that after a while it would be getting better when everything in place.” (OCSC2)

6.2.4 Inspection and auditing (OPM)

Inspection is an internal process of public administration aimed at performance monitoring and evaluation, obtaining direct information and feedback from the government agencies and the citizen, through factual investigation. The Inspector-General of the Prime Minister’s Office is responsible for an overall government performance inspection of all government agencies and officials. The respondent maintained that inspection and auditing did not aim to find mistakes and errors; rather it is aimed at analyzing three main risks: key risk areas based on organizational roles and responsibilities, political risks involving irresponsibility of budget expenditure in order to create value for money, and negotiation risks concerning the needs of the people.
“All inspectors were to monitor and evaluate performance of a government agency in accordance with the government policy, national strategy, and the State Administration Plan. An inspection aims to provide suggestions on strategy implementation and evaluating impacts created by a program or project.” (OPM1)

However, the respondent pointed out that the importance of an inspector’s roles and responsibilities were not well recognized. Being appointed to be an inspector was perceived negatively as being suspended. Also, unclear inspection mechanisms and guidelines and missing links between inspection and the PMS made inefficient and ineffective inspection and auditing.

“People usually had a perception that being appointed to an inspector position meant being suspended or punished for wrongdoing. An inspector was an undesirable position. Thus, the inspector’s roles and responsibilities were not recognized. More importantly, there were missing links between inspection and the PMS where inspectors did not officially play a part in performance evaluation.” (OPM1)

In addition, the respondent was concerned that an inspector’s roles required re-imaging and re-positioning to enhance their capacities and competence in dealing with the new requirements from the Civil Service Act and the Royal Decree on Criteria and Procedures for Good Governance.

“We were supposed to support the work of the Deputy Prime Minister in overseeing the provincial administration in terms of strategy formulation, implementation, and evaluation. We could then play a part in the PMS and the PA evaluation. So far, we rarely played these crucial parts. My major concern was that if we want to play these integral roles, we must definitely have competency and capacity to do it.” (OPM1)

6.2.5 Support from the parent ministry (MOI)

The Ministry of Interior (MOI) was responsible for appointing the Provincial Governors and staff members working at the Provincial Governor’s Office. The Ministry also has direct responsibility in developing and promoting provincial administration. A respondent maintained that the Ministry had
three main functions in promoting the provincial administration: supporting an integrated structure for it, coordinating provincial and regional development strategies, and coordinating and promoting involvement and participation from the public and private sectors in promoting its function. The Ministry plays an important role in connecting central agencies’ requirements with provinces and facilitating provinces in implementation and execution to deliver desired outputs and outcomes.

“MOI was the connector and facilitator between central agencies and provinces. We also fed information back to central agencies concerning provincial difficulties and requests; for example, we organized several teleconferences with central agencies to communicate, educate, and clarify new requirements attached to new laws and regulations.” (MOI1)

The respondent considered that it was essential to prepare and to develop the Provincial Governor’s competency and knowledge to cope with requirements of the new roles of the Provincial Governor when acting as a provincial CEO. He also pointed out that during the transforming period under the enactment and enforcement of new laws and regulations, it was important for MOI to communicate and provide factual knowledge concerning new and changing requirements in order to create better understanding through a series of workshops, publications, manuals, and online information provision.

“The basic requirement was a good understanding of conceptual knowledge. Not only the actual laws and regulation communicated, but clarification and detailed explanations were attached for better understanding and highlighting key issues.” (MOI1)

Coping with the new requirements for the integrated provincial administration through strategy management and the implementation of the PMS, the respondent maintained that the organizational structure of the Provincial Governor’s Office was changed by having two additional new groups: the Provincial Strategy Group and Human Resource Group. Furthermore, the respondent mentioned the request for additional personnel responsible for legal issues, budget analysis, internal audit, and regional strategic
management at the provinces and that it was likely to be possible to get hold of these positions within a province.

“The Provincial Governor’s Office organizational structure was rearranged to consist of four fundamental groups: general operation, provincial strategy, human resources, and information technology. We pushed forward the needs of the provinces for personnel dealing with legal issues, budget analysis, internal audit, and the regional strategy management; all of which were highly possible. OCSC was working on position classification and job descriptions.” (MOI1)

Additionally, the respondent raised the concern of the lack of management unity among provincial departments and that it took time to create a sense of holistic ownership. Thus, the Provincial Governor played a key role in being facilitator and coordinator among all provincial departments in implementing the provincial development strategy.

“The lack of unity in provincial administration was due to the perception that a ‘province’ was the Provincial Governor’s Office. Provincial departments considered themselves serving their parent ministries/departments, isolated from the ‘province’. It would take time for the province to lift this burden. The concept of strategic and performance management can enable these provincial departments to work closely together and to aim for the same goals resulting in more integrated and coordination work and in building sense of ownership to some extent.” (MOI1)

6.2.6 Public sector development (OPDC)

The Office of the Public Sector Development Commission (OPDC) is a central agency responsible for civil service reform and development. The Office plays an integral role in monitoring and evaluating performance of government organizations including provinces through the implementation of the PMS and the PA. A respondent reported that public sector development involved knowledge-orientation in which several management concepts were adopted and implemented. Provincial strategic management was linked and cascaded from the national level to ministerial and department levels. The State Administration Plan was at heart of development plan at all levels
including national, ministerial, departmental, regional and provincial development plans. This Plan was a fundamental element of the PMS and the PA.

“It was required by the Royal Decree on Criteria and Procedures for Good Governance, B.E.2546 (2003) that the government has to develop the State Administration Plan to be employed during its terms of office. This Plan is a four-year plan taking into account the government's policy stated to the Parliament, policy of the State according to the Constitution of the Kingdom of Thailand, and all national development plans. The plan consisted of objectives and results of work, the responsible unit or person for each mission, estimated income and expenditure and resources for implementation, operation period, and monitoring and evaluation measures. It was the first time the government had an ‘official performance agreement' committing it to what it would deliver during its term. Then the government agencies made their four-year performance plans as well as annual performance plans which would be in line with the State Administration Plan. These provided baselines for the PMS and the PA at all levels.” (OPDC1)

The respondent maintained that the CEO role of the Provincial Governor did not mean that the Provincial Governor had absolute power, but he played a connector’s role in integrating provincial departments’ work, involving public participation, and aligning the local administration in the provincial administration to drive for integrated provincial development. The following statement described this evolvement.

“The role of being a CEO of the Provincial Governor was not being dictator or leader with absolute power. She/He rather was a conductor for the symphony orchestra where provincial departments, the private sector within the province, communities and villages, and the citizen represented musicians playing different musical instruments. The conductor had to conduct all musicians to play a correct note at the right rhythm to create a harmonious and well-listening song. Similar to the conductor, the Provincial Governor had to manage, coordinate, and facilitate the work of the provincial departments, gather private and public sector involvement and citizen participation in provincial development and administration in order to create public service provision that meets the needs of the people.” (OPDC1)
However, the respondent pointed out that the Provincial Governor required additional skills and knowledge, as well as supportive staff members in order to cope with new demanding requirements as illustrated in the following statement.

“Becoming a strategic leader who leads provincial administration, the Provincial Governor was to be equipped with skills and knowledge (such as strategic management and PM) as well as management tools and competent staff members to support his work. The next step was enhancing and strengthening the capacity of the Provincial Governor’s Office. We need to build individual’s capacity and competency in dealing with the new requirements.” (OPDC1)

The respondent maintained that the PMS and the PA were implemented in order to drive the public sector development. An incentive scheme was introduced to motivate such development. The PA played a significant role in driving the public sector development particularly the new requirements stated in the laws and regulations and for driving the PM processes. The PM and the PA processes involved specialists, professionals, and individuals with high reputation and experience to design and operate the various processes; for example, negotiation of performance targets, handling appeals, performance evaluation, and incentive distribution.

“Some developments were required by laws and regulations such as implementing the PMS, developing the cost accounting system, evaluating the value for money, and improving public service provision. These requirements became part of the PA so that the implementation was reinforced and guaranteed. All responsible government agencies, such as NESDB, BOB, and the Comptroller General’s Department, became joint hosts with OPDC. OPDC looks at the PMS and performance evaluation in the big picture while these central agencies are responsible for their related issues. It was OPDC who was responsible for allocating incentive rewards to the government agencies as well as provinces, whose performance score met the distribution criteria. […] The PM and PA processes involved several parties who were specialists, professionals, and key recognition individuals in the field. Such processes included target negotiation, performance evaluation, appeal, and incentive distribution.” (OPDC1)
In response to the provincial comments on hierarchical and bureaucratic processes in the PA, the respondent maintained that at the beginning these complex and complicated processes were to make certain that all aspects were carefully and thoroughly considered resulting in building a solid foundation. It involved learning and development processes for all government agencies and provinces. Later, processes became more familiar and an increase in technologies utilization made the processes more convenient. Moreover, OPDC tried to build a concrete PA calendar to be executed throughout; however, delays were likely to occur in performance evaluation and incentive distribution, as explained below:

“OPDC tried to announce the PA calendar in advance, but it was not as tight and fixed as the budget calendar. The PA activities were likely to happen at the same period as the year before. Delays were usually found in performance evaluation and the incentive distribution processes. Performance evaluation included site visiting the provinces for detailed evaluation and data verification. Additional data might be requested for further evaluation before the final performance score was reviewed and revealed. Incentive distribution involved developing sophisticated criteria and guidelines and these were subject to PDC and Cabinet approvals before enforcement.” (OPDC2)

As the provinces reported that they were keen on answering expected questions when the actual development and improvement were limited, the respondent considered that these were a natural occurrence; however, keeping the PMS running would result in experience and the truth would finally be revealed. Moreover, inspection from the Inspector-General of the Prime Minister’s Office, Ombudsmen of the Parliament, and Office of the Auditor General of Thailand, as well as customer satisfaction surveys reflected the government agency’s performance in different dimensions. Notwithstanding, the skills and competence of the OPDC staff members in performance evaluation were subject to constant strengthening during implementation.

“We were not saying that there were lies in performance reports; we rather considered that our OPDC staff members did not have adequate skills and competence to follow the trails and to make appropriate recommendations.
Performance improvement could not be delayed or distorted in the long term. If we keep using the same KPIs, soon the truth would be revealed. This was because in the following year performance targets became harder and harder if the foundation was not built firmly.” (OPDC1)

Additionally, provinces reported that attention was heavily paid on activities stated in the PA as what gets measured, gets done. In this respect, the respondent pointed out that the PA was only aimed at measuring key provincial performance based on provincial strategy. It was the PMS at the provincial level which had to be linked and cascaded down to departmental and individual levels. Recently views suggest that efforts in developing the PMS at departmental, divisional, and individual levels are occurring. This is the next step for the PMS.

“To make a holistic PMS it needed to be linked and cascaded down from the provincial level onto the provincial departmental, divisional, and individual levels. So far, OPDC was studying and planning for the next stage.” (OPDC1)

When mentioning that a province’s perception that some performance targets were likely to be too ambitious and unachievable, the respondent pointed out that there were two ways to respond to this comment. First, there was a tendency that the target was too difficult to achieve. In this case, the province had to convince the negotiation committee by providing information and data support. On the other hand, the easier the target, the higher the performance scores resulting in the higher the incentive to be received.

“Target setting results in a performance score. The philosophy in target setting was that for a given budget, personnel, and processes, performance score was to be at a fair rate of 3.0. To get a higher performance score, improvement, efficiency, and effectiveness were to be expected. However, the culture of comparison and losing face avoidance would lead target negotiation to relatively ‘easier’ targets. We cannot deny the fact that every government agency or province had a different level of competency and capability in development and service improvement; therefore, a different performance score, particularly a low performance score, indicated areas
where support and help had to be placed recognizing that in some cases opportunities to improve were enormous.” (OPDC1)

The issue of target setting was highlighted at the Negotiation Committee Workshop in which standards for the annual target setting were set to be in line with the normal distribution. The performance score of 3.0 was to be at the centre and it became progressively harder to reach for a higher performance score.

“For the past four years overall performance scores were created in a right-skewed curve. We needed to force these distributions back into a normal distribution. Score of 4.0 should be difficult and could not be met unless development and improvements were executed. A score of 5.0 was rarely to be achieved and dramatic change, improvement, or international standards were expected.” (OB)

Moreover, the respondent revealed that setting KPIs was another key issue. Joint KPIs were becoming more important. They implied joint responsibilities among government agencies. For example, NESDB and BOB had joint responsibilities in developing value for money and in establishing a feasibility system for this. Also, the Department of Agriculture and the Provincial Office of Agriculture and Cooperatives had joint responsibility in Good Agricultural Practices (GAP) certification, and water pollution and quality were the joint responsibility of the Ministry of Natural Resources and Environment, the Ministry of Industry, and the Ministry of Agriculture and Cooperative, as well as local administration. Joint KPIs were very complex and complicated issues that required further detailed study.

“Provinces had difficulties when provincial strategy did not receive support from related central agencies. Therefore, matrix management and joint KPIs were forced at the centre for better coordination and cooperation in the provincial development plan.” (OPDC1)

Incentive is one of the most controversial issues in the PMS. The respondent maintained that PDC opened rooms for provinces to be creative for developing their own incentive distribution criteria so as to promote NPM in ‘letting the manager manage’ concept. Little was required to be consistent
with the rules and procedures prescribed by the PDC. However, top executives at the provincial level hesitated to practice under this mandate. The possible reasons were the lack of a performance evaluation system at departmental and individual levels that linked with that of the provincial level, the lack of management unity among provincial departments, and the frequent staff relocation.

“We promoted the concept of NPM by letting the manager managed. PDC allowed provinces to create their own incentive criteria to be suitable for their needs. There were many appeals and controversies. These might occur because of the lack of linkages of performance from the provincial level to departmental and individual levels. Moreover, the frequent staff relocation made it difficult for the provinces to distribute incentives where this involved criteria limitation and complicated calculation. More importantly, the lack of management unity among provincial departments contributed to difficulties in coordination and cooperation in provincial strategy implementation resulting in a limitation in incentive allocation.” (OPDC1)

Additionally, a respondent revealed that a misleading perception of incentive rewards due to its common interpretation as a ‘bonus’ contributed to misunderstanding of the philosophy of the incentive scheme. When perceived as a bonus, incentives tended to be equally distributed to individuals. However, the philosophy of the incentive scheme was to reward government agencies, including provinces, with high performance in order to motivate and sustain development and improvements.

“If everyone in an organization received the same amount of incentive, it lacked of a motivational effect on those with high performance because their effort and contribution were not appropriately rewarded.” (OPDC2)

More importantly, there were different incentive schemes practiced in the public sector. First, an incentive scheme developed for ministries, departments, and provinces using the PA as a tool. This incentive was available for staff members excluding top executives. Second, the same PA generated a different incentive scheme for the top executives. Third, an incentive scheme designed for local administration. Each scheme had different criteria and guidelines for distribution. Individuals received
considerably different amounts of incentive reward in each scheme in which the first type of incentive scheme was likely to generate the lowest incentive for an individual. Respondents from the provinces considered that these differences were unfair and demotivating. In this respect, the respondent of OPDC maintained that the initial intention was to develop an incentive scheme for government agencies and provinces to be distributed to their staff members and to develop a different incentive scheme for top executives using a different performance evaluation system. However, currently the top executive performance evaluation system was tied to the organization’s scheme while an incentive scheme for local administration was under different laws and regulations. OPDC had little power to intervene unless there were requests for recommendation during the budget allocation. OPDC notified MOI who was responsible for overseeing local administration regarding this issue; unfortunately, little was done. The following statement describes this state of affairs.

“The incentive scheme for different groups of people had different purposes. Unfortunately, people focused on the amount of incentive they received rather than what and why incentives were meant to be for. However, I reckoned that the incentive scheme for local administration was too far off track and attention should be paid immediately to this. Otherwise, it affects the whole aspect of the incentive scheme, as well as the PMS itself.” (OB)

Moreover, OPDC was responsible for organizing training and workshops in order to educate and communicate new requirements, and prepare related people to cope with such requirements. However, respondents at the provinces commented that most of the training and workshops were available for top executives and most of them took place in Bangkok. In this respect, the OPDC respondent pointed out that at the beginning the focus was on educating and preparing the top executives to deal with the new demanding requirements in which they were considered to play an important role in driving change. Later, training and workshops were made available for middle managers and staff members through various methods, such as online training programs (e.g., Mini-MPM program), teleconferences, road shows, and classroom sessions. By involving academic institutes in the provinces or within the regions in organizing training and workshops, training
venues became available closer to the provinces. The following statements illustrate the situation.

“OPDC tried to offer more training and workshops to all staff members so that they understood new requirements and were able to cope with changes. We offered manuals and publications both in print and in CD-Rom for further reproduction. Essential training sessions were recorded and distributed in DVDs. All of which were available via OPDC website and everyone who was interested could download them.” (OPDC1)

The respondent also pointed out that creating a learning atmosphere was essential during the change period. Not only was the new concept learned, but also lesson learned were shared.

“It was essential that staff members had a ‘willing to learn’ attitude so that they could better cope with changes. Additionally, what one learned could be shared with others.” (OPDC2)

The respondent also revealed that OPDC encouraged a paradigm shift to create a new working culture and facilitate changes as “I AM READY” where I stands for integrity, A stands for activeness, M stands for morality, R stands for relevancy, E stands for efficiency, A stands for accountability, D stands for democracy, and Y stands for yield.

“Civil service reform in 2002 created dramatic changes in public administration, as well as culture and attitudes. The concept of ‘I AM READY’ was promoted in order to make changes in working culture and to facilitate changes.” (OPDC1)

6.2.7 Training and development (PDRI, CSTI)

Prince Damrong Rajanubhab Institute of Research and Development (PDRI) and the Civil Service Training Institute (CSTI) are responsible for training and development. The former institute deals with training and development of work processes and individuals for the Ministry of Interior while the latter institute is responsible for developing training and development guidelines and courses for the whole civil service. Additionally, CSTI is a consulting agency to government agencies in developing training and development
courses that meet the specific needs of those agencies. Since 2002, there were new requirements for the government agencies and individuals due to the new laws and regulations and these had a dramatic impact on the work of these institutes.

The respondent from CSTI revealed that CSTI was required to set new standards for training and development courses to develop civil servants in coping with the new requirements, as well as encouraging the implementation of knowledge management system. CSTI encouraged government agencies to organize their own training courses which had to be consistent with the scope and standards prescribed by the CSTI.

“New modules (e.g., PM, branding, competency, strategic management, management decision making, and personality development) were included in training guidelines aimed at helping civil officials deal with changes and new requirements. CSTI also steered paradigm shift to self-development, systems thinking and having good ethics.” (CSTI1)

The respondent of CSTI also revealed that CSTI created networks with academic institutions in order to increase development capacity and to conduct research and develop new programs.

“The involvement of academic institutions offered opportunities for those institutes to better understand the needs of the public sector resulting in better preparation of new graduates to enter the labour market.” (CSTI1)

The respondent indicated that CSTI developed approximately 40 e-learning courses available to civil officials as a part of which participants had to register their original affiliation and time spent in these courses in being considered as doing duty.

The respondent of PDRI maintained that PDRI is responsible for research and development systems (e.g., work process improvement), knowledge management as being an academic unit and knowledge provider, and human resource development in terms of training and development.

“PDRI conducted surveys of learning needs in order to gather information to develop appropriate training and development courses. In systems
development, there were not only e-learning programs, but also e-inspection programs to receive appeals and complaints which help reduce paperwork. Additionally, PDRI develops competency profiles for individuals and provinces so that development strategies and plans become focused on real needs.” (PDRI1)

However, the respondent of PDRI revealed that frequent staff relocation was the major concern for disruption and losing knowledge acquisition and transfer. Additionally, PDRI found that data analysis for decision making and planning was limited because of information overload. These were revealed in the following statement.

“There were thousands of items of information, but they could not be used for planning or making decision because of the lack of skills in data analysis.” (PDRI1)

6.3 Views of the Key Resource Persons

6.3.1 The implication of the performance management system

Respondents revealed that the PMS created a scenario for major change. These changes for provincial administration are the result of the need to create provincial development strategies which provide clear goals and targets and have measurable indicators. The following statement illustrates this aspect.

“The PMS allowed provinces a clearer focus as they knew what they aimed for. Thinking processes were improved and became more systematic in manner. Systems thinking was developed with participation and involvement from staff members from those in the top and middle management.” (KRP2)

However, a respondent was concerned about the quality and the appropriateness of provincial vision, strategies, and development plans, as well as how these strategies were translated into action.

“At this stage, we were in the learning cycle where the province learnt to develop its vision, strategy, and development plan and implemented such a
plan. I realized that these elements went through a series of approvals; however, these required further comprehensive studies.” (KRP2)

In addition, respondents reported that the PMS motivated staff members in terms of goal recognition resulting in work enthusiasm. However, clear responsibilities and contribution to the success of the organization needed to be clarified. Also, respondents considered that there were improvements in quality of service provision and provincial administration involved more participative governance as illustrated in the following statement.

“There were two major successes in the implementation of the PMS. First, the visible changes in public service provision. Services were faster, simpler, and involved less processes. With identified work processes, customers knew the workflow of the services they requested and the expected time to be completed. Many surveys revealed that customers were very appreciative of this improvement. Second, participative governance was established. Experts, specialists, successful businessmen, NGOs, and citizens were involved into the decision-making processes. For example, they were appointed to be members of the Provincial Management Committee. Consequently, they had chances to monitor and audit public sector performance.” (KRP1)

However, a respondent maintained that the PMS did not equal the PA. Rather, the PA was only one part of the PMS which focused paid on results.

“PM was RBM, and a PA was used to monitor and measure those results. It was the results that matter. Therefore, it was important for an organization to be able to identify its results, what it meant to deliver.” (KRP1)

In addition, a respondent pointed out that OPDC needed to make certain that at which level the PMS was to be implemented, either at organizational level, individual level, or the combination of both levels, so that an approach to the implementation could be designed appropriately.

“Although OPDC claimed that they focused on the PMS implementation at organizational level, there were many fine detailed guidelines for the system implementation at the lower level, such as the implementation of individual scorecard, cycle time reduction, and the introduction of Public Sector
Management Quality Award (PMQA) which adopted the concept of Malcolm Baldrige National Quality Award (MBNQA).” (KRP3)

Moreover, the respondent was concerned that prior experiences with short life management tools being implemented and discharged affected the willingness to learn and utilize the PM associated tools. The introduction of various new management tools within a short period of time meant that government agencies and provinces suffered in trying to understand and to make the most out of such tools. The following statement illustrates these concerns.

“While staff members tried to learn and understand current tools, even newer ones were introduced. These caused frustration and discontinuous of development. Crucially, it seemed that there were no relationships or connections among each tool and the PMS.” (KRP2)

6.3.2 The work of the Public Sector Development Commission (PDC) and its Sub-Commissions

Respondents maintained that the PDC is a unique commission. Unlike any other commissions, the PDC has three members working full-time, being collective leaders. Moreover, there are many Sub-Commissions responsible for specific issues; and OPDC is the secretariat office. However, OPDC seemed to take over most of the PDC responsibilities.

“OPDC seemed to undercut the PDC’s functions. The Commission had only a monthly meeting; and there were too many sub-commissions. Therefore, many agendas bypassed Commission consideration and omitted PDC’s consultation. The commissions were full of experts and specialists, but they under performed due to: (a) a lack of understanding of public management, (b) a lack of understand of the philosophy, principle, and concepts of RBM, and (c) a limitation of the Commission’s activities, only a monthly meeting for approximately 3-4 hours each time.” (KRP1)

A respondent also pointed out that for target negotiation PDC appointed several Negotiation Sub-Commissions in order to make better use of experts
and specialists in the field. However, these were likely to create unfair treatment through uneven decision making.

“With many sub-commissions, it could be unfair for government agencies and provinces because a similar task might be delivered under different standards. Some sub-commissions were tougher than others even though ground rules were set and agreed in advanced.” (KRP1)

However, a respondent considered that the most obvious success of the PDC and OPDC was the “Quality Service Awards for Citizen Benefit” which are classified into two categories: award for service quality consideration from working process reduction and award for administrative system development, which consists of two main areas: information technology and knowledge management. These awards aimed at motivating the government agencies including provinces to develop and improve service quality to better serve the people’s needs.

“Annually, from 2003, PDC gave awards for government agencies and provinces that successfully improved their service quality. These dramatic improvements of public services were the most successful of PDC and OPDC.” (KRP1)

6.3.3 Training and development

Respondents maintained that it was essential to create a sense of self-desired learning or felt-needed learning so that government officials were willing to learn and to deal with changes.

“It should be an individual's own will to learn and seek for knowledge or higher education, so that the learning is continuous and sustained.” (KRP1)

Respondents pointed out that there were alternative ways in providing and sharing knowledge within the public sector or even to the people in general, apart from traditional classroom training. Involving academic institutes in offering academic-based knowledge was considered to bring more efficiency and effectiveness. Respondents suggested that a series of training courses were better than one-off events. Additionally, respondents indicated that the areas for capacity building for civil officials included: knowledge in horizontal
and vertical aspects, holistic view, knowledge generating and sharing, and creative thinking. The following statements demonstrated this concern.

“Civil servants should have wide knowledge of what is going on in the current situation, and at the same time they should know in depth of their specific responsibilities, as well as to be able to see the big pictures of all development projects and how each project is related. They should be exposed to learn from the differences (e.g. business, NGOs), as well as to learn from the similarities (among public organizations). Furthermore, officials should be encouraged to think differently, see things in different perspectives, and be motivated for innovation.” (KRP2)

6.3.4 Incentive Scheme

A respondent maintained that the incentive scheme had motivational impacts for staff members to some extent, even though the amount of incentive an individual received was small.

“Staff members at lower level benefited from incentive distribution more than those at a higher level. Even though the amount of incentive they received was relatively small (average 3,000-5,000 Baht per person), it helped motivate staff members to work harder.” (KRP3)

However, the respondent pointed out that incentive distribution was controversial in terms of fairness, transparency, and legitimacy.

“There were many appeals and cases brought to the Administrative Court in relation to incentive distribution. This put pressure on the top management and the PMS suffered in return. One of the possible reasons was the vagueness of organization’s strategies. Since a government agency had multiple requirements for its existence, it was difficult to prioritize the importance of such requirements. […] Crucially, there were three sets of monetary incentive: (a) incentives for the top management which distribution criteria was based on organization’s performance score, length of service (days), and the amount of salary; (b) incentives for staff members excluding top executives with criteria uniquely based on each organization’s consideration but aligned with the guidelines provided by PDC and the Comptroller General’s Department; and (c) incentives for local administration
staff members with varied criteria. Incentives for the top management and staff members (a and b) were under PDC management and monitoring while incentives for local administrative staff members is under the Department of Local Administration’s supervision. At local administration, not only was a different framework of the PMS applied, but also the amount of budget to be used as incentives and criteria for incentive distribution were very different.” (KRP3)
CHAPTER 7  DISCUSSION AND CONCLUSION

7.1 Introduction

In this chapter the results from the provincial case studies, central agencies, training and development institutes, and key resource persons are combined in order to provide an overall picture of what has been found in the current investigation. The chapter addresses the research questions in the light of the findings and the existing literature. It begins with the summary of main essence of the findings from this research the implications of the PMS implementation at the provincial level. The impact of the PMS and key variables considered important for establishing an effective PMS are presented in a conceptual framework. The aim is to illustrate a complete picture of what happened in the PMS implementation. This is followed by discussion on the issues of commitment and participation from various levels of the public administration and the changes in the provincial administration. The following section offers the discussion on the roles of central agencies in supporting the new requirements from the provincial administration. The next section identifies factors enabling and inhibiting the success of the PMS implementation. This is followed by the discussion on limitation of this research. Additionally, key contributions of this current research in terms of theory, methodology, as well as practical recommendations are discussed. Finally, recommendations for future research are included.

7.2 Summary of the implications of the PMS implementation

The implementation of the PMS has had profound implications on the provincial administration. The current study suggests that such implications can be classified into five main continuous loops: establishing priorities, roles and implementation processes, deploying resources, evaluating and understanding consequences or impacts, adjustment of approaches during the current phrase, and PA review as presented in Figure 7.1. This Figure represents the main essence of the findings from this research and indicates
how profound the impact of the PMS has been at the provincial level as details are described as the following.

A. Establishing priorities, roles and implementation processes

The study reveals that the PMS provides a sense of strategic direction through the development of the provincial vision and strategies which are used as a foundation for establishing the KPIs in the provincial PA. The provincial strategies take into account the national agenda items, government policies, functional strategies derived from ministries and departments, as well as issues raise from the local citizens within the geographic aspect. The provincial departments’ goals are aligned towards the achievement of the provincial goals with responsibilities assigned resulting in a sense of shared and contributed accountability. The PA plays an important role in assigning such contributions and accountabilities at the provincial level.
In addition, the implementation of the PMS introduces new roles and responsibilities of the Provincial Governors and created a shift in the working culture at the provincial administration from an administrative approach towards managerial one. The Provincial Governors became strategic leaders managing their provinces based on the provincial development plan and monitoring and evaluating provincial performance through the use of the PMS and the PA. Teamwork and participative government administration are highlighted in order to better improve public service to benefit the citizens. Also, communication plays an important role in aligning provincial direction, coordinating work, and building good understanding towards the provincial goals.

Deploying resources
To be effective, the PM requires skill and knowledgeable staff members, a supportive administration framework, as well as budget allocation to support programs and projects. Attention is on efficiency, effectiveness, and value for money in resource utilization. Moreover, the PM heavily involves participation from various sectors; therefore, building relationships and handling conflict of interests become essential aspects.

Evaluating and understanding consequences or impacts
The PMS monitors and evaluates performance through a set of KPIs. It is necessary to systematically collect and restore performance data, as well as to analyze such data for further improvements. Problems and obstacles are to be solved and lessons are to be learned and shared.

Adjustment of approach during current phrase
For the implementation of the PM to be sustained, a framework, processes and procedures are put in place. There is strategy for system implementation, but such a strategy is changed to cope with emerging issues or problems.
Performance agreement review
Such performance is reviewed through the use of the PA. Performance evaluation brings in learning and improvement where there is an analysis of the current performance in comparison with targets and the provision of feedback for further improvement. Performance information is collected and restored for further use in decision making and planning for the next PA cycle.

7.3 The implication of the PMS implementation at the provincial level

7.3.1 Commitment and participation
The previous chapter revealed that the PMS and the PA implementation drew commitment from various levels including the government, central agencies, top executives at the provincial level, and staff members in terms of policy, legal, and advisory support and supervision.

Government level
The current study has revealed that, at the government level, commitment started when the Prime Minister with his Council of Ministers presented policies to be deployed during their term of office to Parliament. Such policies then translated into the State Administration Plan, a four-year plan determining desired goals and achievements, as well as in initial assigning of responsible units or persons, estimating resources required, providing an operational plan, and selecting measures for monitoring and evaluation. This State Administration Plan acts as the four-year PA drawing political commitment to work towards the goals stated in this Plan. Crucially, this Plan provides guidelines for required support and resource allocation. Cascaded from this Plan, ministries, departments, and provinces develop their four-year strategic plans and annual operational plans which turns missions and desired goals into more concrete achievable elements. The use of strategic planning at the policy level translates the goals of the government into the missions of what government agencies want to accomplish and aligns agencies’ culture and directions towards the desired goals achievement (Gilley, 2001b, Mintzberg, 1979).
In addition, in an initial attempt to promote and enhance the roles and responsibilities of the Provincial Governors in support of decentralization, the government imposed the roles of CEOs onto the Provincial Governors and employed the concept of strategic and performance management to facilitate provincial administration. Such changes required a strong political leadership (Schick 1996). The findings reveal that strong support from the government played a significant role in the PMS continuation and improvement. The Deputy Prime Ministers who, appointed by the Prime Minister, oversee groups of provinces, in particular for Lumphun and Phayao Provinces, demonstrate strong intention of delegation and commitment from the government level, as well as involved participation from various sectors (e.g., the private sector, NGOs, academic institutions, and villages and communities) resulting in strong influences in the PMS development and implementation.

Moreover, the enactment and enforcement of various laws and regulations aimed at equipping the Provincial Governors to practice their CEOs’ roles in the PMS development received attention; for example, through the process of approvals, e.g., provincial development plan, the PA, the PM reports, and incentive allocation, regulations concerning the Provincial Governors’ roles and responsibilities, and granting provinces status equivalent to departments in order to be able to prepare their own budgets. These government intentions support the basic requirement for decentralization which Gray (1994) maintains that in terms of territorial dimension it requires delegation and disaggregation of responsibility and power to the geographically-defined units. Moreover, he also points out that there are requirements for management and administrative functions, e.g. budgeting, decision making in the areas of provincial development. However, Mutebi (2004: 49) argued that the ‘CEO’ Governor scheme heavily offers most authority in the province to a single person, the Provincial Governor, rather than empowers such authority to the lower form of subnational government (e.g., Provincial Administrative Organization) and considers this phenomenon as ‘recentralizing even as it decentralizes’. Nonetheless it can be argued that the Provincial ‘CEO’ Governors do not have absolute authority in provincial management because such management involves a participative
mechanism through the Provincial Management Committee which includes representatives from various sectors as committee members. Respondents maintained that the Provincial Governor rather plays a conductor’s role in integrating and coordinating provincial departments’ work, involving public participation, and aligning the local administration towards the achievement of the provincial vision and strategy.

Unfortunately, the current study reveals a dilution of government support in terms of strategy and the PMS implementation since the military-led government in 2006. This may be because the government’s main attention is now paid to dealing with political unrest and emergent conditions rather than the PMS improvements. This results in uncertainties on strategic-driven provincial development plans and the future direction and continuation of the PMS and the PA, although legislative support has been given to provinces in order to provide them opportunities to effectively and efficiently manage and improve in terms of having their own budgets, and developing their human resource profiles.

Central agencies level
The implementation of the PMS aimed to gather central agencies together in providing support to facilitate the practice of CEO’s roles of the Provincial Governor. The study reveals changes and evolutions of public administration in terms of legislation concerning public management and development, budgeting, and human resource management. Unfortunately, there was limited coordination and cooperation among these central agencies as each agency paid attention only to its responsibilities with limited view of holistic public sector development. The evidence can be obviously seen on the deviation of the terms and terminology used for the same item and the multiple report production for different agencies in obtaining similar information. These findings are not surprising because the common public agencies’ characteristics include hierarchy, bureaucracy, red tape, and rigidity (Wilson, 1989; Dahl and Lindblom, 1976; Downs, 1967; Warwick et al., 1978). These reflect that the normal working culture of government departments and the political importance of different functions still
considerably remains the same and procedures are highly formalized which Mintzberg (1979) refers to as ‘machine bureaucracy’, and that formal legislation plays an important role in governing the public administration (Gray, 1994; Banfield, 1975).

In addition, this study reveals that inspection and auditing plays limited roles in the PMS. This limitation is due to the negative perception on inspection, as stated by those involved in it, resulting in limited attention and recognition of the importance of this function. Even though the Inspector-General of the Office of the Prime Minister aims to provide support for the Deputy Prime Minister who oversees the provincial administration, this study discovered that it did not effectively practice its roles because the inspection is not linked with the provincial administration’s supervision processes and the PMS.

Provincial level
The government policy for decentralization and delegation of power from the centre to sub-national governments through the implementation of the PMS and strategic management have changed the pattern of the relationship between the centre and the provincial administration from being heavily dependent on the centre towards inter-dependency (Gray, 1994). This inter-dependent relationship is demonstrated through the management at the provincial level based on the provincial vision and development strategy with budgeting authority driving the provision of services to benefit citizens. Additionally, this study also reveals that respondents accept and value the provincial vision and strategy and put in efforts towards the accomplishment of the goals of the provinces. Such goal commitment and willingness to work towards goal achievement demonstrates growing organizational commitment (Moon, 2000; Rainey, 1997; Crewson, 1997; Pocock, 1991). However, the study also found that provinces are still obliged to comply with central agencies’ regulations, such as the PMS implementation (OPDC), personnel management (OCSC), budgeting (BOB) which confirms Pugh et al.’s point (1969) that there is high centralization and concentration of authority between local, provinces in this case, and central government.
It is seen from this current study that the government policy on decentralization through the concept of CEO role, the enforcement of laws and regulations, and the PMS require strong commitment from the Provincial Governors. The growth of this has created a dramatic shift in the working culture from an administrative one to a more managerial one in which resources are managed to achieve effective service delivery. Moreover, the implementation of the PMS brought in participation and involvement from various sectors including the private sector, NGOs, academic institutions, and villages and communities. A more participative provincial administration has resulted in the better provision of the public services that meet the need of the local citizens.

This study also discovers that a positive perception of the roles of the Provincial Governors was created because they became more recognized as the provincial leaders holding strategic positions and practicing strategic provincial management with performance being monitored and evaluated through the PMS rather than just being rubber stamps for the centre (Shinawatra, 2003; OPDC, 2004b, 2004c, 2006). However, this study reveals that the Provincial Governor sometimes hesitates to take on this strategic position even though authority and responsibilities have been empowered and delegated. This phenomenon lends itself to Mintzberg’s view (1979) of a CEO usually engaged in rule conformity and relying on central decision-making in receiving orders through the formal functional chain of command. Therefore, giving the Provincial Governor authority to manage and order provincial departments where they are not under the traditional chain of command would be novel requirements. However, with intensive training events and series of workshops in preparing the Provincial Governor to take these new roles and responsibilities, the Provincial Governors demonstrate a positive attitude towards the PMS although the system implementation created confusion and pressure due to the new management concepts and the various formal procedures required. As the Provincial Governors became familiar with the system, they more effectively utilized the system in their decision making and planning processes. These fulfill the initial objectives of the PMS implementation (see chapter 3).
However, interviewed managers and staff members at the provincial levels demonstrated different perspectives on the PMS and the PA implementation. For some, the PMS provides direction and concrete targets to be achieved. These help stabilize the provincial administration from political interferences and the change in the Provincial Governor (Jatusripitak, 2003). Moreover, the implementation of such a system resulted in the development of the comprehensive provincial information system and database beneficial to the provinces in demonstrating their progress in service improvement to the wider public. However, some respondents considered that the PMS generated discrimination in that attention was highly paid on limited activities, only those included in the PA, leaving the majority unattended. Activities concerning the economic aspects received more attention than those concerning the social ones. Drucker (1995: 43) points out that if management’s attention is paid only on the economic perspectives, capital in particular, the development is unlikely to be achieved, and the development offers ‘human energies’ towards management change.

In conclusion, commitment to the PMS implementation was driven by legislation with strong political support and mechanisms that link political responsibilities to the public deliverables through the State Administration Plan. This Plan provides direction for policies, resource allocation, and measures for monitoring and evaluation. For central agencies, they are committed to support based on their legislative powers. However, there remain difficulties in full implementation because of laws and regulations that constrain and which need revision. In the provinces where the implementation of the PMS has been most effective, the Provincial Governors are highly committed to the system because they perceive it as growing recognition and empowerment, as well as other positive aspects (e.g., information system to support decision making and planning, performance measurement and evaluation). Even though supporting systems are still in the stage of development, they have a very positive attitude towards the PMS implementation. However, there are mixed responses from interviewed middle managers and staff members. The PM and the PA concepts are accepted, but the implementation processes were
considered subject to constraint because of complexity, the lack of skills and knowledge, time constraints, and increased workloads.

7.3.2 Changes in the provincial administration

The current study reveals that top executives, as well as their subordinates, have a positive attitude and value the advantages of the PMS brought to their work. However, the real challenge of the PM does not depend on the appreciation and recognition of the value of the concept, but on the translation of such the concept into real practice (Williams, 1991). The comprehensiveness of the PM processes and involvement from various sectors have demonstrated the genuinely and rigorously held commitment and intention of the government to initiate this system for public sector development. The implementation of the Provincial CEO and the PMS are aimed at decentralization and the improvement of efficiency and effectiveness of the public services, and has brought dramatic changes in the provincial administration (see chapter 3). First, as referred earlier management at provinces has adopted a so called CEO style deploying a strategic management concept. The provinces are recognized and treated as having an equivalent status as departments. The provincial administration is based on a provincial vision and development strategy resulting in management at provincial level becoming more integrated in approach in which all provincial departments are required to coordinate their work. Additionally, the involvement of the private sector and citizens in provincial management and service provision enhances a participative approach in government services. Second, performance of the provinces is monitored and evaluated using performance measurement through the PA. This helps provinces establish their goals, monitor their results, manage resources, improve quality of services, and motivate staff members to improve performance. Third, a monetary incentive is given to provinces in order to motivate and encourage the province in improving and sustaining a high level of performance. New laws and regulation are enacted and enforced in order to support these systems implementation. Changes in the provincial administration are discussed in detail as the followings.
7.3.2.1 New style in the provincial administration

Strategy-driven provincial development

The nation-wide introduction and implementation of the PMS since 2002 have dramatically changed public administration. The system involves strategic management in which provinces develop their provincial vision and development strategy for the first time resulting in aligning attentions and resources towards the achievement of provincial goals. This phenomenon is clearly consistent with the views of many scholars; for example, Chandler (1962), Williams (1991), in that a strategy helps provinces determine their goals and directions, provides the means for actions and resource allocation, monitoring and evaluation, and improving the performance of individuals. Respondents also reported that the PMS clarifies their accountabilities, identifies performance indicators and their targets, and measures their performance in a more objective manner and that makes them appreciate their contribution and motivates them to increase their performance level towards goal accomplishment (Shanley and Correa, 1992).

Although the provincial development plan is claimed to be linked with those of the national and regional ones, there is still a missing link with those at the local level. The PMS implementation focuses only on the central and regional levels under the supervision of the OPDC, missing out the implementation of such the system at the local level which is under the Ministry of Interior’s supervision. It is because the local administration is governed by different laws and regulations with a separation of management framework and budget allocation. Even though the Provincial Governor plays supervision role for local administration in guiding the local regarding its development plan, so far this role generates limited influence in local administration. However, the involvement of representatives from the local administration in the provincial administration as members of the Provincial Management Committee is expected to bridge the relationship between regional and local administration.
New roles and responsibilities
The implementation of the PMS introduces new roles and responsibilities for the Provincial Governors and creates a shift in the working culture at the provincial administration from the administrative approach towards a managerial one. According to Radnor and McGuire (2004), to be effective, the PMS needs to have an effective manager rather than a good administrator. The analysis of the qualitative data reveals that the Provincial Governors have become strategic leaders managing their provinces based on the provincial development plan and monitoring and evaluating the provincial performance through the use of the PMS and the PA. Moreover, they played an important role in being role models in continuous learning and improvement, encouraging others to challenge and to make changes, and inspire collaboration from various resources in order to deliver strategic outcomes. These in line with Amabile et al.’s (2004) suggestion in that not only task-oriented behaviours (e.g., clarifying roles and responsibilities, planning, managing resources, monitoring progress, solving problems, and providing a constructive positive feedback) are required for carrying out activities towards accomplishing goals, but relationship-oriented behaviors focusing on socioemotonal needs are also essential. These socioemotional behaviors are, for example, recognition, appreciation of and acting on subordinates’ ideas, empathy for subordinates’ feelings, and being friendly. The current study reveals that the Provincial Governors have concerns on health-related issues of staff members due to high stress, overloaded work, and work-life imbalance. At Samut Songkhram Province, sport events are organized which aim at ice breaking, creating teamwork, and maintaining good health. Furthermore, during interviews the Provincial Governors repeatedly demonstrated their appreciation of the efforts of their staff members’ work in order to fulfil the demanding requirements. Moreover, they encouraged and motivated their staff members to continue learning and perceive mistakes and errors as ways for improvements.

This study also reveals that respondents value the PM concept which provides a sense of direction, makes their job more measurable and meaningful, and creates a friendly and networking workplace, but they object to the process of the system implementation due to its complexity, hierarchy
and bureaucracy, and increased workload. The lack of skills and knowledge was a major concern because the PMS involved academic concepts, terminologies, and definitions that were sometimes difficult to understand. In addition, officials reflected the unfair treatment in the preparation on the PMS implementation in that training events and a series of workshops mainly involved those in top management; for example, the Provincial Governors, Vice Provincial Governors, heads of the provincial departments, representatives from the private sector, and those directly involved in the system, leaving the rest of the officials in doubt with little support both in terms of communication and manuals and guidelines. Although central agencies claimed that they offer necessary support including training, manuals, and online support, such support availability is for a limited group of people; for example, top executives and the PD Team.

Additionally, the current study has discovered that there is limited communication in a wider scope of the provinces regarding the PMS administration and incentive distribution which contributes to misunderstanding and dissatisfaction among staff members. Those who are involved in the PM processes are likely to receive more information. The controversies over incentive distribution clearly demonstrate insufficient communication where, apart from those directly involved in the PMS and the PA processes, staff members seemed not to be involved or receive limited information on what is going on within the provinces. For those who are directly involved in the PM processes they demonstrate meaningful understanding of performance information giving a potential for performance improvement but this subject to some technical limitations, a phenomenon often experienced in organizations (Plant, 2009).

Not only the Provincial Governor require new set of competencies in dealing with the roles of CEO, staff members at the Provincial Governor’s Office, especially those joining the PD Team, also need to develop skills and knowledge in order to support the changing roles of the Provincial Governor. This study reveals that staff members did not fully utilize performance data due to the lack of analytical skills for planning, target setting, and performance improvements which Shiroyama (2003) suggests results from a
lack of capable human resources in the regional government as an example of the side effects of decentralization. Additionally, not only a lack of skills contributes to the limited performance data usage, but also information overload adds more pressure. It is precisely that provinces are overloaded with information, particularly those related with KPIs and performance evaluation, which Radnor and McGuire (2004) and Radnor and Lovell (2003) point out is a fundamental problem of a PMS which can be the result of too much measurement. However, it can be argued that staff members at the provinces are fast learners in dealing and coping with changes and new requirements.

Since the rapid introduction of the provincial CEO and the PM concept, there have been dramatic changes in laws and regulations, as well as introduction of other management tools. These required new knowledge and skills and involved new processes and procedures. Even though respondents reported that they received limited direct training organized by the central agencies, they demonstrated a self-directed learning approach by searching for additional information from the internet and using their experience and educational background in delivering their assignments. Together with encouragement for learning from the Provincial Governors through a series of discussions and participation in the meetings, staff members have been helped in dealing with changes and coping with new complex and demanding requirements resulting in development and improvement, the key element being linking learning to performance demands (Collin, 2001; Easterby-Smith et al., 2008; Bratton et al., 2004 cited by Gold, 2007a).

Additionally, this current study reveals a crucial finding that for PD Team members the length of service at a province is important for the continuation of the PMS. This Team keeps the system operating regardless of change in the Provincial Governor position. The Provincial Governors also emphasize that the PM and PA cycles run smoothly when the PD Team members are long serving in the province. Relocation of the Team members significantly creates system disruption because the system requires persons who understand the provincial content, the PA and the assigned responsible persons or units. Moreover, the Team plays significant roles in administrating
the PMS in terms of producing reports, organizing meetings for monitoring performance, and coordinating for collaboration.

Performance improvement and service provision
The current study reveals the results of the PMS implementation on service provision in many ways. First, service improvement occurred in terms of cycle time reduction and simpler work processes as a result of a special KPI designed for this aspect. Also, the award, Quality Service Awards for Citizen Benefit, given to the province which significantly improves its services adds an additional motivation to service improvement. Second, more coordinating work results in aligned work schedules particularly in providing a mobile service to the remote villages and communities, which additionally achieves cost-effectiveness for both the provincial departments and the citizens. Third, the relationship between top executives at the provincial level and their subordinates are strengthened in teamwork, coordination, and collaboration. A sense of ‘Province team’ was built resulted in a more harmonious, friendly, and sharing work atmosphere. The evidence was clearly found in all provinces studied. This offers a new perspective that the PMS has overcome to some extent the limitation of hierarchical structures faced by large organizations in terms of coordination and control (Astley, 1985). Next, an involvement of private sector, academic institutes, and citizens in provincial management and development plans, together with the public sector support on community projects, not only values and recognizes their importance, but also creates a sense of provincial ownership; thus, it results in creating a good understanding and relationships among the public sector and other sectors within the province and empowers all to work towards provincial development goals.

Also, service provision is measured with KPIs; for example, the amount of service provided, cycle time reduction, work process reduction, and customer satisfaction, that can be analyzed for further improvement. This is most certainly indicated by Phetchaburi Province, where it is reported that the customer satisfaction rate has increased as result of PM. However, provinces usually ask OPDC for examples of best practices so that they can
follow or adapt to their specific needs; an approach to change management exemplified in the work of Deming (1992). This meets the claim that each province is unique in terms of characteristics and problems. Also, this affects the NPM concept where managers are expected to manage their units in a more autonomous manner.

In addition, this study found that an important outcome which results from the PMS implementation is a relevant and integrated information system that supports strategic planning and performance measurements. There has been a significant improvement in the provincial information systems where provincial background and performance information are systematically kept and shared among provincial departments and the wider public. Also, information once kept individually by provincial departments is becoming available for other departments or even for the public. As a result of shared information, terms and definition are clarified and agreed for mutual utilization. Such information is particularly crucial for report production since there are several reports on performance required by different agencies.

However, this study also reveals that there is a tendency towards system distortion in that respondents have said that reports on performance try to fulfill the expected answers leaving a question of whether there were actual improvements. While provinces want to improve their service quality, they also need to obtain a high performance score in order to guarantee incentives and avoid ‘losing face’. Moreover, the attempts in altering baseline data used for target setting were reported because respondents learned that this baseline data was to be increased approximately 10% for next year’s target. Negative outcomes such as these (e.g., distortion, misuse) have side effects on how to improve the ability to learn (Easterby-Smith et al., 1991; Knight and Pye, 2004).

Participative government service
The current study reveals that implementation of the PMS has enhanced significantly participation from various sectors through them being involved in the Provincial Management Committee and ad hoc teams dealing with
emerging issues and international trade negotiation. Representatives from the private sector, academic institutions, local administration, villages and communities have also become involved in the provincial administration. Customers’ views of service quality were collected through customer surveys aimed at providing better services. Customer’s appreciation and recognition of service improvement further motivate staff members in continuing service improvement. These make the government services more responsive by consulting a full range of public opinion and more representative democracy by involving stakeholders in decision-making processes (Beetham, 1996).

The main idea of participative government focuses on effective participation in decision-making or policy formulation process and establishing relationships and networks between the government and civil society which can result in building a greater ‘ownership’ of public policy (Callanan, 2005). The respondents report feeling honored and valued by being recognized and becoming more willing to participate and coordinate in public development based on a better understanding of the public policy intentions. These result in the development of a sense of ownership, decentralized decisions, and participative government management which in turn reinforces performance improvement (Hoggett, 1996).

### 7.3.2.2 Performance agreement

It can be clearly seen that the PA is at the heart of the PMS in aligning performance expectation with provincial goals. This can be seen as an example of what Shanley and Correa (1992: 245) claim, that achieving an acceptable agreement is positively related to performance. The PA binds a Provincial Governor to deliver the agreed performance targets which are aligned to provincial vision and strategy and establishes accountability of those at the policy level. Senior figures, such as the Deputy Prime Minister overseeing the province and top executives at the Ministry of Interior as the parent ministry, are also guided in providing necessary supervision and support. Research establishes that this is the first time a province has a concrete agreement stating its intention, expected results or performance targets, and performance measures. Furthermore, the study illustrates that activities related to the PA receive high priority when resources are allocated.
and progress is monitored and reported. The same phenomenon happened in the New Zealand state sector which Schick (1996: 48) refers to as ‘manage by the agreement’. This introduces a new form of control that aims to create competitive pressure around public service provision which in one way can be interpreted as an importance step towards the reinvention of government organizations (Osborne and Gaebler, 1992). On the other hand, Baker (1990) suggests that the agreement of this type affects intergroup relations in that the relations shift from a competitive mode of activity into a more cooperative, problem-solving mode of interaction in order to achieve common goals. However, Baker (2007) suggests that those involved should be cautious in that meeting the performance targets may become an end in itself with no further performance improvement taking place. He also maintains that there is a threat in that failure in fulfilling the PA requirements remains unforgiving and remains in people’s minds for a lengthy period.

Moreover, targets set for performance are aimed at challenging provincial efforts in order to enhance improvement and development. However, respondents reported that too ambitious targets provide a demotivation effect. Since they learned from their experience that targets continue to increase every year, they tend to set as low targets as possible for the first year knowing that they will increase the following year. This phenomenon confirms Bourgeois’s (1980: 227) claim that ‘agreement on goals without agreement on means correlates with poor performance.’ He also suggests that after goals formulation there should follow a process of identifying and choosing means to attain them. In his study (1980: 243) of 12 non-diversified public corporations headquarters in the Pacific Northwest, he found that ‘consensus on means always yields higher performance’ and the ‘worst’ performance results from goal agreement combined with means disagreement. In this respect, Lumphun and Phayao Provinces provide a unique example where there was an agreement on an increase in longan export. Even though the agreement did not specify what to be done in order to achieve that goal, the Deputy Prime Minister overseeing these provinces actively played a crucial role in leading the public and the private sector to trade negotiations with China. Additionally, there is a need to be aware that the focus is balanced between short-term achievements and the long-term
ones because performance targets are set on an annual basis which can blind the long-term objectives (Deming, 1992). Also, the current study reveals that the PA results in a neglect of tasks not included in the PA.

Furthermore, the PA serves as the focal point for learning because it involves many new activities in the province; for example, creating a provincial vision and strategy, identifying KPIs, setting up performance targets, negotiating performance targets, coordinating and collaborating support from various sectors, implementing strategies, monitoring and evaluating performance. Such activities are relatively new to the province and they require new knowledge, techniques, and skills in order to perform well at each stage. Moreover, the PA is also used to drive other development concepts, system implementation, and government policies; for example, PBBS, the new accrual accounting system and cost-effectiveness scheme, the government policy on natural and environmental reservation, drug eradication, and energy efficiency. Therefore, the provinces are forced to learn and to learn very fast in order to cope with these rapid changes and deliver requirements placed on them.

7.3.2.3 The incentive scheme

The incentive scheme turns out to be a major frustration in the implementation of the PMS. The initial intention for the incentives was to motivate performance improvement and to sustain a high level of performance. Bonner and Sprinkle (2002) suggest that performance may be increased if motivated by incentives. However, incentives that are based heavily on performance measures may result in dysfunctional effects (Hofstede, 1981) and that performance measurement and rewarding may have an undesirable impact on overall performance (Burgess and Ratto, 2003; De Bruijn, 2002). Based on the Thai culture that managers are uncomfortable and reluctant to classify high performers as distinct from the poor ones so that they are not embarrassed and lose face. The strong connection between the performance score according to the PA and the incentives being allocated from the OPDC have made staff members create many possible ways in order to get as high a performance score as possible.
so that they were not blamed for failures and to avoid losing face (Albury, 2005) and these common features are referred to as ‘reward-seeking, punishment-avoiding’ (Kohn, 1993:15).

In addition, for the province to distribute its incentives to its staff members, it was required to develop its own incentive distribution criteria. Such criteria were to be consistent with PDC’s minimal guidance so that there was still room for innovation in order to enhance the NPM concept in creating a ‘letting managers manage’ regime. However, the study found that provinces hesitated to be innovative and appeared to concentrate on rule conformity and strictly adhere to procedures. If in doubt, they tended to refer concerns back to central agencies, OPDC, to make decisions or to provide detailed instructions on how to proceed because they feared mistakes which may lead to negative consequences. Thus, the provinces tended to equalize the incentive allocated to their staff members which went against the initial intention of the incentive scheme and demotivated high performers. These characteristics can be described as highly conservative and risk-averse (Fottler, 1981).

Moreover, the fact that there are various incentive schemes available for specific groups of people created fierce controversies particularly the scheme available for the local administration. The PMS implemented at the local level is perceived as relatively easy but the amount of incentive allocated is considerably larger than those allocated to individuals at the provinces. This study found that the amount of incentives an individual received at the provincial level was likely to be too small compared with those received by top executives or local administration officials in generating motivational impacts on performance. It is rather perceived as ‘welfare’. Also, the provincial performance score is linked to two different incentive schemes: one for top executives and the other for staff members working at the province. However, it must be noted that the incentive scheme for the top executives has different objectives to that available for staff members. Therefore, ‘top executive performance agreements’ that include specifically designed performance measurement for this group needs to be developed to be able to directly link with incentives rewards of
their staff and so as to make the PMS function appropriately. Also, it is necessary to communicate the different objectives and implications. However, it should take into account Kohn’s (1993: 17) cautions that ‘the more rewards are used, the more they seem to be needed’ and when rewards provision becomes habitual, it lacks of motivational effects and becomes what must be given.

Additionally, the daily conversation of administration refers to the incentive scheme as ‘bonus’ which contributes to misunderstanding and is misleading when the initial objectives were meant to award recognition of high performers and to motivate them to improve or sustain the satisfactory level of performance. When mentioning ‘bonus’ it generates a perception of profit-making which is against the philosophy of the government agencies. Also, bonus implies the same amount of monetary incentive to be allocated to every staff member which is not consistent with the initial aims. Moreover, a bonus generates a negative impact on civil servant’s pride for serving the King, as well as system distortion in aiming to receive a higher performance score for a higher incentive amount.

The monetary incentive already has a bad reputation in terms of its complicated procedures which are linked to the PA, its tailored-made allocation criteria that require strong management decision support, and its unintended discrimination on eligible qualifications based on the restriction of laws and regulations. In addition, a lack of individual performance evaluation that connects an organization’s achievement with individual contribution also makes the matter worse. Therefore, it is necessary to review the implication and the usefulness of all incentive schemes. Monetary incentives may not generate expected outcomes as they are supposed to be and raise the question of whether a citizen’s tax is used effectively and whether it is appropriate to continue these incentive schemes.
7.3.3 The role of central agencies in supporting the new requirement from the provincial administration

The implementation of the PMS involves several central agencies in providing support and coaching for system implementation. The majority of support is based on functions of those agencies. Support is usually provided in the form of a series of training events and workshops, teleconferences, manuals and publications, online information provision, e-learning programs, and site visits. However, respondents reported that this support was not available for all staff members; for example, there were limited place for joining a training event, a limited number of manuals and publications sent to the provinces and they are usually kept by top executives and the PD Team. The major concern for training is traveling costs introduced for participating in training events which usually take place in Bangkok. Staff prefers teleconferences to traditional classroom training because it costs less and can involve more people; therefore, more people can receive direct first hand information.

In addition, the current study reveals that coordination and integration among central agencies is limited because each one has to follow their laws and regulation requirements. The evidence can be clearly seen that there are several reports containing similar information using different forms and format submitted to several agencies and different terms used for the same meaning. Report production involves effort and costs. Most of the reports are required as a physical paper report and data is required to be entered to an especially designed program which relies heavily on the internet. Internet accessibility is also one of the problems that the provinces struggle with when there is slow internet speed during office hours; therefore, respondents report that they have to stay late at the office in order to enter such information into the e-programs.

Additionally, the PMS lacks some of the checks and balances (Mutebi, 2004). For example, the roles of the MOI in terms of personnel management in supporting the Provincial Governor are unclear on how the Provincial Governors are selected, what are the Provincial Governors’ accountabilities are, and how the Ministry provides supervision on the provincial
administration. Interestingly, a respondent commented on whether the Provincial Governors should necessarily be the Interior Ministry’s bureaucrats given the new requirements that the Provincial Governors should become more strategic leaders than administrators, or whether a province should have two Provincial Governors: one for managing provincial strategy and the other for administration.

Moreover, this study reveals that inspection and auditing mechanisms are not fully utilized as the result of a lack of the Inspector-General’s involvement. Performance verification heavily bases on provincial periodically engaging in self-assessment performance reports and the work of OPDC. The involvement of Inspectors can add value to the performance monitoring and evaluation. However, there are concerns over Inspector’s capabilities.

### 7.3.4 Enabling and inhibiting factors

This current study has identified enabling and inhibiting factors involve in the PMS implementation are as follows:

#### 7.3.4.1 Enabling factors

Strong support and commitment from the government

This research found that there was a strong commitment from the government at the policy level in the PMS implementation. Such commitment facilitates the system implementation in terms of attention heavily on issues related to system implementation. The study also reveals that such commitment has a profound impact on the system implementation which precisely was very evident when the military-led government took office and turned attention towards dealing with political unrest and emerging issues. This dilution of the government attention affected system improvement and development particularly when there is uncertainty of system continuation.
Support from central agencies
For central agencies, support is provided based on their roles and responsibilities. Such support is in terms of a series of training events and workshops, road shows, manuals and publications, teleconferences, online training programs, online information, and e-programs designed for reporting.

Participation from various sectors
The PM implementation involves participation from various sectors. Such participation facilitates policy implementation, creates good understanding of the public sector concerning policy and implementation, values and recognizes the importance of other sectors, and builds coordination and collaboration. Respondents from the private sector reported that they are honored to be appointed as Provincial Management Committee members and it made them willing to participate and help the public sector in policy implementation, as well as it made them understand public management better.

Academic-based support
It is obvious that the implementation of the PMS and the PA was based heavily on research support; for example, Kaplan and Norton (1992, 1996), Osborne and Gaebler (1992), and Drucker (1973). Additionally, the system involves academic institutes in order to provide support on academic-related issues which not only builds an understanding of philosophy and concepts in the PMS, but also prepares graduates before coming in the public sector workforce.

Legal support
The current study reveals that the PMS implementation is heavily driven by legislation including several laws and regulations concerning provincial administration to support the new roles of the Provincial Governor as CEO, budgeting, and managing human resources. However, the study also found
that the enactment and enforcement of such laws and regulations takes time before they become effective and that management decision making occurs quicker than the change in legislation. Therefore, a slow transformation of laws and regulations becomes a change constraint. Additionally, as legislation changes, the Provincial Governors reported the need for legal personnel working in the provinces to provide advice and consultancy to them. However, the legislation is too difficult to comprehend and incorporate also constrains the changes and development because the PMS requires strong strategic leadership and service improvement needs creativity and innovation.

The PA as common ‘mindset’
The PA plays an integral role in establishing ‘promises’ from both provider in terms of agreed deliverables and receivers in terms of agreed support provision. The current study found that the PA helps provinces during the Provincial Governor’s transition period in terms of aligning strategic directions and targets agreed for the current fiscal year. As such the PA reduces any self-motivated agenda that the Provincial Governor may have which could result in interruption or discontinuation of ongoing activities. Also, the PA aligns provincial department direction towards the provincial goals and progress and results are systematically monitored and measured using KPIs. Crucially, the PA is used in order to drive changes. Central agencies stimulate their system implementation by adding their requirements into the PA so that provinces can focus on what is required for the implementation.

The PD Team members
The current study reveals that the PD Team plays a significant role in implementing and administrating the PMS. The continuation of the PD Team members is crucial to the PMS continuation. Such team members require a sufficient time span for their service within a province; thus, frequent relocation is likely to result in disruption because they are responsible for system administration and coordination. More importantly, team members
require a new set of competencies, skills and knowledge in dealing with changes and in implementing such new tools and concepts.

Teamwork and a sense of ownership
The PMS creates teamwork since it involves participation and coordination. The PM processes require team effort in order to fulfill requirements resulting in building a sense of ownership. The PM helps develop a friendlier work place because of teamwork within and across the provincial departments. Such cooperation contributes to a sense of provincial ownership.

Building a sense of meaningful tasks
The PMS translates the provincial vision and strategy into actions and performance is monitored and measured using objective KPIs. Thus, staff members realize their contribution towards the achievement of the provincial goals. This builds a sense of meaningful and purposeful tasks and results in work motivation (Rainey, 1982).

Learning environment
The PMS implementation involves several new concepts and procedures. Such an implementation requires an active learning environment. This study reveals that support and encouragement to learn from the Provincial Governor is important to the success of the PMS, implementation. Apart from traditional training, informal learning, such as a ‘Coffee Forum’ and team meetings are essential for learning and sharing information.

Building an information system
Provinces studied reported that they developed an information system and collected and restored data in a more systematic and integrated manner. Databases are updated and shared, and terminologies are identified and agreed for mutual utilization. Responsibilities for data recording and
maintaining the provincial information system are assigned. Such data is used for decision making, planning, and service improvement.

7.3.4.2 Inhibiting factors

Instability of the government
While strong support from the government enables the PMS implementation and execution, instability of the government can, on the other hand, jeopardize the system. This study reveals that the instability of the government and political unrest have drawn the government's attention away from PM in order to deal with the political and emerging issues. These create uncertainty of system continuation because the implementation of provincial strategy requires government support in terms of policy, direction, and advice.

An attention heavily paid on the PA
This study reveals that attention is drawn unduly towards the execution of the PA which generally covers a relatively small portion of the roles and responsibilities of a province. Moreover, the provincial strategy and the PA are based heavily on economic aspects and pay limited attention to social ones. As a consequence, what is being measured in the PA receives attention leaving other essential provincial roles and responsibilities with less.

Demotivated by too ambitious targets
This study reveals that although challenging targets aimed to motivate the province for better improvement, targets at a too ambitious level generate demotivational effects because of the perception of impossibility.

Personnel issues
It is obvious that there are several personnel-related issues involving the PMS implementation. First, it is a lack of knowledge and skills, analytical and
planning skills in particular, to cope with new requirements because the PM involves several new knowledge areas and challenging concepts. Moreover, the province requires legal personnel to provide legal consultancy to the Provincial Governor. Second, frequent relocation of senior staff members potentially causes system disruption and discontinuation because relocation usually happens quickly and the province has little chance in preparing for this. Third, the limited numbers of staff members already suffer from work overload. Finally, limited opportunities to participate in training and workshops organized by central agencies result in staff not being prepared appropriately to cope with changes. It should be noted, however, in this respect that there is concrete evidence that the more educated staff members, the greater understanding of the changes and new requirements, and the more capable of them adapting to changes. However, the study of Simpson and French (1998) suggest that some civil servants are more capable to adapt to changes and some are not. The latter group has less awareness and faces uncertainly during the period of change.

Budget management and integration
This current study reveals that a lack of authority to prepare and manage provincial budgets has a significant impact on the provincial management under the Provincial CEO scheme because the province relies on ministerial and departmental budget planning which may not support the provincial strategy. Also, the budget available to the province through provincial departments can result in the fragmentation of budget leadings in respect of program needs. However, since 2009 the province is able to prepare its own budget, but budget processes are complicated because they involve terminologies, concrete guidelines and deadlines for every procedure.

The missing link with the local administration
The study reveals that while the provincial vision and strategy are linked with those at the national, ministerial, and departmental level, the linkage to those at the local administration have largely been missed out. Although representatives from the local administration are appointed to the Provincial
Management Committee, it does not guarantee that the local development strategies are aligned and linked to those at the higher level and that may result in the government policy not being fully effective.

Legislative constraints
While the PMS is driven by the legislation, the current study reveals that the slow transformation of laws and regulations contributes to the difficulties in system implementation. Moreover, the study also found that decision making on changes in management aspects happens faster than the revision of laws and regulations to support such changes. The PMS has brought about dramatic changes in the roles and responsibilities of the Provincial Governor beyond what has been traditional in legal terms. Therefore, change requires legal support in terms of status, authority, and responsibilities. The pace of management change and legal change is at asynchronous speed. While decisions to implement the system are rapidly made, legal support gradually changes which causes frustration and stress. Crucially, it puts the Provincial Governor in jeopardy being unaware of potential misconduct as judged under current legal requirement.

Language constraints
The PMS involves English terminologies which sometimes are translated into varying Thai words or a Thai word refers to different English terms. For the same English word, different Thai terms are used by different central agencies which results in confusion. Moreover, because the PM concept is based on western academia, when it is translated into Thai it is not easy to understand. This potentially results in demotivating people from learning.

Incentive schemes
The current study reveals that the incentive scheme significantly affects the good intention of the PMS implementation. First, the different incentive schemes available for different groups of people create a perception of unfair treatment especially when the same performance score brings in
considerably different amounts of monetary incentive. Also, the incentive scheme for the local administration is perceived as relatively easy when compared to the one available for the province. Second, monetary incentive results in system distortion because attention is paid more on obtaining as high performance score as possible in order to guarantee a higher incentive allocated. Third, the provincial incentive distribution criteria are tightly linked with the PA; thus, eligible provincial departments and individuals are limited to those playing part in the PA which can cover a small proportion of the provincial roles and responsibilities. Next, misunderstanding of the incentive’s objectives due to it being referred to as a ‘bonus’ providing a sense of equal distribution to all staff members is a problem which distorts the initial intention. Perceived as a ‘bonus’, it suggests that the government agencies are making a profit like a business and that turns attention to the effective use of taxpayers’ money. Moreover, the study reveals that the incentive scheme destroy civil servants’ pride in serving the King. The scheme rather creates greediness, competition, and selfishness.

Time to cope with change
Since 2002, public administration has changed dramatically. There are several new management concepts and tools introduced and implemented; for example, the PMS, the PA, PBBS, strategic management, and incentive based management. In the very limited time in which these new concepts and tools have been put into place results in a lack of time to deeply embed values and alter culture towards transformation (Schein, 1985, 1999; Silvester et al., 1999). This phenomenon verifies Drucker’s point (1973) that difficulties normally faced by government agencies in coping with multiple requirements often produce unresolved competing goals and priority setting problems. Learning and development may be at superficial level and evidence of this can be seen in this study when many provinces are trying to provide the expected answers to the questions leaving doubt about whether it is a real improvement. Drucker (1995: 31) suggests that achieving effective management requires time spans for decision on economic and technological progress and time to understand present and future consequences.
7.3.5 Limitation of the research

The results discussed have to take account of the limitations faced in this study. First, although the research aimed to explore the implications of the PMS implementation at the provincial level between 2002 and 2008, it was not longitudinal research that investigated such implications over this period of time. To obtain such information, however, respondents were asked to recall their prior experiences. Also, during the fieldwork process, there were nation-wide political movements and demonstration that were anti-government. Some interviews were interrupted, rescheduled, or even cancelled. These may also affect the recall process of respondents. Therefore, it should be noted that the analysis of the findings is based on this constraint in the research methodology.

Although the findings indicate that there are several impacts and consequences resulting from the PMS implementation, there was also implementation of other management concepts and tools outside the remit of this research which may have contributed to the findings on the consequences of the PMS. Other potential influences from both internal and external factors also affected such the system implementation and these may not have been fully explored in this research. In addition, the change in government policies regarding PM was claimed to have impacts on the system implementation but this research did not provide concrete evidence to support this claim.

Another limitation of this study is that the researcher is a staff member of the OPDC which it is the major central agency responsible for the PMS implementation, as well as the management of PA and the incentive schemes for top executives and staff members. In this respect, the researcher was fully aware that interview answers could be favorable to the OPDC’s interests. However, being an OPDC staff member, on the other hand, also provide advantages in getting access to the sources of information.
7.4 Contributions of this research

7.4.1 Theoretical contributions

This current thesis has managed to make a concrete theoretical contribution by offering the context of nation-wide PMS implementation within the Thai public sector, particularly at the provincial administration level where only very limited study had been carried out previously. The consequences of the PMS implementation are fully explored in this research and its findings could be employed as a new reference for the development of public sector management in a Thai setting. The framework in Figure 7.1 represents a conceptual outcome of this research and summaries in a visual format most of the key variables considered important for establishing an effective PMS which is a major component of public service reform.

In particular, the nation-wide PMS implementation is shown to be driven by legislation and strong support from the government at the policy level which represents a departure from previous experience. The current study reveals also that the attempt to implement the PMS involves the introduction of several management concepts and tools new to the service, together with revised legislative support. These have created dramatic changes in the public administration, particularly at the provincial level and this research provides fresh knowledge on the implications and consequences of the PMS implementation including the Provincial CEO scheme, the PA, and the incentive scheme. This thesis offers a significant finding that the PD Team members are crucial for the continuation of the PMS regarding the change in the Provincial Governor’s position, and that they are generally competent, skillful, and knowledgeable in supporting the Provincial Governor. Frequent relocation of these members may disrupt or discontinue the system.

The current study also offers new knowledge on the PMS implementation when it ties political responsibilities to the policies that the government has stated to Parliament as their desired goals during its term of office and how those policies are linked and cascaded down to real practice at the ministerial-, departmental-, and provincial levels. Moreover, the research reveals that the PMS creates more participative government services by
involving representatives from various sectors. This opens a new era for Thai public administration after the major civil service reform in 2002. Such crucial knowledge and understanding derived from this thesis could, therefore, be considered as extending the knowledge boundary in the context of public management in Thailand with implication for similar developments elsewhere.

7.4.2 Methodological contributions

The current research also provides a methodological contribution by employing case studies at the provincial level where limited studies have been conducted. This qualitative research utilized in-depth, semi-structure interviews with respondents from the top executives, heads of departments, middle managers, staff members, the private sector, and citizens at the provincial level, as well as interviews conducted with executives from central agencies, training and development institutes, and key resource persons. Moreover, information was also derived from observation of significant workshops regarding feedback on annual PA at the provincial, ministerial, and department levels, as well as a workshop among the Negotiation Committee members preparing for the next PA negotiation cycle. Such intensive qualitative interviews from various parties who have direct experience provide an informed and holistic view of the implications and consequences of the PMS implementation in the Thai public sector where there has been very limited research can access to these sources of information. Further, the decision was taken to investigate the implication of the PMS implementation at provincial level where limited research has been conducted and which also incorporates locally inspired strategies. Such rigorous case studies in five selected provinces have provided significant information that can be compared and highlighted in explaining the uniqueness of the strategies being employed for the implementation of the PMS in different provinces. Additionally, this study involved central agencies so as to gain inside information regarding their support given to provinces, current implications, and the future plans. Also, provincial concerns have been taken forward to reflect the current situation faced by provinces and to seek further explanation from these central agencies. Thus, it can be
considered that the methods of this research have rigorous in their comparison of different perspectives and added a sophisticated level to the existing framework for understanding PM.

7.5 Policy implications and recommendations – practical contributions

7.5.1 Time for changes to be embedded

Since the major civil service reform in 2002, public administration has changed dramatically in terms of management, requirements, and legislation. Several new management concepts and tools have been introduced and implemented based on revised requirements of laws and regulation. Provinces have faced major challenges resulting in radical change in the provincial administration. Although provinces receive close supervision from relevant agencies, time is needed for changes to be deeply embedded in terms of values and to allow the necessary culture and behavioral changes. The current study reveals that such dramatic changes were forced onto the provinces with the expectation for them to be effective in a relatively short period of time. Therefore, it is not surprising that superficial changes and system distortion have occurred as a result. To make effective implementation, sound and regular communication of the objectives and the implementation guidelines are essential in order to keep staff members informed and put in a position to understand the new requirements, as well as the implications and consequences they can expect. More importantly, it is crucial to monitor behavior changes and to make certain that the desired behaviors exist. All such things require time.

Moreover, when several changes are introduced, it is important to have a holistic picture of what is the ultimate goal and how each concepts and tools contribute to this goal accomplishment. Also, all agencies responsible for overseeing the introduction of new concepts and tools implementation have to coordinate and work closely together in order to make an integrated implementation plan.
7.5.2 The PA: cascading down to the individual level

The findings of the current research have a crucial implication that the PA covers only a small proportion of the roles and responsibilities of the province. As a consequence, attention is paid on only a portion of the whole provincial responsibilities. Therefore, the PA needs to be cascaded down from the provincial level to the provincial department level and, finally, to the individual level. At the provincial department level, the PA may consist of two main parts: first, it links with the provincial strategy and goals, and the second part deals with core responsibilities of such the departments. The individual level can follow the same logic. In so doing, the PA is expanded to cover all key elements of roles and responsibilities of provincial departments and may provide a clearer picture of how each department contributes to the achievement of the provincial goals. More importantly, by linking and cascading the PA to the lower level, it provides concrete evidence for individual performance evaluation which later can be beneficial to incentive distribution. However, it should be noted that the PMS and the PA aim at improving efficiency and effectiveness of the public service provision and the system is meant to motivate performance improvement. A lower performance score implies that there are more opportunities for performance to be improved, and the higher performance score implies that the level of performance is to be sustained; thus, there is no need for this approach to be distorted. Either low or high performance score means there is room for lessons to be learned and shared.

Moreover, the PMS requires inspection and auditing in order to check and establish balance. The Inspector-General and auditor need to be involved in the system. Their roles focus not only on the implementation of the PMS, but also on the PA and the incentive distribution.

7.5.3 The incentive scheme

The current study reveals that the varying interpretations in the incentive schemes have destroyed the sound initial intention of such the scheme. There is confusion and frustration when the same performance score brings in significantly different amounts of incentive to top executives and to staff
members. Thus, top executives’ performance evaluation that is linked to incentives needs to be separated from those of the staff members. Additionally, the objectives of such incentive schemes require good communication in order to create a shared understanding and a correct perception which, in turn, can reduce system distortion and misuse. However, the questions still remain that whether the incentive scheme is worth expending taxpayers’ money and should the scheme being continue. The impacts and consequences of such a scheme should be revisited. Furthermore, the incentive scheme for the local administration should also be revisited in order to standardize it in line with the scheme available for central and regional administration.

7.6 Future research recommendations

7.6.1 Replication of research with alternative provincial case studies

Provincial case studies were purposefully selected in this research. The exploration of the PMS implementation focused on commitment and buy-in of the top executives, department, middle managers and staff members, the execution of the PMS, the link between the PMS and the provincial vision and strategy and incentives, resources to implement such a system, training and knowledge, and the support received from central agencies, as well as the private sector’s viewpoint. For future studies, each element can be individually explored within the type of systemic framework establishing by this study’s findings. Additionally, the current study selected typical provinces with a performance score of 3.0 and above (as introduced in 4.3.3.1) with the aim that findings are likely to illustrate what is typical elsewhere. This provides opportunities for future studies in replicating research by selecting extreme cases, such as a province with a performance score higher than average or has the highest score or a province with the lowest performance score.

Furthermore, the current research conducted in-depth, semi-structure interviews with top executives, heads of provincial departments, PD Team members, and other key persons who have direct experience and
involvement in the PMS implementation. The future investigation should include a wider group of staff members who do not have direct involvement in the system implementation. In this respect, it can be revealed how PM is communicated and how other members perceive such a system. In addition, interviews can be conducted with representatives from the local administration in order to explore the impacts and consequences of the PMS implementation at the provincial level on the local administration.

7.6.2 The accuracy and appropriateness of the provincial vision and development strategy

The PMS implementation is heavily based on the provincial vision and strategy. Even though such vision and strategy went through a series of approvals, they have not been studied in terms of accuracy and appropriateness in respect of real community needs. In addition, there is a claim that the provincial strategy gives a higher priority to economic aspects than to social aspects. Therefore, future studies can focus on the balance of these two aspects. Moreover, further studies can investigate the relationship between the provincial vision and strategy and routine roles and responsibilities in order to establish linkage between these elements.

7.6.3 Impacts and consequences of the PMS implementation on behaviors

The initial objectives of the PMS implementation were to increase efficiency and effectiveness of the public service provision. This current study explored the implication of the system on management at the provincial level. However, the behavioral changes resulting from the system implementation were not intensively studied. Therefore, for the future research, the focus can be on impacts and consequences of the PMS implementation on that whether the system alters culture and behavior changes and what behaviors being demonstrated. In other words to establish values, attributes and skills demanded of staff in the new era of public sector reform.
7.6.4 Monetary incentive schemes: continuation or discharge?

The findings of the current research raise the question as to whether the monetary incentive scheme is to be continued or discharged. Thus, there are opportunities for future studies to build upon the research problem that emerged from this thesis investigation. They could explore the different types of monetary incentives available within the public sector in order to obtain a better understanding of the implications and consequences of the different schemes that have been created. The research may also seek to answer whether the monetary incentive scheme should be continued or discharged. As regards to the latter respect, future studies could examine what would be a substitute to be used for motivation for service improvement. For the monetary incentive scheme to be continue, future research could explore whether incentives bring about the desired behaviors and also examine their motivation to improve performance and sustain an already high level performance. How far should monetary incentives be balanced against intrinsic rewards of public service contribution?

7.6.5 The Provincial Governors: where should they come from?

The findings of the current research also raise a concern over whether it is necessary that the Provincial Governors have to be the Ministry of Interior’s bureaucrats and whether it is necessary for a province to have only one Provincial Governor because provincial administration is becoming an integration of a managerial approach and a traditional administrative approach. Therefore, future studies could examine the possibilities of the Provincial Governor being appointed from those outside the Ministry of Interior, and if possible where would they come from and what would be the qualification for a person appointed to this position. Additionally, the current study also revealed that the Provincial Governor plays two major roles: strategic leader and administrator. There are opportunities for future studies in examining the necessity for a province to have one provincial governor responsible for provincial strategic management and the other responsible for provincial administration. If it is necessary to have two Provincial Governors where would they come from and how would their roles and responsibilities are assigned?
7.7 Conclusion Remarks

The primary purpose of this study was to investigate how the Thai public sector at the provincial level makes sense of the performance management system in relation to management capacities to drive forward improvements and to enhance the sustainability of service quality. More specifically, the study sought to explore the impacts of the PMS on management capacity and to what extent the system enhances capacity of the province to deliver services. The study also aimed to identify factors enabling and inhibiting the enhancement of performance improvement and the creation of a self-sustaining management capacity at the provincial level, as well as exploring the roles of central agencies in order to build such a capacity at the provincial level. The study employed a qualitative approach using five provinces as case studies and data collected by in-depth, semi-structure interviews.

The key finding was the discovery that a strong commitment of the government at policy level has altered intentions and resources towards the implementation of the PMS. To accompany the PMS, the concept of Provincial CEO was also implemented and linked with the PMS in which provincial vision and strategy were implemented and performance monitored and evaluated through the provincial PA. The current study found that the nation-wide PMS implementation was driven by revised laws and regulations. However, a lack in government support has pushed the PMS into a period of uncertainty in terms of its continuation and direction. Moreover, while the PMS involved central agencies in terms of supervision, training, and support, the study reveals that such support was likely to be segmented based on each agency’s responsibilities. Coordination and collaboration among these central agencies were limited resulting in confusion in the terms used and in duplicated reports. Also, inspection and auditing currently have limited roles in the PMS.

This study also reveals that provincial administration has changed dramatically by being driven by provincial vision and development strategy and performance was measured using a PA. The provincial vision and
strategy were linked with the national and regional strategies. They provide a sense of direction that aligns provincial departments towards the accomplishment of the provincial goals. The Provincial Governors play CEO roles as well as strategic leaders. The provincial management has shifted from an administrative approach to become one more managerial in concept and actions. Moreover, more participative government services have evolved by involving representatives from various sectors in the provincial management, such newly appointed members of the Provincial Management Committee. The current study reveals that public service has been improved in many ways. For example, cycle time and work process reduction, coordinated work, and work with a sense of ownership. Moreover, the PD Team plays a significant role in managing and administrating the PMS. The changes in this Team’s member affect the effective use of the PMS.

The PA was at the heart of the PMS where it governs the desired activities by their inclusion. However, the study discovered that the PA covers only a small portion of the provincial roles and responsibilities leaving the rest out of attention. Additionally, the PA was tightly linked with the incentive scheme. Those whose work contributed to the success of the KPIs appearing in the PA were likely to be entitled to incentive distribution. Unfortunately, the study also discovered that there was tendency that the system was distorted in order for the province to obtain as high performance score as possible so that they can expect as high amount of incentive to be received as possible.

Another key finding was that the incentives schemes linked to the PMS were likely to create conflicts and frustration because there were different schemes available for different groups of people. In particular, the incentives for top executives and for staff members rely on the same performance score, but brought in varying amounts of incentives for these two groups because the two schemes are based on different philosophies and purposes. Crucially, incentives for the local administration even jeopardized the PMS at the provincial level because the local administration’s ‘PMS’ were perceived as relatively easy, compared to the PMS at the provincial level, but generated significantly higher amounts of incentive.
This research offers fresh empirical evidence of the PMS implementation on a nation-wide scope in the Thai public sector, particularly at the provincial level. Such findings can be considered as providing a significant fresh point of reference in the area of the PMS in the public sector, as well as the area of provincial management in Thailand where limited studies have been conducted. The conceptual framework derived from these research findings has added to the existing literature in contributing to a greater understanding of the implication and consequences of the implementation of the PMS at the provincial level in the Thai public sector. More importantly, this study revealed the challenges regarding to the PMS implementation. It also provides a contribution in terms of methodology in that the study has managed to identify from different perspectives the uniqueness of the strategy being employed for the implementation of the PMS in different provinces, as well as factors enabling and inhibiting improvement in the system. Crucially, the study also reflects concerns raised by provinces for further explanation from central agencies.

A crucial implication of this study for policy and practice is that sufficient time is necessary for successful new system implementation together with a widely held understanding of its concepts and philosophy, practice, and associated learning needs. All of these factors would eventually embed values and change behaviors and culture. Otherwise, change and improvement only occur at a superficial level and there is likely to result is the system being distorted and misused. Furthermore, this current study suggests that linking and cascading the PA from the provincial level down to provincial department and individual levels can make a complete PMS which would be beneficial to performance evaluation and incentive distribution at all levels. However, incentive schemes have to have clear objectives and purposes and be linked to a redesigned PA. Crucially, good communication facilitates changes and creates better understanding of such changes which results in better coordination, shared perceptions, and greater motivation.

The profound findings of this research have raised the issue for future studies particularly in whether the provincial vision and development strategy are accurate and appropriate, whether the implementation of the PMS alters
organizational and individual behaviors, whether the monetary incentive schemes should be continued or discharged, whether it is necessary for the Provincial Governor to be a Ministry of Interior bureaucrat, and whether it is possible for a province to have two provincial governors: one responsible for strategic management and the other responsible for general administration.
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Appendix 1 Pressures forced public service improvement

Such a profound success of the RBM system implementation at the SSO brought OCSC to consider the expansion and implementation of the system more rigorously. Pressures forced the public sector to improve its efficiency, effectiveness and quality of the services. Such pressures are described in chronically manner below.

1996: The enactment of the Administrative Procedures Act and the Official Liabilities Tort Act of 1996, which both aimed at increasing civil service transparency and accountability, put higher pressure onto the civil service administration to be even more effective and efficient. The Administrative Procedures Act concerns the civil service’s work procedures including scope of authority where citizen have the right to make inquiry in relation to decisions of civil service operations, as well as the right to appeal against such decisions and request for reconsideration. In addition, a citizen may request for compensation if they were abused by the government officers under the Official Liabilities Tort Act.

Additionally, the global booming era of the ‘good governance’ and ‘new public management (NPM)’ concepts from international institutes; for example, the World Bank, International Monetary Fund (IMF), United Nations Development Programs (UNDP), and Asian Development Bank (ADB) further influenced the need for major changes in government organizations to become more modernized, efficient and effective, as well as to rapidly adapt to environmental changes and competition (World Bank, 2000; United Nations, 2003; Asian Development Bank, 1999). Both internal and external pressures provided significant driving forces for the civil service administration to improve its service provision.

1997: The economic crisis was the focal point for the Thai Society. Irresponsive public service and administration were considered as one of the major causes of the crisis. These gave a strong signal for the public sector to
make major reform for its administration. Additionally, the new Constitution of the Kingdom of Thailand 1997, Section 75, specifies two key elements in the Constitution as decentralization and people participation. The public sector is required to be effective in its service provision and other related functions in order to respond to the needs of the people. Decision making is aimed to be decentralized so that decision can be made at the local administration which is meant to be more suitable for the local needs. Citizen is needed to be involved and participated in the decision making especially at the local administration. Moreover, the Eighth National Economic and Social Development Plan of B.E. 2540-2544 (1997-2001), prepared by the National Economic and Social Development Board (NESDB), emphasized the concept of people-centered development by promoting the Area, Function, and Participation (AFP) concept. This created more opportunities for citizen to be able to participate in community and nation development processes.

1998: The OCSC launched the Administrative Renewal Project (1998-1999), an Economic Management Assistance Loan project approved by the World Bank. The project supports measures to upgrade macroeconomic management and public administration; reform enterprise; and to strengthen the competitiveness of Thailand’s industrial sector.

1999: The pressure considerably increased for public sector improvement when the Cabinet approved the Public Sector Management Reform Master Plan, aimed to improve the performance of the public sector, minimize expenditures in personnel, right-size public sector workforce, and minimize government functions, as well as to promote ethics and anti-corruption. This plan consisted of five key elements including: (a) roles, functions, and management practices; (b) budget management system; (c) personnel administration system; (d) legal framework; and (e) cultures and values (OCSC, 2002).
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Appendix 3 The Public Sector Development Strategies of 2003-2007

The Public Sector Development Strategies of 2003-2007 consist of seven major items including:

- **Strategy 1**: Re-engineer the work processes. Aiming for the improvement in service quality, efficiency, effectiveness, and value for money, government agencies are required to implement the RBMS to monitor and evaluate their performance based on a performance plan and a PA. This requires that indicators are developed in a more concrete, reliable, and subjective manner, and implemented from the organizational level and cascaded down to an individual level. This strategy also includes work process re-engineering and re-design in order to reduce cycle time or/and to simplify work processes, to promote one-stop service, and to provide opportunity for contestability or outsourcing to reduce the government’s role in service provision. Government agencies need to regularly review their own performance and take on customers’ view points on service delivery received from survey and customer complaints and comments in order to plan for service improvement.

- **Strategy 2**: Restructure the framework and administration of public organizations. Being a responsive government, government agencies are required to have an integrated public administration which includes internal and intra-agencies work integration both at central, provincial, and local administration level. The focus on restructuring provincial administration aims to promote high performance provinces.

- **Strategy 3**: Reform the financial and budgetary systems. The policy of the Council of Ministers stated to the Parliament is the focal point for financial and budget preparation and allocation and such allocation has to comply with the government’s and agency’s strategies. Results generated from budget expenditures are monitored and evaluated
with objective measures, resulting in an increase in accountability for results.

- **Strategy 4: Review the human resource management and compensation systems.** In attracting high performers to join government service, recruitment and selection processes are to be reviewed and revised to create alternative ways of recruitment and selection. A compensation system is necessary to motivate and retain high competent public servants. This strategy also promotes human resource development based on a competency-based approach.

- **Strategy 5: Change management paradigms, culture and values.** This strategy focuses on self-learning and action learning to create learning organizations, team work, and work integration.

- **Strategy 6: Modernize the public sector through e-government system development.** Information technology is crucial for public administration and this strategy aims to create valid, reliable, and up-to-date databases to enhance decision making and service improvement including online services.

- **Strategy 7: Enlist public participation in the work of the government system.** With an aim for open democracy, citizen involvement and participation are promoted. Public administration needs public participation and people’s audit, particularly in program/project planning and auditing.
Appendix 4 Background on the Thai public administration and the provincial case studies

1.1 Introduction

This section aims to provide background on Thai public administration, especially administration at the provincial level. After the major civil reform, the focus has turned to provincial administration because it is the point where government agencies have a close connection to the citizen; therefore, improvement in provincial administration should considerably enhance the citizen’s quality of life and has the ability to quickly respond to the needs and problems of those living in the area. High expectations are apparent on provincial governors to deliver project to quickly respond to problems and to the needs of the people, and to mingle with people not only in government service, but also in business to create network and these expectations have put dramatic pressures onto provincial governors and their team.

1.2 Historical of Thai Civil Service

The Thai civil service can be dated back in the Kingdom of Sukhothai (1220-1350) where the concept of paternalism was employed believing that father is the guardian of his family. The relationship between the King and his citizens was similar to a father-and-son relationship and the evidence can be obviously seen in the name of the King which is called ‘Por Khun’ as it literally means father. The King, himself, plays an important role in managing his kingdom with absolute centralization. Originally the civil service was formed in a very simple and straightforward manner.

During the Ayutthaya period (1350-1767), the perception of the King has been changed. Instead of being a ‘father’ taking care of his family, the King is practicing a divine kingship based on the Hindu concept. In the reign of King Borommatrailokkanat (1448-1488), civilian administration was separated from the military and comprised four major ministries called the
Four Pillars: *Vieng* is responsible for interior internal security and the well-being of the citizens, *Vang* is taking care of the Royal Household and justice, *Klung* looks after and protect the nation’s benefits, trade, and taxation, and *Na* is accountable for agriculture and food supplies. Appointed by the King, civil servants perceived themselves having honoured duties as ‘servants’ of the King, as the name civil servant suggests including ‘Kharatchakan’ giving the same meaning. However, civil servants did not get a salary paid for their services, but were granted land based on their ranks resulted in the creation of a feudalism system.

The practice of divide kingship was subsequently inherited into the Rattanakosin period (1782-present). In this period, there was colonial aggrandizement from western countries, for example, British, Spanish, Dutch, and French expeditions. The civil service needed to be changed and modernized in order to demonstrate civilization and the wealth of the nation; therefore, the first major civil reform took place in the reign of King Chulalongkorn, Rama V (1868-1910). The Four Pillars were revoked; and the western concept of public administration was adopted. In 1892, twelve ministries were established, but later the number was decreased into ten with the civil service separate from the military. Moreover, civil servants were paid a monthly salary using the same salary schedule in all ministries. The chief commander managed his ministry under the King’s absolute power. The King also appointed the Council of State and privy counsellors to give advice and to remonstrate about the King’s use of power. King Chulalongkorn also introduced the regional administration consisting of provinces and districts, as well as the concept of the sanitary district in urban areas aiming at providing waste disposal service (Shiroyama, 2003). Together with the emancipation of slaves in 1874, these allowed citizen’s opportunities to involve themselves in public administration. In addition, the focus was high on education to provide knowledge and create intelligence and the King’s scholarships were founded for study abroad.

After the change from absolute to a constitutional monarchy in 1932, the Thai democratic form of administration divides sovereign power into 3 branches: judicial, legislative, and executive branches (see Table 1). The
King is the Head of State exercising his power through the courts, parliament, and the cabinet. However, administrative authority was continually centralized and civil servants still earned a high status by serving the King. The Civil Service Act was first promulgated in 1928 aiming at standardizing administrative procedures for the public sector, e.g. recruitment and selection, remuneration, and disciplinary processes.

<table>
<thead>
<tr>
<th>Democratic Form of Administration</th>
<th>Head</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judicial branch</td>
<td>President of the Supreme Court</td>
</tr>
<tr>
<td>Legislative branch</td>
<td>President of the National Assembly (Speaker of the House of Representatives). The President of the Senate is the Vice-President of the National Assembly.</td>
</tr>
<tr>
<td>Executive branch</td>
<td>Prime Minister</td>
</tr>
</tbody>
</table>

Table 1 The Thai Democratic Form of Administration (EPPO, 2003)

The enactment of the Public Administration Act B.E. 2476 (1933) and the amendments established fundamental structure for the public administration system which was classified into three levels: central, regional, and local administration. Section 4 of the Public Administration Act B.E. 2534 (1991) provides detail for these three levels of governmental systems as the followings.

**Central administration** consists of OPM, Ministries, Departments, government agencies not under OPM or Ministries, independent public agencies, as mandated in the Constitution, and other independent public agencies. Central agencies are responsible for policy formulation, monitoring and auditing, and delivering services in accordance with their specified missions, as well as government agenda. The OPM is composed of departments, departments that report directly to the Prime Minister, public organizations, public companies, and some independent organizations. Ministry can be defined as a largest group of government agencies responsible for policy formulation and implementation in order to fulfil their mission required by laws and regulations, as well as the government agenda. In general, a ministry consists of Office of the Minister, Office of the
Permanent Secretary, and several departments. Departments can be included under the ministry’s supervision, or be independent, or directly under the Prime Minister’s supervision. A typical department consists of the Office of the Secretariat, and divisions.

Regional administration is the representation of central agencies within regions. A regional agency deconcentrates roles and responsibilities from its parent ministry or department aiming to better satisfy the needs of citizen in that region. Regional administration is composed of provincial administration and district administration. A province is the largest autonomous government agency in the region and consists of several districts. A district is a non-autonomous agency, governed by a Chief District Officer. A Provincial Governor and district officers are the Interior Ministry’s bureaucrats, appointed by the central government (Shiroyama, 2003), are responsible for governing a province and a district respectively.

Local administration consists of Provincial Administrative Organization (PAO), municipal, and sanitary districts. This includes special local administration, e.g. Bangkok Metropolitan Administration (BMA) and Pattaya City. These agencies are accountable for delivering activities assigned by the government and performing rapid responses to satisfy the needs of the people within the area.
Table 2 Fundamental structures of Thai governmental systems according to the Public Administration Act (OPDC, 2008: 7)

<table>
<thead>
<tr>
<th>Number of unit</th>
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<tbody>
<tr>
<td>Central Administration</td>
</tr>
<tr>
<td>• Ministry 20</td>
</tr>
<tr>
<td>• Department 154</td>
</tr>
<tr>
<td>Regional Administration</td>
</tr>
<tr>
<td>• Province 75</td>
</tr>
<tr>
<td>• District 877</td>
</tr>
<tr>
<td>Local Administration</td>
</tr>
<tr>
<td>• Provincial Administrative Organization (PAO) 75</td>
</tr>
<tr>
<td>• Municipal 1,159</td>
</tr>
<tr>
<td>• Tambon Administrative Organization (TAO) 6,622</td>
</tr>
<tr>
<td>• Special Local Administration 2</td>
</tr>
<tr>
<td>(Bangkok Metropolitan Administration (BMA) and Pattaya City)</td>
</tr>
</tbody>
</table>

1.3 Regional Administration Framework and Concept

In general, regional administration, in country; for example, Sweden, France, Italy, aim at unity in management to achieve targets set in a strategic plan and to reduce decisions made at the central level, resulting in better services that meet the needs of the community in a specific area (OPDC, 2005). Therefore, administration at the regional level is an intermediate structure linking central administration to those at the local level. Mektriratana (2001) illustrates that regional administration can be viewed as sub-national governments where central government appoints representatives or establishes agencies in several areas. Relationships between the central and regional administration in the sub-governments system can be classified into three forms as the following.

- Sub-national governments in general where ministries at the central establish representative agencies at the region without legal support. These agencies are responsible for facilitating the work of central agencies as well as supporting local administration.
• Network of deconcentrated administrations where there are concrete procedures in work delegation and empowerment from the central to agencies in the region or province. The relationships between agencies are likely in the form of a network.

• Perfect system is the system in which representatives at the region are the formal representatives of the central agency and play management roles in governing civil servants working in the region through the means deconcentration. This form of decentralization results in a concrete management structure and high management unity.

Administration at the provincial level is meant to serve the expansion of functional-based, area-based, as well as strategic-based missions. Provincial agencies deliver services based on their functions according to their mission that cascade down from the parent ministries or departments. At the same time, these agencies are also deliver services that meet the special needs of the people within the province. In addition, strategic-lead management aligns the work of all provincial agencies into the same direction for unity and collective responsibility (OPDC, 2005). These create management systems that promote networking, teamwork, participation, transparency, and a strategic results orientation, as well as a delegation of authority. Regional administration at provincial level aims to create linkages and connections between central and local administration, while the aim at the district level is to deliver quality, efficient, and effective services to the citizen.

1.4 The Country and Provincial Background

This section provides background information on Thailand and the provinces studied in this research, including historical background, geography and climate, demography, and economy and including reference to provincial administration, its vision and strategy. Together with the previously reviewed performance management in the Thai public sector in Chapter 3, this information provides the fundamental elements of each provincial’s performance management system.
1.4.1 Country Background

Historical Background

The archaeological discoveries reveal that the earliest inhabitants in the area which is now Thailand date from around 2000 B.C. in the north-eastern area at Ban Chiang, Udon Thani Province. It was an agricultural community with skilled metal workers and potters. It is assumed that the Thai gradually migrated southwards from China and established a small state well before the 13th century (MFA, 2010a). From the 7th to the 12th centuries the area now central and western Thailand was occupied by Mon and Khmer speaking people, known as Dvaravati. Unfortunately, but little is known about the political and social of this “empire.” Archaeological remains from this era are in the Khmer style.

The first “Thai kingdom” was Sukhothai (13th-15th centuries) situated in the north of present-day Thailand, and initially the kingdom was influenced politically and socially by the Khmer. The first Thai literature found on a 1292 stone inscription demonstrates the fertility of the kingdom as “There is always fish in the water and rice in the field” (MFA, 2010a: 19). In 1378, Sukhothai became a tributary state of the Ayutthaya Kingdom (1350-1767) which was situated in the fertile Chao Phraya River Basin, at the confluence of three rivers: the Chao Phraya, the Pa Sak, and the Lop Buri. This geography offers several advantages, for example, rivers and waterways provide access to the countryside and to the sea connection via the Gulf of Thailand creating international trade, as well as providing a strategic position for the country’s security and protection. Moreover, using flooding during the rainy season to raise the fertility of the land provides perfect conditions for agriculture. In 1767, Ayutthaya was defeated by Burma and the City was burnt and dispersed. King Taksin rapidly defeated the Burmese invaders and established a new capital at Thon Buri (1767-1782) near the mount of the Chao Phraya River, across the river from present-day Bangkok. As a strategically located capital international trade thrived. In 1782 Chao Phraya Chakri was chosen to be the new king, named King Rama I, the founder of the Royal House of Chakri of which the present monarch King Bhumibol Adulyadei is the ninth monarch. King Rama I established Bangkok as a new
capital across the Chao Phraya River and began “reconstruction” of the Thai state and Thai culture, using Ayutthaya as the model. This is the starting point of the *Rattanakosin* era (1782 to the present) and today Bangkok serves as the political, commercial, industrial, educational, and entertainment capital of the country.

Thailand was initially known as Siam, but in 1939 the name was officially changed to the Kingdom of Thailand. The word ‘Thai’ means ‘free’, and ‘Thailand’ means ‘Land of the Free’ suggesting that the country is proud of being the only Southeast Asian nation never to have been colonized by European powers during the era of the West colonial imperialism in the 19th century. However, during the early period, Western ideas and inventions were adopted, for example, public administration, education and communication systems, and trading in order to become a “modern” and “progressive” country (MFA, 2010a).

**Geography**

Thailand is situated at the heart of the Southeast Asia mainland and extends down to the northern half of the Malay Peninsula. Thailand covers a land area of 513,115 sq.km. and 212,200 sq.km. of maritime economic zone. The land is approximately the same size of France or Spain (TAT, 2010a). The country shares borders with the Lao People's Democratic Republic and the Union of Myanmar to the North, the Kingdom of Cambodia and the Gulf of Thailand to the East, the Union of Myanmar and the Indian Ocean to the West, and Malaysia to the south. Figure 1 shows Thailand and its neighbouring countries.

![Figure 1 Thailand and its neighbouring countries](http://www.mfa.go.th)
The country is roughly distributed into four regions: the North, the Central Plain with the Chao Phraya River Basin and some other smaller river basins, the North-east, and the South. The North Region largely covers forested mountainous areas with narrow valleys. The area has rich historical background. The northern part (Phayao, Nan, Phrae, Lampang, Lumphun, Chiang Mai, and Mae Hong Son) is the historical centres of Chiang Saen while the centre of its southern part (Sukhothai and Kamphaeng Phet) is the historical capital of Sukhothai. The Central Region is dominated by fertile plains of the Chao Phraya river valley. This area is agriculture based, particularly rice-producing which has been called “Rice Bowl of Asia” (TAT, 2010b). Located in this region is Siam’s historical capital Ayutthaya and Lop Buri, as well as Bangkok. The North-east Region covers one-third of the country, consisted of the Khorat Plateau. This Region is bordered by two mountain ranges and has in its interior mountains and undulating hills, resulting in the area being vulnerable to either floods or droughts. However, the area is famous for producing varieties of the premium Khao Hom Mali or Jasmine Rice. The South Region of Thailand is hilly and mountainous towards the Malay Peninsula that separates the Andaman Sea from the Gulf of Thailand. As a consequence, it offers Thailand high quality beaches and islands well known to tourists around the world. This region contains dense virgin forests and rich minerals and ores and is recognized as the centre of the production of rubber, palm oil, coffee, and fruits.

Climate
Thailand is located within the tropical monsoon zone where it is generally hot and humid. There are three seasons: dry (March to May, average temperature 34 degrees Celsius and 75% humidity), rainy (June to October, average day temperature 29 degrees Celsius and 87% humidity), and cool (November to February, temperatures range from 32 degrees Celsius to below 20 degrees Celsius with a drop in humidity). The northern part of the country experience lower temperatures during the night time especially during the winter season due to the fact that it situated in the mountainous and forested areas.
Demography
The population of Thailand, as of 31\textsuperscript{st} December 2009, comprised of 63,525,062 citizens (DOPA, 2010b). The majority of the population are ethnically Thai (roughly 80%), Chinese (14%), and the rest are Indian, Malay, Mon, Khmer, Burmese, and Lao. Approximately 5.7 million people live in the capital city, Bangkok, resulting in the country’s highest population density (as of December 2009) of 4,051.2 persons per sq.km. (DOPA, 2010a). The country’s national and official language is Thai. The primary religion is Buddhism (approximately 94%), 5% of Thais are Muslims, the majority located in the south, and 0.7% are Christians (TAT, 2010b).

Economy
As of December 2008, Thailand had a GDP worth USD 273.4 billion, GDP growth of 2.6%, and GDP per capita equal to USD 4,081 (NESDB, 2009 cited by MFA, 2010b). The Thai economy depends largely on its industrial sector, the agricultural sector, and the services sector, particularly the tourism and financial services industries, of which the GDP at 40.12%, 8.91%, and 50.97% respectively (MFA, 2010b). In 2010, it is expected GDP to expand at 5.5 percent per year or within a range of 5.0-6.0 percent due to the positive recovery of the Thai economy during the first quarter and the recovery of its major trading partners (FPO, 2010). Thailand’s National Income (NI) as of 2007 is 6,201,460 million Baht, and per capita NI is 93,903 Baht (NESDB, 2007). Thailand is the World’s largest natural rubber producer and hard disk drives manufacturer, and the World’s largest rice and sugar exporter (MOC, 2009 cited by MFA, 2010b).

Thailand is also well known as the “Land of Smiles” due to its warm hospitality and friendly people. Additionally given the diversity of geography, the country offers a wide variety of tourist attractions, for example, forests, mountains, and indigenous hill tribes in the north, as well as sandy beaches, islands, and spectacular diving sites in the south, and the ancient kingdoms to be explored in the northeast. In 2008, 14.54 million foreigners travelled to the country; and as a result generated income from tourism approximately 6 percent of GDP (MFA, 2010b).
Administration
Thailand consists of 75 provinces, excluding Bangkok, 878 Districts, 7,255 Tambons, 74,954 Villages, 75 Provincial Administration Organizations, 2,006 Municipalities, 5,770 Tambon Administration Organizations, and 2 Special Forms of Local Government (Bangkok and Pattaya) (DOPA, 2010c).

1.4.2 Provincial Case Studies
In this research, the focus is on administration at regional level, provincial administration in particular. Five provinces of the total of 75 provinces, excluding Bangkok, are selected to be case studies. Criteria for the selection can be found in chapter xx, 5.1.1. These provinces are Lamphun, Phayao, Phetchaburi, Prachuap Khiri Khan, and Samut Songkhram, shown in Figure 2. The following sections aim at providing information on each province being studied.

![Map of Thailand with selected provinces](https://www.prachuapkhirikhan.go.th)

**Figure 2 Provinces under the study**
(Source: Prachuap Khiri Khan Governor’s Office. http://www.prachuapkhirikhan.go.th)

1.4.2.1 LAMPHUN PROVINCE

**Historical Background**
The present-day Lamphun Province was formerly known as Haripunchai, an ancient city dating back 1,343 years (Lamphun Governor’s Office, 2006). This ancient city was established under the Dvaravati influence. Its first ruler
was Queen Cham Thewi. The Hariphunchai Ancient City was the oldest and most prosperous city in the north in terms of religion, art, culture, and economy. Buddhism prospered in this area because of its rulers' patronage. In 1281 King Mengrai, the Great of the Lan Na Kingdom seized the city. While Chiang Mai was the capital city of the Lan Na Kingdom, Hariphunchai became a religious centre. Moreover, Hariphunchai arts and cultures greatly influenced those of the Lan Na Kingdom. Lamphun was part of the Kingdom of Thailand during the reign of King Taksin the Great; however, the city continually ruled by its city rulers. In 1922 Lamphun became a province ruled by a governor which has continued to the present.

**Geography and climate**

With an area of 4,505.882 sq.km., Lamphun is the smallest province in the North Region of Thailand (Lamphun Governor’s Office, 2006). It covers mountain valleys and plain areas, with an average height of 200-400 meters above sea level. The Province is approximately 690 km. from Bangkok via the Asia Highway and 22 km. from Chiang Mai by car.

Based on its location in the tropical area and its altitude, Lamphun is relatively cool in the cold season and very hot in the dry season. The climate can be divided into three seasons: hot (from March-April), rainy (from May-October), and cold (from November-February). Between the cold and the hot season, there is the dry season which lasts approximately six months.

**Demography**

As of December 2009, Lamphun had a population of 404,693 persons (DOPA, 2010b) and population density is 91.7 persons per sq.km. (DOPA, 2010a). Approximately a quarter of its population live in municipal areas, including 11.3% of the population who do not live in their provincial birthplace. The majority of Lamphun population is Buddhist, and only 0.2% of whom are Islam. An average income per capita as of 2007 was 35,292.87 Baht (MOI, 2009).
Economy

In 2008, Lamphun generated GPP (preliminary) of 69,504 million Baht, most of which came from Manufacturing, Agriculture, Hunting and Forestry, Wholesale and Retail Trade, and Repair of Motor Vehicles, Motorcycles and Personal and Household Goods sector. GPP per capita was 160,251 Baht (NESDB, 2010).

Agriculture - Lamphun devotes approximately 23% of its area to agriculture and over half of its population are farmers. Major agricultural products are logan, garlic, shallots, and vegetables.

Industry - The Province also hosts over 1,500 factories, located both inside and outside the Northern Industrial Estate, and some of which are located in the Private Industrial Park of the Sahapattana Inter Holding Limited Company. The industry generates the total capital investment of approximately 60,000 million Baht, and employs over 100,000 employees. Major products are electronic parts, processed agricultural products, jewellery, leather, and clothing.

Handicrafts – Lamphun is famous for its unique traditionally handcrafted silk which is adapted from ancient patterns, and a hand-made cotton fabric. Additionally, wood carving and ceramics also best selling in this area.

Travelling – Lamphun also offers a wide variety of tourist attractions: ancient sites as well as forests, mountains, and lakes. For example, the ancient temple of Wat Phra That Hariphunchai and Wat Chamthewi, aged over 1,000 years, the fertile forest-land of Mae Ping National Park, and silk and cotton handicraft villages.

Administration

Lamphun Province consists of 7 Districts, 1 Sub-District, 51 Tambons, 551 Villages. Its administrative units consist of: Central Administrative Units (26 units and 13 government enterprises), Regional Administrative Units (34 units), and Local Administrative units (1 Provincial Administration
Organization, 1 Municipality, 12 Tambon Municipalities and 45 Tambon Administration Organizations) (Lamphun Governor’s Office, 2006).

**Provincial Vision and Strategy**

Lamphun’s vision is “An ancient city of Lamphun with agricultural advancement and the Northern Industrial Estate” (Lamphun Governor’s Office, 2006). This vision reflects province’s goals as the following:

1. **Agricultural development.** The Province aims at improving the quality of its agricultural products and production processes, particularly the production of logan and vegetables for domestic consumption and export.

2. **Development and promotion of investment and expansion of the industrial sector.** The Province plans for expanding the northern industrial areas with clear zoning, development of infrastructure, labour and technology. In addition, handicrafts, textiles and woodcarvings are promoted and supported to become SMEs and community industries in order to increase competitive capacity in both national and international markets.

3. **Human development and conservation.** The Province aims at developing social and cultural conditions to improve and sustain good quality of life and to reduce poverty. Conservation of the ancient and environmental awareness plays an important role in attracting tourists resulting in income generation. Additionally, human development is meant to be through a life-long learning process, the promotion of local wisdom, and the use of information technology in order to improve people’s capacity and create opportunities for employment.

In order to achieve the above vision and goals, Lamphun Province establishes its strategies as the followings (Lamphun Governor’s Office, 2006):

1. **Agricultural development**
   - establish a region-central market for agricultural products
   - improve quality of agricultural products to meet standards
   - promote and develop a sustainable agriculture following the King’s initiatives
• create alternative farm products
• develop water sources to supply adequate water for agriculture
• produce good quality and chemical-free agricultural products for domestic consumption and export.

2. Development and promotion of investment and expansion of the industrial sector
• expand industrial areas so as to become the regional centre of industry
• employ good provincial planning, industrial zoning in particular
• improve infrastructures
• promote and improve the handicraft industry in terms of quality and alternatives

3. Human development and conservation
• create a knowledge-based economy taking advantage of the culture and knowledge available in the community
• create and promote Lamphun’s tourism image as nature and historical destinations
• improve quality of life in terms of poverty reduction, income distribution, traffic accidents’ casualties and property damages, and crime reduction
• promote and support education and life-long learning

1.4.2.2 PHAYAO PROVINCE

Historical Background
Phayao is an ancient city formerly named “Phu Kum Yao” which was an independent kingdom ruled by its Kings, founded in 1096 (Phayao Governor’s Office, 2010). In the 13th century Phayao was equally important to King Mengrai the Great of the Lan Na Kingdom and Phor Khun Ram Kamhaeng of the Sukhothai Kingdom. However, in the late 13th century Phayao was made part of the Lan Na Kingdom. In the modern era, Phayao became part of Chiang Rai Province in 1897. In 1977 Phayao was established as an official Province in its own right.
Geography and climate
Phayao is one of the northern provinces of Thailand and borders Xaignabouli of the Lao People’s Democratic Republic in the north-east. The Province covers an area of 6,335.06 sq.km. It is surrounded by mountain ranges in the east, west, south, and is mountainous in the centre resulting in 47% of its area being at high altitude, 35% of which is a mixture of hills and flat areas. The plain areas cover only 18% (Phayao Governor’s Office, 2010). The height of the Province’s land ranges from 300-1,550 meters above sea level and this is the origin of the Yom River. According to 2007 survey, approximately 50% of the Provincial land was forest, 27% was agricultural areas, and 23% was for other usage. The city of Phayao is located at the Phayao Lake, namely “Kwan Phayao”, in the valley of the Ing River. The Phayao Lake is a fresh water reservoir which covers 20.53 sq.km. with capacity of 33.84 million cubic metres of water retention. The Province is approximately 735 km. from Bangkok, 150 km. from Chiang Mai, and 90 km. from Chiang Rai by car.

The climate at Phayao Province can be divided into three seasons: hot (from March-May), rainy (from June-October), and cold (from November-February). In the cold season temperature could be as low as 10 degree Celsius, and it could also rise to 40 degree Celsius in the dry season (Phayao Governor’s Office, 2010).

Demography
As of December 2009 (Phayao Governor’s Office, 2010), Phayao has a population of 487,120 persons and population density of 76.89 persons per sq.km. Approximately 12% of the population do not live in their provincial birthplace (DOPA, 2010a). Due to provincial geographical location, the Province contains substantial hill-tribe and minority populations (MOI, 2009). The majority of Phayao population is Buddhists. The average income per capita as of 2007 was 36,044.00 Baht (MOI, 2009).

Economy
The majority of Phayao population are in the Agriculture, Hunting, and Forestry industries, and most of which are skilled labours in agriculture and
fishing. Wholesales and retail trading and mechanics are also the second largest occupation in this Province. In 2008, Phayao generated GPP (preliminary) of 25,439 million Baht, and GPP per capita equalled 47,886 Baht (NESDB, 2010).

Agriculture - The main occupation of Phayao population is rice growing, accountable for an area of 954.19 sq.km. They produce premium quality of the well known Khao Hom Mali or Jesmine Rice in the North Region. Other important crops are maize, logan, lyngge, hevea brasiliensis (rubber tree), green beans, shallots, ginger, and tobacco. Fresh water fishery can be found at the Phayao Lake. Livestock are raised within the household, not for commercial trade.

Border trade – Logs and timber was imported from the Lao People's Democratic Republic via temporally permitted immigration point at Ban Huak, Phu Sang District, Phayao Province. Meanwhile the attempt to open a permanent immigration point at Ban Huak is continuing.

Travelling – Phayao Province offers many tourist attractions, for example, natural resources, historical sites, and monthly festivals. The Province has rich natural resources due to its geography. These, for instance, are the Phayao Lake, Doi Phu Nang National Park, Phu Lang Ka Forest Park, and several waterfalls. Tourists can also experience hill-tribe life through home stay schemes.

**Administration**
Phayao Province consists of 9 Districts, 68 Tambons, 805 Villages, 1 Provincial Administration Organization, 2 Municipalities, 30 Tambon Municipalities, 39 Tambon Administration Organizations.

**Provincial Vision and Strategy**
The vision of Phayao Province is “A pleasant city for dwelling, with public well being and strong community” (Phayao Governor’s Office, 2010). The strategic goals are the following:
• solve economic crisis problems and reduce poverty based on sufficient economy philosophy
• increase competitiveness in education, agriculture, and tourism
• encourage citizens to have a good quality of life, with strong, secure, and peaceful community
• rehabilitate, conserve, and manage natural resources and environment
• improve public service quality and efficiency.

Phayao Province sets its mission as follows:
• citizens have good quality of life and good living conditions
• increase value for agriculture, trade, investment, tourism, and export
• communities are capable of sustainably solving their own problems through participation
• communities are in a peaceful, secure, and strong environment
• having fertile natural resources in terms of forestry, water supply, and soil
• clean city without pollution
• citizens have access to public services with fairness, quality, and thoroughness.

1.4.2.3 PHETCHABURI PROVINCE

Historical Background
As revealed through archaeological discoveries the present-day Phetchaburi Province has been inhabited since the Dvaravati Period, between the 6th and 11th centuries (Phetchaburi Governor’s Office, 2010). During Sukhathai and Ayutthaya Kingdoms’ era, Phetchaburi was an important royal fort in the west. This ancient city shared many similarities to the Ayutthaya Kingdom, particularly that only the lineage of kings had the right to rule the city; therefore, it has been called “Living Ayutthaya” (TAT, 2010c). In the Rattahakosin era, Phetchaburi became the royal seaside retreat where three palaces, Phranakhonkhiri, Phraramrajanivet, and
Phrarajnivesmarugadayawan, were built in the reign of King Rama IV, V, and VI respectively.

**Geography and climate**

Phetchaburi is one of the central region provinces, situated on the northwestern shore of the Gulf of Thailand. The Province covers the area of 6,225.138 sq.km. (DOPA, 2010a). It shares a border with Myanmar to the west where the peak of the Tanaosri Range serves as a natural division. Phetchaburi can be geographically divided into three areas: the mountainous and highlands with dense rainforests in the west, the fertile river plain areas of the Phetchaburi and Pranburi rivers in the centre, and the coastal plain areas in the east with an 80-kilometer long coastline towards the Gulf of Thailand. The Province is approximately 160 km. from Bangkok by car.

The climate at Phetchaburi Province can be divided into three seasons: hot (from February-May), rainy (from June-October), and cold (from November-February). All-year average temperature is 30.82 degree Celsius (Phetchaburi Governor’s Office, 2010). The highest rain fall is during September and October.

**Demography**

As of December 2009, Phetchaburi Province had a population of 461,239 persons (DOPA, 2010b) and population density of 69.9 persons per sq.km. (DOPA, 2010a). Approximately 37% its population live in municipal areas, and 17.0% of which do not live in their provincial birthplace (DOPA, 2010a). The Province also has a minority group, named Lao Song or Thai Song Dam Tribe, whose ancestors migrated from Laos. The majority of Phetchaburi population is Buddhist. Only 2.5% of its population are Muslims. An average income per capita as of 2007 was 44,531.47 Baht (MOI, 2009).

**Economy**

In 2008 Phetchaburi generated GPP (preliminary) of 55,678 million Baht, most of which came from the Manufacturing and Agriculture sector. GPP per capita was 121,877 Baht (NESDB, 2010).
Agriculture – Phetchaburi has farming areas which cover 1,525.07 sq.km., 44.30% of which is for rice growing (Phetchaburi Governor’s Office, 2010). Other major products are pineapple, sugar cane, maize, palm oil, and cassava. The famous fruit typically grown in this Province is the rose apple, known as Chomphu Phet. The most recognized processed agricultural product is traditional-made palm sugar and a variety of sweets made from sugar and flour. Sea fishing is also one of the highest income-generating occupations in this Province, mussel breeding in particular. Fresh water fishing can be found at the Kaeng Krachan reservoir in the Kaeng Krachan National Park, the largest national park in Thailand. Dairy cow, hog, and poultry farming also play a significant part in the provincial economy.

Industry – Phetchaburi has a potential capacity of being industry-centre in the west region because of its excellent location which is close to Bangkok and close to raw materials. The Province hosts 668 factories whose products are food, vehicles and parts, and metal factories.

Travelling – Not only the three Royal palaces and historic buildings and temples, Phetchaburi is famous for its long coastline offering splendid beautiful beaches and caves, for example, Cha-Am, Chao Samran, Puek Tian beaches, and Khao Luang caves. The province also houses Thailand’s largest national park, Kaeng Krachan National Park. The Huai Sai Wildlife Breeding Centre is a conservation area for wild animals including mammals and birds.

**Administration**

Phetchaburi Province consists of 8 Districts, 93 Tambons, 698 Villages. Its administrative units consists of Central Administration Units (84 units), Regional Administrative Units (32 units), and Local Administrative Units (1 Provincial Administration Organization, 2 Municipalities, 11 Tambon Municipalities, 71 Tambon Administration Organizations) (Phetchaburi Governor’s Office, 2010).
Provincial Vision and Strategy
Phetchaburi’s vision is “A living historical place offering pleasant conditions for dwelling and travelling which has safety food manufacturing sources and clean industries” (Phetchaburi Governor’s Office, 2010). Its strategic focus includes:

- developing clean and safe living conditions and strong communities, as well as increasing people’s accessibility to public services
- developing to be a tourism destination, conference and leisure centre, as well as being an educational resource in terms of community, nature, and agriculture
- improving agricultural and fishery yields, and safety food production for internal consumption and export
- promoting and developing small and medium enterprises (SMEs) and One Tambon One Product (OTOP) where OTOP represents unique products and handicrafts hand-made from locally available materials using local wisdom and skills.

1.4.2.4 PRACHUAP KHIRI KHAN PROVINCE

Historical Background
Prachuap Khiri Khan, simply called Prachuap, is one of the provinces in the Central Region. It is the gateway to the South Region of Thailand. According to historical discovery, the city was once inhabited in the Ayutthaya period, but was later abandoned. Under the reign of King Rama IV of the Rattanakosin, in 1845, the city was re-established and given the name Prachuap Khiri Khan, meaning “Land of many mountains” (TAT, 2010). Hua Hin is the most famous resort town since King Rama VII built a Summer Palace resulting in village transformation to a high-society resort town for royalty. The Royal Family continues to reside at the Palace until the present day. During World War II Japanese troops invaded Thailand at Ao Manao and used it as base for war operations.
**Geography and climate**

Prachuap Khiri Khan is located on the Kra Isthmus, the narrow land bridge connecting the Malay Peninsula with mainland Asia. The province covers an area of 6,367.620 sq.km. (DOPA, 2010b). The Province has the mountain ranges of Tanaosri in the west of the Province which lie from the north to the south, playing a natural border with Myanmar. Additionally, with the 224.8 kilometers of coastline along the Gulf of Thailand, Prachuap Khiri Khan also has many spectacular sandy beaches. The most famous and the oldest resort town is Hua Hin. The majority of its land is a coastal plain area with altitude of 0-1,200 meters above sea level. Prachuap Khiri Khan also houses Thailand’s largest freshwater marshes which contain mangroves and mudflats.

The climate at Prachuap Khiri Khan Province can be divided into three seasons: hot (from February-May), rainy (from June-October), and cold (from November-February). All-year average temperature is 28.7 degree Celsius (Prachuap Khiri Khan’s Governor Office, 2010). The highest rain fall is during September and October.

**Demography**

Prachuap Khiri Khan had a population as of December 2009 of 504,063 persons (DOPA, 2010b), and population density of 70.6 persons per sq.km. (DOPA, 2010a). Approximatly 36% of its population live in the municipal areas, and roughly 26% do not live in their provincial birthplace (DOPA, 2010a). The majority of the population are Buddhists and Christ. Only 1.0% of the population are Muslims. The population has an average income per capita equals to 41,868.98 Baht (MOI, 2009).

**Economy**

The economy of Prachuap Khiri Khan depends on Manufacturing, Agriculture, Wholesale and Retail Trade, and the Services (hotels and restaurants) sector. In 2008, the Province generated GPP (preliminary) of 60,817 million Baht, and its GPP per capita was 127,365 Baht (NESDB, 2010).
Industry – The major industry in Prachuap Khiri Khun is related to agriculture, for example, fruit-canning, sugar, coconut oil, and the palm oil industry. There are also fishery-related industries, e.g., cold storage and fishmeal, and steel industries.

Agriculture - Prachuap Khiri Khun has soil conditions perfect for crops, perennial plants, rice, vegetable and flowers. Major products are pineapples and coconuts. Fishery products also play an important part in the Province economy. The major products are sea fishes, Tiger prawns (Penaeus Monodon), and shrimps (Litopenaeus Vannamei).

Travelling – Prachuap Khiri Khun is famous for its sandy beaches and various boutique resorts and hotels. There are also many National Parks which offer beaches, woodlands, waterfalls, caves, and forests. Outdoor activities can be found, for example, hiking, trekking, and river cruising. Small islands offer spectacular locations for a diving and scenic and tranquil atmosphere. Ao Manao, a historic battlefield in World War II, is a clean beach suitable for swimming.

Administration
Prachuap Khiri Khun Province consists of 8 Districts, 48 Tambons, 435 Villages. Its local administrative units consist of 1 Provincial Administration Organization, 2 Municipalities, 13 Tambon Municipalities, 45 Tambon Administration Organizations) (Prachuap Khiri Khan's Governor Office, 2010).

Provincial Vision and Strategy
The vision of Prachuap Khiri Khun is “Being a centre for pineapples and coconuts production, and food processing for world export, and a tourism destination particularly for families and health-related activities, as well as having standardized steel industries” (Prachuap Khiri Khan's Governor Office, 2010). Its strategic focuses include:

- improving pineapples and coconuts production and food processing for export
• improving conditions, e.g. infrastructures, standards, safety, and quality of services, and to be a tourist destination, particularly for families and health-related activities

• enhancing the quality of life of the citizens in terms of income generating, health conditions, and environmental conservation, protection, restoration, and utilization.

• supporting steel industries to meet international standards but friendly to its environment

1.4.2.5 SAMUT SONGKHRAM PROVINCE

Historical Background
There is no concrete evidence when Samut Songkhram was established. However, it is believed that in the Ayutthaya period it was a small city known as Suan Nok, administered by Ratchburi (TAT, 2010). Later towards the end of Ayutthaya period, the city was separated from Ratchaburi administration and named Mueang Mae Klong, named after the Mae Klong River where the city is located. During the Thonburi period, Burmese troops invaded this area; as a consequence, King Taksin gathered people to build an anti-army camp at the present-day Tambon Bang Kung and later conquered the Burmese. In 1767, Mueang Mae Klong was changed to named Samut Songkhram, and the city was later made a province. Samut Songkhram is the birth place of King Rama II and two other Queens of the Rattanakosin.

Geography and climate
Samut Songkhram is one of the provinces in Thailand’s Central Region. It is the smallest province covering a fertile coastal plain area of 416.707 sq.km., being only 0.08% of Thailand’s total area, with no mountains or islands (DOPA, 2010b). To the south is the Gulf of Thailand which offers 21.2 km. length of coast. The Province is located at the mouth of Mae Klong River to the Gulf of Thailand and has several canals spread through the Province beneficial to transportation and irrigation. This area was once covered with mangrove forest; however, at present almost all of the area is used for Tiger
prawn farming. Samut Songkhram coast may not be famous to tourists because of its sand soil, but it is the location for sea salt production, shrimp farming, and has a unique shell of Solen Regularis (Razor clam). The Province is approximately 65 km. to the west of Bangkok by car.

The climate of Samut Songkhram is influenced by the southwest monsoon from the Gulf of Thailand and the South China Sea. This creates a considerable amount of rainfall during the rainy season. The temperatures at this Province are not too hot or too cold, the year average temperature being 28.1 degree Celsius. There are three seasons: hot (from February-May), rainy (from May-October), and cold (from November-February). The year average temperature is 28.7 degree Celsius (Samut Songkhram Statistical Office, 2010). The highest rainfall is during September and October.

**Demography**

As of December 2009, Samut Songkhram had a population of 193,647 persons (DOPA, 2010b), and a population density of 490.0 persons per sq.km. (DOPA, 2010a). Approximately, 24% of its population live in the municipal areas, and roughly 14% of which do not live in their provincial birth place (DOPA, 2010a). The majority of the population are Buddhists and Christians. Only 0.4% of the population are Muslims. In 2007, the population had an average income per capita equals to 40,205.03 Baht (MOI, 2009).

**Economy**

Samut Songkhram plays a vital role of being a food supply for Bangkok Metropolitan. The majority of the population are in the agricultural and fishery sectors. Additionally, in an industrial sector there are small-sized industries, for example, fish sauce manufacturing, food and drink industries, fish processing industries, and agricultural processing industries. Fishery generates the highest income in the agriculture sector of the Province. The Province has 2008 GPP (preliminary) at current prices of 16,841 million Baht and GPP per capita of 79,940 Baht (NESDB, 2010), and most of which is from agriculture, hunting, and the forestry sector, wholesale and retail trade and repair of motor vehicles, motorcycles and personal and household goods, and transport, storage and communications.
Agriculture – The unique provincial products are coconuts from dwarf trees, the locally grown lychee species (named Kom), and Solen Regularis (Rozor clam).

Travelling – Samut Songkhram offers various tourist attractions. These are, for example, historical and remarkable temples and King Rama II Memorial Park. Interesting activities that can be found in this Province are the Lychee Fair (April), the Mackerel Eating and Mae Klong Famous Products Festival (December), and boat trip for Firefly (Lightening bugs) watching at night, and home stays.

**Administration**

Samut Songkhram is administratively divided into 3 districts, 36 Tambons, 284 Villages. Its local administrative units consists of 1 Provincial Administration Organization, 1 Municipality, 4 Tambon Municipalities, 30 Tambon Administration Organizations) (Samut Songkhram Governor’s Office, 2010).

**Provincial Vision and Strategy**

The vision of Samut Songkhram is “the city of toxic-free sea food and fruits, the centre for leisure and canal eco-tourism at national level, as well as the land of birthplace loving spirits, environmental conservation, and good cultures” (Samut Songkhram Governor’s Office, 2010). Its strategies include:

1) Being the city of toxic-free sea food and fruits
   - improving and enhancing fruit and fishery producing and food processing to be toxic-free products that meet standards
   - encouraging and creating learning network for agricultural technology
   - facilitating and promoting marketing and product releases

2) Being the centre for leisure and canal eco-tourism at national level
   - improving tourist attractions in terms of rehabilitation and conservation of natural resources and building community ownerships and strength
   - improving service capacities in order to increase employment and income
3) Creating an awareness of birthplace loving, environmental conservation, and good culture

- creating good living conditions in terms of safety and security of life and properties
- encouraging the utilization of locally available resources
- improving and maintaining people’s health and education
- reducing poverty and increasing employment and income generation
- preserving and inheriting good cultures and traditions, as well as promoting local youth activities in order to create community participation
- developing good city planning, controlling the type and area of industrial location in order to protect and conserve the environment
- increasing public service accessibility
# Appendix 5 Provincial Clusters

<table>
<thead>
<tr>
<th>Provincial Cluster</th>
<th>Provinces</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chiang Mai, Chiang Rai, Lampang, Lamphun, Mae Hong Son, Phayao, Phrae, Nan</td>
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<tr>
<td>2</td>
<td>Phitsanulok, Phetchabun, Sukhothai, Tak, Uttaradit</td>
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<td>3</td>
<td>Nakhon Sawan, Uthai Thani, Kamphaeng Phet, Phichit</td>
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<td>4</td>
<td>Nonthaburi, Phra Nakhon Si Ayutthaya, Pathum Thani, Ang Thong</td>
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<tr>
<td>5</td>
<td>Saraburi, Lop Buri, Sing Buri, Chai Nat</td>
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<td>6</td>
<td>Ratchaburi, Suphan Buri, Nakhon Pathom, Kanchanaburi</td>
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<tr>
<td>7</td>
<td>Phetchaburi, Prachuap Khiri Khan, Samut Songkhram, Samut Sakhon</td>
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<td>8</td>
<td>Chachoengsao, Samut Prakan, Sa Kaeo, Nakhon Nayok, Prachin Buri</td>
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<td>9</td>
<td>Chon Buri, Rayong, Chanthaburi, Trat</td>
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<td>10</td>
<td>Udon Thani, Nong Bua Lam Phu, Nong Khai, Loei</td>
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<tr>
<td>11</td>
<td>Mukdahan, Sakon Nakhon, Nakhon Phanom, Kalasin</td>
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<td>12</td>
<td>Khon Kaen, Maha Sarakham, Roi Et</td>
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<tr>
<td>13</td>
<td>Nakhon Ratchasima, Chaiyaphum, Buri Ram, Surin</td>
</tr>
<tr>
<td>14</td>
<td>Ubon Ratchathani, Amnat Charoen, Si Sa Ket, Yasothon</td>
</tr>
<tr>
<td>15</td>
<td>Surat Thani, Chumphon, Ranong</td>
</tr>
<tr>
<td>16</td>
<td>Nakhon Si Thammarat, Trang, Phatthalung</td>
</tr>
<tr>
<td>17</td>
<td>Phuket, Phangnga, Krabi</td>
</tr>
<tr>
<td>18</td>
<td>Pattani, Yala, Narathiwat</td>
</tr>
<tr>
<td>19</td>
<td>Songkhla, Satun</td>
</tr>
</tbody>
</table>

Approved by the Cabinet on 17th November 2003
Appendix 6 Interview Guide

1.1 An interview guide for provinces

Having reviewed the significant literature on PM and the PMS in the Thai public sector, the study diagram, shown in Figure 1, was created as a basis for constructing potential interview questions for the provinces.

Figure 1 The study diagram
Identified interview questions for each stage of the study diagram are the following:

1. Action on specific projects/programs

1.1 For projects/programs currently implemented

- What did you do when a new initiative was imposed? Who was involved? Who managed? How was a working team recruited? How did you set up the system (i.e. communication, coordination, cooperation, collaboration, reporting, implementation, etc.) for that new initiative?
- Did you develop a network or seek help, support, and involvement from others? From whom? How? Why seek help, support, and involvement from those people? (i.e. central agencies, NGOs, communities, local administration, public/private/business, educational institutes, experts, consultants, etc.)
- What do you feel about the demands made on you and what is your response?
- Do you think you have appropriate skills and knowledge to complete the job? How do you apply your current knowledge and experience to do the job? What skills or knowledge do you need for delivering a better job?
- What support did you need and what support did you get?
- What factors/conditions support/constrain the success of the implementation of the current project/program?
- What changes would you suggest for this current project/program? Why? And how (if possible)?
- What did you learn from the previous project/program which you would like to use for the future project/program? What support do you need (i.e. training, academic support, etc.)?

1.2 For future project/program

- If a new initiative is imposed today, how would you set up the system necessary for its planning, implementation and monitoring? What would you do differently from the implementation of a previous project/program?
• What support do you need (i.e. tools and equipment, consultation, training/learning needs, infrastructure, etc.)?

2. Review of performance (formal & informal)
• How is the project/program monitored/ reported/ evaluated/ reviewed? By whom? To whom? When? How often? How is data recorded and communicated?
• How is performance data used (i.e. link with training and development, promotion, reward system, etc.)?
• How is feedback given? By whom? To Whom? When? How often? What response?
• What do you think of the current performance of the project/program? Why?
• When reviewing performance, what issues were usually discussed (i.e. target achievement, difficulties/success, who is responsible for not meeting the target, training and development/learning needs, etc.)?

3. Theories on how things should be done differently for projects/programs
• What do you think about how the project/program should be operated? Why?
• What would you like to do differently?
• What did you conceptualize about the project/program?
• How would you define performance management?

4. Performance agreement (PA)
• What benefits do you think the PA bring to your organization? And what are the losses/ disadvantages?
• What benefits do you think the PA should bring to your organization? Do the PA deliver what you expect from them? Why and why not? To meet your expectation, what would you like to change, and what do you need?
• Do you link results from the PA with other processes (i.e. training and development, promotion, budget allocation, incentive allocation, etc.)?
• What do you feel about the demands made on you and what is your response?

• Do you think you have appropriate skills and knowledge to complete the job? How do you apply your current knowledge and experience to do the job? What skills or knowledge do you need for delivering a better job?

• Does the previous PA influence (or has an impact on) the current PA? In what ways: areas/issues? How and why?

• How information in regard to PAs is generated/ communicated?

• Do you observe any differences/changes from one PA cycle to the next? What do you think were reasons for those changes? Why? How are decisions to change made?

• For executives: What do you learn from signing on/ being attached to the PA requirements? Did signing a PA make you do something differently? What was that? Why? How? Do you feel you are committed to meet the PA requirement? Why? How do you cascade performance targets? What do you need to achieve the PA requirements?

• For staff: What do you learn from being attached to the PA requirements? Did a PA make you do something differently? What was that? Why? How? Do you feel you are committed to meet the PA requirement? Why? What do you need to achieve the PA requirements?

5. Management structures/ roles/ responsibilities at provincial level

• How do you manage requirements from your parent ministry/department and those at the provincial level? What support do you get? What support do you need?

• How do you recruit individuals from different departments (i.e. selection criteria, working system, etc.)?

• How is a working team (PD team) able to achieve collaboration/ cooperation/ coordination/ communication within itself and among departments within the province?

• At provincial level, what support do you need for better service delivery/ PA accomplishment (i.e. infrastructure, management, etc.)?
• For provincial governor: what roles do you play in delivering performance based on the PA?

• For head of department within the province: what roles do you play in delivering performance based on the PA? What is your response on assigned performance targets based on the provincial PA? Did the assigned provincial performance targets have an impact on performance based on the chain of command or daily service delivery? Or vice versa?

• What roles can be played by each target group in order to support PA accomplishment at the provincial level?

6. Review of internal learning capacity

• How are learning needs identified? And how are those needs fulfilled?

• What learning activities can you observe? How do they happen? Who is involved?

• How are learning activities proposed/ supported? By whom?

• What are the factors/conditions that influence/support/constrain learning?

7. Building capacity of provincial administration

• What strengths do you think you have (at provincial level, departmental level, team level, and individual level)?

• How are learning activities (at individual, team, and organization level) supported?

• For better service delivery, what skills do you need?

1.2 An interview guide for central agencies

The main questions for all central agencies are:

• How do you connect with what happens in the implementation of PMS/PA with learning and development?

• Do you observe any differences/changes from one PA cycle to the next? What reasons do you think are behind those changes? Why? How was the decision to change made?
1.2.1 The Bureau of the Budget (BOB)
(as a central agency who allocates budget, a member of the committee who negotiates performance targets in the PA)

- How budget is allocated to the province?
- How the Bureau supports the implementation of PMS/PA at the provincial level?
- What would you do differently in budget allocation?

1.2.2 Office of Civil Service Commission (OCSC)
(as a central agency who is responsible for personnel management)

- How does OCSC support the implementation of PMS at the provincial level?
- What kind of provincial requests for support from OCSC are made?
- What changes have been made internally in OCSC in order to handle the needs from the provinces?

1.2.3 Office of the National Economic and Social Development Board (NESDB)
(as a central agency who develops regional agenda, a member of the committee who negotiates performance targets in the PA)

- How do you develop the regional agenda?
- How do you support the implementation of the regional agenda?
- What would you do differently in developing and supporting provinces in the implementation of regional agenda?

1.2.4 Office of the Prime Minister (OPM)
Inspectors-General who works as a secretariat to the Deputy Prime Minister in strategic development and deployment, and negotiates performance targets at the provincial level

- How strategy at provincial level is developed/ agreed?
- How do you use information generated by PMS/PA?
- How would you support the learning environment at provincial level?
• What do you feel about the demands made on you and what is your response? What skills do you need?
• What would you do when revising next year’s provincial strategy?

1.2.5 Ministry of Interior (MOI)

Bureau of Provincial Administration Development and Promotion, Office of the Permanent Secretary
as parent ministry/department to which provincial governors are attached

• How do you support the implementation of PMS at the provincial level?
• How do you use information generated by PMS/PA?
• How are performance targets cascaded to provinces? Who is involved in decision making?
• How is performance at provincial level reported to department/ministry? What are your responses? How do you use that information?
• From a performance report, can you identify further skills and learning needs at provincial level?

1.2.6 Office of the Public Sector Development Commission (OPDC)

as a central agency which imposes, gives supervision on, governs and evaluates the PMS/PA

• How is a PA framework developed (or revised)?
• How do you obtain involvement from other agencies as one of the performance indicators’ owners?
• How are performance targets made?
• What support do you give to potential provincial governors?
• How do you communicate?
• What are the learning needs at the provincial level? How they are assessed?
• What issues are discussed?
• How do you achieve coordination and collaboration with
  i. other central agencies
ii. ministries/ departments
iii. provinces

- How do you use information generated by the PMS/PA?
- How do you support the learning environment?
- What do you feel about the demands made on you and what is your response? What skills do you need?
- In revising a PA framework for the next fiscal year, what would you do differently?
- If there is a new requirement to be imposed, how do you make decision whether to add in PA or not? If yes, how do you communicate this requirement and change?

1.3 An interview guide for training and development institutes

There are two training and development institutes subject to be involved in this study. Firstly, Prince Damrong Rajanubhab Institute of Research and Development (PDRI), Ministry of Interior, as the parent ministry responsible for research and development related to the ministry’s work system, such as with human resource planning and development, and knowledge management. Secondly, the Civil Service Training Institute, Office of Civil Service Commission as a central agency responsible for civil service training.

Potential interview questions include:

- What is taught in the classroom?
- What are learning needs?
- What issues are discussed? How they are assessed?
- What support do you give to potential provincial governors?
- How is experience shared/ discussed?
- What is done in the classroom to support learning?
- How do you connect with what happens in the implementation of the PMS/PA with learning and development?
• Do you observe any differences/changes from one PA cycle to the next? What reasons do you think are behind those changes? Why? How are the decision to change made?
### Appendix 7 List of respondents at the provincial level

<table>
<thead>
<tr>
<th>Role</th>
<th>Lumphan (LUM)</th>
<th>Phayao (PHA)</th>
<th>Prachuap Khiri Khan (PRA)</th>
<th>Samut Songkhram (SAM)</th>
<th>Phetchaburi (PHE)</th>
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<tr>
<td>Provincial Governor (PG) ส่วนราชการจังหวัด</td>
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<td>Other Key Persons in PGO</td>
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<td>Provincial Office of the Comptroller-General (POCG) ส่วนงานการบัญชี</td>
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<td>X (3)</td>
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<td>Provincial Public Health Office (PPHO) ส่วนงานสาธารณสุขจังหวัด</td>
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<td>Bureau of Social Development and Human Security (BSDH) ส่วนงานพัฒนาสังคมและความมั่นคงของมนุษย์จังหวัด</td>
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<td>Provincial Office of Natural Resources and Environment (PNRE) ส่วนงานทรัพยากรธรรมชาติและสิ่งแวดล้อมจังหวัด</td>
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<td>Provincial Statistical Office (PSO) ส่วนงานสถิติจังหวัด</td>
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<td>Sector</td>
<td>Lumphun (LUM)</td>
<td>Phayao (PHA)</td>
<td>Prachuap Khiri Khan (PRA)</td>
<td>Samut Songkhram (SAM)</td>
<td>Phetchaburi (PHE)</td>
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<tr>
<td>Private Sector กองเอกชน</td>
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<td>X</td>
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</table>
| The Federation of Thai Industries, Provincial Chamber (FTI)  
  กลุ่มสารอาหารจังหวัด |               | X            |                           |                       |                  |
| Provincial Chamber of Commerce (PCC)  
  สภาเอกชนจังหวัด | X            | X            | X                         | X                     |                  |
| Tourism Society (TS)  
  สนง.ท่องเที่ยวจังหวัด | X             |              |                           |                       |                  |
| Citizen (CIT)  กลุ่มประชาชน     |               |              |                           | X                     | (Farmer 2)       |
| Total                          | 12            | 11           | 12                        | 11                    | 9                |

Please note that the number shown in the bracket indicates the number of respondents if more than one.