Performance Management and Measurement in the Thai Public Sector: Aspiration or Achievement?

by

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SUMMARY

This study adopted a qualitative approach to address a range of questions intended to clarify and explain the ways in which performance management and measurement (PMM) has been used as part of the Kingdom of Thailand’s public service reform. The study examines the origins of Thailand’s public sector development within the context of wider debates about New Public Management, bureaucracy and post-bureaucracy, and the emergence of HRM. By adopting a qualitative approach, based on interviews with over 60 managers and employees, it provides a rare insight into the ways in which PMM is experienced by those who are required to implement it and who are subject to it. These insights are especially interesting as they also provide one of the few qualitative studies into Thai organisational practices. In order to evaluate how far the responses to PMM are specific to the public sector, a comparison is made with a private bank in order to control for some of the influence of national culture. The findings suggest that, despite a rhetoric of ‘performance’, the public sector organisations are finding it difficult to make PMM operate effectively. In particular, it is shown that there is a persistent bureaucratic culture that inclines employees to frame PMM in terms of compliance to hierarchical authority rather than identify with it as a means of improving real performance. This is seen to be associated with challenges to psychological contracts and the established patterns of trust, discretion and power. In contrast, the private sector organisation had managed to establish ‘performance’ as a substantive feature of its management processes, especially HRM, and had adopted forms of management that appeared closer, in some respects, to ideas of post-bureaucracy.
ACKNOWLEDGEMENTS

Professor David Goss, my supervisor, deserves the first vote of thanks. His guidance, encouragement and constructive advice throughout the research programme have been of inestimable value.

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Last but not least, I must express my appreciation to all those people who participated in the data collection phase. They gave me candid and insightful information about their perceptions of PMM in their organisations. I would like to thank you all for your time and I hope this study will useful and make interesting reading.

Thiti Tansakun, 2010
STATEMENT OF ORIGINALITY

This thesis and the work to which it refers are the results of my own efforts. Any ideas, data, images or text resulting from the work of others (whether published or unpublished) are fully identified as such within the work and attributed to their originator in the text, bibliography or in footnotes. This thesis has not been submitted in whole or in part for any other academic degree or professional qualification. I agree that the University has the right to submit my work to the plagiarism detection service TurnitinUK for originality checks. Whether or not drafts have been so-assessed, the University reserves the right to require an electronic version of the final document (as submitted) for assessment as above.

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<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CPM</td>
<td>Computer-Based Performance Measurement</td>
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<td>D-power</td>
<td>Deference Power</td>
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<td>E-power</td>
<td>Efficacy Power</td>
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<td>GFMIS</td>
<td>Government Fiscal Management Information System</td>
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<td>HR</td>
<td>Human Resource</td>
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<td>HRD</td>
<td>Human Resource Development</td>
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<td>HRM</td>
<td>Human Resource Management</td>
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<td>ICTs</td>
<td>Information and Communications Technologies</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>KPIs</td>
<td>Key Performance Indicators</td>
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<td>MBO</td>
<td>Management by Objectives</td>
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<td>NPM</td>
<td>New Public Management</td>
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<td>OB</td>
<td>Organisational Behaviour</td>
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<td>OCSC</td>
<td>Office of the Civil Service Commission</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation Development</td>
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<td>OPDC</td>
<td>Office of the Public Sector Development Commission</td>
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<td>OSE</td>
<td>Office of State Enterprise and Government Securities</td>
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<td>PA</td>
<td>Performance Agreement</td>
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<td>PDC</td>
<td>Public Sector Development Commission</td>
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<td>PDMO</td>
<td>Public Debt Management Office</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>PMM</td>
<td>Performance Management and Measurement</td>
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<td>PRO</td>
<td>Performance, Rewards and Opportunities</td>
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<td>PRP</td>
<td>Performance-Related Pay</td>
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<td>RBV</td>
<td>The Resource-Based View of the Firm</td>
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<tr>
<td>SAR</td>
<td>Self-Assessment Report</td>
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<tr>
<td>SMART</td>
<td>Specificity, Measurability, Attainability, Relevance, and Time Limitation and Trackability</td>
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<td>TPM</td>
<td>Traditional Personnel Management</td>
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<td>TQM</td>
<td>Total Quality Management</td>
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<td>TRIS</td>
<td>Thai Rating Information Service</td>
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<td>TV</td>
<td>Television</td>
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<td>VCD</td>
<td>Video Compact Disc</td>
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CHAPTER ONE

INTRODUCTION

This chapter comprises a brief introduction to the research problem, objectives and research questions.

The overall purpose of this thesis is to investigate the nature and practice of performance management and measurement (hereafter PMM) systems through the data provided by semi-structured interviews and document analysis. The informants' real-life experiences and documented evidence from the public and private sector organisations in which PMM practice has been adopted and implemented are expected to provide the data for an exploration and evaluation of the PMM policy for the Thai public sector.

A multiple case study design in which data are collected in the form of face-to-face, open-ended, semi-structured interviews was used. Two government organisations were sought as key data sources and one private sector company for contrast and comparison.

In the interviews, all respondents responded to questions about how they felt about and understood PMM processes in their organisations. The emphasis was on obtaining rich data about the actual experiences of PMM in practice that could be compared with formal policy claims. From the literature it was determined that PMM cannot be treated as only a formal structural process but has also to be considered in the light of differing stakeholder impacts and the contingencies facing different organisations.
Therefore understanding from the multiple perspectives of employees, middle managers and senior managers in different organisations is important to fully understand how the process actually operates.

The study was carried out in the Kingdom of Thailand from the December 2006 to May 2007 where sixty-six informants from three case organisations were interviewed, making it one of very few studies conducted on this basis in the Kingdom of Thailand. As such it hopefully makes a contribution to the understanding of Thai organisations and the attitudes of Thai workers and managers as well as adding insight into the practices and effects of PMM, in particular by drawing on theories and concepts from organisational sociology, organisational behaviour (OB) and human resource management (HRM) within the context of the debates about New Public Management (hereafter NPM).

NPM originated nearly thirty years ago in the western world as an alternative to the perceived weaknesses of the traditional model of bureaucracy. This was associated with public sector reforms in many world leading countries such as the UK and the USA to improve efficiency and effectiveness.

As a result, NPM has been widely promoted by big international bodies such as the World Bank and International Monetary Fund (IMF), to many developing countries as a model of progressive development. However, whether NPM is applicable in other countries, in particular developing countries which have different cultures and fundamental needs, is still debatable. This also applies to the notions of PMM that are central to NPM.
Like its neighbours (e.g., Indonesia, Singapore), the Royal Thai Government also has tried to adopt NPM policies modelled on private sector practice. In particular, PMM has been expected to have a significant influence on improving public services. As a result many changes have been made in the Thai public administration such as the introduction of Balanced Scorecards and strategic planning, all of which make PMM a core component of their operation.

However, due to their origins, these practices often give rise to fundamental tensions between public and private sector methods of working and PMM has been identified by many scholars as an area of particular difficulty. Whilst it may be desirable to bring in lessons from the private sector to the public sector, at the same time it is necessary to understand how specific processes such as PMM operate under different conditions and how they can be used to achieve established goals. At present whether the current PMM is effectively being carried out by the Thai public sector is still questionable. Although formal systems have been adopted, there still seems to be resistance and indifference from staff who appear to often be sceptical about the value of such approaches. This may mean that rather than promoting greater efficiency and effectiveness, the use of PMM is, at best, adding little value and, at worst, contributing to an undermining of the government’s capacity to reform the public sector through NPM. As such, to understand the nature and operation of PMM in the Thai context is an important part of the country’s development which has not, yet, been studied in detail.

As a result, this study aims to investigate the nature of PMM in different areas of the Thai public sector. However, rather than focus on this sector alone, it will be
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compared with the PMM approach adopted by a cutting-edge private sector organisation. This will allow it to be seen whether any issues that are identified with PMM are associated with the nature of the public sector or may be influenced more generally by the nature of the Thai society culture; i.e., affecting both the public and private sectors. Thus, comparative case studies will be used in order to seek an understanding of the organisational dynamics of PMM and to suggest how the adaptation and implementation of the better practice in the public sector could be approached. Since all case organisations in this study have adopted and implemented PMM for more than 3 years, all respondents selected have experience of PMM and are likely to have grappled with many of the issues of interest.

The aim of this study is, on the basis of comparisons with other organisations/departments, to explore the nature and effectiveness of PMM within the Thai public sector, focusing on the Revenue Cluster within the Thai Finance Ministry.

As PMM is a relatively new management practice for Thai government agencies including the Thai Finance Ministry, it is important to investigate how the processes are being implemented and how they are performing. The Finance Ministry is a key part of the public sector and is more advanced in these matters than other ministries. It is therefore appropriate to study this ministry as a 'critical case'; i.e., if PMM is causing problems here then it is also likely to do so for other less developed ministries. The Revenue Cluster was selected because of the researcher's own knowledge of this and the opportunities for access.
This study therefore comprises four main objectives intended to support the overall aim above.

1. To understand and compare the nature of PMM practices in the public and private sectors in the Kingdom of Thailand.

2. To specify factors that appear to influence the success of PMM in both sectors.

3. To use existing theories of PMM to explain how PMM is being implemented but also to consider what other theories/concepts can be used on the basis of an inductive assessment of the emerging data.

4. To provide a rich source of qualitative data that provides insights into the complexity of PMM as it is experienced by employees and managers from different organisational standpoints.

To meet these objectives, it was considered necessary to select a private sector company as a basis for comparison; i.e., to control for cultural influences. As one of the leading private sector companies in the Kingdom of Thailand, the Bank has financial activities (e.g., sales and services) which are rather similar to those government organisations in the Revenue Cluster of the Thai Finance Ministry. Moreover, the Bank is regarded as one of Thai leading private sector companies in which PMM has been well established for several years. In this respect it can be seen as a useful model of how PMM is organised in a Thai setting and thus provides an instructive comparison for the public sector.

On the basis of the literature review, the aim and objectives above were converted into five research questions that will guide the nature of the data to be collected.
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i) Is there a shift away from a bureaucratic model towards a post bureaucratic model in the case organisations?

ii) To what extent have the case organisations undergone structural and cultural changes to accompany the introduction of PMM?

iii) To what extent have the case organisations adopted human resource (HR) initiatives to provide the strategic and operational context for the introduction of PMM?

iv) How effectively have the case organisations integrated their PMM system with other organisational and individual activities?

v) How have the organisations formulated and communicated the use of PMM system and how has this affected individual responses to it?

The structure of this thesis is organised into six sections: 1) Introduction; 2) NPM and PMM in the Thai context; 3) Literature review on theories of public administration and theoretical frameworks on PMM; 4) Research methodology; 5) Results and discussions (3 chapters); and 6) Conclusions.
CHAPTER TWO

NPM AND PMM IN THE THAI CONTEXT

The Kingdom of Thailand was known by foreigners for hundreds of years as “Siam”, where the resident foreigners (e.g., Chinese, French, Japanese, Malays, Portuguese and Persians) made the Siamese capital one of the most cosmopolitan cities in Southeast Asia (G4; please note: because many government publications have no named author or date of publication, they will be referred to below by the initial G followed by an identification number; full details are given in the reference section). According to G1 and Wyatt (1982), there are four historical periods of the Thai development: Sukhothai Period (1238-1350), Ayutthaya Period (1350 - 1767), Thonburi Period (1767 - 1782), and Rattanakosin Period (1782 - present). The Royal Thai government has witnessed administrative reforms since the establishment of the first Thai state around 700 years ago. As will be seen, there were only two major administration reforms in the history of the nation prior to the major public administrative reform in 2002.

Sukhothai (1238-1350) was the first period of the nation’s history in which the first capital of the Thai kingdom was established in Sukhothai. Although it was short-lived, it had cultural significance to the nation’s history (G3). The first Thai state, the Kingdom of Sukhothai, was a paternalistic form of government under the absolute power of the King. Sukhothai was known as a fragmented city-state and depended upon a decentralised government system.
Ayutthaya (1350-1767) saw Ayutthaya as the second Thai capital until it was sacked and burned by the Burmese in 1767 (G3). Ayutthaya arose as a result of a decline of the previous kingdom. It adopted a Khmer system of government based upon the Hindu concept of divine kingship. In particular, during the period of 1448 to 1488, which was under the reign of King Borommatrailokkanat, Ayutthaya witnessed a major reform in its political administration. The "Sakdina", a feudal system in which land was allocated according to the rank of a land owner, was adopted and lasted until the nineteenth century. In addition, the separation between the civil and military administrations was made and the government was centralised.

Thonburi (1767-1782) was the shortest-lived in the nation's history. Thonburi, as the third Thai capital, was established by King Taksin after a Thai revival within a few months (G3).

It was not until 1782 that Bangkok was founded by King Rama I as a new capital city and marked the beginning of Rattanakosin Period (1782-present). The Ayutthaya system of government, however, still persisted without any major change until the mid eighteenth century at which time the threat of imperialism approached the kingdom. Under the reign of King Rama V (1868-1910), there was a significant modernisation in the Thai public administration aimed at maintaining national independence. This public administration reform resulted in a major reorganisation of the central and local administrations, in which the central government was divided into a number of departments and the local administration was led by an appointed governor of each province. The Royal Thai government system thus was centralised and well equipped with a foundation for a modern system of government (G17).
However, it was not until June 24, 1932 that there was a bloodless coup d'etat led by the group of intellectuals, who called themselves "Khana Rat", attempting to change the regime from Absolute Monarchy to Parliamentary Democracy with the King as head of State (G18; G2; G17). The purposes of the coup were to provide equality as well as education for all Thai people, and to solve the economic slump that was weakening the government's status at that time (G3). In that year, the first Thai constitution was granted as a result of King Rama VII's abolition of absolute monarchy. There have been numerous amendments and promulgations of the constitution and charter in response to the changing environment.

The constitution and charter provide the principles of upholding the democratic regime of government with the King as head of State, who exercises his legislative power through parliament, executive power through the Cabinet, and judicial power through the courts. The legislative power resides in the Parliament which is made up of the House of Representatives and the Senate. Its duty is to issue laws and to counterbalance the executive power through the right to raise queries or no-confidence debates against the government's operation (G2).

The Cabinet, which is headed by the prime minister, exercises executive power. The prime minister is the leader of the party that holds the majority votes in a general election. Before the major public reform in 2002, the administrative power of government consisted of fifteen ministries, including the Office of the Prime Minister. The Cabinet consists of no more than thirty-six members, including the Prime Minister (G2).
According to Government documents (G16) these fifteen ministries were: the Office of the Prime Minister; the Finance Ministry; the Foreign Affairs Ministry; the Defence Ministry; the Agriculture and Co-operatives Ministry; the Education Ministry; the Transport and Communications Ministry; the Commerce Ministry; the Public Health Ministry; the Science, Technology and Environment Ministry; the Ministry-level Bureau of University Affairs; the Ministry of Justice; the Ministry of Labour and Social Welfare; the Ministry of Industry; and the Interior Ministry.

Judicial power is independent and separate. In particular, the Kingdom of Thailand has adopted a Western-style legal system of Magistrates Courts, Appeal Courts, and the Supreme Court. Apart from three major courts, there exist some special courts (e.g., the Juvenile Court, the Labour Court, the Local Administration Court, and the Military Court) to serve a wide range of lawsuits sufficiently (G2).

Unlike other previous constitutions, the 1997 Constitution is known as "The People’s Constitution" since the drafting was made by representatives elected by the people. This constitution reflects the increasing desire to develop a democratic system that results in later political reform (G2). The major public administrative reform in the Kingdom of Thailand was firstly introduced in October 2002. According to the former Prime Minister Thaksin Shinawatra, "Toward Participatory and Transparent Governance" was a subject placed at the top of the Royal Thai Government’s agenda. This reform was intended to cover a five year period but has continued beyond this (G6).
The objective of the reform was defined by the former Prime Minister Thaksin Shinawatra as "the benefit and happiness of the people and the country as a whole" and this was understood as the ultimate goal to which public administration would adhere. Moreover, all state officials were urged to adopt three joint missions in the next four years: firstly to overcome the nation’s poverty; secondly to attain a moral, knowledge-based society and family happiness; and thirdly to achieve sufficient infrastructure in terms of health care system and social security (G6).

In doing so, the Royal Thai Government has implemented its bureaucratic reform into three areas covering structural reform, regulatory reform, and budgeting reform. Structural reform attempted to maximise efficiency in government structures and decentralise government power by passing new laws on government restructuring and on good governance. This resulted in not only restructuring government agencies according to an agenda-based structure in order to form a matrix organisation, but also in downsizing central government agencies and delegating more power to local authorities. Regulatory reform aimed at updating the country's legal infrastructure by means of amending obsolete and redundant laws and regulations according to changing environments. Budgeting reform had a focus on achieving better resources allocation and higher cost-effective government operations by means of a strategy-based approach (G6).

According to the State Administration Act (Volume 5) of 2002, the Departmental and Government Agency Improvement and Administrative Reorganisation Act of 2002, the Public Sector Development Commission (PDC) was set up as a major government agency to facilitate public sector development (G11) and, at the same time, the Office
of the Public Sector Development (OPDC) was founded as an administrative and secretarial agency in support of PDC (G12).

The former Secretary-General of OPDC, Thossaporn Sirisamphan, identified five key areas for development: government structure, working procedures with the support of information technology (IT), new working culture, effective communication among civil servants, and the recruitment of the new generation of government personnel (G6).

In the first phrase, the reform mainly placed a focus on restructuring government agencies and resulted in the formation of six new ministries. The restructuring was intended to achieve greater efficiency in the government system which consisted of total 20 ministries. The second phrase of restructuring was planned to proceed in October 2005 at which time the total number of ministries would drop to 18 (G6). Apart from restructuring, new working procedures would have a focus on e-administration, which was introduced to government agencies in three key areas including the Government Fiscal Management Information System (GFMIS), e-services, and “Smart-Cards”. In addition, new administrative tools such as the geographic information system and the management information system were also introduced (G6). The GFMIS provides online real-time monitoring of fiscal and management system as a whole (e.g., financial management or personnel administration) in order to ensure efficiency, accountability, and transparency and the Royal Thai government is one of the first countries in the world using this system (G6). E-services have been introduced by the Royal Thai Government in various forms such as e-procurement, e-revenue, e-budgeting, and e-passports. In particular e-
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Auction is an electronic system used in bidding for government projects to ensure transparency and cost-effectiveness (G6). The "Smart Cards" system is based on the concept of people empowerment with greater and better choices of services in various fields, including education and health care. These cards would serve as multipurpose ID cards for e-citizens (G6).

Moreover, in regard to the new working culture, several management models (such as the result-based system, key performance indicators (KPIs), balanced scorecards, and performance-related pay (PRP)), and new management practices such as citizen-centred management, and a Chief Executive Officer scheme have been borrowed from the private sector (G6). A new working style was regarded as a critical factor to success. In this respect the private sector's working culture was to be 'borrowed' to combine with the existing culture such that public administration would be carried out based on goals, rather than rules and regulations. The focus was on quick operations, efficiency, and cost-effectiveness. As a result, this new working style was to be based on citizen-centred management to allow for more participation of government stakeholders in the decision making processes. The Chief Executive Officer (CEO) Scheme would place an emphasis on various areas including leadership and teamwork, a shared vision, mission, and strategy, and management skills, responsibilities, and accountability. In this regard, seventy-six CEO Governors as well as sixty CEO Ambassadors were equipped with authority, teams, and resources in order to carry out government policies in an integrated manner.

The current public sector reform in the Kingdom of Thailand has been carried out based on NPM notions (e.g., accountability, the link of effectiveness to resource
allocation and rewards, restructuring of organisations according to duties and responsibilities; see subsequent chapters; G13; G15), in order to respond to its citizens' demands for efficiency (G15). This can be seen in the emphases of several sections of the Good Governance Act 2003. Section 2, for instance, is concerned with public administration for citizens' happiness, Section 3 with public administration for state's effectiveness, Section 4 with public administration for efficiency and economy, Section 5 with reduction of state's working procedures, Section 6 with amending of government agencies' missions, Section 7 with quality of services in response to citizens' demands, and Section 8 with performance measurement in government agencies (G13).

In response to the idea of NPM, over the past few years the OPDC has not only campaigned for changes in civil servants' attitudes, values, and cultures, but also hosted related seminars and training programmes for top and middle executives of central government agencies and local authorities (see http://www.mmpm4u.com.). The need for PMM in the Thai public sector became evident through popular and media concern about government performance since the first administration established under the 1997 Constitution (G5). For example, in February 2004, a survey of public opinion about government performance was conducted by the National Statistical Office under the Ministry of Information and Communication Technology among 5,800 respondents throughout the nation. The survey included questions on customer satisfaction with government performance, government activities, government policies, the performance of Cabinet members, and the economic and social situation (G5). The results of the survey showed most respondents were satisfied with government performance, which accounted for
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82.7%. The numbers of those who were not satisfied with government performance and of those who had no opinion were nearly equal, each of which accounted for about 8%. The government activity that respondents were satisfied most was on public health, followed by sports, education, tourism, economic management, public relations and dissemination of information, finance, transport, politics, social affairs, foreign affairs, security, and the supervision of government agencies. According to one of government policies, the government’s nationwide poverty registration programme appeared to be one of the most successful programmes as it accounted for 93.5% satisfaction rate. Owing to economic and social situation, more than half of the respondents (55.4%) agreed that the overall Thai economy was improved comparing to the last year’s performance. About one-quarter of the respondents (74%) said there were no differences between the current year and the last year’s economy. Less than 10% of the respondents thought that the current economy was worse than the last year’s.

As has been seen, the contents of the survey were mostly focused on the government’s popularity. In other words, the survey was likely to be employed as a means for the government to improve its image to achieve its political objectives rather than reflecting its actual performance. Another initiative as part of this development was the Performance Agreement (PA). This is used as a public administration tool which reflects principles of good governance, accountability, effectiveness, value for money, efficiency, and quality (section 12 as well as chapter 8 of the Good Governance Act 2003, G14). Since 2003, all Thai government agencies at all levels have responsibility to formulate strategic plans and determine KPIs to complement the Annual PA and systematically undergo a performance measurement.
process. In recent years, the Royal Thai Government has launched the State Administration Plan (2005-2008). As a result, all government agencies have to modify and make existing strategic plan consistent with the government strategies included in the State Administration Plan (2004-2008) (see below) (G14).

In measuring government performance, a balanced scorecard is applied to four perspectives, each of which is given a specific weight of ratings. To help government agencies to determine the right KPIs and targets, the PDC sets up a negotiating commission. Thus performance evaluation is conducted by government agencies using a Self-Assessment Report and third party evaluators twice a year. In addition to a Self-Assessment Report (SAR), the assessments also require results of a customer satisfaction survey. In each year, after the Thai Cabinet’s approval, the OPDC allocates incentives to government agencies (G14).
In particular, Section 8 of the Good Governance Act 2003 is concerned with performance measurement in the public sector and has encouraged the introduction of strategic management. Government Strategic Management is composed of three major stages: strategic planning (see below); implementing and executing strategy; and strategically evaluating and reviewing performance (G13).

Figure 2.2: Strategic Planning

In the first stage, strategic planning attempts to systematically link a government agency’s strategy to government strategy as a whole. The Public Administration Plan 2004-2008, which was established by the central government, would be cascaded down the government hierarchy from the ministry level to the local authority level, and then incorporated into a four year master plan for each agency. The four year master plan would include goals, KPIs and Balanced Scorecard, as well as a PA in...
which top-executives are required to commit to an agreed performance result (G13). The PA consists of four perspectives: strategic effectiveness; service quality; operational efficiency; and organisational development (G15).

In the implementing and executing strategy stage, action plans are established and risk analysis conducted in accordance with organisational strategies. These activities are linked to annual budget expenditure and, at the same time, change management is introduced in order to reshape systems in areas such as structure, technology, working procedures, development of personnel competency, and amendment of laws and regulations (G13).

In the final stage which involves strategically evaluating and reviewing performance, each government agency conducts a self-assessment and makes a report to show progress on budget expenditure, organisational performance, and KPIs for each quarter and for a whole year. In addition, there is an official visit and an auditing of the annual SAR twice a year by an external third party and the Public Inspection and Evaluation Commission. Financial and non-financial rewards are provided in order to motivate the executives and civil servants to comply with the NPM scheme (G13).

With the Thai Cabinet’s approval on July 8, 2003, four ministries including the Ministry of Industry, the Ministry of Finance, the Ministry of Commerce, and the Ministry of Justice were selected as the first group to carry out the Chief Change Officers programme. Each of four ministries had to establish a strategy of development and submit to the Cabinet by November 8, 2003. This resulted in a PA and a ministry-level strategy (G9). The Finance Ministry will be the focus of this
study as one of the key areas in the development of PMM in the Thai public sector. The reasons for this choice will be fully discussed in the following chapters. But first some detail about the Ministry will be provided.

The Thai Finance Ministry evolved from the Royal Treasury Department which was established by King Boromtrilokanat in the 15th century as a principal government agency to collect various taxes and import duties, to deal in trade with foreign merchants, and to operate the Crown's warehouse business and merchant fleet. Due to inefficiency of the then tax system, the tax concessionaire system was adopted during the reign of King Rama III (1824-1851). The system appointed the highest bidders as tax collectors for given types of business in which the Royal Thai government maintained monopolies. Tax collection agencies, at that time, were undertaken by diverse departments, members of royalty or high ranking officials. Due to the Bowring Treaty signed with England in 1855, a wider door to the international trading community was opened. Although the country was at a disadvantage, international trade grew. As a result, the first Royal Mint was set up in 1860 to increase money in circulation (G7).

The Royal Treasury, as a central agency for revenue collection, was established in 1873. Then, two years later national revenue management was put under the jurisdiction of one agency, the Royal Treasury Department. This instituted the official system for disbursement of the treasury fund, auditing, levying and collection of various categories of taxes, and duties and liens. It also laid down the responsibilities, for administrative ranks of civil servants and the legal duties for tax and customs officers in the collection of revenues (G7). Following the transition from Absolute
Monarchy to Constitutional Monarchy in 1932, the Ministry of Finance came into its own with the Civil Service Reform Act of 1933. The Royal Treasury Ministry was then changed to the Ministry of Finance (G7).

The Thai Finance Ministry at the time of the study consisted of nine departments and nine state enterprises (See Figure 2.3 below). The nine departments encompassed the Office of the Permanent Secretary, the Fiscal Policy Office, the Treasury Department, the Comptroller General Department, the Customs Department, the Excise Department, the Revenue Department, the Public Debt Management Office (PDMO), and the Office of State Enterprise and Government Securities (OSE) (G10). The state enterprises under the supervision of the Finance Ministry included the Government Lottery Office, Thailand Tobacco Monopoly, Government Saving Bank, Government Housing Bank, Krung Thai Bank Public Company Limited, Bank for Agriculture and Agricultural Cooperatives, Liquor Distillery Organisation, Playing Cards Factory, and Export-Import Bank of Thailand (G10).

The Finance Ministry's role and responsibilities has developed over time in accordance with a series of national development schemes. The Ministry is, as defined in The Public Administration Act, in charge of managing an array of matters ranging from public finance to taxation, treasury, Government property, operations of Government monopolies, revenue-generating enterprises which can be legally operated only by the Government, and other organisations to which the Government has contractual obligations. The Finance Ministry is also responsible for providing loan guarantees for government agencies, financial institutions, and state enterprises, whereas, the Finance Minister, as the head of ministry, sets the overall policy
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directions with assistance from his Deputy Ministers. The Permanent Secretary for Finance oversees the management and functioning of the Ministry's and the Directors-General executing matters concerning their own individual departments (G8).
Figure 2.3: The Thai Finance Ministry's Organisation Chart

Source: Adapted from G10
Conclusion

What can be seen from this overview is that in formal terms it appears to be clear that the Thai public sector appears to be moving in the direction of NPM, including the emphasis on PMM – these terms will be fully discussed in the following chapter. However, based on the researcher’s own experiences of working within this sector, it appeared to be clear that the rhetoric of progress towards NPM and a performance-driven form of organisation did not appear to be apparent in reality. It appeared that many parts of the organisation that he was familiar with were finding it difficult to change from their traditional ways of organisation and practice and that, in particular, there was dissatisfaction with the PMM system. Given the importance of this project for the Thai public sector, it therefore appeared important to be able to investigate systematically these observations and to explore the possible reasons for the ways in which PMM was being developed within the sector and thereby to identify weaknesses and lessons that could be used for the future, both in terms of understanding the nature of PMM itself and for its application in complex situations.
CHAPTER THREE
LITERATURE REVIEW

Introduction

The previous chapter aimed to provide the background of the research as a gateway to the rest of the thesis. This chapter presents a review of the literature in key areas relevant to the study in order to show how the questions stated in Chapter 1 were generated as a guide to the investigation. Because of the complexity of the issue concerned, the approach taken will be cross-disciplinary and will draw on literature from the main areas that are relevant to understanding PMM in the public sector: the NPM debate; organisational structural issues, including organisational culture and HRM; and issues related to PMM itself. The approach is therefore concerned to emphasise the contextual nature of understanding PMM – i.e., that it cannot be understood in isolation but must be related to the wider organisational processes within which it is located.

A shift to new public management has made performance measurement and management a key concern for the public sector where it has been seen as a critical part of reforms to improve government performance. As will be shown below, performance management, although taking various forms, always involves some form of measurement of activities (the ‘performance’) that provides the basis for the approaches to its management. For this reason, the term PMM (performance management and measurement) will be used throughout this thesis to emphasise this factor and, as will be seen, to retain attention on the fact that it is often the issue of
measuring performance that makes performance such a difficult and contentious issue in most organisations. However it is first necessary to explore the origins of the approach by reference to its more usual label of performance management. The term 'performance management' appears to have originated in the work of Beer and Ruh (1976) and was used by these authors to differentiate it from the term 'performance appraisal'. Performance management became a new approach to managing performance in the USA and in the UK in the mid 1980s (Armstrong, 2000; Armstrong and Baron, 1998), and has been a key factor in many public sector reforms (OECD, 1997). The terms 'performance management' and 'performance appraisal' have been used interchangeably but this has been argued to be a confusion (Aguinis, 2009; CIPD, 2009; Risher and Fay, 2007; Armstrong and Baron, 2005). Performance appraisal can be described as a single HR operation (Stredwick, 2000) that typically involves managers making top-down assessments and rating the performance of subordinates at an annual appraisal meeting (Risher and Fay, 2007; Armstrong and Baron, 2005; Armstrong, 2000). Although performance appraisal is widely-used for identifying individuals' strengths and weaknesses it remains only 'a part of a bigger whole' of performance management (Aguinis, 2009). By comparison, performance management is regarded as a holistic approach to people management, which embraces a broad range of HR activities e.g., recruitment, training, and pay and rewards (Stredwick, 2000). It is intended to be a continuous and forward looking process (Risher and Fay, 2007; Armstrong, 2000) that allows managers and their subordinates to work together towards personal development and performance improvement. Thus the term PMM will be used here to cover a broad range of activities that encompass organisational level policies and goals and the assessment of individual performance, both of which appear to be closely interconnected. Thus
rather than try to separate them artificially, the different levels of activity will be identified within the context in which they are encountered empirically. However to enable this distinction to be made when it is encountered in the empirical study, it is first necessary to examine the various dimensions analytically through the relevant literature.

It can be therefore suggested that to accomplish a thorough understanding of PMM, a multi-level analysis is required. Such an analysis will need to cover the history and origins of PMM as contemporary approaches will be influenced by past practices. It also will need to take account of the context within which PMM has developed and is implemented – as was seen above, this importantly includes a recent shift from private sector origins to the public sector. In addition the analysis will need to cover the institutional or organisational level, that is, how PMM is used as part of organisational strategy and is incorporated into formal organisational policies and practices. For this purpose, the chapter will be divided into sections that reflect these levels. The first main section will examine the context of PMM, covering the rise of NPM, organisation structures, and the emergence of HRM. The second section will focus on the PMM process and examine micro- and macro-level processes of PMM.

This framework assumes a contingency and contextual approach to understanding organisational processes and practices, rather than assuming these to be objectively determined and given for all social contexts. This allows situational factors or specific events to emerge from the context of the investigations and to be taken into account. The intention is to construct an understanding of the meanings attached to PMM in the Thai context, as the process was experienced by participants, rather than viewing
it as a purely objective set of practices that could be applied unproblematically in a uniform manner.

The Context of PMM

The rise of PMM within the public sector can be seen as part of a wider pattern of change that has taken place over the 20th century affecting the nature of organisations and employment practices. In the broadest terms this can be seen as part of the so-called decline of bureaucracy and the emergence of ‘post-bureaucracy’. Associated with this change in organisation structure has been a shift in employment practices from the so-called ‘Traditional Personnel Management’ (TPM; associated with bureaucratic principles) towards Human Resource Management (HRM; associated with post-bureaucratic ideas and an emphasis on flexible performance-driven policies). These two tendencies have been associated in debates about the public sector with the idea of NPM as a reflection of these two patterns of change in the delivery of public services. It will be shown in this section that although these ideas have a theoretical coherence, empirical research in this area reveals greater complexity and variation than these macro-theoretical ideas suggest.

From Private to Public – The Rise of NPM

This section examines the origins of the so-called NPM, in particular the significance of private sector management practices, and demonstrates how the adoption of NPM has made PMM a central feature of attempts to change public sector employment relationships. It will be shown that although NPM takes different forms in different international contexts, the notion of PMM remains a core component. The research reviewed in the section shows that, although the principle of PMM appears to be a
universal feature of NPM, the exact way in which this is put into practice can vary. In addition to national context, two further influences on this variation are identified: the nature of organisation structure (in particular, the extent to which bureaucratic principles are retained); and the approach that is adopted towards the management of human resources (the extent to which individualism is emphasised over collectivism). These factors are discussed in the following sections of this part.

Although PMM originated in private sector settings, its concepts and practices have now been transferred to the public sector and become significant part of public reforms in many countries (Pollitt and Bouckaert, 2004) where it is expected to offer the same outcomes for the public sector. However, evidence suggests that the practice of PMM has varied according to the context in which it operates. Thus it is necessary to discuss NPM and its initiatives, as it significantly provides the context for PMM in the public sector.

The term ‘public sector reform’ has been widely recognised since the late 1980s and 1990s (Pollitt, 2003). It has emerged after the questioning of the old bureaucratic model of public administration of the 1970s. There are several terms used by authors, to describe this reform process, such as ‘new public management’ (Hood 1991); ‘market-based public administration’ (Lan and Rosenbloom, 1992); the ‘post-bureaucratic paradigm’ (Barzelay, 1992); ‘entrepreneurial government’ ( Osborne and Gaebler, 1992); and ‘managerialism’ (Pollitt, 1993). However it is labelled, this has resulted not only in a shift in terminology (Farnham and Horton, 1996; 1993a), but also a shift in the basis of decision making from ‘rules’ to ‘performance’ (OECD, 2003). The new model is now most widely referred to as ‘NPM’, with a strong
emphasis on management processes (e.g., output and performance measurement; Hughes, 2003; OECD, 2003) and business values from the private sector (Denhardt and Denhardt, 2000, p. 551; Hood, 1995, p. 94).

It is claimed that the NPM first originated in the United Kingdom (in the early 1980s) and then spread to the United States, Australia and New Zealand, Scandinavia and Continental Europe, respectively (Lane, 2000). In particular, the success of public sector reform agenda in the NPM pioneer countries stimulated other governments all over the world towards new standards and new roles (Denhardt and Denhardt, 2000, p. 551). Although NPM has had a considerable impact on both theory and practice of public administration there is no consensus on exactly what constitute NPM initiatives in the literature (Torres and Pina, 2004, p. 451; Hughes, 2003). As a result, NPM reform has been characterised in different ways. For example, Hood (1995, pp. 95-96) asserts that there are seven common characteristics of NPM widely identified:

1) a shift towards greater disaggregation of public organisations into corporatised units organised by product/service;
2) a shift towards greater competition both between public sector organisations and with private providers;
3) a move towards greater use of private sector styles of practices;
4) a move towards greater stress on discipline and frugality in resource use;
5) a move towards more emphasis on visible hands-on top management;
6) a move towards explicit formal measurable standards and measures of performance and success; and
7) a shift towards greater emphasis on output controls.
Hughes (2003) reviewed the work of OECD (1991), Hood (1991), Holmes and Shand (1995), and Pollitt (2001), and found a substantial overlap of NPM initiatives. He offers thirteen main points associated with the public sector reform: 1) a strategic approach; 2) management not administration; 3) a focus on results; 4) improved financial management; 5) flexibility in staffing; 6) flexibility in organisation; 7) a shift to greater competition; 8) the new contractualism; 9) a stress on private sector styles of management practices; 10) relationship with politicians; 11) relationships with the public; 12) separation of purchaser and provider; and 13) re-examining what government does. More recently Pollitt (2007a, p. 110) describes NPM as a two level phenomenon. At the higher level, it is a theory of public sector improvement through the importation of private sector management tools and techniques. At the lower level, it is a collection of particular management concepts and practices including: an emphasis on performance measurement, especially measurement of outputs; a shift towards more flexible forms of organisation (lean, flat, small, and specialised); a replacement of hierarchical relations with contracts as the principal coordinating device; an emphasis on market-type mechanisms of competitive tendering, league tables, and performance-related pay; a focus on treating customers or public service users along with the application of quality improvement programmes, in particular Total Quality Management (TQM).

As has been seen, the concept of NPM has been developed by different and even the same author over time (i.e., Pollitt, 2007a; 2001). This suggests a constant movement of NPM initiatives in the literature. This leads Homburg and Snellen (2007) to conclude that “NPM takes many forms and shapes, and is implemented in a variety of ways in diverse institutional contexts” (p. 135). But despite its considerable variations
in the form (Pollitt, 2007b; Hood, 2005; 1995, p.95; Farnham and Horton, 1996), an emphasis on greater performance through the use of tools and techniques, in particular, performance management has been a consistent feature (Adolfsson and Wikström, 2007, p.73; Pollitt, 2005, p.25). In addition, the NPM phenomenon has spread throughout the world in a manner that affects all countries, albeit to considerably different degrees (Lane, 2000; Hood, 2005; 1995, p. 95; Farnham and Horton, 1993b).

However, in his analysis on the ways in which a traditional Portuguese bureaucracy adopted NPM, Araujo (2001, p.930) notes that the implementation of NPM initiatives was limited and constrained by the Portuguese government's institutional framework and prevailing culture. Similarly, the findings of Torres and Pina (2004, pp. 446-447) on the nature and extent of modernising Spanish public administration (compared with NPM developments in the UK) show that although Spain had apparently implemented many NPM initiatives, there were few visible changes in its government structure and behaviours. Rather they refer to the Spanish reform as a repertoire of readjustments for improving the image of the government.

In a study on NPM transformation in the non-Anglo-Saxon EU countries (classified into three groups according to public administration models: Germanic [Austria, Germany, and Switzerland]; Nordic [Finland, Norway, and Sweden plus the Netherlands] and Southern European [France, Italy, Portugal, Spain, and Belgium]), Torres (2004) found evidence to suggest that although all countries studied were carrying out modernisation reforms in their public administration, there was no single model across the three groups, even within similar public management styles.
Moreover, he observed that most EU countries seemed to emphasise their own interests (e.g., making their public administration more transparent, accountable and closer to citizens) rather than paying attention to what could be referred to as 'the Anglo-American global reform package' (p. 110).

Similarly, Pollitt (2007b; 2003) observes that NPM ideas have been greeted differently by different countries. Some big and important countries (e.g., Japan and Germany) have shown reluctance to take on NPM ideas, while many others (e.g., Canada, Norway, Finland, the Netherlands, Denmark) have been cautious and selective in taking from the NPM package. This leads PUMA (2001) to conclude that a 'one size fits all' approach to public sector reform has never existed, and by contrast, any country that wishes to implement public sector reform programme needs to make such reform institutionalised within its government system to ensure constant adaptability to changing external and internal environments. However, the extent with which new approaches can be institutionalised is likely to also reflect the nature of the organisation structures that will be in place as these will exert an influence on how far and how quickly radical changes can be initiated. This is therefore the next issue that must be examined to understand the impact of the changes outlined above.

Organisational Context: Bureaucracy and Post-bureaucracy

This section examines the ways in which organisational design has changed and how this has influenced the way in which performance is defined and developed. One of major drivers of public sector reforms in many western governments in the late 1980s was the idea that the bureaucracies were too focused on rules and official positions, and not enough on satisfying the citizens who use their services (Hughes, 2003;
Pollitt, 2003). Such demands for greater responsiveness increased and made government’s traditional bureaucratic structure seem ineffective (PUMA, 2001). In other words, the term ‘bureaucracy’ was regarded as a barrier to freedom, creativity and efficiency in public services (O’Toole and Meier, 2003, p. 43; Pollitt, 2003). In response to this, public reforms around the world have aspired to move away from purely hierarchical systems towards alternative forms and processes, in particular ‘post-bureaucratic’ models (Hughes, 2003; O’Toole and Meier, 2003, p. 43; PUMA, 2001; Kernaghan, 2000, p.93). As Bellamy (1999, p.89) puts it: “Government is to be streamlined; services are to become more responsive to citizens; and the costs of complying with government bureaucracy are to be substantially reduced”. However, the extent to which this shift towards post-bureaucracy is an empirical reality or a rhetorical aspiration must be considered as there has been considerable debate regarding this issue in the literature.

According to Albrow (1970), the term ‘bureaucracy’ can be divided into three major concepts. First, bureaucracy is seen as a fundamental form of government. Secondly, it is a system of administrative efficiency and, thirdly, a negative connotation for public services involving ‘red tape; and obstruction. O’Toole and Meier (2003) describe the term ‘bureaucracy’ in this last sense as “equated with stodgy, hidebound, and inefficient operations...” (p. 43). Although it is the latter notion that has often been used to justify the emergence of the post-bureaucratic idea, the other two usages cannot be discounted (and some claim would have been overlooked in the rising acceptance of the view that ‘bureaucracy is dead’; Smith, 2009).
Thus, in dealing with the claimed shift from bureaucracy to post-bureaucracy, it is necessary to examine firstly the nature of bureaucracy. Despite its various definitions (Lawton and Rose, 1994), the term ‘bureaucracy’ had been a common form of organisation that can be found in both the private and public sectors in the twentieth century with little fundamental difference in management structures or styles between the two (Hughes, 2003). In the study of the public administration, Weber’s theory of bureaucracy has been regarded as the most influential (Hughes, 2003; Lawton and Rose, 1994; Morgan, 1990). Weber saw bureaucracy as a method of rational organisation (Lawton and Rose, 1994) and set out ten principles to provide an ideal-type model of the application of rational-legal authority (Gerth and Mills, 1948, pp. 196-198):

1. Fixed and official jurisdiction ordered by laws or administrative regulations;
2. Regular activities distributed in a fixed manner;
3. Authority by directives according to fixed rules;
4. Rights and duties of administrators prescribed by law;
5. The principles of office hierarchy and of levels of graded authority where there is a supervision of the lower offices by the higher ones;
6. The management of the modern office is based on written documents which are preserved, and the official activity separate from private lives of the officials;
7. Separation of public from private lives of officials;
8. Office management based on thorough and expert training;
9. The official activity with demand for the full working capacity of the official;
10. Management of the office following specific rules which are stable and able to be learned.
Moreover, Weber also identified the position of the official (the terms and conditions of work) as logically following from the ten principles above (Gerth and Mills, 1948, pp. 198-204):

1. Office holding is a vocation;
2. The official usually obtains a social esteem;
3. The official is appointed by a superior authority, not elected by the governed;
4. The official position is held for life;
5. The official earns a normally fixed salary in relation to the rank and the length of service;
6. The official is set for a career within the hierarchical order of the public service.

The two principles given by Weber above (i.e., the ideal-type bureaucracy and position of the official) were claimed to exemplify the three general aims of certainty, impersonality, and efficiency, ensured through the hierarchy of authority, the system of rules for consistent decision-making, and the productivity of specialisation. In this ideal-type form bureaucracy was regarded by Weber as the highest form of organisation (Meier and Hill, 2005; Hughes, 2003; O'Toole and Meier, 2003). Much of the claimed efficiency of the bureaucratic was associated with the practice of work flow formalisation and this has been extensively researched, particularly in relation to “the extent of written rules, procedures, and instructions” (Adler and Boryes, 1996, p.62). Formalisation creates rule-based mechanisms of control which impact alignment of task requirements and job design; the degree of formalisation will determine the number of procedures and degree of autonomy and control, which are applied into the organisation (Fox, 1974) and varying degrees of formalisation can
result in different employee attitudinal outcomes (Adler and Borys, 1996, p.65). This can play a major role in shaping employees’ attitude and behaviours at work either positively or negatively, especially when combined the potential conflict between expert power and position power (Adler and Borys, 1996, p.62). The former is seen as gained from “the exercise of control on the basis of knowledge” (Adler and Borys, 1996, p.62) such that individuals obey because “the rule of order is felt to be the best known method of realising some goal” (Gouldner, 1954, p. 22), creating a positive sense of role responsibility and required behaviours. However, the latter can be derived from “incumbency in a legally defined office” (Adler and Borys, 1996, p. 62), which, if it lacks technical or professional expertise, can create a rule-bound administrative approach (Gouldner, 1954) that suppresses creativity, produces dissatisfaction, and de-motivation for workers (Adler and Borys, 1996, p.61). However, contingency approaches assume that the relationship between formalisation and attitudinal outcomes depends on the context within which formalisation operates. It argues that “employees can react positively both when high levels of formalisation are associated with routine tasks and when low levels of formalisation are associated with non-routine tasks” and vice-versa (Adler and Borys, 1996, p.65). As a result, bureaucracy with high levels of formalisation does not always produce disaffection (Horton, 2006, p. 536; Bozeman, 2000).

However, Weber’s model of bureaucracy, whether regarded as an ideal-type or a fundamental theory of public administration, has been challenged by many. Hughes (2003) identifies a tension between bureaucracy and democracy stemming from the concept of the official secret and, in addition, points to the public choice critique which claims that government bureaucracy takes away freedom of the individual in
relation to choice, and distorts the operation of markets. This can be seen as one strand of the argument that has challenged the traditional model of public administration and encouraged the more market-oriented debates about the need for a NPM approach. From an organisation structure perspective, Alvesson and Thompson (2005) present two major critiques of the nature of bureaucracy: first, bureaucracy produces degrees of inefficiency, dehumanisation, and ritualism, widely known as 'dysfunctions'; second, bureaucracy works well only within certain environments (i.e., predictable and stable), and not in those with a high degree of unpredictability and instability in which innovation and flexibility become a source of competitive edge. The former critique is associated with the claim that the enforcement of bureaucratic regulation can lead to either over-conformance with rules and regulations (Merton’s [1940] concept of goal-displacement and Blau’s [1955] concept of ‘work to rule’), or rules are often completely ignored (Crozier, 1964; Gouldner, 1954), which leads to technical inefficiency, undermining claims of bureaucratic efficiency and rationality. The second critique is associated with contingency theories. Bolin and Hårenstam (2008, pp. 543-544) point out that Burns and Stalker’s (1961) description of the mechanistic model overlaps with the notion of bureaucracy, and the organic model with post-bureaucracy, also emphasising the view of the bureaucratic structure as dysfunctional within a dynamic environment. Thus, the shift away from the bureaucratic model mirrors a contingent relationship between organisation structure, environment and organisational performance. In fact, as Alvesson and Thompson (2005) go on to point out, the focus of the critique of bureaucracy has shifted from its dysfunctions and limits to the claim of the demise of bureaucracy. For example:
Hierarchy is dead. The organisation of the future will be virtually layerless and increasingly boundaryless, a series of information networks in which more electrons and fewer people will manage processes. Information will become transparent. No leader will be able to hoard the facts that once made the corner office so powerful. (Welch and Byrne, 2001, p.433).

It is increasingly assumed that bureaucracy is no longer workable in a contemporary environment. Intensification of competition, deregulation, globalisation of production, increasing rates of product innovation, the increased significance of knowledge and information technology have rapidly changed customer preferences, and the dominance of intangible services are frequently cited drivers of this break with bureaucracy and the emergence of post-bureaucracy (Alvesson and Thompson, 2005).

The term post-bureaucracy is often adopted to denote a trend of significant change in organisation structure and operational principles (Grey and Garsten, 2001, p. 230), also referred to post-hierarchical, post-modern organisation, the virtual corporation, the cellular form, and the boundaryless corporation (McSweeney, 2006, p. 22). Heckscher (1994) has been regarded as a pioneer in the construct of a post-bureaucratic ideal-type, and identifies twelve distinct elements of his model:

1. an emphasis on institutionalised dialogue to create consensus;

2. dialogue defined by the use of influence which is derived from knowledge and experience to persuade others;

3. influence underpinned by trust (i.e., the belief that all different parts of the organisation are moving toward the achievement of over organisational goal) and interdependence (i.e., the fortunes of all are dependent on the performance of all);
4. an emphasis on organisational mission for communicating what is sought to achieve with insiders and outsiders, and for linking overall organisational goals with individual goals;

5. the widespread sharing of information about organisational strategy to link individual contributions to that mission;

6. a focus on principles which allow for greater flexibility and responsiveness to changing circumstances to guide actions that are expected to achieve that mission;

7. frequent restructuring of decision making process on the basis of contingent relationship between the ways the problem to be resolved and the nature of problem itself;

8. relationships of trust strengthened by the support of information technology (IT) that provide information about who to go to for a particular problem or issue;

9. the use of thorough and open process of association and peer evaluation to establish social recognition and foster trust among members;

10. the emergence of the new form of labour market as a result of the open boundaries of post-bureaucracies;

11. an emphasis on performance-related pay (PRP) and a shift from collectivism toward individualism in employment relations;

12. a concentration on flexible time frames which are subject to constant change.

The model of post-bureaucracy (above) reflects a radical move from administrative stability towards greater flexibility and incorporates new concepts and practices, mostly in the area of people management (e.g., commitment and trust,
individualisation of employment through PRP, knowledge sharing, temporary and contract employment, strategic management). Bolin and Härenstam (2008, p.542) review works associated with the rise of post-bureaucracy such as Pollert (1988), Wood (1989), Sayer and Walker (1992), Karlsson and Eriksson (2000), Maravelias (2002), and Lounsbury and Carberry (2005), and find both variations and similarities in how it is treated. For some, post-bureaucracy is a distinct form of organisation, opposed to bureaucracy, whereas for others it is an extension of bureaucracy. Some writers argue that post-bureaucratic characteristics can coexist with those of bureaucracy, whilst others maintain that post-bureaucracy is largely a rhetorical fiction rather than a description of actual organisations. For example, Meier and Hill (2005) argue that despite the claim of the downfall of bureaucracy, there are still a wide range of areas where bureaucracy remains necessary (e.g., national defence). Similarly the importance of the distinctive bureaucratic ethos and values (including political neutrality, loyalty, honesty, trustworthiness, fairness, incorruptibility, and serving the public and these) which make government organisations different from private sector companies (Farnham and Horton, 1996) has been highlighted by du Gay (2007; 2003; 2000; 1996):

This epochal schema in which ‘bureaucracy’ or ‘administration’ is reduced to a simple and abstract set of negativities contrasted with an equally simple and abstracted, but positively coded, set of ‘entrepreneurial’ principles systematically evacuates the field of...any of its characteristic content. How could anyone be for bureaucracy if it is defined simply as a dysfunctional, outdated and inefficient form of organisation? Who could not be supportive of a form of organisation that shares none of those deficiencies and guarantees a better future? However, when attention is focused on the specific purposes of public administration and its particular political and constitutional embeddedness, the generalised articulation of bureaucracy with the outmoded and dysfunctional is less obvious and the generalised superiority of ‘entrepreneurial principles’ much more problematic. (du Gay, 2007, p. 147).
Thus the distinctive ethos and values of bureaucratic public administration would appear from this perspective to be significant to the legitimacy of any government and its quality of public services delivery. Thus, on further inspection the term 'post-bureaucracy' in the public sector appears to be not as clear as often suggested by supporters in the literature (e.g., Kernaghan, 2000). Although there does seem to have been a move away from the classical Weberian ideal type, there is doubt about whether the new form is really merely a variant on the bureaucratic form rather than a radical alternative (Pollitt and Bouckaert, 2004). In this respect changes such as merging or splitting units to enhance coordination, sharpen focus or encourage specialisation, and process changes such as setting quality standards or introducing new budgeting procedures, may involve only limited changes to the substantive organisation structure below the appearance of difference. In fact Heckscher (1994) does identify ‘variants’ of conventional bureaucracy that he claims could be confused with post-bureaucracy, as follows:

1. The Cleaned Bureaucracy is seen as a reaction to a dysfunctional bureaucracy which involves recovering original bureaucratic principles by removing excessive rules and regulations which has grown over time. He argues that increasing the autonomy of operational parts or the separation of distinct areas of expertise is not anti-bureaucratic but a bureaucratic strength that strengthens an all-powerful centre.

2. The Closed Community Heckscher claims is an “alternative” bureaucracy, citing IBM as an example, based on shared values and strong unity of purpose, emphasising loyalty and cooperation. As a problem with this form he notes that the promises of security which are provided can make
they/the system rigid and can lead to a loss of loyalty and a sense of betrayal in response to change.

He also talks about Market Models and Simple Federations which he regards as non-bureaucratic structures but not equivalent to the post-bureaucratic form because of their reliance on market competition rather than trust. Similarly, Hales (2002) supports the idea that the ‘cleaned’ bureaucracy may often be what is referred to when commentators talk of post-bureaucratic organisations and he refers to this as ‘bureaucracy-lite’:

Despite the claims, the absence of any substantive change to organizational structures or middle managers’ roles was the result...these organizations were only different in that the elimination of one or two layers of management had reduced the size and height of the hierarchy through which regulatory control and coordination was imposed and the focus of the rules had switched from processes to performance. If they were no longer archetypal bureaucracies, neither were they anything radically new: they were, rather, attenuated versions of the bureaucratic formula – “bureaucracy-lite” so to speak...bureaucracy-lite is more consistent with the ethos of bureaucratic control than the more bloated versions. (Hales, 2002, p.61).

An alternative typology related to variations in government bureaucracies is proposed by Considine and Lewis (1999). It differentiates between procedural/ideal type bureaucracy, corporate/managerialist bureaucracy, market bureaucracy, and network bureaucracy, each of which represents an ideal type (Considine and Lewis, 1999, p. 468). The first three types characterise government systems in the Organisation for Economic Co-operation Development (OECD) member countries whilst the network bureaucracy represents a form of governance which they describe as “evident to some degrees in emergent structures in specific policy fields such Acquired Immune Deficiency Syndrome (AIDS), pollution control, and city management” (Considine
The procedural bureaucracy corresponds to Weber's ideal type and was claimed to be in decline by the end of the 1970s (Considine and Lewis, 1999, p.469). By the 1980s, there had emerged corporate bureaucracies, viewing public organisations as ‘corporations’ that should be run by business managers (Considine and Lewis, 2003, p.133). In this regard, the role of management was strengthened through budget reforms and decision making processes became more goal-oriented. This framework can be seen in the UK Thatcher government’s Financial Management Initiative in the mid 1980s, the Australian Labour government’s Financial Management Improvement Programme in 1984-86, or New Zealand’s State Owned Enterprises Act of 1986.

However, the corporate bureaucracy was also seen to have limitations, in particular the operational link between decision making, resource allocation, and formal planning processes was often found missing. One step further from the corporate bureaucracy was the market bureaucracy, also known as ‘contractualism’ or ‘entrepreneurial government’, which was intended to give greater flexibility, reduced planning, and less regulation (Considine and Lewis, 2003, p.133). This model, as a stronger version of the previous model, was intended to focus on competitive tenders,
contracting-out and market incentives. Under this type of bureaucracy, agencies and public programmes operate on a performance basis, while citizens become decision makers on which public programmes should be given continued public supports. However, the characteristics of the market model, such as entrepreneurial behaviour, were found likely to result in goal displacement, corruption of central policy goals by contractors seeking to take advantage of short-term profits, and civil servants considering subsequent job prospects with outside contracts (Considine and Lewis, 1999, p.471). The network bureaucracy was claimed to have evolved as a means to rectify the problems that arise from the previous models, in particular coordination dilemmas posed by multi-actor systems (e.g., the market bureaucracy was seen as falling short of mobilising support, sharing information, investing in new technologies, creating common service standards, and focusing upon the individual needs of supplies and clients). Thus the network form was intended to create more flexible hierarchies with matrix qualities by letting civil servants link between suppliers, co-producers, and customers, using new technologies within a shared organisational culture of trust, and strategic partnership, which would bring together governments, citizens, and other stakeholders (Considine and Lewis, 2003, pp.133-134).

As ideal types, in practice these forms of bureaucracy are likely to be found together in the form of a combination of characteristics or as hybrid forms with an evolutionary characteristic, as Horton (2006, p.533) observes:

Large, highly structured state monopolies, regulated by rules and procedures and coordinated through hierarchies, are being replaced with often competitive smaller, matrix structures, partnerships and networks coordinated by contracts and performance agreements involving complex relationships between public, private and voluntary bodies.
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This reflects Burns and Stalker (1994) earlier view that "...the effective organisation...does not approximate to one ideal type of management system, but alters in important respects in conformity with changes in extrinsic factors" (p. 96). In this respect, bureaucracy and post-bureaucracy can be seen as possible ends of a scale and the degree of shift away from bureaucracy in different organisations can differ according the context in which they operate. The variation also has considerable impact both on the formal and informal structure of organisation, which will in turn shape the nature of performance management practice (as will be discussed further below).

Further complication is added when empirical data from different countries is considered, where it can be seen that the move away from bureaucracy varies considerably (Kernaghan, 2000, p.94). A study by the OECD (1997) on performance management practices associated with NPM also shows that many OECD member countries have attempted to move towards a new form of organisation, i.e., 'manager-dominated and market-oriented' (based on a comparative analysis of ten case studies in OECD member countries including Australia, Canada, Denmark, Finland, France, the Netherlands, New Zealand, Sweden, the United Kingdom, and the United States (see Figure 3.1).
As can be seen from the matrix above, the ten countries all have moved away from a highly traditional public service structure, represented by strong administrative/bureaucratic positions. France has shifted to a managerial approach within the bureaucratic setting, while New Zealand and the UK have moved to market orientations with strong managerial positions. The others, including Australia, Canada, Sweden, the Netherlands, and the USA, reflect managerial approaches with more or less emphasis on market orientation. Denmark moved to a higher emphasis on internal management, while Finland moved to more market type mechanisms. This study also examined the relationship between policies and policy components of programmes in terms of consolidated and disconnection of policies and centralisation and decentralisation of organisation (OECD, 1997) (see Figure 3.2).
The basic lesson to be learned from these arguments therefore is the complex and contingent nature of the shift from bureaucratic practices, meaning that even though there appears to have been significant change in the organisation of public sectors on a global basis, this cannot simply be regarded as representing a simple move from bureaucratic to post-bureaucratic organisation, but is more likely to involve the development of more or less bureaucratic hybrid forms of organisation that reflect their national and local operating conditions and their particular evolutionary histories of development. In short, although there appears to have widespread movement away from bureaucracy, the point of arrival is variable and evolving, although it has generally been towards flatter and more responsive organisational forms.
This has been argued to also mean that such organisations have also undergone cultural changes (Vigoda-Gadot and Meiri, 2008, p. 126; Schedler and Proeller, 2007, pp. 196-197; PUMA, 2001). Organisational culture has been regarded as an object of management which can be a means to performance improvement (Schedler and Proeller, 2007, p. 189; Claver et al., 1999, p. 456) by having direct effects on those who work in the public sector in terms of roles, work conditions, and employment relations (Horton, 2006, p.534). Claver et al. (1999, p.459) draw on various works (Ban, 1995; Adams and Ingersoll, 1990; Feldman, 1985; Deal and Kennedy, 1982) to offer a generic model of the ‘classical’ bureaucratic culture;

1. Authoritarian management style with a high degree of control;
2. Little communication and the management with a univocal, top-down focus;
3. Individuals searching for stability and having limited scope for initiative with orientation towards obeying orders;
4. Repetitive and centralised decision-making process;
5. Reluctance to start innovative processes;
6. High degrees of conformity;
7. Highly reluctant to change.

However, this again must be regarded as an ideal-type and in empirical research there is no consensus among organisational researchers on the methods for studying and understanding organisational culture (Denison and Spreitzer, 1991, p.3) or even on typologies of differences (Cameron and Quinn, 2006; Rashid et al., 2003, p.164).

As has been seen, Considine and Lewis’s (2003; 1999) typology (discussed earlier) suggests that the values of the public sector have developed overtime and, following
on from this, there appears to be no clear trend towards one specific culture. Horton (2006) observes that “public organisational cultures do not appear to have been entirely replaced but rather infiltrated with values and norms and institutional frameworks, which are in many instances in conflict with the traditional normative and ethical frameworks of traditional public administration systems”, or in other words, “what appears to be the case is that in spite of all the changes much of the traditional public administration cultures remain” (p. 537). This raises the possibility of ‘value clashes’ as an unintended outcome of the move away from bureaucratic models (Kernaghan, 2000, p. 100), resulting from the importation of private sector values, the key feature of NPM reforms (Noordhoek and Saner, 2005, p. 41). In the management of culture, it is often the practitioners of HRM who have been considered central and recent developments in HRM have often placed culture-management as a core activity. The same study that documented the rise of NPM in OECD member countries has also shown an increasing concern with HRM within the public sector (Aijala, 2001). Therefore it is to the nature of HRM that the next section is focused.

**Human Resource Management (HRM)**

This section examines the ways in which public sector employment relations have shifted from the so-called TPM (associated with bureaucratic principles) towards HRM (associated with post-bureaucratic ideas and an emphasis on flexible performance-driven policies) and how this has influenced the way in which performance is defined and developed. Associated with the debate about the decline of bureaucracy has been the rise of HRM in place of ‘traditional personnel management/administration’. The latter has been perceived as associated with
bureaucratic organisation, involving a rule-based approach to employment practices reflecting the needs of the organisation for stability and control rather than those of customers or service users. With the rise of competition from Japan and the Pacific Rim, this approach came under threat from the need for companies to respond flexibly and innovatively to these challenges and to become more customer-focused. This also affected the public sector as governments found their revenues under pressure and as service users became used to receiving higher levels of customer service from private companies and expected similar standards from public service providers. In this way there was a central emphasis on performance and performance management of staff rather than simply following established routines. As Farnham (2004, p.284) has pointed out:

Public management reform, in turn, has resulted in people management reforms and people management change. These reforms have affected the ways that work and employment are organized in public service organizations, how people are managed within them, and how the labor union functions in public services. As in the private sector, the term HRM is increasingly being used to describe how personnel management activities are organized and structured in public organizations (Farnham and Horton, 1996; Farnham, Horton, Hondeghem, and Barlow, 1996). The practical implications of these changes have included the development of human HR strategies in public service organizations (and linking these to organizational strategies), decentralization of HR activities to line managers, and the introduction of individualized communication and information processes within them, either in parallel to or to replace collective labor relations institutions. There has also been greater concern shown by public managers with organisational performance.

In many respects these can be seen as similar issues to those faced by the private sector in the previous two decades as in the West it sought to come to terms with the competitive performance of Pacific Rim economies. It was these conditions that are claimed to have given rise to HRM (Goss, 1995) and, in particular, to the emergence
of PMM as a central part of this approach to managing people. Thus, due to the origin of PMM in the private sector settings, it is necessary to discuss this original context.

The term ‘HRM’ originated in the USA as an approach to managing people (Houldsworth and Jirasinghe, 2006; Pilbeam and Corbridge, 2006) and was imported and developed in the UK in the late 1980s (Marchington and Wilkinson, 2008; Hendry and Pettigrew, 1990, p. 19). British academics subsequently distinguished between developmental-humanism (known as ‘soft’ HRM) and utilitarian-instrumentalism (known as ‘hard’ HRM; Hendry and Pettigrew, 1990, p. 17), each of which can be regarded as one extreme position of the continuum of conceptions of HRM (Goss, 1997; Truss et al., 1997, p.53). At one end, the soft approach emphasises the ‘human’ side of HRM (Goss, 1997; Storey, 1992) and is based on control through commitment and Theory Y assumptions: human resources are an organisation’s unique assets, unlike any ‘non-human’ resource. It assumes that increased motivation of employees leads to higher commitment and improved performance, focusing on communication and people development activities that encourage employees to self-regulate their behaviour. Thus human resource (HR) policies are focused on generating commitment towards the achievement of ‘resourceful humans’ through job satisfaction at work (Legge, 2005).

The hard approach, at the other end, focuses on the ‘resource’ side of HRM and embraces notions of tight strategic control, arguing that human resources are to be treated like any other organisational resource under the principles of profit maximisation and cost minimisation (Goss, 1997). In other words, human resources, as passive process inputs, are to be deployed in pursuit of business objectives. Both
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models focus on the links between business and HR strategies but whereas the hard approach tends to be reactive to the market demands of the external markets (‘external fit’), the soft approach tends to focus on how internal human resources can be utilised and developed to create unique competitive advantage (‘internal fit’ or ‘the resource based view of the firm’ [RBV] – see below). Thus, as with the notion of the bureaucratic/post-bureaucratic distinction, there appear to be variants of HR practices (rather than simple alternatives between an ‘old’ and ‘new’ form) ranging from a synonym for traditional personnel management to a focus on ‘internal integration’ and the role of ‘business partner’ (Lawler, 2005, p.165; Ulrich, 1997). However, in the same way that there appears to be a move away from rigid bureaucracy in terms of structure, so there appears to be a common concern with strategic integration within the HRM debate, although with similar approaches to variation (i.e., with no single ‘end point’ of an agreed model).

The need for strategic integration addresses the degree to which human resources issues are part of organisational long-term strategy and the degree to which they are linked to business strategy, making a clear difference from the operational focus of traditional personnel management. Thus the role of the HR function has been claimed to range from ‘administrative services’, ‘business partner services’, to ‘strategic partner’. The administrative services provider concentrates on ‘administrative and legally mandated tasks’ (Lawler, 2005, pp.165-166); i.e., fundamental people management activities such as recruitment and selection, performance appraisal, training, and compensation and rewards (Huselid et al., 1997, p. 172). HR staff deal with operational problems; there are no clear connections between HR systems and business plans or strategies. The ‘business partner’ emphasises how the development
of effective HR systems contributes to the implementation of business plans by ensuring the needed competencies and behaviours are in place (Lawler, 2005, pp. 166-168). Finally, the strategic partner sets out the need for the HR function to look at the overall picture of the organisation and at how HR department can contribute to the initiation of successful strategies (Boxall and Purcell, 2003). It focuses on human capital, organisational capabilities, readiness, and developing HR practices as strategic differentiators (Lawler, 2005, p.166).

However, despite strategic HRM advocates’ claim that HRM should be integrated with business strategy, there seems to be no consensus on how that can be done. This is reflected in the longstanding ‘best fit’/’best practice’ debate. The latter, based on universalism, argues that firm performance can be improved by identifying and adopting specific ‘bundles’ of HR practices that are claimed to drive high performance. This approach has been criticised for assuming that there is an optimum combination of policies that will ensure ‘high performance’ and ignoring the effects on contingent factors. The former, however, is based on contingency theory, and puts emphasis on the fit between HR strategy and an organisation’s broader environmental context (external fit). This too has been subject to criticism for tending to assume a reactive position that views HR strategy as merely derivative from business needs. This has encouraged an alternative view, RBV (or sometimes ‘internal fit’) which focuses on the analysis of internal strengths and weaknesses and seeks to create competitive edge through the development of scarce, valuable (human) resources and building barriers to imitation (Boxall and Purcell, 2003). Here HR strategy focuses on the development of the existing human resources and the use of these to inform and develop strategy in new direction.
Within both the internal and external fit approaches a central feature has been on the delivery of employee performance, with the focus of the latter tending to focus on 'needed behaviours' and the former focusing more on the generating of innovation and creativity. However, in both cases there has been a tendency to think in terms of 'performance management' systems, one such is represented in general terms by Hale and Whitlam (1998), see Figure 3.3.

**Figure 3.3: A Model of Performance Management**

The process is generally self-explanatory but its success is determined by effective practices in all stages of the cycle and the provision of necessary support and information — and as will be seen below, whilst the principle is clear and generally accepted, its application in practice as a unified system appears more difficult to achieve. In addition, the underpinning of such performance management approaches is one of individualism, which requires employees to be addressed as individuals (rather than as members of a collective) such that all aspects of the cycle need to be focused on specific individual needs rather than delivered in an 'off-of-the-shelf' form. This requires a shift from broadly universalistic practices and appears to have increased the heterogeneity of employment practices, widening terms and conditions of employment and introducing flexibility in approaches to managing employment
In the context of public sector reforms, public sector HR managers have been increasingly expected to move towards the latter role (initiating performance and change management, coaching, and transformational leadership) to help establish the more effective delivery of services (CIPD, 2009; Vigoda-Gadot and Meiri, 2008, pp. 127-129). This can be seen as associated with the move towards the adoption of NPM which reflects a similar move from ‘administration’ to ‘management’ (Farnham, 1993a; 1990). Both NPM and HRM operate on the same basis of performance outcomes rather than the adherence to rules and procedures (Brown, 2008; Farnham and Horton, 1996; OECD, 1996). Along with the overall objective of NPM reforms (i.e., to improve efficiency, effectiveness, and flexibility of delivery), many public sector employers in different countries have expressed a desire to be ‘an employer of choice’ (Aijala, 2001). In response, considerable attention has been given to improving public sector HR capacity by developing a wide range of tools covering all aspects of employment focused on service delivery performance (PUMA, 2002, p.8; Farnham and Horton, 2000; OECD, 1996) and becoming more competitive in the labour market (Shim, 2001, p.341), not least through the recruitment of top managers from the external, private sector markets rather than the traditional practice of relying on the internal labour market (OECD, 2004, p.3). This has not however, been without complications due to the distinctiveness of the public sector with a general emphasis on public interest outcomes (Brown, 2008) and traditional values like fairness, equity, justice, and social cohesion (OECD, 2004, p.2). However, overall it has been noted that:
Modernising human resource management has been at the heart of public sector reform in OECD Member countries for the past two decades, not only because HRM is a basic constituent of public management, but also because civil servants are the main actors in bringing about reforms. HRM is seen as a cornerstone for achieving "enabling" and "empowering" government. (PUMA, 2002, p.8).

As was noted above, at the heart of these changes away from classic bureaucratic organisation and traditional personnel administration (regardless of how far public sector organisations have moved towards complete post-bureaucratic structures and strong HRM), performance management issues have been a central concern and therefore, it is necessary to consider this issue in detail, having now provided the wider context for its development.

The Process of PMM

Not surprisingly, following from the variations in organisational forms and employment practices identified above, related to contingent factors in specific organisational environments, PMM practices have also shown similar variation. There seems no one best way of implementing PMM in the public sector where context plays a major role in shaping its practices. The findings from the OECD's (1997) comparative study of performance management within government organisations in ten member countries provides evidence on objectives, approaches, institutional arrangements, and performance information systems, and provides the basis for a general assessment of PMM. According to the OECD there are three common objectives of PMM: management and improvement; accountability and control; and budgetary savings. This is claimed to result in three major forms of PMM. First, there is PMM that emphasises continuous improvement driven by a desire for improvement in internal functioning (improving operations and service delivery through
performance oriented information systems and flexible management tools and techniques). Secondly, there is PMM that focuses on accountability and control derived from new ways of interacting with partners in delivery and procurement networks. This is associated with less hierarchical organisation and increased boundary activity with new actors requiring improved mechanisms to clarify responsibilities and controls. Thirdly, there is PMM that concentrates on budgetary savings as a result of the desire for fiscal restraint, focusing on shrinking budgets and increasing efficiency gains.

All ten OECD member countries in this study appear to have evidence of all three types of performance management within the public sectors to different degrees, again confirming the view of organisational development as, in practice, evolving through the development of contingent hybrid forms of practices. There is therefore, no consensus on the best approach to implementing performance management and the study identified issues such as variations in top-bottom versus bottom-up, comprehensive versus incremental, and systematic versus ad hoc forms of implementation.

The experience of the OECD (1997) showed that top-down and bottom up approaches each lead to different levels of outcomes in terms of legitimacy and effectiveness of PMM implementation. A top down approach appeared to be easier and was followed where the goal of PMM implementation was to have a wide, deep, and quick impact on all aspects of the organisations, often followed in an ad hoc manner. However, there appeared a risk that excessive focus on a top down approach could undermine legitimacy of performance management reforms. On the other hand, a bottom-up
approach seemed to correspond more to a more incremental and systematic approach, which allowed for more commonality of implementation to develop across the organisation and fostering greater buy-in and increased effectiveness of implementation. Other commentators have also distinguished between ‘organisational’ and ‘individual and team’ focuses for the adoption of PMM (Mackie, 2008; IDeA, 2006a; OPM, 2001). However, it is claimed that although organisational PMM focuses on service planning, measurement and evaluation, and individual and team, PMM emphasises review, appraisal and personal development, both involve the same basic principles. Mackie (2008) asserts that there are twelve fundamental principles involved: high level public policy aspirations expressed as outcomes; strategic business plan; performance measurement tools and techniques; targets; implementation; monitoring; measuring results; verification; communication; review and evaluation; continuous environmental sensitivity; and ongoing commitment at all levels. He argues that these pervasive characteristics serve as a model for sustainable performance management in the public sector but recognises that putting them into practice may depend on less easily manageable factors: “One of the most difficult issues with regard to performance measurement and management is developing a culture that accepts performance measurement as a tool to help the organisation improve” (p. 26). This has also been recognised by IDeaA (2006b) who claim that every change in the organisation structure, systems and processes that constitute PMM always has impacts on organisational culture: “Performance management is only meaningful when it is a means to achieving improvement. For performance management to be effective, it needs to operate within and be supported by the right organisational culture” (IDeaA, 2006b, p. 12). They suggest a wide range of cultural
values that may be needed to support PMM at different stages in performance management cycle (see Figure 3.4).

Figure 3.4: Aspects of Culture Have an Impact on All Stages of the Performance Management Cycle

Source: IDeA (2006b, p.4)

This suggests that aspects of organisational culture have effects on all stages of the performance management cycle. However, Williams (2002) maintains that the definition of performance culture has still been far from clear and warns that the over-emphasis on performance, in particular results and the bottom-line, may have negative consequences for employee health and well-being. Thus, it has been claimed that in successful PMM initiatives it is necessary to maintain balance between organisational goals and individual’s personal goals. Failure to do so can result in resistance to change and persistence of old ways of working (Vigoda-Gadot and Meiri, 2008, p.128).

One reason for such resistance and the failure of attempts to establish performance-driven cultures has been the difficulty often encountered, especially in hierarchical
organisations, in setting goals at different levels and cascading these down in way that demonstrates consistency with overall organisational direction rather than isolated managerial preferences (Williams, 2002). In this respect goal-setting can be regarded as critical part of performance management processes in linking individual targets to those of organisation as a whole (Hale and Whitlam, 1998).

The role of goal-setting in performance management systems can be seen to need to span organisational and individual levels. The intention is to allow individual employees to understand organisational goals and what is expected of them in contributing to these, and possibly to allow them to participate in determining how the targets of their job should align with organisational goals. This can be seen as not merely an instrumental focus but also contributing to training and development, motivation and commitment (Hale and Whitlam, 1998).

In theory, goal setting has been structured in terms of macro and micro levels (Haas et al., 2000, p. 581) with macro goal-setting associated with organisational goals, in particular in the strategic planning process (Chakravarthy and Lorange, 1991, p.11). Historically ‘management by objectives’ (MBO) is an early example of this macro goal setting process. MBO puts an emphasis on result-orientation, relying on numerical goal setting (Passl, 1993, p. 136) and with the process of breaking organisational goals into a number of lower-level goals (Odiorne, 1977). This underlying principle has also been common to many subsequent systems. In principle, the cascading process makes it possible for individual goals and objectives to be aligned with organisational goals (Williams, 2002; Etzel and Ivancevich, 1974, p. 51) (See below).
As can be seen, the MBO process is composed of three key activities (goal-setting, participation in decision making, and objective feedback; Carson and Carson, 1992, p. 147) which depends on a hierarchical organisation structure and a financially oriented culture (as one of MBO's key activities, performance appraisal, focuses on linking individual effort to pecuniary rewards; Passl, 1993, p. 136).

However, MBO has long been criticised on a number of levels: for its focus on quantity rather than quality; short-term success rather than long-term success; control rather than continuous improvements; results rather than processes; individual accountability rather than a holistic view; individual rather than team performance; and inward-orientation rather than customer orientation (Passl, 1993, p. 135). In particular, Deming (1986), one of the founders of TQM, has been widely known as one of MBO's opponents. However, despite criticisms a number of empirical studies of MBO have shown positive results although it seemed that this appeared to be influenced by the circumstances of its application as much as its inherent features (Kondrasuk, 1981).
Rodgers and Hunter (1992, p.27) used evidence based on a meta-analysis of thirty studies of MBO in the public sector to suggest that it had a positive impact on productivity in all the cases studied, and that the higher the top management commitment, the more effective MBO became. Poister and Streib (1995) also studied MBO in local government in the USA and found that it was widely used, but varied according to the size of the jurisdiction and form of government. They also found that the approach appeared to have evolved from its original narrow form to cover a range from quality enhancement to cost control, productivity improvement, special problem solving, and the implementation of new projects (p.55). Chakravarthy and Lorange (1991, p.11) argue that the nature of goal-setting at the macro level in practice varies according to the orientation of planning system of the organisation. In particular, they distinguish between top-down and participative approaches to goal-setting. The former reflects an integrative orientation, and the latter emphasises an adaptive planning orientation. The top-down approach was seen to work well with a stable environment in which major changes were normally regarded as unnecessary. This was used to communicate organisational goals to business unit managers with limited space for discussion of goals that were imposed from top management (basing their judgement on past performance data). On the other hand, the participative and iterative approach worked well with rapidly changing environments as it allowed for extensive discussion of goals between top management and business unit managers to seek for new opportunities. Flynn (1995, p.64) found evidence to suggest that the practice of macro goal setting varied among European countries and that the degree of goal setting reflected the degree of centralisation (see also Trosa, 1997). Kotter (2001) also observed that macro goal setting in practice would normally be associated either with planning or change. The former aimed at producing consistent results, the latter
to provide the organisation with a new direction. To further emphasise the complexity of this process, Trosa (1997) identified five key issues that arose within the target-setting process based on UK government experience, see Table 3.2 below.

<table>
<thead>
<tr>
<th>Table 3.2: Five Key Issues that Arise within the Target-setting Process in the UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) The balance between different types of targets</td>
</tr>
<tr>
<td>• The established targets can have unpredicted negative side-effects (e.g., the targets have been reached by decreasing quality).</td>
</tr>
<tr>
<td>• The activities which are hard to measure (e.g., policy advice) were left without indicators and targets. Thus performance measurement was developed mostly from the measurement possibility and limitations.</td>
</tr>
<tr>
<td>• There was the lack of clarity of the target priorities, in particular between efficiency and quality.</td>
</tr>
<tr>
<td>2) The right level of targets</td>
</tr>
<tr>
<td>• There is a need for targets to be set at a demanding level. It was reported that there often is a discrepancy between government agencies in terms of experience with performance measurement, capable information systems, and qualified staff.</td>
</tr>
<tr>
<td>3) The targets and aims of government agencies</td>
</tr>
<tr>
<td>• There may be a conflict between activities of an organisation as a result of its organisational stakeholders with conflicting interests.</td>
</tr>
<tr>
<td>4) Are performance measures only output measures?</td>
</tr>
<tr>
<td>• There are three major reasons why the UK government has emphasised output targets;</td>
</tr>
<tr>
<td>1. output targets can be more readily measured than outcome targets,</td>
</tr>
<tr>
<td>2. accountability for output targets can be more easily held by government agencies than that for outcome, and</td>
</tr>
<tr>
<td>3. the outcome results can be affected by several factors over time.</td>
</tr>
<tr>
<td>5) The publicity of targets</td>
</tr>
<tr>
<td>• On the one hand, if targets are made public, this will result in a strong incentive for the reform. On the other hand, agencies may be encouraged to set easy targets in which they are confident to achieve, while ministers may set the demanding targets which agencies are not able to achieve for political reasons. This is also the case for the British child support agency in which the minister still kept assigning some financial targets that were not possible to achieve for political reasons.</td>
</tr>
</tbody>
</table>

Source: Adapted from text in Trosa (1997)
It can be seen from the issues raised above that although the targets were framed in terms of their macro-level relevance, their delivery and achievement would require them to be translated into the micro-level behaviours of individual employees. The theory of micro goal-setting is focused on individual motivational effects of goals and feedback (Locke and Latham, 2002, p. 705; Haas et al., 2000, p. 579). Goal-setting theory is usually seen as developed from Ryan’s (1970) argument that conscious goals affect human action and has been strongly underpinned by many empirical studies for about forty years (Locke and Latham, 2002, p. 705; Williams, 2002). The evidence from laboratory, simulation, and field settings in at least eight countries has confirmed that ‘specific and difficult’ goals lead higher task performance than vague ‘do your best’. Locke and Latham (2002, pp.706-707) identify four mechanisms of how goals affect performance: a directive function (i.e., goals direct attention and effort towards goals related activities); an energising/effort function (i.e., high goals lead to greater effort than low goals); goals affecting persistence (i.e., hard goals prolong effort); and goals governing action related to the use of knowledge relevant to goal attainment. They summarise the relationship between the essential elements of goal-setting theory and the high performance cycle below, see Figure 3.6.
Figure 3.6: Essential Elements of Goal-Setting Theory and the High Performance Cycle

Moderators:
- Goal Commitment
- Goal Importance
- Self-Efficacy
- Feedback
- Task Complexity

Goal Core:
- Specificity
- Difficulty
  (e.g., Performance and Learning Goals, Proximal Goals)

Mechanisms:
- Choice/Direction
- Effort
- Persistence
- Strategies

Performance (e.g., Productivity, Cost Improvement)

Willingness to Commit to New Challenges

Satisfaction With Performance and Rewards


Locke and Latham (2002) conclude that goal-setting theory has now been shown to be applicable to performance improvements at all levels of an organisation, whether goals are imposed, self-set, or mutually set (p. 714). However, Ordonez et al. (2009, p.6) argue that “beneficial effects of goal setting have been overstated and that systematic harm caused by goal setting has been largely ignored”. They criticise goal-setting theory for producing specific side-effects such as: an encouragement to overlook non-goal areas; a focus on only the more achievable goals; excessive focus on short-term success at the expense of long-term success; too challenging goals resulting in distorted risk preferences and a rise in unethical behaviour; inhibited learning (unwillingness to try alternative methods); corrosion of organisational culture as a result of excessive competition; an increase in extrinsic motivation at the expense of intrinsic motivation (pp.6-11). These arguments have been largely rejected by Locke and Latham (2009, p. 17) who argue that they are based on anecdotal evidence.
or overstate the issues involved. In fact, it seems that goal-setting in the context of performance management remains a widely-used approach for individual performance management (Houldsworth and Jirasinghe, 2006). However, as Haas et al. (2000) have argued both micro and macro approaches can ignore the nature of the complicated relationship between goals at different organisational levels, in particular the ways in which power of politics may bring about conflicts between individual, group and organisational goals.

Robey and Sales (1994) point to a tension between the so-called rational and political models of organisation. Rational models assume that organisational members will work towards a common goal whereas political models view organisations as political arenas. They point out that both forms are often at work together: in some circumstances, politics will be needed to achieve goals, particularly ones that involve change and uncertainty, that might be blocked by a purely rational decision processes. Thus they argue that power enhances individuals’ capacity to influence others to achieve (or resist) established goals and that it is therefore necessary to look at how power is acquired through the exercise of political skills. Hersey et al. (2001), for example, identify seven bases of power (coercive power, connection power, reward power, legitimate power, referent power, information power, and expert power) based on the work of French and Raven (1959; see also Hersey and Goldsmith, 1980; Raven and Kruglanski, 1975). Coercive power involves “the perceived ability to provide sanctions, punishment, or consequences for not performing”; Connection power: “the perceived association of the leader with influential persons of organisations”; Expert power: “the perception that the leader has relevant education, experience, and expertise”; Information power: “the perceived access to, or possession of, useful
information”; Legitimate power: “the perception that it is appropriate for the leader to make decisions because of title, role, or position in the organisation”; Referent power: “the perceived attractiveness of interacting with the leader”; and Reward power: “the perceived ability to provide things that people would want to have” (Hersey et al., 2001, pp.210-212). However, Hersey et al. (2001) maintain that these seven bases of power can be reduced to into two major categories, personal and position power. The former is derived from individuals themselves (associated with expert, information, and referent power), whereas the latter is associated the control that comes from an individual’s position in the organisation (coercive, connection, legitimate, and reward power). This corresponds with Robey and Sales’s (1994) process model of power which organises sources of power into individual and organisational forms such that it is always being exercised through such political actions as awareness, investing energy, controlling information, and building coalitions to influence other people. A key issue in this context is the issue of legitimacy. According to Courpasson (2000, p.143), legitimacy is:

the recognition of the right to govern ... legitimacy is the capacity to justify that some individuals hold the power to govern and that other individuals give their consent and submit to authority. Acceptance by the latter is the essential condition of the right to govern ... Legitimacy, then, implies action on the part of individuals: ‘to consent is to accept a situation including some renouncement, which is shown through a duty of obedience.

Thus it may seem that legitimacy may also be associated with the two forms of power identified above, organisational and individual. Under the latter, legitimacy will arise from the leadership ability of the person or group exercising power and the extent to which followers accept their personal abilities as deserving their obedience. Here legitimacy may be lost if the leader fails to exercise those abilities appropriately or is
seen no longer to possess those abilities, in which their continued power may rest upon their ability to coerce obedience, which may be a very unstable condition. In the case of organisational power, legitimacy is likely to arise from the mutual expectations of organisation members and the extent to which they accept that certain organisational positions (e.g., management) give an entitlement to exercise control. Here also, legitimacy may be lost if those exercising power fail to conform to either the formal rules of the organisation or to the informal expectations that have emerged around these formal processes. Because of this basis of legitimacy in expectations it can be argued that what is different about bureaucratic and post-bureaucratic organisations in terms of the use of power is not that the latter is based on legitimate power and the other not (as is sometime suggested, see above), but that they draw on different forms of legitimacy. In the case of the bureaucracy, legitimacy may be shaped mostly by adherence to rules and procedures (within in this context a dynamic charismatic leader might be perceived as lacking legitimacy), whereas in the post-bureaucracy, legitimacy would be based on the more personal actions of leaders in responding to the entrepreneurial challenges of the turbulent environment.

Thus in terms of the introduction of PMM, a key issue may be the issue of whether the system is perceived by organisation members as consistent with existing standard of legitimacy. Where a system is perceived as not consistent with that standard, this may lead to a loss of legitimacy on the part of those trying to introduce it and then to conflicts and resistance over how it is used, ultimately having to be imposed against the desires of organisation members and therefore lacking support for its use. In contrast, where the system is consistent with expectations about the organisation, it may improve the legitimacy of those introducing it and therefore their power to make
the system work effectively. Therefore, it may be crucial to the introduction and acceptance of PMM that there is a matching between power, legitimacy and the expectations of organisation members. At the individual level this sort of matching is often referred to as the 'psychological contract'.

This may be particularly relevant because Aijala (2001) has reported the widespread individualisation of employment in the public sector (as discussed as a result of the tendencies identified above). The moves towards forms of NPM (including the introduction of PMM) appear to bring about a considerable change in public sector employment relations, which is likely to have a direct consequence on the psychological contracts of the public sector's employees. The concept of the psychological contract can be dated back to the work of Argyris in 1960 and that of Schein in 1980 (McDonald and Makin, 2000, p. 84; Millward and Hopkins, 1998, p. 1531). Since then, the concept has been refined by Rousseau (1995). Rousseau (1995, p. 9) defines the psychological contract as "Individual beliefs, shaped by the organisation, regarding terms of an exchange agreement between individuals and their organisation". This exchange agreement differs from a legal contract (which is composed of a formal offer and acceptance stated in unequivocal terms) because what is 'promised' from the exchange arises through the belief and perception of the employee (Suazo et al., 2009, p.157) and may be based on unstated expectations or interpretations of statements or actions made by other organisation members that, whilst believed to be promised or expected, are not formally stipulated.

The changes identified above in the chapter reported the shift away from the traditional bureaucratic form of organisation in the public sector. Rousseau (1995)
reflected this by arguing that the development of employment relations can be
categorised into three major phrases: emergent, bureaucratic, and adhocratic or post-
bureaucratic (see below), each of which results in the development of new forms of
psychological contract.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergent</td>
<td>Transactional</td>
</tr>
<tr>
<td>Bureaucratic</td>
<td>Relational</td>
</tr>
<tr>
<td>Adhocratic</td>
<td>Varies with type of relationship</td>
</tr>
</tbody>
</table>

Table 3.3: History and Attachment

Source: Rousseau (1995, p. 95)

The Emergent phase represents the late eighteenth century in which modern industrial
production began and predictability was a major driver. During this era, transactional
contracts had been developed in centralised workplace for those employees who had
few options. The Bureaucratic phase is associated with the rise of internal labour
markets that foster long term relationships between an organisation and employees
encouraging the development of relational contracts. Organisation members develop
organisation-specific-skills and remain with the organisation for indefinite periods of
time. The Adhocratic or post-bureaucratic era is seen to emerge out of the
bureaucratic phase as a result of the need for flexibility. This new era means that
psychological contracts become more varied depending on the employment
relationships involved (Rousseau, 1995). The point, therefore, is not that employees
cannot accept different forms of psychological contract but rather the extent to which
there is a match between that and the organisational form. Thus the problems that may
arise in terms of psychological contracts will occur when organisations change their
form and relationships in a way that is not recognised as legitimate by employees. This may often be associated with poor communication of change from employers resulting in mixed messages and damage to psychological contracts. For example, the findings of the study by Truss et al. (1997) on three British organisations moving away from a relational based contract of job security and clear career path to new performance management systems showed that the presence of mixed messages from employers undermined the employment relationship and led to scepticism among employees towards the change programmes. This form of psychological contract ‘breach’ can influence employees’ behaviour towards customers (Blancero and Johnson, 1997; Blancero et al., 1996) and fellow employees (Jensen et al., 2009; Kickul et al., 2002), and also affect their commitment to the organisation (Zhao et al., 2007; Knights and Kennedy, 2005; Lester et al., 2002; Turnley and Feldman, 1999; Robinson, 1996). The types of effect of such breaches are shown by Rousseau (1995), below.

Table 3.4: The results of Violated Contracts

<table>
<thead>
<tr>
<th>Constructive</th>
<th>Destructive</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active</strong></td>
<td>Voice</td>
</tr>
<tr>
<td><strong>Passive</strong></td>
<td>Loyalty/Silence</td>
</tr>
</tbody>
</table>

Source: Rousseau (1995, p. 135)

Therefore in importing private sector management tools and techniques such as PMM into the public sector, the potential differences between the private and public sector psychological contracts may need to be recognised as a potential source of the limitation (Adcroft and Willis, 2005, p. 397; Talbot, 2005; 1999, p.22). Whereas, as the discussion of HRM above has shown, PMM has been associated with a dynamic
and flexible approach to employment, there may be a lag between the extent to which this has been accepted within the private sector (under the force of competition) and the public sector, either insulated from this or shaped by political forces which tend to be slower to react. In addition, even if such acceptance is gained, the nature of the implementation, in terms of communication and explanation, together with the nature of the PMM methods themselves, may need to be handled carefully to avoid the potential of breach. This may be particularly difficult as many public sector organisations may find it difficult to fit into models originally designed for the private sector organisations, and that may not cover all aspects of performance that need to be addressed in the public sector organisations (Talbot, 1999, p.22).

A final issue to be considered in relation to the application of PMM is the role of information technology (IT). Change in technology has a considerable impact not only on management in general but also on the management of government in particular (Hughes, 2003; Isaac-Hendry, 1997). The rise of information and communications technologies (ICTs) has allowed for the increased capacity to manipulate information and facilitates the emergence of new forms of work process, in particular the possibility for employee performance to be electronically monitored. Employee performance data can be collected, stored, analysed, and reported electronically by means of computer technology (Kolb and Aiello, 1997, p.190; Aiello and Shao, 1993). This makes it possible for managers to monitor employee performance on a real-time basis, gather employees’ continuous performance over time, and make comparisons of a group of employees’ performance (Fenner et al., 1993, p. 574). It has been claimed that computer-based performance measurement (CPM) helps with goal setting, provides timely feedback for performance evaluations.
and results in higher productivity, identifies training needs for employees, and reduces supervisors' biases in performance appraisal processes which in turn increases the accuracy of performance appraisals (Aiello, 1993, p.501; Fenner et al., 1993, p. 574). However, in doing so, CPM also comes with criticisms from academics and practitioners e.g., loss of privacy, increased stress and diminishing job satisfaction, low levels of morale and teamwork and may be seen as an excessive management control tool (Ariss, 2002, p.557; Aiello and Shao, 1993). Moreover, it has also been claimed that CPM may not really remove supervisors' biases and may have a negative impact on employees' human contact with supervisors and peers. As a result, some firms monitor individual employee performance, while others prefer to monitor group performance to avoid stress and intrusiveness that may be perceived by individual employees; many countries (e.g., Norway and Sweden) have enacted laws to deal with the degree to which individual performance can be monitored (Aiello and Kolb, 1995, p.339). In these respects, ICTs and CPM may not fundamentally change the nature of what is being assessed, but they may give the PMM system an appearance of coherence and appear to hold the possibility of both enhancing or degrading the experience of PMM depending on how such systems are designed and implemented (as will be seen in the following chapters).

Conclusion

The literature review chapter set out to answer the question of how PMM have been implemented and practised in public sector reforms. Two levels of analysis were reviewed: 1) national and organisational context including theories of NPM, bureaucracy and post-bureaucracy, and HRM; and 2) the process of PMM including PMM systems, goal setting, organisational power, psychological contract, and ICTs.
Although there appears no consensus on the variations in the degree to which different countries have adopted NPM, it is clear that NPM has had a significant impact, albeit in ways that often reflect national cultures and practices rather than as the application of a uniform system. As has been seen, the rise of NPM has resulted in a movement towards stronger focus on performance by governments around the world. Governments have generally been enthusiastic about using performance management systems as a key tool to achieve this. NPM has shown itself to be capable of adaptation to the context of implementation, although there is debate as to how much this dilutes performance gains.

This variability in the use of PMM as part of NPM has significant implications for the Thai public sector. In particular, it seems crucial to understand both the aspirations towards NPM/PMM and the historical and cultural context against which this is taken place. This will allow the identification of the ways in which PMM is being adopted and the nature of the values and beliefs of employees that it is having to confront in this context. However, it has been shown that although NPM makes PMM a core feature of its practice, it did not originate here. As such it is also necessary to examine the organisational context and the functional context that have shaped its development both before and alongside the NPM application.

The literature on bureaucracy and post-bureaucracy focuses on this aspect. There was no consensus on the fall of bureaucracy and even the emergence of post-bureaucracy as a new form of organisation structure. In the public sector, many governments have employed structural change strategy to achieve better performance. Many attempts then were made to ‘modify’ public sector structure. Different governments employed
structural change in different ways (e.g., merging, decentralisation) to suit their specific situations. Although the literature failed to specify clear characteristics of a new form of government, a trend away from the pure bureaucratic model has been recognised along with the high variation in the form of bureaucracies found in many countries (e.g., corporate bureaucracy, market bureaucracy, or a mixed form of bureaucracy), rather than the adoption of a unified post-bureaucratic form. The findings from many empirical studies have shown that public reform initiatives (e.g., contracting out of public services) were likely to result in cultural tensions, often with the public sector operational culture appearing to remain intact and continuing to influence attitudes and behaviours. Thus if the implementation of PMM in the Thai government is to be successful, it is necessary to examine the impact of the apparent global trend away from traditional bureaucracy in the Thai context. There emerge two key questions as follows:

i) Is there a shift away from the bureaucratic model towards a post bureaucratic model in the case organisations?

ii) To what extent have the case organisations undergone structural and cultural changes to accompany the introduction of PMM?

Furthermore, the literature on HRM suggested that the shift from TPM towards HRM was associated with the increased growth of PMM, reflecting a desire for improved performance via the human resource dimension. The literature showed high variation in the role of the HR function in different organisations but within the context of modernisation, many governments put emphasis on the development of people along with structural reforms and many tools and techniques (e.g., performance related pay, human resource development) were imported from the private sector. As a result, the
literature suggested HR policy provides the context for the practices of PMM through strategic integration. A third question therefore needs to be addressed as follows:

iii) To what extent have the case organisations adopted HR initiatives to provide the strategic and operational contexts for the introduction of PMM?

In addition to the key theories above that provide the context for PMM at the national and organisational levels, the literature on the processes of PMM was also reviewed. There was high variation in PMM processes in government: different countries not only had different forms of PMM, but also employed different strategies to implement it. Within an organisation, effective PMM was shown to need to align at organisational and individual levels. Hence there emerges a fourth question:

iv) How effectively have the case organisations integrated their PMM system with other organisational and individual activities?

Finally, the literature on PMM processes and techniques, suggested that goal alignment was also important for individual trust in the techniques used and for the effect on motivation and commitment to the process, particularly in the terms of the perceived integrity of the system and the clarity with which its goals were communicated. Therefore there is the final research question to be addressed:

v) How have the case organisations formulated and communicated the use of PMM system and how has this affected individual responses to it?

By answering these questions, the study will help to clarify the ways in which the Thai government is approaching the important process of PMM as part of its modernisation actions. It will also contribute to the understanding of the theory of
PMM by examining its application in relation to wider organisational processes rather than just as one aspect of HR activities. In particular, it will contribute by providing an investigation that addresses a gap in the literature that is implicit rather than explicit, specifically the need to provide in-depth qualitative understandings of the experiences of those employees involved in PMM activity. Most of the studies in this field tend to adopt largely quantitative approaches and focus on measurement of the presence of PMM practices. However, what the foregoing chapter has also shown is that the adoption of PMM is a highly complex and variable process and that, to fully understand it, especially in a context such as the Kingdom of Thailand, that has not been widely examined, a qualitative analysis can provide potential insights not available to analyses that focus on only the formal dimensions of PMM practices.
CHAPTER FOUR

RESEARCH METHODOLOGY

The purpose of this chapter is to describe the research design and methodology and the rationale for this choice.

The aim of this study is, on the basis of comparisons with other organisations/departments, to explore the nature and effectiveness of PMM within the Thai public sector, focusing on the Revenue Cluster within the Thai Finance Ministry.

Performance management and measurement (PMM) is a relatively new management practice for Thai government organisations. As such, it is appropriate to investigate how the processes are being implemented and how they are performing. The Finance Ministry is a key part of the public sector and is regarded as being more advanced in these matters than other ministries. It is therefore appropriate to study this ministry as a ‘critical case’; i.e., if PMM is causing problems here then it is also likely to do so for other less developed ministries. The Revenue Cluster was also selected because of the researcher’s own knowledge of this section and the consequent opportunities for access.

This study comprises four main objectives intended to support the overall aim above.

1. To understand and compare the nature of PMM practices in the public and private sectors in the Kingdom of Thailand.

2. To specify factors that appear to influence the success of PMM in both sectors.
3. To use existing theories of PMM to explain how PMM is being implemented but also to consider what other theories/concepts can be used on the basis of an inductive assessment of the emerging data.

4. To provide a rich source of qualitative data that provides insights into the complexity of PMM as it is experienced by employees and managers from different organisational standpoints.

In order to succeed in these objectives, it was considered necessary to purposively select a private sector company as a basis for comparison. Due to commercial confidentiality, it was not possible to publish the company name. In this study, it, thus, was referred to as ‘the Bank’. As one of the leading private sector companies in the Kingdom of Thailand, the Bank has financial activities (e.g., sales and services), which are rather similar to those government organisations in the Revenue Cluster. Moreover, the Bank is regarded as one of Thailand’s leading private sector companies in which effective PMM has been well established for several years. In this respect it can be seen as a useful comparator for the effectiveness of PMM in the public sector and for the challenges that the latter may face. By using a private sector comparator, it will also be possible to examine whether there are any distinctive ‘national’ factors that transcend the private/public distinction.

On the basis of the literature review, these aims and objectives were converted into five research questions:

i) Is there a shift away from the bureaucratic model towards a post bureaucratic model in the case organisations?
ii) To what extent have the case organisations undergone structural and cultural changes to accompany the introduction of PMM?

iii) To what extent have the case organisations adopted HR initiatives to provide the strategic and operational context for the introduction of PMM?

iv) How effectively have the case organisations integrated their PMM system with other organisational and individual activities?

v) How have the case organisations formulated and communicated the use of PMM system and how has this affected individual responses to it?

Before considering how these questions are to be investigated it is first necessary to provide an overview of the selection and justification of the philosophical position that underlines the research design in this study.

The relationship between data and theory is an issue that has been hotly debated by philosophers for many centuries. Failure to think through philosophical issues such as this, while not necessarily fatal, can seriously affect the quality of research, and they are central to the notion of research design. (Easterby-Smith et al., 2002, p.27).

Easterby-Smith et al. (2002) propose three benefits from the acknowledgement of philosophical issues as follows:

- to help to clarify research design e.g., needed data, data collection, data analysis;
- to help evaluate the appropriateness of designs; and
- to help identify and create designs that may be outside researchers' past experience and suggest how to adapt them according to the constraints of different subject.
To ensure the quality of research design, a research paradigm must be in line with researcher’s beliefs about the nature of reality. This ontological position will clarify the epistemological and methodological choices available (Mills et al., 2006, p.3). Guba and Lincoln (1994) summarise basic beliefs in response to these three fundamental and interconnected questions as follows:

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Ontological Question</td>
<td>What is the form and nature of reality?</td>
</tr>
<tr>
<td></td>
<td>What can therefore be known about it?</td>
</tr>
<tr>
<td>The Epistemological Question</td>
<td>What is the nature of the relationship between the knower and the</td>
</tr>
<tr>
<td></td>
<td>would be knower and what can be known?</td>
</tr>
<tr>
<td>The Methodological Question</td>
<td>How can the inquirer (would be knower) go about finding out whatever he</td>
</tr>
<tr>
<td></td>
<td>or she believes can be known?</td>
</tr>
</tbody>
</table>

Source: Adapted from texts in Guba and Lincoln (1994, p. 108)

The literature on various aspects of PMM suggests that its implementation is not merely a matter of a rational decision-making response to the availability of ‘factual’ data about performance, although this has been a dominant interpretation particularly from those writers who have followed a positivist philosophy (see below). Rather it has been shown that the PMM process is influenced not only by the limitations of individuals’ information-processing capacities (Herbert, 1979) but also by subjective factors (e.g., psychological contract, previous experiences and expectations) and by more structural factors that are shaped by contingent forces (e.g., organisational structures and cultures, policies and practices). This evidence suggests, therefore, that PMM requires to be seen as part of a reality that is socially constructed by human actors operating within a social context (Berger and Luckmann, 1991), rather than as a set of objective ‘facts’ that have an unchanging form. The ontological assumption is therefore made that it will be most appropriate to approach the investigation of PMM.
from a perspective that recognises the social organisation of society (as oppose to the physical world) as constructed by social actors. This social reality is not wholly subjective but is produced by individuals acting together over periods of time and often appears to individuals as having an objective existence that is independent of each individual. However, such appearances can change over time and also are perceived differently depending on an individual’s place in this social order. Thus it is necessary to recognise the possibility of multiple ‘realities’ linked to particular organisational and individual contexts (Berger and Luckmann, 1991). As such this study will focus on different responses of managers and employees to PMM practices in their organisations.

It follows from this assumption that in order to ‘know’ about these realities it is necessary to adopt an epistemological position that gives the priority to interpretation. The interpretivist epistemology requires the understanding of different view points between social actors (Saunders et al., 2007) and seeks to comprehend how individuals come to this position; i.e., what factors they take into account when ‘making sense’ of the activities in which they participate. Thus, only through gaining ‘accounts’ of their activities (actions and thoughts) from participants can the researcher come to understand the reality that they have created and reproduced (Denzin, 2001). In addition, this means that the researcher is not present in the research activity as an external ‘neutral’ observer, but has to engage with respondents in order to comprehend from their position (rather than from that of the ‘detached’ scientist informed only by a body of ‘independent’ knowledge), and the ‘meanings’ they attach to their situations.
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As such it is a contrasting epistemology to positivism (Burke, 2007, p.479) which emphasises the external ‘objective’ measurement of phenomena (Bryman and Bell, 2007). Positivism is referred to as a logical, rational approach which is associated with the pure sciences in which facts are clearly defined and results can be measured and monitored (Burke, 2007, p.479). The positivist approach can be found in those procedures associated with inferential statistics, hypothesis testing, mathematical analysis, and experimental and quasi-experimental design (Lee, 1991, p.342). In addition, the distinctions between positivism and interpretivism can be made by the table below.

<table>
<thead>
<tr>
<th>Meta-theoretical Assumptions about</th>
<th>Positivism</th>
<th>Interpretivism</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontology</strong></td>
<td>Person (researcher) and reality are separate</td>
<td>Person (researcher) and reality are inseparable (life-world)</td>
</tr>
<tr>
<td><strong>Epistemology</strong></td>
<td>Objective reality exists beyond the human mind</td>
<td>Knowledge of the world is intentionally constituted through a person’s lived experience</td>
</tr>
<tr>
<td><strong>Research object</strong></td>
<td>Research object has inherent qualities that exist independently of the researcher</td>
<td>Research object is interpreted in light of meaning structure of person’s (researcher’s) lived experience</td>
</tr>
<tr>
<td><strong>Method</strong></td>
<td>Statistics, content analysis</td>
<td>Hermeneutics, phenomenology, etc.</td>
</tr>
<tr>
<td><strong>Theory of truth</strong></td>
<td>Correspondence theory of truth: one to one mapping between research statements and reality</td>
<td>Truth is intentional fulfillment: interpretations of research object matched live experience of object</td>
</tr>
<tr>
<td><strong>Validity</strong></td>
<td>Certainty: data truly measures reality</td>
<td>Defensible knowledge claims</td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td>Replicability: research results can be reproduced</td>
<td>Interpretative awareness: researchers recognise and address implications of their subjectivity</td>
</tr>
</tbody>
</table>

Source: Cepeda and Martin (2005, p. 856)

As has been seen, this study which recognises the possibility of realities related to certain contexts tends to be more associated with interpretivism rather than positivism. In discussing research paradigms, Burke (2007, p.480) makes the point that:
Adopting this perspective [positivism] in people- and information-based research would not allow context- which can be critical to a study- to be taken into account. While this perspective [positivism] which searches for explanations for social phenomenon could have allowed for standard, structured, ‘reasonable’ conclusions about behaviour, it could have missed, for example, a rich array of history, a range of social conventions, and the reasons behind the different types of behaviour.

As it has already been shown that the meanings associated with PMM are highly variable and contested, it is appropriate to adopt a position that follows the ideas of Glaser and Strauss (1967) towards constructing an understanding of the phenomenon in terms that are ‘grounded’ in the conditions of its actual experience. This will be discussed more fully below.

Following from this epistemological assumption, the methodology adopted will concentrate on the production of detailed textual accounts derived from those who have participated in the PMM processes. These accounts will explore the meanings that respondents attach to the process and the ways in which they make sense of PMM within the context of their wider organisational experiences. For this purpose the key data collection method used was the semi-structured interviews (described more fully below). As mentioned above, data collected in this way can be used as material for theory-building or inductive explanation using a form of analysis influenced by ‘grounded theory’. It is often claimed that scientific studies fall into one of two extreme categories:

- deductive proof which “begins with a universal view of a situation and works back to the particulars”; or
- inductive discovery which “moves from fragmentary details to a connected view of situation” (Dewey, 1933 cited in Gray, 2004, p. 6).
Each of these has its own drawbacks. Perry (1998) argues that "pure induction might prevent the researcher from benefiting from the existing theory, just as pure deduction might prevent the development of new and useful theory" (p. 789). In the deductive approach, a hypothesis needs to be established prior to the data collection by establishing initially known causal relationships between variables from which novel 'hypothetical' outcomes can be predicted (e.g., by varying conditions or adding new variables). Here it is the prior theory, and in particular 'theoretical laws' established by prior research that provide the starting position for investigation. The novel hypotheses that are to be tested by the research involve a predicted outcome or outcomes and it is the task of the researcher to determine whether these outcomes do occur as predicted.

By contrast, the inductive approach attempts to generate theoretical understanding by drawing inferences from empirical observation; i.e., starting with data rather than theory. Whereas deductive approaches start from abstract hypotheses logically derived from an existing body of 'law-like' theories, inductive approaches start from the data itself and attempt to build explanations that closely reflect what is observed. This approach, because it is less structured by prior theory, permits alternative explanations (rather than only allowed by the logic of the prior hypotheses) and is often adopted in cases where the context in which the events under investigations take place is regarded as a major concern (Saunders et al., 2007). Existing theories and concepts can be drawn upon to help shape such emerging explanations but they are not the necessary starting point as in deductive approaches.
Thus, the participants in this study were treated as actors whose reaction to PMM practices is "a consequence of the way in which they perceive their work experience, rather than as if they were unthinking research objects who respond in a mechanistic way to certain circumstances" (Saunders et al., 2007, p. 119). Given these ontological and epistemological considerations, a qualitative methodology was considered appropriate for the study. This would allow an exploration of the response of the participants to PMM in considerable detail and depth, capturing the different ways in which it is understood and identifying any unanticipated responses as well as confirming those that would be consistent with other studies.

This type of approach has often been associated with the important works on Grounded Theory of Glaser and Strauss (1967; see also Rodon and Pastor, 2007, p. 71; Charmaz, 2006; Hunter et al., 2005, p. 58; Heath and Cowley, 2004, p.141) and although this study will not use a strict grounded theory approach it is important to recognise the general influence of this approach on most qualitative methodologies (Creswell, 2007; Douglas, 2003, p. 47; Locke, 2001). It was originated as an alternative to the deductive approach which emphasised testing hypothesis from existing theories (Charmaz, 2006) and since its introduction in 1967, has been adapted into a number of studies in a wide range of disciplines (Bryant and Charmaz, 2007; Creswell, 2007; Cutcliffe, 2005, p. 421; Douglas, 2004, p. 59; Easterby-Smith et al., 2002; Locke, 2001) and has been further extended by its founders, their students, and other methodologists (Easterby-Smith et al., 2002; Locke, 2001).

The evolution of grounded theory has seen a divergence of approaches (Charmaz, 2006; Hunter et al., 2005, p. 60; Fernández, 2004, p.84; Heath and Cowley, 2004,
HEATH and COWLEY (2004, p.142) cite adaptations of grounded theory by different authors (e.g., KEDDY et al.'s [1996] extension of macro-analysis, SCHATZMAN'S [1991] dimensional analysis, and CHENITZ and SWANSON'S [1986] surfacing the nursing process) and LA ROSSA (2005, p. 839) describes this phenomena as “a cottage industry, with various individuals choosing sides or advancing their own similar-but-not-identical-GTM [Grounded Theory Method] methodologies”. A significant difference in opinion between founders, GLASER and STRAUSS, emerged after STRAUSS and CORBIN’S publication of Basics of Qualitative Research in 1990 (KENDALL, 1999, p.745). In 1992 GLASER published his book of The Basics of Grounded Theory: Emerging versus Forcing in response to that by STRAUSS and CORBIN and described their work as conceptual description rather than emergent theory (CRESWELL, 2007; CUTCLIFFE, 2005, 426; KENDALL, 1999, p.745). GLASER’S strict adherence to the emergence of theory from data continues to be distinct feature that differentiates his approach from other research contemporaries (BOYCHUK and MORGAN, 2004, p.606). BRYANT and CHARMAZ (2007, pp. 4-5) make the point that:

Thus many researchers who claimed use of the method in the early 1990s often did so with near exclusive reference to STRAUSS and CORBIN’S work, assuming it to be a seamless development from the Discovery of Grounded Theory. By the late 1990s, however, only those researchers who had not come across GLASER’S (GLASER, 1992) arguments would have been unaware of the distinct differences between GLASER’S and STRAUSS’ writings about Grounded Theory Method.

This leads to the emergence of two distinct approaches to grounded theory (CUTCLIFFE, 2005, p. 421). On the one hand, the Glaserian approach was likely to put more emphasis on creativity, but less on process in methodology (DOUGLAS, 2003, p. 47). The Straussian approach, on the other hand, suggested a more linear approach to the
methodology that emphasised rigid patterns of coding and associating ideas within the

In this respect the current research takes more sympathy towards the Glaser’s position
as this allows greater flexibility in dealing with the analysis of the data, and this was a
quality that was considered important when dealing with research data that would
often be collected in a non-English language and context and would need to be
translated. This was considered to be an important consideration both for the
exploratory nature of the approach to PMM and because of the research context itself,
allowing the researcher maximum flexibility to cope with unexpected issues. The
detailed approach to analysing the data will be discussed more fully below.

The study has therefore adopted an inductive approach to developing explanations
from case study research as an appropriate way of responding to a lack of empirical
research in area as outlined above. It was considered that case studies would give the
depth of understanding necessary to explore the issues involved and to give a strong
sensitivity to context; i.e., Thai organisations, where there is little previous qualitative
research of any kind. Yin (2003) suggests this is an appropriate approach where the
boundaries between the research object, PMM practice, as a phenomenon, and
organisational context are not clear and “little is known about a phenomenon, current
perspectives seem inadequate because they have little substantiation” (Eisenhardt,
1989, p.547). Thus in this respect a theory-building process becomes more
appropriate than “traditional research designs [which] usually rely on a literature
review leading to the formation of a hypothesis...[which]...is then put to the test”

The combined case study/grounded theory approach allowed flexibility within the research site and produced a rich harvest of fine grained research data, that illuminated an important research topic.

This study has adopted three case organisations which were purposefully selected to allow for the use of cross case analysis for richer theory building (Perry, 1998, p.792). This research design therefore uses a multiple-case study in which two government organisations and one private sector organisation are compared. Since both public sector and private sector organisations all had adopted and implemented PMM systems for more than three years, it was possible to find respondents with experience of working in a PMM environment. This allows respondents' real-life experiences to be captured and supported by documentary evidence detailing the formal policies involved.

The case study method was chosen on the basis of criteria provided by Yin (2003) who distinguishes five major research strategies in the social sciences, namely, case study, experiments, surveys, histories, and the archival analysis. These five strategies are distinguished by three conditions: the type of research question; the extent of control over behavioural events; and degree of focus on contemporary as opposed to historical events (see table below).
Table 4.3: Relevant Situations for Different Research Strategies

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Form of Research Question</th>
<th>Requires Control of Behavioural Event?</th>
<th>Focused on Contemporary Events?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>how, why</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>who, what, where, how many, how much</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival analysis</td>
<td>who, what, where, how many, how much</td>
<td>No</td>
<td>Yes/No</td>
</tr>
<tr>
<td>History</td>
<td>how, why</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case study</td>
<td>how, why</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: COSMOS Corporation cited in Yin (2003, p. 5)

This study adopts a case study strategy because of the nature of its research questions, the inability of the researcher to control events, and the focus on contemporary phenomenon (Gray, 2004; Yin, 2003). Gray (2004) also points out some additional advantages of the case study: compared with surveys which have a focus on limited range of topics, case studies can explore more themes and subjects from a much more focused range of people, organisations or contexts.

The two major types of case study design, single case or multiple case study, may each be either ‘holistic’ or ‘embedded’: the holistic design focuses on the nature of phenomenon as a whole, while the embedded design comprises more than one unit of analysis (Yin, 2003) (See Figure below).
The design of this study falls into ‘category 4’, a multiple embedded case design. Yin (2003) suggests using multiple case studies to overcome the difficulty with generalisation from one particular case and when comparison between either similar or different cases is likely to be instructive. For example, this study was originally to focus on one government department of the Thai public sector, but it was decided that this would risk investigating a unit that could be atypical so it was decided to include another government department for comparison. Also it was felt that if there were to be lessons that went beyond the public sector, then a private sector case should also be added as a comparator. In addition, by comparing both the public and private sectors it would be possible to identify if there were similarities with all three cases that might be suggested as related to Thai culture more generally. The embedded approach allows for contingencies to be taken into account and for a range of factors to emerge as potentially relevant to the investigation, not all of which may be apparent from previous knowledge or research. Thus the multiple units of analysis can be seen as including the different positions of respondents (managers and operatives) and the structural and subjective processes involved. It thus reflects the complex and multi-level nature of the PMM process, established in the previous chapter, that requires
flexibility in terms of which units of analysis will be addressed as part of a complete understanding of this process.

This design poses three sets of questions that will be addressed below:

1. the construction of the sample of multiple cases and the respondents within these;
2. the nature of the data collection methods and instruments; and
3. the analysis of the resulting data.

To justify the choice of cases, particularly those associated with the public sector, it is first necessary to understand the structure of Government Agencies and their roles. The structure of the Thai government after the 2002 Restructuring of Government Agencies Act comprises twenty ministries (see below).

Table 4.4: The List of All Ministries in the Thai public sector

<table>
<thead>
<tr>
<th>Ministry-level Organisations in the Thai public sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Prime Minister's Office</td>
</tr>
<tr>
<td>2 Ministry of Agriculture and Cooperatives</td>
</tr>
<tr>
<td>3 Ministry of Commerce</td>
</tr>
<tr>
<td>4 Ministry of Culture</td>
</tr>
<tr>
<td>5 Ministry of Defence</td>
</tr>
<tr>
<td>6 Ministry of Education</td>
</tr>
<tr>
<td>7 Ministry of Energy</td>
</tr>
<tr>
<td>8 Ministry of Finance</td>
</tr>
<tr>
<td>9 Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>10 Ministry of Industry</td>
</tr>
<tr>
<td>11 Ministry of Information and Communication Technology</td>
</tr>
<tr>
<td>12 Ministry of Interior</td>
</tr>
<tr>
<td>13 Ministry of Justice</td>
</tr>
<tr>
<td>14 Ministry of Labour</td>
</tr>
<tr>
<td>15 Ministry of Natural Resources and Environment</td>
</tr>
<tr>
<td>16 Ministry of Social Development and Human Security</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Ministry-level Organisations in the Thai public sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 Ministry of Science and Technology</td>
</tr>
<tr>
<td>18 Ministry of Transport</td>
</tr>
<tr>
<td>19 Ministry of Tourism and Sports</td>
</tr>
<tr>
<td>20 Ministry of Public Health</td>
</tr>
</tbody>
</table>

However, as a result of Thai political instability, it was decided to select two departments within the same ministry, due to the fact that during 2005-2006, there were several major restructurings of ministries and a second round due during the planned fieldwork. It seemed that the Finance Ministry would be relatively stable, being one of the best established and most central and therefore not likely to be restructured. As a result, within the timeframe of this study, it was decided to focus on two different departments within this ministry. Moreover, the role and responsibilities of the Finance Ministry (overseeing public finance, taxation, treasury, providing loan guarantees; G8), are more similar to those of private sector for-profit organisations (e.g., in the financial sector) than most other parts of government. As a result, the use of the Finance Ministry as a comparative case is useful in reducing the task differences when compared to a private sector company.

From within this ministry, the Excise Department and the Revenue Department were selected from the Revenue Cluster (one of three main clusters, the others being Property, and Debt and Expenses). These were chosen partly on the grounds of access (i.e., the researcher being known to the managers involved) and because, although they were known to involve different operational processes, differences in their use of PMM could not be claimed to be the effect of factors associated with ministry structure.
Along with the two government departments, a private sector organisation was needed as a comparison in order to determine whether any patterns discovered were specific to the public sector or, potentially shared with private sector companies, thereby suggesting that national culture/practices could be involved rather than sectoral/organisational ones. As a result, the Bank, the fourth largest Thai commercial bank in 2006, was singled out. It had been widely known in the country as a pioneer in the introduction of new banking services and new management concepts and tools e.g., re-engineering. In particular, PMM as a crucial part of the Bank’s strategic programmes had been adopted and implemented successfully. The selection of the Bank was intended to make comprehensive comparison between the two sectors in terms of implementation mechanism, rather than the outputs of PMM. It was assumed that the lessons learned from the Bank would help with understanding PMM practices in a different setting.

This choice of case organisations will not allow robust statistical generalisations to be made about the findings but it does allow what Yin (2003) calls ‘theoretical/analytical generalisation’ by the replication logic; i.e., the process of choosing the cases in order to keep certain factors controlled so that emerging differences can be regarded as explained by differences within the cases. He argues that in dealing with case studies, it is often mistaken to conceive of statistical generalisation as a method of generalising. By contrast, in the context of case study based research, theoretical generalisation is sought and focused on how far the findings of the case study can be generalisable to broader theory. In other words, do the findings confirm or challenge existing explanations in terms of their explanatory logic and consistency? Following Yin (2003), theoretical generalisation allows the researcher to generalise about factors
that affect PMM practices, rather than attempting to generalise the findings to the population of Thai public and private sector organisations. Snow and Trom (2002) also assert that multiple-case studies are likely to produce better results in terms of theoretical development and robustness. In this study, theoretical generalisation was sought through two forms of theoretical development: theoretical extension; and theoretical refinement. Theoretical extension allows existing theoretical formulations to extend to new or different contexts, and theoretical refinement is associated with the modification of an existing theoretical perspective with new case material (Snow and Trom, 2002).

The major units of analysis in this study are the organisation/department and the individual, although the responses sought from the interviewees were intended to address organisational issues rather than those of a purely subjective nature. At the organisation level, interview data is supplemented by internal official documents and reports.

At the individual level, sixty-six respondents were selected: forty-five government officers from the two departments and twenty-one staff members from the Bank. The details of all interviewees are shown below.

<table>
<thead>
<tr>
<th>Case Organisations</th>
<th>Informants</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Department of Excise</strong></td>
<td><strong>Top Management Level</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Director General</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>• Deputy Directors General</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td><strong>Managerial Level</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Director of Bangkok Regional Excise Office</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>• Director of Tax Policy and Planning Bureau</td>
<td>1</td>
</tr>
</tbody>
</table>
The sixty-six respondents were directly and indirectly involved in PMM mechanisms. This provides a rare insight into how the processes are experienced across the
organisational hierarchy, rather than concentrating on a single group such as managers.

The data gathering method in this study was largely driven by the concept of “making comparisons” and aimed to achieve a ‘maximum variation sample’ (Marshall, 1996, p.523); i.e., maximised opportunities to discover variations among participants’ reactions to the PMM processes. Diverse participants from three levels of staff (e.g., the top, middle, and operative levels) were sought to obtain representation of multiple perspectives. A combination of snowball and theoretical sampling was used together to derive the most productive sample; each of sampling techniques was applied as required and when appropriate.

After justifying the selection of qualitative research, it is necessary to consider the justification of semi-structured interviews, and an overview of the research process and research ethics involved in this study. Semi-structured interviews were considered to be in line with the research questions and objectives by allowing the exploratory and explanatory nature of the case study to be developed. In particular, their more open structure towards questioning was considered as important in order to allow the full detail of complex and subtle issues to be explored when making cross case comparisons (Bryman and Bell, 2007).

The development of the questions is described below. The order of questions in the interview was varied according to the flow of the talk in a given organisational context. All interviews were conducted by face-to-face meeting between the researcher and a single participant. This form of interview made it possible for the
researcher to investigate participants' understandings and feelings about PMM in their organisations and, at the same time, to explore the reasons for their attitudes and opinions. Moreover, as this issue could be regarded as potentially sensitive, establishing personal contact helped in giving respondents assurances about the use of interview information and confidentiality.

The interview questions were developed both to explore the detailed responses of employees in a way that would allow grounded explanations of their reactions to PMM to be developed but they were also informed by issues that were relevantly exposed in the literature review. This latter was to allow, in addition to inductive production, the evaluation of existing notions and a comparison between these and the current situation involved in this study. The latter questions were not intended to test the existing theories in the hypothetico-deductive form but to identify points of difference and further debate and investigation. Four sets of interview questions were developed, one for each of the different groups of respondents: public sector senior managers; public sector middle managers and operative staff; private sector senior managers; and private sector middle managers and operative staff. The use of four sets of questions was an acknowledgment of differences in organisational context and priorities for these different groups. However, in practice the differences were relatively small and reflected organisational contextual issues rather than the specific focus on PMM issues. The majority of interview questions were open ended. The interviews were designed to last about an hour. The researcher was prepared to allow respondents to follow their own directions where necessary and to elaborate and reinterpret the questions in the ways that they wished without trying to restrict their
answers, except where this started to threaten the continuation of the whole interview (e.g., in terms of time constraints).

Because the use of personal interviews is not a common research technique in Thai businesses and organisations, the researcher decided to give participants a list of outline interview topics in advance. This was done to allay fears that respondents might have about being interviewed (perhaps associating it with a disciplinary process) and to make them more comfortable with an unfamiliar process.

The interviews were designed to determine the ways in which respondents understood the operation of their PMM system, in particular to find out whether they perceived a gap between what should be done and what was done and, as equally importantly, to understand how they responded to this system and the extent to which they believed that they did improve their performance. In all case organisations, ‘request for interview’ letters that outlined the nature and purpose of the research and its potential benefits were sent to senior managers. When agreement had been reached, a follow-up telephone call was made by the researcher to make appointment to discuss who he would like to participate and how they should be contacted. All interviews were requested in writing and followed by a confirming telephone call.

Sixty-six semi-structured interviews were conducted in the three organisations (twenty one from one private sector organisation and forty-five from two public sector organisations) within six months from December 2006 to May 2007. Most of the interviews were conducted within the organisation premises where the participants were given release time for taking part. A minority of interviews (mostly in the
private bank) were conducted after working hours. All interviews were recorded by two digital audio recorders as a safeguard against hardware malfunction. The actual interviews ranged from forty-five minutes to one and a half hours. Following each interview, the recording was transferred from the recorders to a computer and stored as wave sound files to be transcribed and checked for accuracy (Bryman and Bell, 2007).

It was notable that the researcher was able to overcome three possible problems in qualitative interviews: 'hardware malfunction', 'refusal to be recorded' (Bryman and Bell, 2007), and refusal to participate in the interviews. In particular, the last two problems were cited by Perry (1998) as that the use of tape recorder “is rarely approved during interviews in Asia” (p. 798), respectively; and “that more than one interview...in any Asian organisation is difficult...” (p. 794). As can be seen from the table below, examples of case studies conducted in Asian countries in the last five years are limited (these are not claimed to be an exhaustive list, but were all that could be identified by the researcher at the time of writing). Although interviews have been used, the number of respondents is often quite low.

<table>
<thead>
<tr>
<th>Author (Year)</th>
<th>Research Topic</th>
<th>Number of Interviewees</th>
<th>Sector</th>
<th>Data Analysis</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shih et al. (2005)</td>
<td>Expatriate performance management from MNEs of different national origins</td>
<td>36</td>
<td>(IT) Industry</td>
<td>n/a</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Thia et al. (2005)</td>
<td>An exploratory study of the use of quality tools and techniques in</td>
<td>10</td>
<td>Industrial and academic</td>
<td>n/a</td>
<td>Singapore</td>
</tr>
<tr>
<td>Author (Year)</td>
<td>Research Topic</td>
<td>Number of Interviewees</td>
<td>Sector</td>
<td>Data Analysis</td>
<td>Country</td>
</tr>
<tr>
<td>--------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>-------------------------------</td>
<td>------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Srisuadaporn (2006)</td>
<td>Managing international business communication problems at work: a pilot study in foreign companies in Thailand.</td>
<td>14</td>
<td>Multinational companies</td>
<td>n/a</td>
<td>Thailand</td>
</tr>
<tr>
<td>Lau and Moon (2008)</td>
<td>Adoption of strategic networks: evidence from the Hong Kong clothing industry.</td>
<td>5</td>
<td>Clothing industry</td>
<td>Content Analysis</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>Li et al. (2008)</td>
<td>Improving service quality and organisation performance through human resource practices; A case study.</td>
<td>7</td>
<td>Hair salon industry</td>
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As the main interest of the study was associated with individuals and their understandings and attitudes towards PMM, all processes in conducting the research from research planning to seeking access, collecting data, data analysis, and writing up research findings were kept in line with ethical principles (Saunders et al., 2007). Prior to the commencing of every interview, participants were informed of the research purpose and his/her right to withdraw partially or fully from the study throughout the process at any time. Moreover, all informants were asked to give their consents for the talk to be recorded (first asked if they agree recorded at the start of the interview), guaranteed anonymity and confidentiality, and allowed to ask any questions. Anonymity was particularly important as the interviews could give rise to opinions that were critical of individuals or organisations. Respondents were asked not to mention individuals by name and where this did occur references were removed from the transcripts. In addition respondents were assured that nothing they said in the interview would be reported to senior managers or colleagues or reproduced in a form that would identify them individually. All interview data was kept only by the researcher in secure conditions (transcripts in a locked drawer and digital material protected by password). In the analysis of individual interview transcripts, any identifying statements were removed.

Due to the fact that all interviews were conducted in Thai settings where the primary language of those interviewed is not English, the back translation of the interviews to English, a communication language used throughout the thesis, was needed, in particular for provisional data analysis and the final report of the findings (Jovanovic, 1991, p.83). The interview data were first transcribed in Thai and examined provisionally for coherence and then carefully translated into English. To ensure
reliability and to maintain the original meanings of the interviews as much as possible, the English transcripts were back translated into Thai and then checked with the original version. In the following chapters, verbatim extracts from the English translations are used. In order to keep them as close as possible to the authentic speech of the respondents, no attempt has been made to put the quotations into ‘correct’ English, as this was felt to give a sense of being contrived and adding an additional level of ‘translation’ which would have lost the ‘voice’ of the respondent. The reader is therefore asked to accept that the quotations will sometimes seem ungrammatical and clumsy but it is hoped that they will get a strong sense of how the respondents were really speaking about the issues of concern.

The secondary data was drawn from the printed and electronic documents available both publicly and privately, such as organisation websites, internal letters, annual reports, PMM manuals, and PowerPoint presentations.

Data analysis for this study began with “within-case analysis” and was followed by “cross-case search for patterns” (Eisenhardt, 1989, p. 540). Within-case analysis is intended to “allow the unique patterns of each case to emerge” and “give investigators a rich familiarity with each case” (p.540). The approach adopted was that of ‘comprehensive data treatment’ or ‘pattern matching’ (Yin 2003) and involved examination of the interview transcripts to identify emerging themes or patterns or differences between respondents within the same organisation and between organisations. The transcripts of individual respondents were also examined for the consistency of their accounts and to identify any contradictions in their answers. Possible concepts and relationships were coded and shown on a matrix so that each
interview could be seen as a summary pattern for comparison. In addition at this stage memos were also added regarding possible similarities with established theories and concepts covered in the literature review and any that emerged that had not been anticipated in the latter. For the relevance of ideas that had not been considered in the literature review, searches were undertaken on the described issue and where relevant discussion of a related established theory was integrated into the discussion chapters of the empirical results, this being an approach that can be considered as consistent with the acceptance of inductive analysis as discussed above.

In the process of interpreting this interview data it became clear that respondents in the different cases appeared to perceive the PMM process in quite different ways that seemed to reflect not only relatively small differences in the actual practices of their respective systems but rather reflected their broader understanding of the purpose of the process and its relationships to other organisational processes. In order to try to capture these differences in a systematical form, it was decided to use the tool of 'frame analysis' suggested by Goss (1996) based on the work of Goffman (1974). The notion of 'frame' refers to the way in which an individual defines a given discrete issue or set of issues (being similar to the notion of 'frame of reference' [Fox, 1974] but more specific in terms of its individual use rather than referring to a broader ideology). Thus for this study the analysis examined the ways in which individuals referred to the PMM system in terms of: a) how they described the system and its operation (positive, negative, indifferent; well informed or lacking knowledge); b) how they made connections with other organisational processes (e.g., was PMM seen as a derivative of strategy or standing alone? How was it related to other HR policies such as reward and Human Resource Development [HRD]?); and c) what reasons
were given for supporting and challenging the system (e.g., linked to personal goals or because of obedience to authority). This allowed that, following Goss (1996) a distinction could be made between ‘primary frames’ and ‘secondary frames’. For the former, this was a framing where the PMM system was identified as an important policy in relation to other organisational policies and that these other policies were seen as supporting the PMM system, meaning that the accounts of these other policies could be regarded as secondary framings in relation to the primary PMM frame. It would also be possible for a PMM to be considered as a ‘secondary’ frame if it was seen as being less important or following from another type of policy (e.g., such as reward) so that it was understood in terms of that policy rather than as being dominant in its own form.

In addition the language of Frame Analysis makes reference to the notion of ‘keying’ which refers to the way in which primary and secondary frames are linked by an individual so that a dominant and less dominant theme are connected in a way that is informed by the underpinning logic of the primary frame and thereby reinforces the latter. In contrast, there is also the notion of a ‘fabrication’ where an issue is presented in a way that conceals its real character or as a ‘disguise’ for its real purposes (e.g., where senior managers claim that PMM is intended to develop individuals but use it in practice increase work rates and punish poor performance). By examining the accounts of the respondents’ interviews it was hoped to be able to identify the ways in which they gave their framings of the PMM system and by looking for connections with other frames, to provide a view of how the process was understood in its wider context. By examining the primary/secondary and keying/fabrication distinctions it was also hoped that this would give greater real depth to the ways in which the
process was experienced by employees than referring only to single direct questions and answers (as has been shown by the work of Goss [1996] and Goss and Adam-Smith [1995]). The work of Goffman (1974) and of Goss (1996) does not give definite techniques for the identification of frames and therefore a pragmatic approach has been adopted. This involved identifying sections of the interview transcripts that were focused on PMM (either as a result of the interviewer's questions or the respondents' replies) and examining how the respondent referred to the system in terms of the dimensions outlined above. On this basis a decision was made about whether this should be regarded as a primary frame or a secondary frame and related to other frames as a keying or a fabrication. This process involves a judgment on the part of the interviewer although the basis for this will be explained in the relevant sections and by providing detailed quotations of the relevant accounts, it is hoped that the reader can form an informed judgment of the validity of this judgment. It could be argued that, with hindsight, this process could have been checked by an independent assessor to determine if they came to the same decision as the researcher and, if the study were to be repeated this would be adopted. However it is hoped that by making the process as transparent as possible in the following chapters, this will allow for a reasonable assessment of validity to be made.

Indeed, validity is viewed as a strength of qualitative research and can be in terms such as 'trustworthiness', 'authenticity', and 'credibility' (Creswell, 2003) and, in addition, the following additional points can be noticed. The main validity of this study is concerned with the 'truth' of what is being said by the participants. This can be understood in two ways. First is the notion of 'absolute truth': does what is said by the interviewees reflect what actually happens in practice? (i.e., is there a difference
between what they say and what they or others actually do?). Without a longitudinal participant observation study, it is impossible to guarantee the absolute truth of a respondent’s reply. However as the study did allow for comparisons to be made between employees of the same case organisation, this did allow for the consistency of accounts to be examined. Also because of the semi-structured nature of the interviews, respondents could be asked to clarify or confirm issues that seemed ambiguous, and also the length of the interviews meant that respondents would often qualify and clarify points they made themselves. From these comparisons the researcher did not get a sense that interviewees were being untruthful in this way or that there were significant inaccuracies in what they reported. In addition, responses from the interviewees could also be checked against secondary data which offered details of formal PMM practices. The second aspect of ‘truth’ is the extent to which the statements of the interviewees reflect genuinely held subjective opinions and values or whether they were produced in a ‘socially acceptable’ form because of the artificial nature of the interview situation (Gray, 2004). To reduce this problem the researcher spent time with the respondents establishing rapport and making sure that they understood that he was interested in their views and opinions and not in the ‘official’ view of how things were supposed to be. It was also found that by adopting a position of ‘active listening’ (i.e., encouraging respondents to speak and being interested in their replies without interrupting or prompting them quickly for answers) that most respondents did appear to soon start to ‘speak freely’ and in a conversational way rather than giving the impression of responding only to direct questions. It was felt that this was helped because the researcher presented himself as a student and was clear that he was not acting as an official of the organisation. For example, it was not uncommon for respondents to be initially quite formal and official in their replies at
the start of the interview but in nearly all cases as the interview progressed they became more willing to express what seemed to be much more their own views. This can be confirmed, as will be shown in the following chapters, by the fact that respondents were prepared to be quite openly critical of their organisations' PMM approaches which suggests that they were not merely adopting a 'safe' position because they felt threatened by the interview situation.

To support the assessment of validity, the researcher adopted a tabular approach to monitor the analysis. The themes that emerged out of the data were cross-tabulated with each respondent and the distribution of themes per respondent calculated. In addition the number of quotations used in the analysis chapters was also mapped in this way in order to show the consistency of themes and to avoid the charge that the researcher had been 'cherry picking' from only the interviews that supported his interpretation. This approach also allowed the researcher to more clearly investigate how participants in a given organisation responded to PMM practices through the number of particular themes mentioned by participants e.g., the theme about PMM taking people away from other activities. This helped to suggest and identify, based on the level of validity across the whole organisation, which theme was likely to be associated with one particular respondent or a particular group or type of respondents, or which themes were likely to be organisational issues. Thus, rather than attempting to establish a domain where findings are generalisable like deductive, hypothesis-based research (Marshall, 1996, p.522), this study was focused on generalisability from the interpretive perspective or 'transferability and fit' (Gasson, 2003). As Gasson (2003, p.98) puts it:
...claims for generalisability cannot be made using the same constructs as those used for positivist research, as dissimilar techniques to ensure application between contexts and different criteria for assessment are applied.

In this respect ‘transferability and fit’ were sought by comparing whether a particular theme observed in one case was also present in other cases (Dooley, 2002, p.342) and how the context in which the new interview data was collected was similar to/different from those in which previous data were gathered. This also made it possible to identify contextual factors (Gasson, 2003).

The issue of reliability can be seen as relating to the extent to which the results of a study can be reproduced by other researchers (Gray, 2004). For quantitative studies that use standardised methods this can be undertaken in terms of internal reliability to assess stability of structured items such as questionnaire scales, or general reliability to assess whether the same result is obtained when the research is repeated, either at a different point in time or with a different sample. However for qualitative methods the approach to reliability is more difficult. As qualitative methods such as interviews require respondents to reflect deeply in order to capture subtle differences between respondents, it cannot be expected that the same question would produce necessarily similar results from different respondents. In fact the intention might be intended to show that different people can answer the same question in different ways when they are given the opportunity to discuss the issue in fuller detail. Therefore for such research it is more appropriate to consider reliability in terms of the extent to which the design of a study could be repeated without necessarily expecting to receive identical results (Gray, 2004). This means for the researcher that accurate records need to be kept of how the research was designed (how the sample was selected), the
wording of the questions that were asked and the details of how the responses were analysed. These criteria have been met for this study with design and sampling detailed in this chapter and a copy of the interview guide included in the appendix.

Conclusion

It has been shown in this chapter how a qualitative approach was adopted to address a range of research questions that were intended to clarify and explain the ways in which PMM has been adopted and used within the Thai public sector through an analysis of the experiences of managers and employees within that sector and in comparison with a sample from a private sector bank. This approach offers new insights into the organisational process in the Kingdom of Thailand where research has been dominated by quantitative and positivistic designs. It has been stated that the analysis of the data from the current study will involve the examination of interview transcripts from semi-structured interviews in order to identify dominant themes and issues and to build inductive explanations for the discovered patterns from these and to relate the results to theories explored in the literature review and to incorporate other theories suggested by the data itself. In the following chapters, therefore the data will be presented in three chapters (one for each case organisation) and analysed. In particular, the quotations from respondents will be used in their actual words in order to convey to the reader the sense of the experiences of these employees and to expose the complex issues that underpin the adoption of a policy such as PMM.
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THE BANK

This chapter gives the details of the PMM of the private sector company involved in this study. Due to commercial confidentiality, it was not possible to publish the company name and is referred to as “the Bank”.

The Bank is one of the first financial companies in the Kingdom of Thailand, which was established in 1945. In 2006, it had total assets of 936.7 billion baht, total deposits of 752.1 billion baht, and total loans of 673.9 billion baht. As measured by total assets, it ranked the fourth largest commercial bank in the Kingdom of Thailand with 11,219 employees, 568 branches, and 3,130 automated teller machines throughout the country. Apart from being the first financial company, it is widely known as a pioneer in the introduction of new banking services in the country, and new management concepts and tools (e.g., re-engineering). In particular, PMM as a crucial part of the Bank’s strategic programmes has been adopted and implemented successfully.

The Bank has constantly gone through many restructuring programmes over the past ten years along with the continuous improvement of its PMM system. To give an overall view of the Bank’s organisation structure, its organisation chart at the time of the study is presented below.
As can be seen from the chart above, the Bank comprised ten divisions (including fifty-three departments and four networks, all of which were not shown in the chart). Each division had a distinctive focus on a different group of customers. However, due to the limitation to access to the divisional level, this study was focused mainly on the PMM process and its impact at the departmental level and the lower levels. Thus this case study was mainly associated with In-branch Service and Sales Networks (including a number of bank branches) and the Department of Business Channel Management both under the Retail Business Division. The former was organised into four major networks and at the time was responsible for overseeing all bank branches across the country. The latter was in charge of coordinating with the former in
providing support in terms of sales and service performance measurement development for branches.

The Bank's organisation structure appears to have been dominated by a mixture of the corporate model via an emphasis on goal-oriented planning system and achievement orientation, and the market model via a focus on internal competition among staff. Under such hybrid form, staff's expected behaviour and performance were guided by goals and targets set by managers, while salary increases, rewards, and promotions were determined by individual performance results and reinforced by the Bank's internal competition policy. Thus the role of the HR function seems to have been fully integrated with the PMM system and recognised as key part of business strategy in the area of people management and development with a clear focus on individualisation of employment relations.

The Bank's overall management style seemed to reflect a combination of Likert and Likert's (1976) consultative and participative-group models. Employees were organised into teams and allowed to participate in group problem solving. As will be seen below, individual employees felt free to discuss task related matters with their managers, reflecting a relatively flat and team-based form of organisation, with certain parallels to the post-bureaucratic model rather than the mechanistic bureaucracy (see Chapter 3 above).

According to respondents, the Bank's PMM system was first developed by its top executive about a decade ago. One of the senior managers of the department studied explained:
It was kicked off by CEO. It was like the Bank’s agenda. But I don’t know all details because at that time. I think this was as a result of the recommendations from every consulting house. It was like a fashion. This was the start of our idea. After that our bank fully took it and sent its executives to take relevant courses or whatever. It was a good idea. After Mr. X [the Bank’s vice president] started, he’s been attempting to achieve it. I think, our bank’s success was contributed to his effort. Because he was always following up on progress … (R7).

At that time, the Bank started establishing its vision, mission, and core values, along with reorganising its organisation structure and reviewing its business strategies to create competitive advantages under rapidly changing environments. It also put more emphasis on performance measurement, reflected by many of its strategic programmes. In this regard the Bank adopted the balanced scorecard concept to integrate all strategic perspectives and to enhance profitability at division, department, product, and customer levels. Since then, the balanced scorecard as well as a performance monitoring system has been implemented into all organisational levels to ensure all operations (i.e., business unit and individual goals) are in compliance with the Bank’s overall business direction. In line with established good practice, the Bank’s systems have continuously undergone modification almost every year in line with changes in the Bank’s strategy (Krause, 2003, p.12; Kennerley and Neely, 2002, p. 1235; Bititci et al., 1997, p. 533).

The design of a PMM system in general involves the translation of organisational stakeholder needs into business objectives and proper performance measures (Bourne et al., 2000, p.767). The Bank’s PMM system put clear emphasis on its staff’s wellbeing alongside the achievement of long term sustainable profitability. Its process was designed to meet a set of objectives as follows:
• To encourage discussion and feedback between managers and employees about the process,
• To align employees’ goals with the organisational goals,
• To provide employees with clear understanding of expectations, and
• To determine employee salary increases and career opportunities.

The PMM process was used to align staff performance with the Bank’s vision, mission and goals expressed in its balanced scorecards. After the annual business plan was developed, staff at all levels were required to set individual performance plan goals that were aligned with team goals, department goals, division goals, and the Bank’s annual business plan goals, respectively. Thus under this system, any individual could see how his/her contribution and achievement impacted the goal achievement at the upper levels.

This approach can be seen to be consistent with the so-called ‘external fit’ model of strategic HRM advocated by Schuler and Jackson (1987) which emphasises the driving role of organisational strategy that is used to set targets at successive levels of the organisation. The role of the HR function is to determine how these targets can be translated into individual and team ‘needed behaviours’ that are necessary for the objectives to be met and to design policies that will allow such behaviours to be encouraged and rewarded from employees. In this respect HRM is regarded as a ‘down-stream’ activity (Purcell, 1989) that is intended to support higher level upstream business strategies rather than to operate as a functional area driven by its own strategic objectives. Being consistent with this approach the Bank’s PMM process involved managers and employees in mutually setting up individual
performance plan goals, reviewing performance, coaching and so on, in order to ensure that all staff performance contribute to the organisational goal achievement. As experienced by individual employees and managers, the Bank's PMM process can be divided into four stages (see diagram below).

![Figure 5.2 The Bank's PMM cycle](image)

This process appeared to be understood by employees and to take place in practice (rather than merely being a formal policy that had limited application in day-to-day activity). For example:

... The details of my performance plan goals are as a result of the one-to-one performance agreement between my team leader and me ... (R3).

Well! Before my performance score is finalised, it will be ... It is about the annual performance score. At the mid of the year, there must be a process, which is called 'coaching'. This allows team leaders to invite their team members to have a chat on a one to one basis. They will tell you that based on your current performance and behaviour, your performance score at the end will be how many. They will assess and rate your performance score. They will tell you how they assess your performance. If you disagree with them, you are allowed to clarify and argue against. This is the way the Bank’s measuring our performance. (R2).
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The One-To-One Performance Planning stage appeared to allow individual employees and their managers to mutually set individual performance goals for the year, and seemed to help with building common understanding and clear expectations (this being consistent with findings from Martin and Bartol [2003, pp. 125-126] which reported that clarification of performance expectations was found to have a positive impact on the success of PMM). For example, one senior manager explained how the structuring of performance objectives reinforced the Bank's performance culture and its reward and promotion processes. In this respect the process appears to be central to the Bank's approach to the management of people:

There are no differences in the way we're treating new or old employees. In setting PRO or individual performance plan goals, a new staff member who has less work experience and low salary will be given less assigned target than those staff members who receive higher salary. PRO will be set based on position and salary base. For those staff who are in the same position, who get higher salary will be given higher target. The staff who occupy higher ranking positions will be given bigger figure than those in the lower ranking positions. It must be fair. Who receive higher salary will receive higher target. Who have higher ranking positions will receive more targets. So this sort of condition can be considered fair enough. (R9).

This centrality was reinforced by the way in which this stage was associated with individual competency requirements and individual performance plan goals, each of which was part of the Performance, Rewards and Opportunities (PRO) planning system; i.e., an in-house computer application developed to support the planning stage. The former was related to individual staff's role profile, which was used as a guide to enable them to see their jobs and the Bank's business direction as a whole. This also involved a goal setting activity in which the SMART performance goals concept was used to ensure specificity, measurability, attainability, relevance, and time limitation and trackability, respectively, of the goals. Thus the setting of
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individual performance plan goals in the Bank varied on an individual basis with assigned targets based on individual salary base, position, and staff competency rather than only on staff competency alone. As such this can be seen as an ‘inclusive’ system in which PMM is at the core as a driver of other HR practices rather than simply one of a number of practices. If another look is taken at the quotations above, it can now be seen that they could be described as drawing on a ‘primary frame’ of ‘performance’ by which is meant that respondents define the PMM system itself and their relationship to it in terms of a dominant logic of performance: the need to deliver high performance at individual and organisational levels appears to be taken as given, and other aspects of organisation are seen to derive from this (secondary frames). In the terms suggested by Goss (1996) using the terminology of Goffman (1974) this can be regarded as a ‘keying’ (linked secondary frames that connect dominant and less dominant themes in a consistent way that is informed by the underpinning logic of the primary frame; this being a metaphor based on the musical notion of changing keys. As will be seen in the following chapters, in the public sector departments, this framing priority appears to be reversed and ‘performance’ was usually treated as deriving from principles of wider organisation; i.e., hierarchical authority; in the terminology used by Goss (1996) this latter use appeared to be more of a ‘fabrication’ as the accounts of the PMM system operation suggested that it had only limited actual reality and was really a ‘disguise’ for underpinning hierarchical power relations rather than being understood as a genuine related practice, as with keyings).

However, although as will be seen below, there was primarily an acceptance of the logic and legitimacy of the PMM system, and a tendency for the majority of respondents to use ‘performance’ as the dominant frame to explain the activities, it
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also emerged that the strength of this framing, and the extent to which secondary frames were used to qualify the logic of performance, did vary to some extent between levels but primarily in relation to differences between the Bank's head office and its branch outlets.

For the head office staff, the setting of individual performance goals was normally done by managers or team leaders turning assigned goals at the department level into action plans at the team and individual levels. The goals and targets were set by mutual agreement made by managers and employees on a one to one basis. All respondents admitted that most of tasks within the head office could not be easily quantified in terms of outputs, being concerned with supporting activities (e.g., strategic planning processes), such that the emphasis tended to be on task completion and aspects of input performance (e.g., individual effort/commitment). The assessment of performance was undertaken by the employees' manager or team leader. Respondents at the head office had a clear understanding of the process of performance goal setting and appeared to have confidence and trust in the PMM system and to be satisfied with the way in which they were treated by the system (see further below).

For the Bank branch staff, the setting of individual performance goals also relied on branch managers' judgement. The main focus of the branch performance measurement was on sales activities in relation to the branch profit. However, it emerged from the interviews that, despite the theoretically more quantifiable and objective goals, the respondents in the branches, except branch managers, appeared to have a more limited understanding of the individual performance goal setting process.
There appeared to be less emphasis on mutual agreement between managers and subordinates, and respondents tended to follow what was required by their managers. One branch manager claimed that mutual agreement on individual sales goals and targets, although accepted in principle, was not being easily reached in reality and that the process was often rather informal rather than completely unified:

... Before we start tracking their performances formally in every quarter by keying in individual performance data into the system, we will invite our subordinates to individually discuss work progress, goal achievement, challenges, needs, and whatever ... (R11).

However as will be seen further below, these differences in the level of application of the processes did not seem to significantly undermine employees' trust in the PMM system, even in the branches where the approach appeared to be less developed.

The second stage of the process, Coaching, Feedback and Progress Review, appeared to be more uniform in its application. This was intended to enable the Bank's employees whether in branches or at the head office, to keep track of their achievements and challenges all year round as well as to formally and informally meet with their managers to discuss and monitor progress before the Performance Review stage. All employees were encouraged to seek coaching and frequent feedback on their performances and to review their progress on goals at given milestones. Planning for improvement was a major concern of this stage and appeared to be welcomed by staff. For example the following was a typical response from the respondents:

We [A female respondent and her intermediate manager] always have a talk. Some time I have a problem, I must seek advice from the manager ... (R30).
The coaching and feedback process was normally done formally and informally as part of PMM process with the official intention of: giving employees a good understanding of performance results and expectations; motivating employees to work more efficiently and achieve continuous development; and to build up supportive relationships between managers and employees. The coaching process appeared to provide direction, encouragement, and follow up based on continuous feedback. The following quotations capture the view taken by respondents:

Yes, I have. Before the final performance rating which is normally done at the end of the year, all team members are undergoing coaching process at the mid of the year. We'll meet with our team leaders individually. The team leaders will inform us of the estimated performance scores which are based on their perception of our current performance as well as their reasons. If we don't agree with their perception of our performance and their reasons, we're always given a chance to clarify and something like that. (R2).

They're always listening to our opinion. We must let them know about any impediments. As our coaches, they're training us, and always help us with problem solving. (R4).

The third Performance Review stage was a formal year end process, which let the Bank’s employees meet with their managers to discuss individual past performances and achievements against expectations, strengths and weaknesses, competencies development needs, opportunities, and the next year goals. As one employee expressed it:

... It seems like a mirror. He [Senior Vice President] must tell me about my performance over the past 6 months and what I need to improve. (R4).

These three stages above involved not only immediate managers in carrying out all relevant tasks, but also next level (above) managers who were involved in auditing
individual performance plan goals and reviewing the results of performance review in order to diminish issues of prejudice and unfairness.

The final Opportunities and Rewards stage was associated with pay increases, individual recognition, and promotion decisions. After assigned performance rating, employees' performances were ranked relative to those of their colleagues and finally assigned to performance band. Here the HR Division played a major part in hosting PMM related activities mainly at the individual level (e.g., mentoring and buddy programmes, compensation practices, assessor training programme), determining training needs based on the Bank's current business strategy, and providing staff, mostly in bank branches with support in terms of training sessions (e.g., sales techniques, updated knowledge on current products and services or on new performance measurement). All staff throughout the country were given the same opportunity to attend the training sessions on a rotating basis. Again this confirms the 'fit' approach adopted to HR strategy in which considerable effort was taken to ensure integration of practices driven by strategic goals with the latter being the clear driver of most core HR practices.

Often PMM and the associated practices of goal setting (Allcorn, 2005; Taylor, 2000), measuring individual performance (Green, 2001; Magee, 1998), the link to pay and rewards (Wragg et al., 2004; Danford et al., 2003), have been reported as leading to negative feelings among employees, especially in public sector organisations (see Brown and Benson, 2005; Daley, 1992) (and as will be shown in the following chapters). However in the Bank there appeared to be widespread acceptance of the
principle of PMM with only comparatively minor reservations about some aspects of the practice.

The level of acceptance of PMM principles has been regarded as a crucial requirement for its effective development (Smith and Smith, 2007, p. 405; Kennerley and Neely, 2002, p. 1236). From the perspective of the respondents as a whole, the Bank’s PMM appeared to be broadly acceptable in principle and to most in practice. There were no major contradictions or differences across different levels of employees. Most respondents seemed to suggest that their acceptance was related to the Bank maintaining a supportive approach to the system (see further discussion below) and most had witnessed the continuous improvement of the system and what appeared to be its beneficial impact on the Bank’s performance. This would seem as to be consistent with the view of Conway and Briner (2005) which argues that psychological contracts are fulfilled when there are strong human resource policies and these are experienced as delivering results that are consistent with their intentions. As will be seen in the following chapters, PMM systems in the public sector appeared not to work in this way and appeared to lead to breaches of psychological contract.

The more senior managers interviewed all worked at the head office and were dealing with work that generally had to be assessed in terms of inputs. For example, as one respondent described the situation:

... If our job is related to sales activity, individual performance is easy to be assessed. If you’ve made a lower level of sales or what, you would see your sales performance very clearly. For example, among 10 employees, the tenth employee makes sales revenue of 1,000 baht and you make sales revenue of 900 or 100 baht so that individual performances can be seen clearly in this situation. But individual contributions in this team seem
unclear enough, but we’ve attempted to make it objective as much as possible. (R9).

What I’m trying to tell you is that our performance indicators now can partly answer ‘the question’. But in fact, we still cannot say that they’re able to 100% respond to ‘the question’. The PMM system must be fair. It will help us a lot. For those who are innovative or those who are working hard, they can now be rewarded. I believe in ‘human’. And the most important thing for me is management understanding. For those in management position, they must understand what they’re doing, they must communicate, they must speak out, they must emphasise, they must check. They cannot escape from these tasks. (R8).

All four of more senior managerial respondents saw only minor PMM problems. This may have been because of their location at the heart of the Bank’s activities and their direct involvement with policy-making, meaning that they had a vested interest in ensuring that the system was effective. However, from the perspective of the middle managers questioned, almost all also accepted the PMM system, although they tended to regard it as a work-in-progress and recognised that it still had some failings. But this did not lead to a questioning of the fundamental legitimacy of the system. For example:

It’s not like 100% completion. There’re some tasks that cannot be measured quantitatively. We now cannot specify who is working harder, who is doing less, who is doing well or who is doing badly. The perfect indicators haven’t been found yet. The existing indicators meet our expectations to a certain extent. (R1).

For the principle of the Bank’s KPIs, it looks good. But if asked if we’ve achieved according to the principle, I don’t think we’re reached to that point yet. The Bank’s KPIs has been developed for 4-5 years. I can see just continuous improvements. But we haven’t achieved all of what we wanted to achieve. (R13).

The only significant problem identified referenced the Bank’s IT system and even here there was recognition that this was in the process of being improved.
From the perspective of operational staff there seemed to be a sharing of this general agreement about the legitimacy of the PMM system. It is interesting to note that even when head office staff talked about the system (which, as outlined above, was less prescriptive for them than for branch workers) they framed their accounts primarily in terms of the 'performance' as a necessary and inevitable part of bank work. The following was typical:

... The way the Bank is measuring branch staff performance can be seen objectively. It's about how much sales revenue from deposit, from credit card or from housing loan or from whatever that you've achieved. On the other hand, because we're at the head office and don't have that sort of sales targets, we've got to use the other type of measures. (R4).

Also of interest was that employees at the branch level also appeared to use the performance frame by emphasising the centrality of performance to a bank job – even when they recognised that this meant that they had to work harder than might be the case in some other sorts of organisation. For example:

It [PMM]'s the right solution. It's okay, I think. It's a right solution. It's understandable. I can feel a positive outcome. There are more advantages than disadvantages, although we may get more tired. From the employees' perspective, we may feel more tired and even more stressed. But after all considerations, I do agree with the way the Bank operates. If the Bank won't do it, we cannot survive then. (R33).

Performance therefore assumed a primary role in framing how respondents defined their jobs and their own responses to this. However, as suggested by the above respondent, they did also recognise that the demands of the PMM system were also a cause of pressure and stress.
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To understand this further it is possible to examine the idea suggested by Krause (2003, p.12) that the perceived positive impacts of PMM are related to the extent to which individuals see PMM advantageous to their work life. The higher level of benefits they perceive, the more they are committed to the PMM policy (see also Cavalluzzo and Ittner, 2004, p.264). Interestingly, the senior staff interviewed appeared to see the advantages of the PMM system in terms of a general principle of fairness rather than as an individual reward to them. Although it could be suggested that as senior staff they were likely to be less subject to the demands of the system than those at lower levels, it seems significant in terms of signalling a deep commitment to the system that they should decide to speak of it in these terms (rather than as, for example, a necessary policy that had to be followed because it was mandated from above – as was the case with several public sector senior managers – see following chapters). The following illustrates this view:

... When I was an operational staff, I found the goal setting standard for employees quite different. Many were given challenging goals, while some were assigned easy ones. Sometimes it depended on a manager’s personal judgement. Do you think that’s fair enough? The more competent those employees were, the more challenging goals they were given. On the other hand, those who were judged as less competent staff were given only ordinary goals. What’s wrong with those employees who were born to be smart? In measuring individual staff performance against established goals, those staff who were stupid and given easy goals usually reached their goals. Do you think we’ve got to promote those staff? Finally we’ve got to establish the effective performance framework to deliver fairness to those employees in goal setting process ... (R8).

... In branches, there are about 4,000-5,000 employees. The difficulty over there is that in the past each branch had 10-20 employees. In rating individual performances from the first to the twentieth, managers were always rated better than their subordinates. Seniors usually were ranked higher than juniors. So those juniors were supposed to be the ground for those seniors. It was that until we’ve got new performance management in which we’re now rating individual performance based on similarity of positions. We’re now rating staff performance between branches. A bank
teller's being ranked within the bank teller category. A manager must be compared to those in the manager league. A manager is no longer the no. 1 of his branch and those bank tellers must not be the base for their managers any more ... (R7).

All respondents at this level viewed the PMM system positively and shared a strong belief that the Bank as an organisation benefited from the practice of PMM. From the interviews, the following perceived benefits were identified by the more senior managers and, for the purposes of brevity, are summarised in outline below.

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<th>Areas of benefit</th>
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<td>Communication</td>
<td>- identifying problems and making senior managers aware</td>
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<td>- communicating expectations with staff</td>
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<td>Organisational performance</td>
<td>- boosting sales revenue on target bank products</td>
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<td>Strategy</td>
<td>- ability to change indicators according to strategy</td>
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<td>- coordinate relations between branches and the head office</td>
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<td>Staff management and</td>
<td>- aligning individual staff goals with the Bank's overall goal</td>
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<td>development</td>
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<td>- encouraging staff to think and plan ahead</td>
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All of these issues suggest and support the idea of a dominant 'performance' frame in which other aspects of the organisation are interpreted and related to the goal of improved performance. As the respondent above continued:

It improves all the time. A manager in the past sometimes had no time to communicate with their subordinates. Those employees then didn't know what they would do. So they just kept doing business as usual. They just did what they got used to for over the past years, for example. Once the key performance indicators are introduced, employees think ahead 1 year or 6 months in advance or whatever ... (R8).

Interestingly these more senior managers tended to point not to pressure from above as the driver of improvements in the PMM system but to potential pressure from below. In fact, it was seen to impact most on managers who had an increased responsibility to maintain fairness in order to retain the best employees:

... If those managers are not fair enough, competent employees cannot stay longer in the organisation ... (R7).

... You've done better, so you would be better rewarded. Salary increase or even career advancement is now according to individual performance result. You do less, so you get less. If you do less, but want more, you've got to be able to provide a good reason why you're entitled to better pay, for example. Because the performance score's quite clear now, so there are nearly no criticisms ... (R9).

To some extent the view of the first respondent above may be open to question given the response from the earlier employee indicating greater pressure and stress as a result of PMM pressure, but even if it does not literally represent the actual feelings of employees, it can be seen that it indicates how well embedded the performance frame is with this more senior managerial group, that it becomes an account that implies the approval of all organisation members. This can be seen as close to the unitary
discourse of HRM (Legge, 2005; Fox, 1974) which frames organisational interests as homogeneous across the organisation (it will be significant to see in the subsequent chapters that in the public sector, more senior managers appeared to be less committed to such a framing, but saw PMM more in terms of the control of employees who would otherwise look to their own interests rather than those of the organisation – in Theory X style).

From the perspective of middle managers, almost all respondents regarded the PMM system as advantageous for the Bank and staff. Similarly, the system was framed in terms of fairness and its unitary potential – again its primacy can be seen in the way in which other HR practices such as reward and promotion were defined in terms of being driven by PMM and that this provides the necessary fairness and unification. For example:

Because we want to know who are working more effectively. We want to reward the units that work effectively. We would like to provide fairness for all staff. Well, those who work hard are supposed to get better rewarded and promoted. Under PMM system, the performance result will determine salary increase. And it is the salary increase that determines chances for getting promoted in the next 3 years. The PMM is as a driver. You work harder, you get higher reward. (R1).

Respondents perceived a range of benefits for both the Bank and employees, including the following: clear performance goals for staff; motivation for staff to achieve goals and provide better service for customers; more objective monitoring of individual performance; better monitoring of work/sales; improved sales revenue; consistent criteria for managing performance; and effective support through coaching.
There was also broad agreement from operational staff that the PMM system was beneficial for both individuals and the organisation. For example:

Well, if we don’t have KPIs, those branches would work without clear direction. KPIs is like a compass to guide the Bank’s employees to work towards the direction which the Bank wants to go, to achieve maximum benefit for everyone. If the Bank makes huge profits, so do all staff. If we don’t have an effective tool to generate clear performance results, the reward or whatever would give rise to the Bank lacking in the standard in which those staff can trust. (R12).

The quotation above is of interest as it shows the extent to which employees had absorbed the language of PMM and were able to frame their account of the benefits in terms of an interesting metaphor, the compass, which can be seen as emphasising the unitary values associated with the system and the dominance of the performance frame, that is, regarding it as the necessary instrument to guide the Bank and its employees towards the desired goal – all being members of the same ship’s crew. In this respect it seems that, even when there were misgivings about some aspects of the system, the general legitimacy of the PMM approach was well embedded. In fact, most of the respondents made positive comparisons with the benefits the new PMM system had brought them compared to less rigorous approaches of the past. In the quote below it even seems that the respondent has reassessed their own approach to motivation and commitment, associating this with greater perceived clarity regarding expectations:

Many years ago, I really didn’t know how a branch manager assessed my performance. I only accepted all of the performance results he gave me. I had never agreed with those results. But I was not willing to take action against the results. The way the Bank measured staff performance was not clear enough. It was not clear. In particular the performance results were not clear. The way the Bank is doing it at present is a lot better than in the
past. I quite like it. At least, we can see clearer performance data, better performance data. (R33).

This perception that the new PMM system provided greater understanding and allowed staff to have greater control over their effort was echoed by other respondents who seemed to regard this apparently tighter monitoring as benefit in return for the better awareness that individual effort was rewarded:

In the past, we just carried out our jobs. We really knew nothing. We always accepted whatever they gave us; i.e., rate of salary increase. But at present, the Bank’s implemented KPIs and keeps telling us that it’s the better way to measure our performance. Well! They now can track our performance individually. Our performance can be tracked from slips, from transactions, and things like that. Selling insurance, for example, also has sales performance score too. I think it’s getting better. (R30).

The Bank’s now able to prove why we’re qualified for what we’ve received. (R4).

Although most of the respondents appeared to talk about the PMM, using a primary ‘performance frame’ (from which other HR policies were derived as secondary frames) and to regard this as a beneficial and legitimate way to manage bank work, it has already been indicated that although appearing to be firmly embedded, within this attitude of broad approval there also appeared to be some critical views of the PMM system. However these criticisms tended in most cases to be associated with perceived ‘inefficiencies’ in the system or with elements that had not been fully yet developed, rather than with the principle of the system. In fact, in general, respondents appeared to wish for the system to be more inclusive and rigorous, and this was what their concerns were mainly about, rather than feeling alienated from the system (as will be seen to be the contrasting responses in the following chapters). Thus bank staff generally recognised many areas of the PMM that still needed to be
amended and improved, and shared a strong belief that there was more room for PMM improvement in the future. In this respect it almost appears that the criticisms of the PMM system actually reinforce the sense that the system had strongly embedded legitimacy.

Thus, looking at how staff perceived the limitations of the PMM system, it was possible to identify different concerns between staff at the head office and those in bank branch (back office and front office). This in part reflects the different operation of the PMM system in these two areas (as outlined above) with the former group measured on a competency framework and the latter assessed mainly by quantifiable performance measurement; i.e., sales and service performance indicators. From the perspective of senior managers, the main concern was about extending the system and making it fully operational. For example:

... If asked whether I'm satisfied with the way we’re measuring individual staff performance, I would say 50% of satisfaction. (R8).

Other respondents in this group raised numerous specific issues under this broad theme of improvement which included the following: difficulty in quantifying many back office tasks; the need for a stronger link to pay (currently felt to be restricted by the Bank’s trade union which was seen to be generally supporting PMM but was also keen to ensure that changes to pay were always carefully negotiated); the ideal of basing all indicators on measurable output rather than current mix of output and input measures; and the need to refine team-based measures. The achievement of the link between staff performance results and salary increases was generally regarded as the most difficult objective for the Bank to improve, but this was regarded as a sector
issue rather than restricted to the specific organisation. The following was a typical assessment:

I felt all banks [in Thailand] have started doing this sort of thing [the adoption of PMM], but degrees of difficulty do not depend on the way we measure actual performance. The difficulty lies on the way we link performance result with rewards and salary increases. Those who've reached to that stage are regarded as very advanced, I think. Our PMM system can be linked to rewards and salary increases to a certain extent but we've got a restriction in the Bank's trade union. They keep questioning about warrantee of bonuses. It's a limitation but we still keep going forward, though we've not yet reached to it. We're gradually moving towards that point. (R8).

From the perspective of middle managers there were varied perceived weaknesses, most of which were regarded as minor problems. These included vagueness in some performance indicators which did not link completely to individual staff effort; some tasks remained unquantifiable; and discrepancies in the way some sales performance targets were allocated. Common weaknesses or drawbacks identified by the respondents in front office branches tended to fall mainly into the area of the Bank's IT system. It was seen as not able to fully support the branches' operations in relation to PMM related activities such as individual sales performance, data collection and reporting. This resulted in mistaken individual performance results on some occasions which could cause tensions. For example:

This is what I'm going to tell you, our performance data collection system is not yet 100% effective. There are only 50%-60% of the system, I think, which are okay. But For 40% the rest, there may have been some errors which is caused by manual data collection methods. The current system is good, but it would be better if we could have had more reliable data. There are still some kinds of performance reports which still call for paperwork. Instead of having some more time to do our business, we've to prepare these performance reports. This makes us upset sometimes. (R13).
The respondents at the operational level showed two broad patterns reflecting back-office and front-office positions. The former broadly shared the views of the middle managers, reflecting their exposure to similar performance standards (competence/input based), but those in the front office branches showed a somewhat different pattern. In particular they appeared to be more concerned with the changes that were happening to their jobs rather than with the system of PMM as such. In particular they were experiencing a shift in their role from previously being service providers to now increasingly being sales representatives. The main concern here was not that sales activity was measured by the PMM system but more with the perception that there were not always equal opportunities for all staff to make sales which was seen to contribute to unfair competition between staff.

The performance score rating system is now okay, I think. But the problem is the existence of the discrepancy between different positions in the same branch. Someone may argue that even bank branches in the same district may have different potential ... (R18).

... As a result of the Bank's policy regarding the use of sales targets and performance-related pay, it has been recognised that on the one hand a certain position which is seen as able to generate a certain level of income is likely to receive a certain level of compensation. On the other hand, another position which is seen as having more potential to make more income for the Bank is thus likely to be granted a higher level of compensation. As a result, those who occupy the former position are likely to have less opportunity to make sales and hence to be given less compensation (e.g., less salary increase and even no bonus). Taking all into account, the Bank then launches job rotation policy as equal opportunity for all bank staff. The Bank really wants its staff to rotate their roles actually. (R10).

Here it is interesting to make a comparison with the work of Korczynski and Ott (2005) of bank working in Australia and their account of a similar shift in the front office staff activity towards a sales orientation. Here it seemed that this had proceeded
much further than was the case in the present bank and performance was driven almost all on sales delivery which had created what they refer to as an ‘ugly’ environment based on a distinction between low-trust front office relations and high-trust relations among staff in more back-office positions. Relating to the former they report:

The bare cash nexus dominated the social relations of the larger group of sales workers. Ugly words were used to describe ugly relationships. People were characterized as ‘dogs’, as ‘mercenaries’, as ‘greedy bastards’, as ‘rats’, as ‘cowboys’, as ‘scumbags’, as ‘the enemy’, as ‘scum’, as ‘revolting’. Relationships were described as ‘us and them’, in which it was common to ‘get treated like shit’, be ‘talked down to’, ‘insulted’ and ‘squeezed’ and then ‘to cop the flak’. It was work in which ‘you trust nobody’. As befitting social relations primarily underpinned by the cash nexus, social relations were competitive and instrumental, with calculations of immediate short-term cash payback informing behaviour. The data also showed that many of the social relations were conflict-ridden. (Korczynski and Ott, 2005, p. 723).

None of the respondents in the current case expressed views that were in any way close to these expressions and it seemed that employees, although finding themselves having to adapt to a different way of working, retained a sense of trust in the Bank and its management that was closer to the ‘high trust economy’ found by Korczynski and Ott (2005) in the more back office operations. However, this study does point to a warning about how such relationships can be transformed if the basis of the employment relationship is shifted too radically towards monetarily driven individualistic performance. One reason why trust among staff appeared to remain relatively strong in spite of concerns about performance-driven job changes may be associated with the level of participation in the PMM system that the Bank encouraged.
Research has shown that users' input and participation is vital to the success of PMM implementation (Krause, 2003, p.11; Martin and Bartol, 2003, p. 120). At the Bank, participation in the PMM process was open to managers and employees, broken down into tasks and role responsibilities of units, teams, and individuals. This was intended to facilitate staff buy-in, trust, understanding, and ownership of performance measures. From the perspective of the more senior managers this was how they did perceive the process. This is not surprising as these managers had a closer involvement with the design of the PMM system and could be therefore considered to be involved by definition. However, it was interesting to note that when they spoke of the process of being involved in the design there was a strong emphasis on group decision making. The following was a typical account:

... At the design stage, there were plenty of our desires. Sometimes it [Performance measurement] was not realistic enough. When we first designed it, we consulted those textbooks [on Performance Measurement and Management]. And we had to make it clear, we had to have vision statement, we had to have those steps. But it was a bit far. There was a gap between what we had written and the actuality. We questioned ourselves; 'why was it too difficult to achieve?' Anyway it was that experience that helped us make it more realistic ... (R8).

Middle managers had less direct involvement in the direct design of the PMM system and tended rather to see their involvement in terms of providing support either for the bank branches (if they were at the head office) or for their subordinates. In particular, they emphasised their ability to be 'problem solvers' by identifying problems and feeding those into the regular review process. For example:

We review our performance measurement every year. We usually reuse the indicators that are regarded as fair enough for the users. If they are accepted by the users, we definitely keep them. If any of them are disagreed, we have to remove or modify them. (R1).
The tasks identified by most respondents included turning strategy into action plans, communicating the Bank's policy with their subordinates, sales and service performance targets allocation, monitoring performance, collecting performance data at the unit level, and reporting performance to the head office. As such they played a vital part in the implementation of the PMM system to the extent that it could be claimed that the success or failure of the PMM appeared to mainly depend on these managers. In this respect the findings give a partial confirmation of the results reported by Hales (2005) in relation to the roles of line managers in the UK. His findings found that:

Rather the role exhibits remarkable stability over time and consistency across organisations. Performance-oriented supervision is at the core, surrounded by a penumbra of additional managerial responsibilities relating to stewardship, translating strategy into operations, unit management and, exceptionally, business management. Most FLMs [The role of first-line managers] remain part of a hierarchical system of direct supervision, individual managerial responsibility and vertical accountability. Their authority is usually confined to operating routines, sometimes extends to resourcing and only exceptionally to HR matters and they are more likely to be consulted on routine operational matters than strategy. Yet they are personally accountable for day-to-day operational fluidity and, in some cases, broader performance metrics. Where responsibilities, authority and accountability are shared, it is upwards with more senior managers or specialists not downwards with members of the work team. (Hales, 2005, p. 501).

This latter point was somewhat confirmed when the views of operational staff were considered in relation to involvement in the PMM system. Almost all respondents viewed themselves as receivers of performance targets who although they were communicated with by their managers, did not feel that this extended to involvement in the actual development rather than the delivery of the system. However despite this relatively limited form of involvement this seemed to meet with employees' expectations of what was appropriate for their role. For example:
... So far, I’ve been fully involved with this system. I acknowledge what are to be improved in order to achieve assigned goals. (R2).

From my point of view, I’m working on KPIs which is the way to assess sales forces’ performance; to specify who will get what performance score; good or bad, something like that. The term of KPIs is a means to achieve what we’ve set according to the Bank’s policy. (R12).

All respondents stated that they were allowed to take part in the PMM process, in particular, through the setting of individual performance agreements, reporting, and coaching and feedback. As has been seen, this reinforces the idea that the Bank had succeeded in positioning PMM as a primary frame that employees would draw on to explain their activities.

This can be further seen by examining the extent to which the Bank appeared to have succeeded in aligning its business goals with individuals’ personal goals (as a broad indication of the extent to which they were committed to the PMM system; Williams, 2002). It is interesting that the more senior managers expressed their commitment in terms of going ‘beyond contract’ (Fox, 1974). In the quotation below for example, the respondent strongly implies that this is a commitment that is shared by most other staff and involves a personal commitment to performance standards that often have to take precedence over desires outside the workplace:

I think the discipline of employees is quite significant. Responsibility and efforts are elements of discipline. We’ve got discipline. Another thing is that we’ve tried hard and have got strong commitment to the accomplishment of our established goals. These are all what we’ve got. I believe everyone doesn’t depend on only working hours or responsible tasks. We do more than that. That is our bank’s employees. We won’t work until 4:30 pm then we go home. We may stay here late until 7 pm, 8 pm, or 9 pm or even overnight, if it’s a task we must carry out. We must pay attention to it because this is our job. (R6).
Most respondents appeared to support similar goals. In particular, they emphasised their personal commitment to notions of fairness, individual development and to excellence of service to customers. It is clearly difficult to be sure of the extent to which such statements of personal commitment are translated into actions, that is to determine the extent to which they may be only rhetorical statements. However the views of other respondents lower in the organisation did not challenge the personal commitment of senior managers and, in addition, the consistency with which such views were expressed over some lengthy interviews suggests that, as a minimum, these were views that were genuinely held. Clearly only an observational study over a lengthy period could establish the practice, but these individual commitments do confirm at least the extent to which the performance frame had been adopted as a primary source of meaning and interpretation. As such, it is difficult to think that this consistency of commitment and belief would not have some impact on the practice of management on a day-to-day basis (and in fact, it will be seen in contrast to the public sector organisations, there was less strong personal commitment and this was reflected in the views of lower level employees). This was also reflected in an emphasis on personal responsibility towards the system. For example:

... Finally, whether we’re successful or not, we must be responsible for the overall performance result of in-branch sales and service network ... (R7).

This sense of personal responsibility was also found among the middle management respondents who gave accounts of their individual commitment to the process also, as above, framed in terms of maintaining the integrity of the system which they regarded as a personal duty. For example:
As I've told you, we really don't know whether the assigned goals are easy or hard to achieve. But it is up to us at the start to be able to make sure that all can achieve those goals in the end. The questions like; 'in what way to achieve the goals?' or 'how much effort we're going to put in?', are considered important for us to determine at our level. (R5).

... If the performance management system operates unfairly, this would look bad for me and lead to de-motivating circumstances. Once the unfairness is perceived under the situation, for example, that free riders luckily get rewarded; this may result in many other employees feeling de-motivated. For this reason it must be fair enough. (R1).

Interestingly this sense of individual commitment to the PMM was also found among the operational staff. One respondent put this clearly as an issue of individual honour and respect:

... All staff members must be committed to their own words. Everyone is to be measured against their commitments ... (R3).

The respondents at this level all seemed to have a high level of goal orientation towards the performance goals of their unit or of the team. Individual goals at this level seemed to reflect not only how much they felt they belonged to the team but also seemed to be framed as an indication of how professional they were or how seriously they took their job. The following was an illustration of respondents' views:

The success of PMM, from my perspective, is that it must be able to generate performance results which are accepted by everyone. The degree of acceptance by those staff that there are no any arguments on activity coverage by performance indicators is our success. But these days we've achieved that at a certain extent. (R10).

The important thing is that if we didn't have KPIs, I think, our branches would have been working without direction. KPIs is guiding our staff to work towards the direction the Bank wants to go. This aims at maximum profits for all parties. If we didn't have KPIs, if we didn't have such effective tool to measure staff performance, this would become that our reward system is not creditable or unjustified ... (R15).
Mainly, we must use all of what we have to help those branches or bank networks to reach established goals. That’s our performance indicator, which means, in turn, that if those branches fail to accomplish the goal, so do we. (R12).

One respondent gave a detailed account of how the PMM requirement became a key defining feature of their ‘presentation of self’ (Goffman, 1969) within the workplace in relation to customers. Here it seemed that the requirements of the performance frame had been internalised as a part of the working individual identity:

In terms of established goals, we must achieve those goals that the head office’s set for us. So we must do it, we must do what are set for us, in particular selling a variety of bank products, and services. At the moment, we focus on services very seriously. The services become central to our concern. The way we’re speaking to customers, the way we’re greeting them, smiling, our dresses all become significant. Also individual personalities! We must ensure those customers are satisfied with our services and then we expect they talk to other people about our products and services, for example, that they’re pleased with our bank. In addition to impression ...Well, they normally won’t say that they’re impressed with individual staff, but they’re likely to say that they’re pleased with the Bank’s services. They always say so. Well, that is the image of our organisation, the fame of the organisation in which we must achieve and maintain it, we must adjust to the situation. (R19).

This would appear to reflect the effectiveness of the Bank’s PMM policy in becoming established as a primary frame for defining work activities and individual roles, and the operational level respondents appeared mostly motivated and willing to follow this policy (as the quote above suggests) to experience a sense of personal pride in being associated with a successful organisation. For example the quote below again indicates how closely the adoption of the policy was felt in terms of personal feelings and reactions of responsibility:
... In terms of sales activities, we're assigned sales targets. We have to work towards our established goals. If we're successful, so is the organisation, and so is the branch. Everyone becomes happy then. If we're failed, so are other people. (R16).

This level of individual commitment to the goals of the PMM system at the Bank suggests that it is based on high levels of trust. Trust has been regarded as one of the soft factors which could lead to more effective PMM so that when it has gone missing, PMM can become control-oriented and bureaucratic (Greiling, 2007, p.3). Trust in PMM is likely to reflect the extent to which managers and employees have learned from the experience of using PMM. However, there did appear to be differences in levels of trust expressed, with senior managers showing the highest levels and those at the head office expressing more than their colleagues in branches. This would seem to support the view, reflecting as discussed above, the senior managers' greater involvement in the system's development and the branch worker's exposure to more rigorous targets. However, in none of the cases could it be argued that trust was lacking, rather it tended to reflect levels of commitment. For example, of the senior managers, most respondents saw PMM as the best way to achieve both organisational and individual objectives:

I really don't know how much it's been now done in other banks. But I do believe we're on the right track if we still rely on this sort of thing ... We just follow this route. Once the Bank becomes successful, so do you. (R8).

All senior managers supported the Bank's PMM system and stated that they believed that if the PMM system was supported it would result in success for all, in other words, that the system should be trusted to deliver on the promise of fairness and individual benefit in return for dedicated attention to the core objectives.
CHAPTER FIVE

Middle managers also provided evidence of trust in the way in which they spoke about their own ability to choose and control the ways in which targets were used with the implication that they were themselves to be trusted to make the right decisions. For example, the following was typical:

... It sounds not too difficult for us now. In particular, we're given new performance measures in the form of point score. So we feel happier because we don't need to make sales on certain products that we don't want to sell. We can make choices by our own. We become happy than ever ... (R11).

The same respondent also attributed a similar form of trust to subordinates, reflecting their self-directing choices to do the right thing based on the sharing of information and discussion rather than the giving of orders:

... At the same time, if we talk to those staff in branches. We talk to those sales representatives. In their mind, they keep thinking about performance indicators all the time. It's quite clear and we don't have to communicate with them too much. They know what they should do. They know what the Bank's expecting. Our duty is to align those indicators with their expectations. This sort of thing has now been in their blood ... (R11).

From the perspective of operational staff, all respondents showed evidence of feeling trust in the PMM system but, as stated above, with different degrees reflecting their different experiences, particularly between front-office and back-office. The latter respondents tended to show stronger support for PMM and were hopeful that their support for the system would benefit their future career with the Bank. For example:

... When compared to the past, yes, the new PMM system's working quite well. It seems like if you don't do it, you won't get any reward! In the past, if you didn't do anything, you still got rewarded! You certainly got it! But under the new condition you won't get rewarded, unless you do it. (R4).
... Our KPIs is very clear. You do more so that you get more. If you won’t do it, what sort of compensation could you expect to receive? If you don’t help, both of your performance score and the branch performance score would get terrible. But if you help the branch, you and the branch would get successful together. (R19).

These responses in relation to trust are interesting as they appear to support the view originally put forward by Fox (1974) that there is a relationship between trust and discretion. Fox describes low-discretion and high-discretion syndromes. The former occurs where:

1) “The role occupant perceives superordinates as behaving as if they believe he cannot be trusted, of his own volition, to deliver a work performance which fully accords with the goals they wish to see pursued or the values they wish to see observed” (p. 26);

2) job activities are tightly defined and the incumbent is subjected to close supervision;

3) close coordination is imposed on one role in relation to interdependent other roles governed by rules and routines;

4) “the official response to failures or inadequacies of performance ... is that they result from careless indifference to job rules and organizational goals, calling for punishment and an intensification of supervision” (p. 28);

5) conflict between superordinates and subordinates is handled on a group basis through bargaining processes, where differences of interests are assumed as given.

In contrasting ways the high-discretion syndrome involves:

1) “occupants of these roles are deemed to have commitment to, and moral involvement in, a calling and/or organizational goals or values (p.30);
occupants are expected to make decisions based on this commitment as against conforming to prescriptive rules” (p.30) and close supervision and detailed regulation by specific impersonal rules are deemed inappropriate;

3) coordination between roles is on the basis of problem-solving relationships rather than standardised imposed coordination;

4) inadequacies of performance are “regarded as due not to wilful deviance, dereliction, or neglect, but to substandard exercise of discretion ... if the superior assumes the subordinate is doing his best then punishment will seem futile” (p.35);

5) conflict is treated as needing ‘problem solving’ or persuasion since differences of interests are not assumed to be present.

Fox (1974) claims that the way in which roles are structured in terms of discretion also has implications for the way in which trust is perceived and he refers to this as ‘institutionalised trust’ as it is associated with the structure of organisational roles rather than being a matter of purely personal feelings between individuals, such that the low discretion syndrome produces a sense of low trust and vice versa. However, he also makes the distinction between the different ways in which authority can be exercised within organisations which can vary between ‘discretionary trust’ and ‘prescriptive trust’. The former involves limited supervision and the expectation that the subordinate can be expected to undertake what is required in their role in a self-directed way and with limited checking on whether this has been done. The latter involves limited direct supervision but with more frequent methods and opportunities to subsequently check that the role was performed effectively. These forms of control may therefore influence the ways in which institutionalised trust is experienced. It
could be suggested that at the extremes, the low discretion syndrome would have little trust of any sort but that in a less extreme form it would be possible for there to be some ‘prescriptive trust’ that would reduce the experience of institutionalised low trust but within clear limits. On the other hand, in the extreme high discretion syndrome it would be likely that there would be discretionary trust. But it could also be seen that in many forms of work with relatively high discretion, it could also be possible to have prescriptive trust as performance would need to be monitored in some way. In this respect it can be seen that there may be a wide ‘middle ground’ in terms of the nature of trust and discretion where combinations of high and low discretion are moderated by prescriptive levels of trust. It can be suggested that this would provide some explanation of the nature of trust in the Bank in relation to the PMM system, ranging from the higher discretion roles of the more senior managers with relatively less prescriptive trust from superiors, through to the lower discretion roles of the branch operatives whose work was still relatively high discretion (compared to the notion of the extreme low discretion syndrome) but with a much higher level of prescriptive trust, that is, staff were trusted, and experienced being trusted to act in their roles appropriately, but know that the monitoring system of the PMM system meant that they were individually dependent on meeting their performance targets as a condition of continuing to receive these levels of trust and discretion. This issue will be returned to in the concluding chapter discussion.

Some more considerations on the notion of institutionalised trust and discretion can be found in a consideration of the organisational processes used by the Bank in relation to PMM. Organisational processes have been argued to considerably strengthen the environment of PMM and contribute to managers’ and employees’ acceptance of
PMM, they will also reflect the trust and discretion issues identified above. For example, IT has played a key role in facilitating performance data collection, and performance reporting systems (Tze and Boon, 2008; Cavalluzzo and Ittner, 2004; Kennerley and Neely, 2002, p. 1236; Bititci et al., 2000, p. 695).

Although the Bank had attempted to advance its IT system to support the PMM system, this was the area where the most criticisms were made by managers and employees, especially from bank branches. None of the senior managers raised the issue of IT during the interviews but middle managers and employees both at the head office and in branches reported inadequacies. However, these concerns focused on the perceived ‘inefficiencies’ of the system rather than a concern about the system providing over-regulation and a reduction of individual discretion and hence low trust (Fox, 1974). However, work by Krause (2003) shows that performance data collection can be time-consuming and turn out to be “very frustrating” (p. 12; see also Bourne et al., 2000, p.767). This frustration was experienced at middle manager levels, for example:

Some individual staff performance data are still being collected manually. In producing individual performance reports for any staff members, we still cannot make use 100% of the Bank’s IT system. In many cases, we have to rely on paperwork. This is because the IT system is not 100% ready [for PMM system] yet. (R13).

Individual employees had to jot down their daily sales and service records during working hours and to enter the data into the Bank’s database later. This resulted in unnecessary paperwork, increased job complexity, and some dissatisfaction within the branch.
From the perspective of operational staff there also appeared to be support for a more efficient and extensive system:

There’re not any problems at the head office. It’s quite okay, I think. But the supportive system for measuring bank branches’ performance is not good enough at the moment. We’re seeking a better system that is able to track staff performance individually. (R2).

In fact, it still changes over the time. At the moment, the IT system is still being developed. It’s such endless development. I’ve heard that this is the sixth development; the sixth version so far. It’s for performance data collection. (R18).

These results are interesting because they give some support to the research conducted by Smith (2009) into sales work in the UK which found that many employees viewed increased IT support for performance related activities in a mostly positive way. This is interesting because, as Smith suggests, this causes a question over earlier theories that view IT as a form of surveillance that employees resist. For example, he refers to how Sewell (1998) and others (e.g., Hodgeson, 2003; Bain and Taylor, 2000) have pointed out that such electronic surveillance is not a matter of simple or unproblematic control. Sewell (1998) for example, distinguished between two forms of surveillance:

1) general but unsystematic surveillance aimed at accumulating data in all its diversity, undertaken in the hope that by increasing the sheer quantity of information, better decisions might be made or previously unknown facts revealed; and
2) highly focused surveillance undertaken with the express purpose of direct supervision and monitoring of employee performance. (p. 407).

Smith found that the comments of the managers he studied appeared to be closer to Sewell’s ‘type 1’ form of surveillance and could be seen as compatible with the
optimism expressed by Zuboff (1988) whose message was “essentially optimistic in
the sense that the informated workplace is a re-skilled workplace in which individuals
can exercise a newfound degree of autonomy and discretion” (Sewell, 1998, p. 407).

He states that the lower level managers seemed to regard the control potential of the
technology benignly and as something that helped everyone do a better job. This
seems a similar response to the managers and employees in the present study who
were concerned more with the efficiency of the technology than with its power for
control. However this is interesting as the descriptions given of the aims of the PMM
system, particularly for those operatives in the branches, suggest that in its structure it
is closer to Sewell’s ‘type 2’ with a high focus on the close surveillance of
performance. This would seem to be consistent with the notion of the high discretion
combined with prescriptive trust outlined above.

One way in which this form of acceptance may have been helped to be secured is
through organisational communication processes that can be seen as providing the
formal basis for ensuring that there is an understanding of what the PMM system
involves (Greiling, 2007, pp.14-17). The Bank employed extensive communication
techniques to underpin key operations of management (e.g., performance appraisals)
and significant changes in business direction or performance measurement. These
included training sessions, coaching and feedback, site visits by a ‘Change Team’, site
visits by senior managers, telephone calls, internal television (TV) programmes,
manager meetings, and staff meetings.
In relation to PMM, staff training along with frequent performance feedback and coaching by managers seemed to play a significant role in communicating expected performance and behaviours (Martin and Bartol, 2003, p.128). In particular, most managers appeared very aware that communication had to be frequent and reinforced by personal contact. For example:

... In the communication process between the Bank and its employees, the messages can be distorted on the way. We then have a site visit plan. Site visits mean that after our team has finished strategic plan, we will go out to train those operative staff in bank branches and talk to them directly. Also we're open to their feedback all year round. We have responsible people. (R1).

In addition the Bank’s Change Team made up of volunteer employees from across the country who are interested in training and interacting with other people as a key communication channel. This is seen to add credibility to any changes being implemented as these appear to be led by staff members rather than merely imposed by a distant hierarchical management. As will be seen in subsequent chapters, this is a marked difference from the way the public organisations handled changes in their PMM systems (Kotter, 1995). In addition, the Sales and Service Performance Strategic Management Team answered bank branch employees’ PMM-related enquires directly on the phone and via emails.

Senior managers put communication as a top priority. They acknowledged that their massages needed to be sent to employees throughout the country as soon as possible. For example:
We’re using site-visits and other channels. For example, the Bank’s TV which is providing internal TV programmes that are being broadcasted by means of a satellite for all branches has been finished recently. Site visits by top executives that allow those executives to meet with branch managers have been now carried out. At present I myself have many planned visits on schedule to meet operational staff at branches in order to give them a presentation about new performance measurement for this year. We’re also producing VCDs [Video Compact Discs] or whatever to distribute to branches across the country. We’ve used all means in delivering messages to those receivers as soon as possible. (R8).

In this respect it appears that senior managers were active not only in developing a ‘performance frame’ that structured their own understandings of the PMM process but were also committed to transmitting this to others and therefore providing them with a vocabulary and set of meanings that they could also use themselves to provide an explanation for their work activities. This appears to have been particularly powerful because these managers appeared to all have a clear understanding of wider organisational issues (e.g., the Bank’s business direction) which they drew upon in developing the performance frame, showing how the performance emphasis was central to these other activities.

From the perspective of middle managers there was a similar view:

... For our team leader, he, today, has got to go out to communicate with bank branches’ representatives about the next year performance measurement, what bank branches need to do with the new performance measurement, what the Bank wants to achieve in the next year, and what to be done to achieve the Bank’s business direction, for example. (R5).

Middle managers played an important role as an intermediary in connecting senior managers and operational employees. Along with coaching and feedback process, managers employed meetings as key communication strategy. There were two levels of meetings: manager meetings and staff meetings. The manager meetings were
normally held at regional and district offices. Branch managers were involved in the meetings at the bank district offices which were typically held for branch managers who are in the same bank district. Communication of the Bank’s policy and business direction, the allocation of sales performance goals and targets, and negotiation of performance target distribution were key activities at the meetings. For example:

To help us with understanding and adaptability, they’re providing training programmes regarding bank product knowledge. Our branch manager always briefs us on what she’s learned from training programmes or meetings. She normally communicates with us to help us to understand and be able to turn those things into practice. The Bank’s looking after us. (R19).

In terms of staff meetings within a bank branch, a branch manager was in charge of communicating the Bank’s policy and any changes in the Bank’s operations with their subordinates. Informal chats between managers and their subordinates were normally held. Moreover, in some bank branches, more formal meetings like morning talks were held by a bank manager on a daily basis:

We have a series of training sessions and communications. Nowadays we’re using morning talks. If we cannot hold morning talk in the morning, we must have a chat after work then. Though we’ve a little time, we must have a chat. (R11).

Operational staff confirmed this approach and emphasised how they now better understood what the Bank was attempting to do. For example:

... Because the Bank now changes a lot, it has put its emphasis on service quality. We cannot survive the market competition by reliance only on good quality products. The senior management team now puts the quality of service the first. (R3).
Employees both at the head office and in bank branches demonstrated clear understanding of the Bank's current business direction and policy as well as the Bank's PMM and were aware of the efforts to ensure all were aware of the processes:

They're trying to communicate with us. They have the internal TV programme. I still want to stay with it. So I occasionally watch it. (R19).

In the general terms the approach of communication adopted by the Bank appears to reflect what has been regarded as good practice in the communication of change (although it is not clear from the data whether this was deliberately researched or only as a result of coincidence). For example, according to Liu and Perrewé (2005), the communication of change can create different emotional responses to those affected which can have negative results if not handled appropriately. They argue that planned changes (which would be of the sort experienced in relation to changes in the Bank's PMM system) should be transmitted in stages: the initial change should be communicated in broad terms by senior managers (this stage often creates mixed emotions of excitement and anxiety, but giving information that is too detailed or specific tends to create negative emotions); only after this has been absorbed should more detailed and specific information be communicated about the effects at the local level and this should be communicated by those who are trusted and known at the local level (this tends to convert mixed emotions into a positive form, or to reduce negative emotions if the decision has adverse effects). This approach can be seen to be roughly approximate to the Bank's method of using senior managers to communicate the broad nature of changes and then using teams of volunteer employees (known and trusted) and middle managers to communicate the specific effects at the level of the job activity.
A final issue to be considered in relation to the Bank's organisational processes is the organisation of work and the use of team working. A common criticism of individualised PMM systems is that they can lead to fragmentation between employees and to an undermining of team working (Gliddon, 2004, p. 29). However, in the data from the bank interviews it became clear that considerable effort was put in to making sure that there was coordination between different units and between individuals. The use of shared goals clearly cascaded through the organisation (in line with the 'fit' model of HRM) and the apparently prevalent primary performance frame as a means of understanding work activities among staff at all levels and the high levels of communication appeared to mean that the PMM system reinforced team-working rather than undermined it. As two respondents explained:

I think because we all have got shared goals, we've got shared strategy to carry out with the heads of other units in the same direction, we work as one team, we share responsibility, we all are moving forward together then. We not only want everyone to focus on their duty, but also want them to have colleagues or other related units working together. We cannot focus only our task completion, but we must consider the others as well. Our unit has shared goals that encourage all staff to work collectively. (R6).

There may be some differences between old and new branch staff. From my view, it might be difference in personal attitude, for example. But we've already communicated the Bank's emphasis on team-working with those staff. Finally, they become more harmonious, I think. (R10).

Based on the overall picture from the interviews, team working was one of the significant characteristics of the Bank's organisational culture. This seems to have been supported by the nature of trust discussed above, supporting Erdem and Ozen's (2003, pp.134-135) view that a climate of trust is a key factor for effective team
working and a positive impact on organisational performance. Team-working in the
Bank was described by two senior managers based on their experience as follows:

I think it's like an organisational culture which has been established by
everyone in the team. Whether it is a team leader or a team member,
everyone's got self discipline. When new team members come in, we
become as their good role model. They will follow what we are. (R6).

... It is not such a competition between you and me. We're competing
with those established goals ... We've attempted to delegate more power
to working in a team for those staff rather than to tell them that your
colleagues are as your competitors. (R7).

The role above appears to correspond to Graen's (1976) interpersonal role making
model which emphasises the role which supervisors play in the socialisation process
of newcomers. This process has proved to have long term impacts on those
newcomers' attitude and behaviours (Jokisaari and Nurmi, 2009, p. 527). All
respondents at this level saw that the success of the Bank's overall goals appeared to
rely on balancing between team-working and individuals' contribution, as expressed
in the quotation above.

From the perspective of middle managers there was also an emphasis on how teams
operated to assist individuals achieve their goals:

... If there is someone in our team that is not able to handle his/her
workload, he/she won't be left to face it alone. Our team members always
help each other ... (R1).

Because most of my team members are new graduates from university,
they definitely don't have previous work experience. Therefore, it takes
time for them to learn and adjust themselves to the Bank's working
system. I, as their team leader, have to guide them to the right direction.
I'm encouraging them to learn by trial and error. I mean, I'm attempting to
let them learn by themselves. If they've made any mistakes and cannot go
on, they have to come to see me. Because in our team, there are several team members who have stayed here for more than 10 years. They can find advice from them at any time. They can talk to them like, ‘I’m having such problem, who should I speak to? or ‘Who could help me with this?’ (R5).

This view was also reflected at the operative level and in one case this was mentioned explicitly in relation to the tension possible between competition and cooperation:

Our branch is quite excellent! I admit it’s a desirable place to work in which none of staff members would take advantage of the other. Here, we’re working together like relatives. All staff members are local people. We know and help one another. While someone’s leaving the counter, there is always another staff member coming to help take on the responsibility. It’s the strength of our branch. (R19).

We’ve got a good team leader so that everyone is happy so far. (R3).

Almost all participants both from the head office and bank branches expressed high levels of confidence in team-working and felt like part of a team:

We all have branch and individual performance targets. We call branch performance targets ‘team performance targets’ or KPIs. While the branch performance target is called KPIs, individual performance target is termed PRO. The branch performance targets are set for a team. It’s due to the fact that the Bank normally puts the success of the branch the first and then individual performance achievement the second. As a result, we must work as a team. (R33).

Our individual PRO score includes team score too. Therefore, we must work as a team. So it seems to me that not only I’ve achieved established sales revenue, but also I have to encourage my colleagues to boost their individual sales performance in order to improve our team performance as a whole. Once the team performance has improved, so have individual performances. (R10).
We’re always a team. There is no one who wants to show off alone. Those staff who have higher potential always help their colleagues who cannot make sales on some bank products by transferring sales figures to their colleagues’ accounts, because the organisation cannot survive by only the support of staff. While you’re selling bank products, we’re carrying out our routine jobs. So you will have more time to make sales. We have to help one another so that we can go on; otherwise we won’t be successful. (R19).

As has been seen, the way performance goals were defined facilitated cooperation among individuals within the same unit. This reflected the success of the Bank’s PMM system in connecting staff by using related goals. Members of teams trusted each other and also exhibited trust in their team leaders and believed that others on the team would not take advantage of them. Interpersonal trust among team members appeared to facilitate cooperation. As has been seen, the Bank’s approach to team working fitted well with the issues identified in the previous studies. The Bank seemed to have succeeded in establishing a team-based culture that retained a focus on PMM. In fact, in line with the previous discussion above it seemed that team working was also regarded as a secondary framing from the primary performance frame – that is, as in the last quotations, with respondents defining the essences of team work in terms of their impact on performance and justified as contributing to this primary objective.

Conclusion

This chapter has identified that the Bank operated an ‘inclusive’ approach to PMM which framed the latter as a core driver of other HR practices rather than simply one of a number of HR practices. For almost all respondents at all levels, the nature of the organisation was defined largely in terms of ‘performance’. This was suggested to be understood as providing a ‘primary frame’ for respondents as the need to deliver high
performance at individual and organisational levels appeared to be taken as given, and other aspects of organisation are seen to derive from this (linked secondary frames or ‘keyings’ that connect dominant and less dominant themes in a consistent way that is informed by the underpinning logic of the primary frame [Goss 1996; Goffman, 1974]). Respondents did not fundamentally challenge this performance framing and drew upon it to explain most aspects of their work.

For example, the HR Division was portrayed as playing a major part in enabling PMM related activities (e.g., mentoring and buddy programmes, compensation practices, assessor training programme) rather than as operating as a self-contained function. It was shown how, as the maximisation of performance at all levels was a strategic priority for the Bank, this approach was consistent with the ‘fit’ approach to HR strategy in which the HR Division provided the needed behaviours required to meet the strategic performance objectives. Also observed was that this framing involved a unitary discourse of HRM (Legge, 2005; Fox, 1974) which framed organisational interests as homogeneous across the organisation but also as integrated together through the performance frame. It will be recalled how one respondent who described PMM as the compass necessary to guide the Bank and its employees towards the desired goal – all being members of the same ship’s crew.

In fact, criticisms of the PMM system tended in most cases to be associated with perceived ‘inefficiencies’ in the system rather than with the principle of the system. In general, respondents appeared to wish for the system to be more inclusive and rigorous. The respondents expressed views that suggested a sense of trust in the Bank and its management (similar to the ‘high trust economy’ of Korczynski and Ott, 2005)
which seemed to be associated with the level of participation in the PMM system that the Bank encouraged.

This was discussed in terms of discretion and trust (Fox, 1974) and it was argued that high and low discretion jobs were moderated by prescriptive levels of trust (trust that was given but that could be checked if necessary). Thus even staff in relatively low discretion roles were trusted, and experienced being trusted to act in their roles appropriately, but were individually dependent on meeting their performance targets as a condition of continuing to receive these levels of trust and discretion. Because the PMM system was therefore involved in the basic structuring of tasks and relationships it can be seen how this became established as a primary performance frame. In fact it was shown that senior managers were active in transmitting this to others and providing them with a set of meanings that they could also use to provide an explanation for their work activities. This appeared to be particularly powerful because managers appeared to all have a clear understanding of wider organisational issues (e.g., the Bank's business direction), which they drew upon in developing the performance frame, showing how the performance emphasis was central to these other activities.

This link between trust relations and job discretion also seemed to have reduced the tendency for individualised PMM systems to lead to fragmentation between employees and to an undermining of team working (Glidden, 2004, p. 29). The use of shared goals clearly cascaded through the organisation within the primary performance frame and the high levels of communication appeared to mean that the PMM system reinforced team-working rather than undermined it. As will be seen in
the following chapters, this was a pattern that was not replicated in the public sector organisations, despite the use of PMM systems that were somewhat similar to those of the Bank.
CHAPTER SIX

THE EXCISE DEPARTMENT

This chapter presents insights into the PMM system of the first of the public sector organisations, the Excise Department. The Excise Department is one of the government agencies under the Thai Finance Ministry. It is responsible for excise tax collection and suppression activities. It evolved from the merger of two excise tax-related departments in 1933; the Opium Department founded in 1906 and the Liquor Department founded in 1909. In 2006, The Department of Excise had 3,438 permanent civil servants, 10 Regional Excise Offices, 86 Area Excise Offices, and 178 Area Excise Branch Offices throughout the country. To give an overall view of the organisation structure of the Excise Department, its organisation chart at the time of the study is presented below (see Figure 6.1). The Excise Department adopted a functional structure, split into a number of functional groups for specialisation.

After the introduction of the Department’s PMM system, there seemed no radical change in the Department’s organisation structure. The structure at the time of the study was characterised by high formality, high power distance (Hofstede and Hofstede, 2005), and deference to seniority. This tends to reflect a traditional bureaucratic form of organisation, despite the introduction of PMM. Thus, unlike the Bank, the PMM appeared to be an ‘addition’ to an existing structure rather than a core driver of other aspects of the organisation. In fact, as will be shown below, the PMM system seemed to fail to develop the sort of cultural attachment that characterised the Bank in terms of engaging the Department’s employees and eliciting management and staff commitment to performance objectives. Rather, the Department’s existing
organisational culture appeared to impede team-working, ownership of problems, participation, and consultation, causing a tension with the PMM system rather than developing around it as a primary frame of reference.

Under the Department's existing organisational culture, the overall management style seemed to reflect Likert and Likert's (1976) Exploitative-Authoritative model. The Department's senior managers did not seem to have trust in their subordinates and tended sometimes to view them as incompetent. The head of department seemed to hold absolute power in decision making and subordinates at all levels were supposed to follow the directive from the top, and were not allowed to participate in decision making. As a result, there appeared to be no upward communication other than in response to demands for information from above (in the classic bureaucratic style). Senior managers admitted that they exercised power based on their position's authority and gave subordinates pressure in terms of warnings and repeated demands to get the job done according to orders. In response staff members expressed their fear of making mistakes which might result in loss of chance for promotions, recognition, or even pay increases. Individual employees did not find it easy to chat with their managers. Although it has been shown that not all employees at the Bank were entirely happy with their PMM, there seemed to be wide agreement that it was intended to be fair and that management went to some trouble to try as far as possible to make the system work fairly. In fact, some of the quotes from bank managers made clear that perceived fairness was something that concerned them. This concern was not found in the Excise Department other than in terms of obedience rather than commitment to the principle.
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THE EXCISE DEPARTMENT

Directer General

Internal Audit Unit

Tax Policy and Planning Bureau

Principal Advisor on Tax Collection Administration and Development

Investigation and Suppression Bureau

Deputy Director General

Excise Laboratory Division

Development and Technical Investigation Division

Revenue Division

Deputy Director General

Tax Collection Administration Bureau

Office of the Secretary

Deputy Director General

Legal Affairs Bureau

Finance Division

IT Centre

Public Sector Development Unit

Bangkok Excise Office and Area Bangkok Excise Offices (1 - 5)

Regional Excise Offices (10)

Area Excise Offices (86)

Area Excise Branch Offices (178)

Figure 6.1: The Excise Department's Organisation Chart
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THE EXCISE DEPARTMENT

The Department's PMM process was shared by many other branches of the public sector e.g., the Ministry of Finance, the Fiscal Policy Office, Thai Rating Information Service (TRIS), and the OPDC and therefore can be considered as completely integrated within the formal bureaucratic structure of the public sector. The OPDC appeared to be the most influential to the Department's process. It was in charge of public sector development and provided supports such as training and recommendations on strategic planning for all government organisations. TRIS, which was founded in 1993 in support of the Ministry of Finance and the Bank of Thailand as a neutral institution to delivery consulting and rating services to government agencies and state-owned enterprises, had been working for the OPDC as an expert team in providing for advice and evaluating government performance. The role of the organisations mentioned above will be described in the Department's PMM process below.

Figure 6.2: The Public Sector's PMM Cycle

1) Performance Agreement Stage

2) Monitoring and Assessment of the Results Stage

3) Rewards Stage

As can be seen from Figure 6.2, above, the Department's PMM process was made up of three key stages, Performance Agreement, Monitoring and Assessment, and Rewards. However, the process seemed to focus primarily on performance management at the
organisational level (departmental targets, etc.) without a strong link to performance management at the individual level via the performance appraisal system.

The Performance Agreement stage was the most important as all government departments were required to draw up a PA. The Department’s PA included a strategic plan, strategic initiatives, key performance indicators (KPIs), and standards/targets. The preparation of the PA involved the selection and allocation of strategic initiatives, and KPIs within the department. All government departments within the same cluster under the same ministry had to choose performance indicators from the same performance framework formulated by the OPDC. There were two major types of KPIs, compulsory and optional, each of which came with specific improvement requirements. In terms of target setting, there were two major types of performance targets involved in the process: tax collection revenue targets (the Department’s main operations), and non-tax collection revenue targets (linked to development). The former were set according to targets at the cluster level which were derived from the outcomes of the negotiation between the Revenue Cluster (including the Departments of Excise, Revenue, and Customs), the Fiscal Policy Office and the Ministry of Finance.

After the details of the Department’s PA and related targets (e.g., tax collection amount, taxpayers’ satisfaction, energy saving) had been examined and approved by committees and advisers appointed by the OPDC (including TRIS), the PAs were signed by the Director General (as the highest ranking civil servant within department), Deputy Directors General, and heads of departmental units. At this stage, the Department carried out the results assessment, made a SAR, and submitted
to the OPDC two times a year. Before every formal assessment, there were also a number of internal site visits carried out by the Bureau of Tax Policy and Planning to assure target achievement.

The reward stage involved the distribution of the Department’s bonus payment as an organisational performance-based reward which was derived directly from the Ministry’s bonus policy. The Department’s bonus plan was a single lump sum payment which was distributed to individual staff within the Department. However, the OPDC did not clearly provide the criteria or formula for the awarding of bonuses, but let government agencies decide this on their own. Within the Department there was a Department Administration Committees (comprising mainly the senior managers) which undertook the decision making process. Individuals appeared to receive bonuses based on their salary grades, length of service, and positions. In this respect, the outcome of the Department’s PMM system appeared to have little connection to individuals’ bonus payments, salary increases or career advancement (as will be discussed further below).

As shown in the previous chapter, the acceptance of PMM has been regarded as a crucial requirement of its development (Smith and Smith, 2007, p. 405; Kennerley and Neely, 2002, p. 1236). Acceptance has been seen as being enhanced by maintaining an effective and efficient PMM system in which benefits derived from PMM have to match the effort required by the system (Kennerley and Neely, 2002, p. 1236). From the perspective of senior managers in the Department, there was a formal acceptance of PMM in the form that all respondents at this level were required to sign performance agreements with their next level (above) managers as well as
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with their subordinates. However, when the way in which these respondents spoke about PMM was examined, it became clear that such formal acceptance was more complex than the official view might suggest. For example, it is interesting that whereas the Bank senior managers framed their discussion of PMM in terms of business needs and principles of fairness in a performance-driven culture, the senior managers in the Department used a framing that gave greater emphasis to obedience to hierarchical authority and to PMM as a 'duty' rather than as a valued tool. Thus it will be seen that although their accounts appear to be supporting of PMM, it is a support that is conveying of acceptance rather than willing embrace. In particular, almost all of the respondents perceived the Department's PMM system as a 'test' set by the OPDC which required high compliance in order to 'pass'. The quotes below show several interesting features such as an element of 'game playing' in that each side recognised that meeting the other's expectations appeared more important than the actual performance outcome and the presence of fear as a driver of the system:

The OPDC is aware that government departments would not take it seriously, the OPDC then has to set and compromise the standards of its performance measures. At the beginning, some government organisations may be concerned if they meet the performance standards set by the OPDC. Or even some government departments are afraid of failing to meet the standards, so they’re likely to choose the performance measures which are easy to achieve, which they have confidence about. (R29).

Out of total 5.0, I always get 4.9. Well! We know what the strategic plan is all about. We just follow it then. But it didn’t much benefit the Department. No matter what we do, we always achieve it. For the past 2 years, the organisational units under my supervision got 4.9. (R37).

It is interesting to consider the difference with the Bank reactions. Here there was also a concern with not meeting targets, but this was viewed more in terms of concern that was focused on the effect on the Bank’s reputation and performance and that this
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had a direct effect on employees’ roles as there was an expectation that strong performance in relation to targets at the individual level was part of the expected duty of an employee. However as will be seen further below, the concern in the Department appeared to be directed more about maintaining the appearance of deference towards the hierarchy so that the actual targets were regarded as more related to the power structure of the Department rather than performance itself. For example, this was admitted by one manager: “Although we’ve achieved all established goals and targets, this cannot indicate 100% of our actual performance” (R54), the implication from this being that the result was to cause ‘satisficing’ behaviour (Simon, 1947) rather than optimising performance. For example:

[The performance measurement] It’s impractical at all. Some performance indicators e.g., IT development that force our staff to achieve are acceptable. For other indicators e.g., to improve at least 3 sets of laws, they are very easy to achieve. They’re something that we’ve been doing. But, I don’t think it [the PMM system] is useful enough ... The ways the strategic planning is used in the Department, particular the use of KPIs, are totally wrong because this department is a tax collecting organisation. The strategic plan has been used messily. What I’ve observed is that those staff are only attempting to follow what are required by the strategic plan [which was set by the OPDC], to complete the strategic projects and get the performance score. (R37).

In this respect it seems that the department managers’ responses were using a framing that linked the PMM frame implicitly to the hierarchy frame with the latter appearing to operate as the primary frame (compared to the Bank where the senior managers used a performance frame as the primary frame to provide a keying to the secondary hierarchical frame). In summary the Department gave a rationale for PMM in terms of obedience to hierarchical authority, whereas the Bank framed hierarchical authority as an outcome of performance. As will be shown below, one outcome of this type of framing was that in the Department, expression of adherence to the
principle of PMM appeared more important than addressing the disadvantages and problems that derived from the actual practice within the Department (whereas in the Bank, a failure in practice was regarded as important to maintaining the integrity of the whole system).

From the perspective of middle managers, most of the respondents used similar framings to the senior managers with an emphasis on the primary frame of hierarchical authority as the main rationale for PMM compliance. There was also an interesting parallel from one respondent which also echoed the idea of the ‘game playing’ approach identified by a senior manager. Here the emphasis was on the way in which resources were used to ensure that trial PMM systems gave the appearance of success. For example:

The current performance measurement is being used only for indicating, not measuring performance yet. It's expected to be able to seriously measure performance in the next 2-3 years. They [the OPDC] always raise 1-2 successful government organisations as examples for us to learn from. You will find that within those exemplary organisations, there are a large number of mentors. There are lots of people used. In some cases there are even more mentors than operators! (R23).

This suspicion towards the validity of the system was framed within the primary frame of hierarchical authority with the approach being the result of imposition and manipulation from the powerful OPDC. An even more hierarchical framing was provided by another respondent who emphasised that regardless of the rhetorical commitment to PMM, he ‘knew’ what was ‘really’ required from him, and that this was determined by the demands of his superiors rather than the PMM ‘data’:
I hardly make use of performance measurement data. Sometimes we really don’t know what our department’s strategy is. But we’ve known we must carry out our job without mistakes. We must achieve what we’ve been set for us. We’ve to discard what’s not our priority ... I’m barely interested in performance report. It hasn’t come close enough to us yet. (R36).

I admit that it’s partly because we’re not ready yet. It takes time. Because in the setting of performance indicators or strategic plan, we still rely on a top down approach. As a result, I’m not sure if those employees who will be in charge or related are willing to perform this sort of task. So far, it seems to me that we, all 3 departments, are forced to accept strategy and tactics in which there are only a few people understand. (R25).

These framings were also found at the operational level where the framing that emphasised hierarchical control became even more explicitly evident. As above there was often a distinction that was implied between the rhetoric of PMM and a much more unclear practice. For example:

By the principle, we’re on the right track. In practice, we’re not. I don’t know what to say. (R28).

As an operator, we’re required to be committed to it [the Department’s PMM system], but we lack supports. At the same time we have to accept it because we’re forced to do so. I’m using such words because we’re expected to take the order from the managers along the hierarchy; with this objective, we must do that, for example. To be honest, we always comply, but we’re not motivated. (R50).

It is interesting to note that as responses were taken from respondents at progressively lower levels in the Department, the strength of the primary hierarchical authority frame increased and the performance framing decreased. Thus those at the more senior levels explicitly linked the two frames and gave a rationale for the relationship between them, whereas at the operative level, the primary hierarchical frame was almost totally dominant with an emphasis on control and obedience and with little attempt or apparent understanding to elaborate on the performance frame. Within all
of these framings there were issues that emerged relating to the 'game-like' way in which PMM was adopted and the distinction between rhetoric and reality of which most respondents were clearly aware. The way in which PMM appeared to be accepted was in many ways consistent with the bureaucratic nature of the organisation and appeared to be regarded as something to be obeyed on account of the position power of senior managers and, related to this, the structuring of the PMM system around legal documents (i.e., performance agreements) which reinforced the contractual nature of the agreements. As such PMM could be seen as based on formal legal contracts but also on a form of psychological contract that appeared as being strongly 'transactional' in that compliance was seen as a duty (as opposed to the more relational contract exposed in the Bank, where most employees appeared to regard the notion of PMM as part of the organisational culture; Conway and Briner, 2005). This was apparent in the extent to which few respondents emphasised benefits to either them or the organisation from adopting PMM but instead tended to focus more on the difficulties, suggesting that they were psychologically 'disconnected' from the system (see also Radnor and McGuire, 2004, p.252). The issue of psychological contracts will be discussed more fully in the following chapter, but here a consideration can be given to the role of power in maintaining the PMM system.

It can be seen from these initial responses that the exercise of organisational power appears as significant in ensuring the obedience of staff towards the PMM system. One way to understand the issue of power in organisations has been suggested by Goss et al. (2009; also in Doern and Goss, 2009) in terms of the notion of 'power rituals' based on the works of Collins (2004) and Summers-Effler (2002). Power rituals are defined as situations in which individuals or groups engage with each other...
in some sort of structured activity in the roles of ‘order-givers’ and ‘order-takers’ (Goss et al., 2009) and this appears to be the situation in the Department. Within power rituals Collins (2004) distinguishes between ‘D’ power and ‘E’ power. D-power stands for “deference-power or order-giving power” (p.284) and is found in strong power rituals. E-power stands for “efficacy power” which is based on actually making things happen in practice (p.284), in particular in bringing about change. Collins’s (2004) assumption is that although D-power is often highly visible (especially in organisations), it does not always translate into actions that change things or make things happen: “the extent to which orders are actually transmitted, put into action, and have results” (p. 288). Collins (2004) uses the notion of ‘interaction rituals’ to describe the ways in which people structure many of their interactions and it can be suggested that D-power is often associated with maintaining the status quo. Thus although people follow orders, they may simply be reproducing the existing behaviours that are expected of them in the context of the interaction ritual. In this way the order-givers maintain face by being obeyed and order-takers avoid being punished or sanctioned, but little actually changes in terms of behaviour. This was explained in the context of the Department as follows by one employee:

Our department’s performance measurement has been set by the OPDC. All government departments are expected to be the same. As a result all government departments are going to get the same performance results. If asked about to what extent it’s been modified so far, we haven’t taken any further actions yet. We only attempt to meet performance standards, which is only our major concern. We don’t care how our department can get improved from it yet. (R20).

Thus as genuine PMM requires constant changes in behaviour (to improve performance and ways of doing things to bring this about) the reliance on D-power may mean that the PMM system becomes an ‘empty ritual’ that is merely obeyed in
principle as a way of confirming the power of those in command. It could be suggested that a genuine PMM system should be more based on E-power. This means that E-power is more likely to be associated with individual actions that are self-directed whereas D-power is more likely to be imposed on the individual from outside. For example:

If we look at any other department, they are under the same situation. It's a compulsory circumstance. We're expected to commit to our duty. We must do it. Well, it's impossible to act against it. Because we're working for the Government, we must do what we're expected to do ... (R20).

Under the Department's PMM, all employees are attempting to achieve their established goals, but none of them put 100% of effort. Because everyone understands that although they would have achieved their assigned goal, they would still get nothing back from their achievement. (R22).

As has been seen, there appeared to be a higher level of internal individual commitment to the practices of PMM in the Bank, whereas in the Department the emphasis was more upon obedience to the externally imposed rules and requirements of the Government. As noted above, several respondents referred to PMM as a 'test' that they were required to pass: “How we can benefit from PMM is that we know whether we fail or pass the test, so that we would know how to react to it” (R32).

This was interestingly reflected in the views of some middle managers who expressed support in principle for the principle of PMM but were concerned that it was not being fully supported. In particular they emphasised how there appeared to be a possible lack of understanding of the principles involved and a strong commitment to the real need to improve performance rather than to simply conform to the formal process of being seen to be having the system in place. Again, this can be seen as an indication
that PMM in the Department was mainly framed as a hierarchical issue and that it suggests that it was associated with D-power, even though there appeared to be a desire for an approach the applied E-power; i.e., a commitment to make the system really deliver performance improvements. For example:

Yes, we’ve got to interact with other organisations, all of which are now talking about it [PMM]. If we don’t pay attention to it, we will still do not understand it. At present everyone’s talking about strategic planning all over the world. As a result, we must pay attention to it. (R45).

In this regard, not all other departmental units understand [the PMM system]. First, it’s not what we’re doing everyday. Second, it may be a new issue. I really want to ask those responsible departmental units whether they really understand it or not, whether they’re capable of communicating and helping other people to understand or not. The strategic planning with KPIs is a good thing. It helps make things more concrete. However, what do we do to make it work, to communicate and help people to understand it? Perhaps those people may want to do it. But they don’t know it because they don’t understand. (R57).

In this respect it appeared that there was a willingness to accept PMM but that this was expected to be properly applied and developed rather than merely imposed. However, there was a recognition across the different levels of staff, with some slight variations, that the existing system was an external imposition that was framed primarily in terms of the reinforcement of hierarchical power (variously referred to as a ‘test’ or a ‘duty’) rather than being seen within a ‘performance’ frame (as was the case within the Bank).

Some respondents accepted the need to introduce PMM to meet external expectations (similar to Lawton et al., 2000). However, Lawton et al. (2000, p.15) report that the use of top-down processes in professional bureaucracies is “inevitable and appropriate especially in the context of professional defensiveness to external change”. Similarly
the findings from the study by Cavalluzzo and Ittner (2004, p. 258) claimed that the mandated requirements of PMM in the USA resulted in higher level of PMM development. The data presented so far suggests that whilst this form of imposition can ensure that PMM systems are in place in public sector organisations, even in the face of reluctance from some staff, this does not guarantee that the system will actually function effectively in accordance with its rationale. As the evidence above demonstrates, staff may simply frame the PMM system as an extension of hierarchical power and respond to it in ways that do not challenge that power, rather than understanding it through a performance frame and adjusting their behaviour to bring about continuous performance improvement through change and adaptation. In this respect the use of qualitative data to reveal how employees perceive PMM systems can reveal significant implications for real system effectiveness that exist below the appearance of widespread adoption of the formal system. This reality seems to be close to the understanding of PMM as a control tool which as Greiling (2007, p.3) points out can result from the limited relations of trust that can be associated with bureaucratic organisation and that may therefore result in the strengthening of bureaucratic regulation – rather than moves towards more flexible and performance-driven models such as would be associated with post-bureaucratic and NPM models. This is also reflected in the views of many scholars (e.g., Sanderson, 2001; McKevitt et al., 2000; Hoggett, 1996 cited by Sotirakou and Zeppou, 2006, p. 1297) who have argued that the implementation of PMM systems often tend to become more focused on top-down control rather than empowering those at lower levels to significantly change their performance.
The top down nature of the way the PMM system was being used was very easily apparent in the accounts given by some of the more senior managers. At one level this was treated as an issue relating to strategic direction that was regarded as an objective tool for setting the direction of the organisation:

Nowadays we have clear goals. We've a strategic plan which is telling us which direction we're heading to, how to achieve it, and how to follow up progress to gain efficiency. (R54).

However in the accounts of some other senior managers it was clear that they viewed the PMM system also as a mechanism of control over staff. In particular, it was interesting to note that there was often a use of language that was similar to the idea of McGregor's (1960) famous notion of 'Theory X', for example, in the following two quotations it is apparent that these managers appear to view their staff as being prone towards laziness and requiring to be firmly instructed in order to get their compliance. In the first quote, for instance, it appears that this respondent associates 'management' with 'telling' and monitoring:

It [the Department’s strategic plan] really helps with motivating staff. If we didn't have it, those staff would remain laid-back, doing business as usual. After we've KPIs, we’ve to plan ahead; we’ve to learn to manage. I’m telling my subordinates to set a plan and to produce a chart, for example, to see how much work has been done this week. Moreover, we’ve to have a meeting between managers and staff who are responsible for the Department’s website. The meeting has to take place every week to report work progress against the schedule. This makes our staff more active. (R37).

The following quotes also continue this theme and up further emphasis on the role of fear in order to ‘force’ staff to comply and, again, using the notion of a ‘test’ –
although now this has been translated from an externally imposed test to one that must also be applied internally:

That’s why I’m saying those who are still doing business as usual have to change their behaviours. If they don’t, they would be in trouble from now on for sure. This is because strategic plan or KPIs or whatever will force them to do so. If they won’t improve or develop, but behaving as usual, they would fail the test. You know what! The ultimate goal of measuring performance is to be able to identify how much and what area of quality individual staff have. (R32).

It makes them more energetic. Then they cannot stay still. This year we’ve achieve this. Next year we must achieve that. It makes them alert all the time. We’ve got a target to achieve. We cannot do business as usual any more. (R45).

These accounts are consistent not only with the Theory X assumptions but are also consistent with the notion of a ‘low discretion syndrome’ (Fox, 1974) which is also usually associated with low trust (see the previous chapter). This can be confirmed as when these respondents were asked about the advantages of PMM they responded mostly in terms of the staff control issues mentioned above rather than pointing towards any direct benefits from having the PMM system in place in relation to the Department’s key operations (e.g., to help increase the tax collection revenue). Again this confirms the view already identified that within the Department PMM was seen through mainly the primary frame of hierarchical authority rather than through the performance frame. This was put explicitly by one lower level employee:

In reality, the strategic plan and KPIs cannot help us very much, I think. But it just tells us what the goal of our job is, what we’re doing, or how much our job has been done. It seems like a performance report to submit to the upper levels. (R24).
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As has been seen, the use of performance data seemed limited; there was no clear evidence that it was used significantly to help improve the organisational performance but was rather framed in terms of employee control. This appears to correspond to the results from previous studies (e.g., Sotirakou and Zeppou, 2006; Cavalluzzo and Ittner, 2004) which show that the imposition of PMM is likely to lead to high compliance in the form of performance reports, but less likely to result in substantive improvements beyond marginal levels. This was confirmed by the comments of one respondent in a senior position who was candid about the limitations of the system:

The ways the strategic planning, in particular performance indicators, is being used within the Department aren’t right at all because our department’s a tax collecting organisation. The strategic plan’s been used messily. What I’ve observed is that those staff only follow what have been written in the strategic plan [that was set by the OPDC], complete action plans according to the Department’s strategic plan, and get the expected performance score [as an image of the organisation]. For example, according to the Department’s strategic plan of the year, we’re required to achieve three drafts of improved laws, improved official website, IT development, launch five new projects, and things like that. You must cut back on your expenses. You must have a customer satisfaction survey in place and must achieve more than 85% of customer satisfaction rating and that sort of thing! Sometimes, I think, it doesn’t have any advantages for the organisation. Some performance indicators may be practical. But there is still a question; do those evaluators really have better understanding than our department staff? (R37).

This sort of scepticism was apparent also among lower level staff at both middle and operative levels. In particular there appeared to be a sense that the performance metrics and KPIs were a major weakness that reflected the lack of knowledge of those who designed the system of the Department’s real activities, especially at the lower levels of the organisation. For example:
The Department’s current performance indicators are not 100% useful. My area office was given 4.0 points [performance score], despite the fact that we’ve achieved more than 1 million baht of tax collection revenue ... (R52).

I’m quite feeling indifferent to the Department’s performance indicators, except those for tax collection activity which I quite agree with. However, I think the performance indicators in the other areas seem useless, not much beneficial to the department. (R57).

This scepticism seemed to be seen by respondents as largely a result of the imposition by the OPDC without consultation within the Department resulting in the misunderstanding of the Department’s key operations and the real improvements required. In this respect it seemed that the staff were not resisting the need to improve and provide a better service, but rather they were unconvinced by the method that had been imposed. For example, in the following quotation the respondent expresses not only scepticism but also the concern, echoing the hierarchical framing identified above, that the appearance of compliance was more important than the actual result:

They [The OPDC] want us to streamline the Department’s administration e.g., to reduce service time in area offices. But I’m just questioning; how could they prove if we really did what we put on paper? I don’t agree with their performance indicators, which I think they are totally wrong. They [the OPDC] have to find more concrete evidence. If they really want to measure our performance, they have to ask those people who come to use our services. In reality, they just gave us faulty performance measures. Their principle is totally mistaken. For example, one performance measure requires us to have a HR development plan. Just having a plan, I could do it, putting it on paper. (R31).

The responses from operative staff were the most negative of the respondents and tended to focus in particular on both the Department’s operations and their working lives. The first quotation is of interest as it echoes the view expressed by more senior
managers about the style of management, giving emphasis to notions of being ‘forced’ and of demands being made on them:

For certain performance measures, although they [the OPDC] know those indicators are impractical, they still force us to use them. We’ve already known that we could not make use of them. Tax collection revenue is an example. They demand us to achieve what was written in the Government’s spending plan which is normally produced at least one year before the time we are in right now. As a result, we still have to adhere to what was forecasted at least one year ago. Anyway, when looking at the current economic situation, we’re very sure we couldn’t make it. (R20).

We focus only on task completion. Well, we used to suggest to them [the Department] that KPIs normally should put focus on quality performance as well. But it isn’t included in performance measurement and also we don’t have a group/team which is in charge. So we cannot see any reason for doing so [measuring quality performance or other aspects of performance]. I talked to them and they said that we don’t need to do it. So we don’t and won’t do it. (R28).

The second statement above tends to correspond to the report by Norman (2002, p.623) that organisations often measure and formally report only what they are comfortable with such that quantity is given priority over the quality aspect of performance. In addition the way in which the PMM system was operated appeared to bring about increased workload and work complexity for operative staff rather than to motivate them to work harder or seek improvements. As one respondent discussed in more detail:

It is about KPIs [that makes considerable change in our working life]. It makes me feel that it takes us away from our job despite the fact that we already have high workloads. It seems to me that we’re working for others; this departmental unit, that departmental unit. They all come to ask us for data and we always give them what they want. It becomes that we’ve done nothing so far. We, a bureau in charge of revenue data collection, know everything. But in the performance measurement process, we really don’t know why we’ve given low performance score. The Bureau A’s using our data. The Bureau B’s also using our data. They all
come and ask for the data. But those data have never been regarded as our contribution! (R38).

The above comment reveals a number of potential issues. First, it suggests that the KPIs serve to cause a distraction from day-to-day activities and, second, also that there is a fundamental unfairness within the measurement system. Finally, it seems apparent that this perceived unfairness not only reflects on the Department/group itself but also acts to create tensions between different groups/units within the Department. In this respect the issue is not merely one of a poorly designed system but of the way in which this creates wider tensions and dissatisfactions within the organisation both in vertical (between the out-of-touch more senior managers) and horizontal (between different operating units) terms.

The perceived mismatch between everyday practices and the PMM metrics seems to confirm Lawton et al.'s (2000, p.17) view that performance measures externally imposed can prove unfavourable to the primary needs of public services (also see Bourne et al., 2000, p. 762). As Krause (2003, p. 12) has shown feedback from users may be important to ensure the success of a PMM, and in the current situation it may appear that this seemed to be a lacking dimension, given that the most detailed criticisms were apparent at the lower levels in the organisation and these did not appear to be being addressed at more senior levels (although they expressed dissatisfactions that were more general with the system). It seemed that the introduction of PMM had caused stress problems for those staff required to meet the operational targets but this was viewed from management levels in terms of the need to always maintain compliance by exercising greater control over operating staff in order to report satisfactory target results to more senior levels. This appeared to mean
that managers often ignored actual problems that arose in the Department, and put the focus only on the achievement desired/intended outcomes. In this respect the system seemed to be creating tensions across the organisation in different ways. In ironic terms it seemed that although the system had turned into a form filling or box ticking exercise (Radnor and McGuire, 2004, p. 253), it had the potential at the level of the human side of the organisation to significantly generate tensions and dissatisfactions.

To understand this more fully it is useful to examine how respondents saw their own roles in relation to the PMM system and the extent to which they felt they had control over its activity and could influence its form of operating. As previous studies (e.g., Cavalluzzo and Ittner, 2004; Krause, 2003; Martin and Bartol, 2003) have shown, the input and involvement from the PMM users is significant for their acceptance and the success of PMM system and this is therefore of relevance to explore.

From the perspective of senior managers, it seemed that none of the respondents felt that they were involved in the design of the Department’s PMM framework. They appeared to agree that performance monitoring was their major role. However there were some differences in how they interpreted this position. In some cases respondents presented a view where they defined themselves clearly as an ‘order-taker’ (Collins, 2004) and appeared to display an ‘external locus of control’ (Rotter, 1954) despite their relatively senior positions:

You must get the staff from a powerful government agency to help fix the problems in the Department. For me, I’m only Deputy Director General. I don’t have authority in management. What I can do is only giving my advice to the Director General. But it all depends on whether he [Director General] would agree with me or not? The Director General had never allowed for other people’s different ideas. He always defended his idea by
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referring it as the Ministry's policy ... If our boss doesn’t like our idea, we shouldn’t talk about it again ... I mentioned it only once. Because he did not agree with me, I won’t mention it anymore. Because he is my boss ... (R37).

I don’t have such authority to argue against. The Director General asks us in a management meeting if his idea makes sense. If most of us are saying ‘yes’, I would say ‘yes’ as well. (R32).

At the middle manager level, most respondents similarly felt that they had no involvement or decision making power in the PMM system; they commonly perceived their role as a follower or order-taker.

In general, we’re only an operator because every single assigned task always comes with specific target, scope, and deadline. This is strengthened by the belief of most Thai government officers that for the order from the upper levels, we must only agree and carry out without argument. (R52).

Interestingly two interviewees pointed out that frequent replacement of the top leader of the Department had a major impact on the PMM implementation, again suggesting their relative perception of powerlessness within their roles:

... We’ve experienced frequent replacements of the top leader and those top leaders in the past then had no chance to take part in the Department’s strategic planning. Our present top leader wasn’t involved in that sort of thing due to such frequent replacements. (R31).

In dealing with the Department’s annual strategies, we have a management meeting to review the Department’s strategies as well as vision statement. Every time we’ve a new Director General, the Department’s vision statement will be changed accordingly. It’s legitimate to do so. Directors General are as a leader, as the head of organisation, each of them has different visions. (R25).
At the operational level as expected, none of the participants perceived themselves as decision makers. Almost all regarded their role only as followers who were expected to follow the directives from their managers. A junior interviewee from the head office expressed her view on this issue:

... Creating tasks within the Department always falls within managers’ responsibility; i.e., they always tell us what we have to do. For example, this year, we have one performance indicator that requires us to develop IT system to support our tax administration system. It is only one performance indicator that we have. After its requirement’s been met, the system’s not further developed. Because it’s got only one requirement and thus this project isn’t further developed. Or perhaps we can do something more on this project. That’s all their [managers’] business. (R38).

Another respondent from an area branch office described the way the Department’s PMM process operated within her part of the organisation:

They [senior managers] always give us clearly what they want us to do. They sign a Performance Agreement which becomes their obligations to the success of the strategic plan. They only sign the Performance Agreement, and we, as operators, then carry out our clearly defined action plan. (R50).

The two statements above clearly suggest that there appears to be no group decision making process within the group of operative staff or between managers and subordinates. This emphasis on order-following confirms the view of the organisation as structured around command-and-control lines in the classical bureaucratic form

This suggests that unlike the Bank, they did not have a formal role or expectation to be involved in the development of the Department’s PMM system. Furthermore, like the findings from the study by Radnor and McGuire (2004, p.255), the role of the Department’s senior managers seemed only like an administrator chasing
performance data and monitoring the progress of tasks. This was attributed to the fact that the Department's PMM framework was developed by external agencies. It seemed that the Thai government decided to centralise and standardise its PMM framework in order to save time and resources in the formulating and implementing of the PMM framework for government organisations. The evidence from the studies by Chan (2004) and by Sotirakou and Zeppou (2006) also supports this view and indicates that the time and resources required are inhibiting factors for the effective implementation of PMM. In contrast, the role of the Department's senior management team also contradicts the findings from the study in a PMM leading country like the UK by Lawton et al. (2000) which reports that senior managers in the UK public sector played a big role in developing performance measures (p. 16).

This lack of involvement can be explored further by examining the ways in which respondents linked their involvement with the PMM system to their own personal goals (Hale and Whitlam, 1998). It can be argued for that personal goals tend to reflect the success of a PMM system in aligning the organisation's goals with individuals' personal goals or, in other words, the extent to which individual staff are committed to the organisational goals through the PMM system.

The personal goals of senior managers seemed associated with the main responsibility of the Department (i.e., revenue tax collection activity). However, these goals tended to be at a quite general level: all participants emphasised the need to provide fairness in tax collection and tax laws enforcement and tended to describe their goals for their area of responsibility in general terms rather than making explicit reference to the specific objectives of the PMM system. For example:
From my perspective, we could increase the Department’s tax revenue by 20-30% per year by recruiting more staff into some areas of the Department’s activities. I’ve found some mistakes in our tax audit documents ... Only one company can cost the loss of tax revenue that accounts for a million baht [About £15,000 at that time]. (R32).

The personal goals of staff in middle management positions seemed also to reflect these general concerns. One respondent captured this clearly in terms of a general legal duty to ensure good governance. This can be seen as interesting as it points to the classic bureaucratic notion of ‘legal rational authority’ (Weber, 1978) that is an impersonal duty towards the rule of law rather than the notion of performance driven by individual interests (as could be argued to be the case under a strong PMM system where individual performance and targets are the dominant driver for employee behaviour):

... In fact, we’ve got a duty under the law to fairly collect tax revenues and ensure compliance with relevant laws and regulations. To bring fairness to all taxpayers, in my view, truly is our duty. (R31).

Others made the point already emerged above that the focus on targets tended to put the emphasis on quantity rather than the quality of their work:

I wish those terms [effectiveness and efficiency] went along very well in our department. But most of government employees put focus only on effectiveness; well, they put task completion the top priority. However, the quality of completed tasks is another issue. (R36).

At the operational level, almost all informants reported routine task completion as one of their most common personal goals. In general most respondents felt that the PMM system was something external to their routine tasks and there seemed to be limited commitment to it. This was seen as not only an attitude amongst operative staff but
also a failure of management to organise the system properly or to take a real interest in making it work effectively. In the following quotation a respondent explains how she was left alone to deal with her departmental unit’s action plan on her own, and her account confirms the view outlined above that the PMM system was experienced by many staff as a ‘empty ritual’ (Collins, 2004):

I don’t want to say that none of our staff has an interest [the Department’s PMM system]. I wish everyone shares their ideas together. Every time I go and ask them for comment on our departmental unit’s action plan, they always say ‘you carry on doing it’. I still believe that we should work together and more collectively. But they’re not interested actually. They prefer us to carry on with routine tasks. As a result, I have to formulate our departmental unit’s action plan alone, submit to the head of departmental unit to approve, and distribute the plan to every groups within the departmental unit. It seems like it’s only my idea in which I don’t think it’s good enough. Why don’t they even advise me? (R26).

Another interviewee perceived the lack of staff involvement in the PMM system to a missing connection between individual staff performance and the reward policy, but mainly to the rigid and imposition of the PMM frameworks from outside:

From my experience and talks with the staff of the other departmental units, many staff put focus on the routine tasks rather than the tasks according to the Department’s strategic plan. They’re not interested in really. This may be due to motivation as well. Because the staff from a certain departmental unit said that they felt their performance results were not related to bonus or promotion. Their departmental unit had not much role in the Department’s strategic plan. This is because all tasks have already been fixed by the OPDC. If we could formulate the Department’s strategic plan on our own, we then could allow them to set their departmental unit’s performance indicators, we could allow them to be part of the Department’s strategic planning process. They may get more interested. Well recently they phoned us and asked that why their departmental units were not included in the list of the Department’s strategic plan. I could only say that the department regarded them as supporting departmental units. But those departmental units felt they were not a key owner of the plan. As a result they were not interested. If they were key responsible departmental unit, they would have been more interested. (R21).
This quotation is interesting as it points towards the role that humiliation and insults may play in the adoption of policies. According to Gabriel (1998): “Insults include behaviour or discourse, oral or written, which is perceived, experienced, constructed, and at times intended as slighting, humiliating, or offensive” (p.1331). In particular, Gabriel points to how important exclusions are in generating perceived insults:

Refusal or failure to invite a person to an important function or party is a cause of innumerable family feuds and conflicts. It is also encountered in countless stories and myths, such as the incident that set in motion the Trojan War. Eris, the goddess of discord, who has not been invited to the nuptial reception of Thetis and Peleus, takes her revenge by sending her carte-de-visite, the apple of discord. This will precipitate the dispute among the goddesses, which in turn, will spark off the 10-year war between Greeks and Trojans. In the Grimm brothers’ story Little Briar-Rose (the source text of Sleeping Beauty), one of the 13 “wise women” was not invited to the feast in honour of the newborn princess, because the king “only had twelve plates”. She pronounced her curse that the princess would prick herself with a spindle and die on her fifteenth birthday. (Gabriel, 1998, p. 1337).

In the quotation from the respondent above, it seems that a departmental unit was not mentioned in the strategic plan which appeared to create a sense of exclusion and which lead to an enquiry about why they had not been included. From the fact than an enquiry was made it seems clear that the excluded unit perceived its position as being regarded as inferior and therefore insulting. As Gabriel (1998) makes clear, “Exclusion lies at the heart of many insulting experiences” and he makes the point that “Even if no slight is intended it is easy for a person left out to feel offended”, as seems to be the case with the representatives of the departmental unit in this case. Gabriel (1998) also goes forward to suggest that such insults can be compounded by three factors: first, where exclusion is seen to have implications for status and power; second, where the humiliation of being excluded is public; and third, when this “throws the victim off balance so that his retort is feeble and ineffectual” (p.1337).
Each of these three elements appears as being present in this case. The exclusion of this unit signals that it is perceived more widely as lacking power and influence and therefore of contributing little. Second, the fact of being not included in the strategic plan was public to the wider department and other government bodies. Third, the weakness of the unit was further indicated when they had to telephone another employee to enquire about their position (this can be seen as a more feeble response than having been consulted in advance). It therefore seems that this problem in the communication of the PMM system also created tensions and conflicts within the organisation (as in the examples above, beyond those issues relating directly to the system itself) and also contributed to the loss of commitment ('lack of ownership') felt about the system.

This wider effect of the PMM system and its state of embeddedness within the Department can be examined in more detail by examining the ways in which respondents perceived the culture of the Department and its match with the principles of PMM. In many countries where PMM systems have been introduced, cultural change has been regarded as one of strategies to support its practice (Tze and Boon, 2008, p. 449; Kennerley and Neely, 2002, p. 1236). Almost all of the senior managers perceived the Department's underlying culture as a major barrier to the use of the PMM system. In particular, there was a strong emphasis on the notion of hierarchical authority, as exposed in earlier accounts outlined above (which can also be seen as one reason why the case of the unit excluded from the strategic plan discussed above was viewed as so serious by those who saw this as an insult in the face of real power differences that could be used against them). In fact, several of the more senior managers tended to describe the culture in terms of the perceived weaknesses of lower
level employees, who they regarded as behaving reactively and always wanting to follow orders from managers:

Basically, our staff have some weaknesses, in particular the lack of creative ideas. Moreover, the way they work as a team remains ineffective because they’re still waiting for the orders from the top, but lacks their own ideas of what they should do or not to do. They have no creative ideas. They’re still in the old box; they do not dare speak out or even think ahead because they’re aware of speaking of the wrong things or generating the wrong ideas [in front of managers]. The organisational culture lies within the state of being humble, high compliance, and no arguments against managers. (R32).

It appeared that the sense of obedience to authority was identified as a difficulty but interestingly the respondents at this level seemed not to recognise that this could be something to do with their own actions towards subordinates, but preferred to see it as something happening lower down in the organisation. For example, one respondent approached this as a clear weakness of subordinates that he felt always obliged to try to correct through monitoring and control:

I spend most of my time following up, reminding, warning, giving deadlines or doing whatever which I think it could get the job done in time. Everyone is supposed to be accountable. If I ordered and quality of work went missing, this means it was not over yet, but they would have to revise it. I would have to reply to such work that do not be careless, use more brain. (R32).

Interestingly and with irony, at the middle management and junior management level, respondents also tended to view the Department’s organisational culture negatively but attributed this to senior managers not listening to their subordinates’ opinions or recommendations, and not allowing their subordinates to think out for themselves. There was a great depth of feeling by one participant who had dared to challenge their manger and felt that he had lost his chance to promotion because of this:
The Department's current vision statement came from the previous Director General's idea. No one dared argue against him and we didn't have part in it. This is a major drawback of the Thai government system. The meaning of participation in theory and that in practice totally differ. The basic participation when you're studying at school is that people always accept the differences of individual idea and opinion. But in our government system, if you're talking about what's irritating to them, this means, in the future you have to stay still, you have to keep away from them. I've been a victim and have lost so many chances for pay increases and advancement. I understand that a majority of people understand me and even agree with me. But none of them is as brave as me. (R23).

And as another stated:

... It's Eastern culture that doesn't allow others to be creative or think out of the box. It's an impediment. It would be good if we can be more innovative. But we would still have to make choice carefully and selectively ... (R25).

However, some other respondents appeared to be more attached to the notion of being an order-taker, reflecting again the strength of the underlying bureaucratic values that seemed strong within the Department. In particular, these views suggest that whilst there was a sense that managers felt they had to exercise control over a workforce that would be lazy, some of those subject to such control saw it as legitimate and obedience as a duty. It therefore seems that the authoritarian aspects of the organisation gained support from across the organisation to some extent rather than being imposed on an unwilling workforce. For example:

We're that sort of person who makes no argument, no conflict. If we can follow, we then follow. We're tolerant and we do what are told. Sometimes we cannot see the way to achieve, but are told to do it, we always do it. We never argue against! We're patient! (R45).
Our department’s strength would be that our staff have self discipline. It’s a lot better than any other department. This may be due to the fact that their educational qualification on average is not so high. Most of them obtain a first degree. They’re only like ordinary people. If they have high educational qualification, they would be stubborn. In giving commands from managers, there are no disputes from the staff... (R36).

From the perspective of operational staff, the emphasis on obedience was more consistent although this appeared to be perceived as less virtuous than the responses of the middle managers immediately above. Whereas the latter respondent pointed to employees’ self-discipline as the source of compliance, the employees themselves seemed to perceive this in terms of a lack of choice and simply the following of orders. In fact it was interesting to note the extent to which they were aware of the short-comings of this approach but felt they had little or no opportunity to do anything about this. For example:

... It seems to me that our department lacks intention to make its staff to feel as part of it. It may be due to the Department’s missions or its manpower. Also when we’re talking about work, the senior managers always say, ‘don’t say that you don’t have enough staff’ or ‘don’t say that you cannot do it!’ ... As a government official, we must follow what are told ... (R50).

... If the Department really wants us to work as a team, it must establish such organisational culture that supports team-working. But so far, it doesn’t exist yet. (R20).

... Sometimes I feel that we’re too responsive to the top leader. This leads to the fact that many organisational problems have never been brought to the ear of the top leader. From my view, the Director General doesn’t know everything. And the senior managers don’t dare tell him the truth, don’t dare tell him the possible negative impact of his policy or decision in the long run ... (R28).

Ironically this latter view appeared to reflect a sense of unity between operatives within their units as they took a pride amongst themselves in fulfilling their orders...
diligently which they saw as loyalty to the overall department and the professional conduct of their actions, but at the same time, felt that they were not receiving the best leadership and support from their immediate managers. Interestingly it may be that the imposition of PMM in a top-down manner served to reinforce the established culture of bureaucratic obedience to rule-following as it was perceived that this was a deeper organisational value that needed to be protected against weak local management and a system that was seen to be disconnected from the deeper value of government service. In the comment of the last respondent, it seemed almost as if there was a belief that if the most senior managers knew what was really going on, they would restore the old values that they were assumed to still uphold (being unaware that systems like PMM were undermining this at the lower levels). This seems to be in line with the findings from the study by Swierczek and Onishi (2003) which revealed that Thai workers perceived obedience and role clarity as important to them in the work place. However, this study gives a more complex picture of the view of these writers that the seniority system was perceived negatively by Thai staff. The findings of this study show that there were in fact, negative perceptions of seniority issues, but that these were mixed in many respects, with some perception of problems being associated with local problems rather than questioning the principle of seniority as such. It seemed more that the views tended to be ambivalent on this issue, although the general feeling was towards a sense that the system was no longer delivering the stability that had once been valued and had not put anything effective in its place.

This form of complexity can be seen as an issue relating to commitment towards PMM – in the absence of what appeared as being clear commitment from top managers, managers at all levels and employees appeared to have to develop their
own explanations in response to their direct experiences rather than from the position
of a unified organisational core value (as tended to be more of the case in the Bank).

Management commitment to PMM has been shown to be a crucial factor for the
success of its implementation. It has been shown that if a top management team is
committed to the use of performance measurement data (Cavalluzzo and Ittner, 2004,
p. 245) and held accountable for performance results, this will enhance the benefits
from PMM and, in turn, the success of PMM as a whole (p. 261). The responses from
the interviewees at the more senior levels showed little evidence of firm commitment
towards PMM which appeared mostly as a reflection of their lack of faith in the
commitment of the most senior managers. It was pointed out by nearly all respondents
that the top leader of the Department held absolute power, but that this was a position
that changed frequently in response to shifts in government policy. As a result, this
was seen to result in a discontinuity of work and policy at lower levels. For example,
the previous Directors General (recently left) was mentioned by several respondents
for lacking personal interest and competency in managing the Department and
presenting a vision statement that was regarded as not relevant to the Department’s
key operations and showing that he lacked knowledge and understanding of the
Department’s work:

It seems the Department’s current vision statement doesn’t make sense at
all. Our department is a tax revenue collecting organisation. Therefore, I
really don’t agree if we have to shift our focus towards society,
community or energy saving. It’s absolutely wrong. We’re taxing people
and at the same time we also have to discourage those people to reduce the
consumption of excise goods. If we have to support the reduction of the
consumption of excise goods [e.g., alcoholic beverages], I think this must
be the responsibility of other government organisations, for example, the
Ministry of Public Health. As a result, I don’t agree with the present vision
statement which is the Excise Department for society, community, and
environment. I believe that that is not our duty of our department at all. I think the right vision statement of our department would be associated with, for example, the collection of tax revenue in a fair and transparent manner or the improvement of tax revenue collection standard. It is these things which are more likely to be our determination or the vision of a tax collecting organisation. (R37).

This quotation is interesting because it demonstrates clearly the strength of the bureaucratic mentality. This was partly apparent in the views of all these more senior managers in their feeling that they were dependent for their own success on the behaviour of those above them, but more specifically in the above case in the belief in specialisation and professional autonomy and expertise. It seemed that the PMM system was associated with attempts to introduce general targets (across different specialist areas) that were seen as undermining what was perceived as the proper commitment to specialist expertise. The result was that there seemed to be ambiguity rather than clearness and this resulted in no individuals accepting clear responsibility for actions that were considered the core activity of the Department:

There is no ownership of the job [tax audit]. For example, if the tax revenue from X or Y drops, what do we do? No one would take responsibility. No one knows how to cope with it. No one is able to fix it. I do realise that those taxpayers pay taxes less than they should have paid, but no one responds to it. Why not? It is because those operative staff don't dare take action against it. The head doesn’t move, nor does the tail: no senior managers or any other managers take action. (R37).

From the perspective of middle and line managers, there was also a concern that commitment from above appeared to be confused. Here it seemed clear that the implementation of the PMM system was associated with top management (as already shown above, all respondents felt that the system was imposed) and that this was further confused by the frequent changes in the most senior position so that it was unclear whether the system was really to be taken seriously or was something that
would lose importance as new top managers were put in place. In particular there was seen to be discontinuity in the Department’s vision statement and strategy, which in turn appeared to have a negative impact on the perception of PMM and its implementation at the day-to-day level. Again it was apparent, as already mentioned, that much of the process associated with the PMM system was framed in terms of hierarchical power and political game-playing rather than firm and explicit commitment to the performance principle. For example:

... From the Department’s perspective, he [The Director General] may be waiting for the Division of X’s proposal. But at the same time the Division of X is also waiting for the Department’s directives. It depends on which side you’re looking at. Because it depends on individual Directors General’s personality. Most Directors General do not like to be told, but prefer to be a commander. (R45).

A top leader is supposed to be a role model for their subordinates. In our department, the underlying culture is currently not strong enough due to frequent changes in the position of top leader. As a result, the organisational culture is more varying by top leaders. Top leaders play significant part in imposing such culture. (R31).

The change of Director General every a year or every two years or so has led to staff de-motivation or has negatively affected the Department’s existing strategy. It’s confusing indeed. We really don’t know what sort of strategy our new leader would prefer. However, unfortunately some strategies were cascaded down from the Ministry. Every change comes with different vision statements. This change often brings about either ineffective or messed up strategy. (R36).

In particular, the Department’s vision statement should have been based on the uniqueness of the organisation. The vision shouldn’t focus on multiple tasks, from my perspective, so I would be able to put my focus on the right direction then. With a new vision statement comes every new director general. (R57).
As one respondent explained, this could have a significant impact on how the PMM system was perceived as there seemed to be continually mixed messages about its significance and the commitment of top managers towards it. For instance:

I understand that those senior managers don't pay full attention to the Department’s strategic plan. Well they just do what they are told and do like the others do. They don't seem to have any interest in performance indicators to measure their performance or for self development. It seems like others want us to do it more than they want to do it. (R23).

From the perspective of operational staff there was a similar response. All had the same opinion that the way the Department had been managed was responsible for current problems. In particular they emphasised the over-reliance on top leaders with absolute power in decision making, and that changes here always lead to discontinuity making it difficult to perceive clear direction and continuous commitment. For example:

The Department's been negatively affected by change in top leader. One factor is that those former directors general all are grown up from other departments, but they may have potential. After they're starting to understand and thinking about making tangible contribution to the Department, they're always rotated to another department. It seems to me that we get almost nothing from them ... (R28).

As was described by the middle managers there was a feeling that the Department's current vision statement was seen as not fit for the Department's key operations, which created confusion regarding the PMM system and an apparently conflicting vision about what was really important. In particular it was seen that there was too much political manoeuvring by top management which was experienced as a lack of support and lack of interest and commitment to the Department which undermined faith in how the PMM system was used. For instance:
The management policy is very important. If it’s a right one, the Department goes right then. If they make a good policy, they should come and evaluate whether it’s achievable or not and if there is any problem or not as well. If it’s impractical senior managers should provide enough support to make it come true. (R27).

Top management was seen by many interviewees as putting too much focus on telling staff to achieve goals and targets but lacking the understanding of how to achieve these goals in practice, and showing little recognition of when good work was done:

... Because at present, we’re not motivated. Many staff members only come to work and know that they would definitely get salary increase by at least 1-1.5 step every year. The morale of those staff members who work hard have gone low then because the senior managers have never specially rewarded them. I think the patronage system still exists within our department. (R26).

It therefore seemed that management commitment was almost unanimously seen by respondents at all levels as one of the big barriers to the development of the PMM system. This corresponds to Chan’s (2004, p.219) findings which identified the inadequate top management commitment as a major cause of the failure of the implementation of PMM system. On a similar theme Greiling (2007, p.17) points to the issue of communication in the introduction of PMM systems and how if this is not undertaken effectively it may lead to fear and distrust: “when implementing a performance management system, questions may arise concerning the purpose of such an instrument. Those supposedly being coordinated by the instruments of performance management suffer from the fear of being controlled by it”. However, in the case of the more senior managers there seemed to be a limited conception of what communication involved that very strongly reflected the classic bureaucratic principles of ‘downward instruction’ through formal meetings. The following response was typical:
... We've got continuous communication with our staff because we've got a number of meetings. The director general has a meeting with the deputy directors general. The director general also has a meeting with the regional office managers. There are also the meetings at the head of departmental unit level, and other meetings at the lower levels almost every two months. For the cross country level, we have at least two meetings and site visits to every regional office once a year. I think we've done a lot. This is the way we communicate with those who're at the lower levels ... (R29).

It seemed clear that such meetings served as much to reinforce power positions within the hierarchy as they did to communicate information, not least because of what appeared to be the relative infrequency of these events, such that they would be likely to take on a 'ceremonial' quality (as has been suggested above, reflecting the notion of a 'power ritual' in which participants are defined as order-givers and order-takers; Collins, 2004) rather than encouraging the free exchange of information, especially about difficult issues or problems. Another admitted that communication on a more regular basis was often ad hoc and could be influenced by 'time factors', a form of operating that would be likely to reinforce the view from below of a lack of interest from management:

The ways we communicate with our subordinates may vary from one to another according to individual senior managers' personality. Many may put much effort, while some may put little effort. But I rarely have enough time to talk to them [staff at the lower levels]. (R54).

Middle management respondents confirmed that meetings were a major communication channel within the Department but they were more open about the effectiveness of this medium and attributed low staff understanding of the Department's PMM system to this poor communication. For example:
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We're not ready yet. Perhaps we're lacking in co-understanding. Sometimes some words have been spoken out, but no one understands them. It seems to me that we're lacking in communication. We need to build trust and co-understanding. (R45).

Another respondent felt that these formal meetings also exposed their senior managers lack of understanding of PMM which lead to confusion between senior and middle managers and often to conflict at the operational level:

... The problem is that the senior or top managers don’t seem to have enough understanding of the PMM system. Well! I mean they just take it for granted, and their understanding isn’t right. When conflict arises, middle managers like me will have problems with the lower level employees. This happens in every departmental unit. (R23).

From the perspective of operational staff there was a view that the flow of the Department's communication was not effective and was often poor between different levels of organisation. The result was seen to be that operators were often unclear about the specific aspects of the PMM and how they should respond to the demands:

... So far, there is a problem on disseminating KPIs to operators. They are still carrying out their routine jobs. For example, those who are in charge of tax payment always stick to tax payment related activities. They won't be aware of the fact that they have to do things in accordance with the Department's strategic plan. In terms of effort in making communication, the Department's attempted to communicate all necessary information is along the chain of command; i.e., from Director General to Deputy Directors General, from Deputy Directors General to heads of bureau, and from heads of bureau to operators. If asked about the extent to which they pay attention to this, we must look at the results! (R20).

Another respondent revealed that communication meetings were really only open to managers, reinforcing the view that the emphasis was on ‘telling’ and command rather than engagement, especially at lower levels. For instance:
... Meetings within the Department are always open to only managers, while operative employees like us are never allowed to be part of the meetings. This is the big problem that we cannot sort it out. Moreover, even in the meetings at the upper level, when those managers are asked whether their responsible areas have got a problem or not, they all always say 'no' despite many problems still existing ... (R50).

Other interviewees pointed towards the perception that managers always withheld important information from staff, again reemphasising the existence of the low-trust syndrome suggested earlier:

I really don't know about how our departmental unit's target has been set. There are only those managers that know and are allowed to attend the meetings. They've never let us know about what they got from the meetings. They meet up quite often but don't brief us on what we need to know ... (R27).

The staff at the operative level like me hardly know. But it's those managers who know. We don't know as much as they know. We may know only that Risk Management has been used as one indicator that is used to measure this, measure that. That's all what I know. If asked about what activities that we have to concern as our contribution or our performance indicators are, I don't know at all. If you ask those managers, they may know the answers. (R38).

As far as we know, the policy we've received is not clear enough. We're confused and really don't know what the Department is doing so far. In some occasions, we hadn't known the Department has a strategic plan. Well, the information we received is not clear. (R21).

A broader aspect of the issue of communication is the way in which this reflects the relationship between more general HR policies and the PMM system. Experience of public sector reform in the UK has shown that the centralised HR policies had restricted PMM development against situations where there was more decentralisation to create greater flexibility (Stewart and Walsh, 1992, p.505). Similarly, there appeared to be a link between reward and performance results at local levels
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(Cavalluzzo and Ittner, 2004. p. 307). In fact, within the Department, respondents identified many aspects of HR policy that they associated with the effectiveness of the PMM system. From the perspective of the more senior managers, there was a general concern that HR did not operate effectively. However it was also interesting to note that these managers felt that they had little direct responsibility in this regard and were more likely to look for others to blame, either in terms of staff shortages or by claiming that other departments received more favourable treatment:

I admit, our department is short of staff. It's weird that there is only one person who is in charge of tax audit that accounts for 20,000-30,000 million baht [About £300-£450million]. (R32).

From my point of view, this problem [the presence of double standards in the Department's tax law enforcement] results from those managers who ignore it, the shortage of operative staff, or even having those operative staff who don't have enough knowledge. On the other hand, the Department of X has a large number of developed staff. There are a lot of training programmes provided and well defined rules and regulations [for staff to follow]. All are a lot better. Here we have loads of things that need to be improved. (R37).

Although there may be truth in the latter charges from the quotation above, the framing of the issue in these terms suggest the view that even more senior managers did not have a strong sense of their ability to make change happen against the 'system' and were more comfortable following policy instructions than acting more entrepreneurially. In addition, most of the respondents also recognised the issue of the Department's bonus plan. This also was seen as imposed from the outside and as having little relevance to the Department's actual organisational performance results:
The bonus for individual staff was quite small; only 3,000-4,000 baht per head [Around £45-£60 per person]. Despite the achievement of an overall performance score of 4.9 out of 5.0 [the Department’s total performance score at the time], they [the Department staff] still received a small amount of financial reward. (R37).

From the perspective of middle managers, there was a similar view that the Department’s HR policy was a major problematic area that contributed to staff motivation remaining poor. This was seen to be caused by several weaknesses of the HR policy and in particular the reward policy. One interviewee’s narrative on the bonus she received demonstrates that in spite of the Department having the PMM system in place, its bonus policy failed to link to the actual performance results of individuals or units:

I thought the bonus wasn’t motivating. In the form of bonus, we were given a small amount of money. Unlike those state enterprises or private sector companies where the bonus rate is normally set based on individual salary, we, in some years, received less than 1,000 baht [Around £15]. Some staff members were given only 700-800 baht [About £11-13] in that year. That was due to the fact that the Department did not allocate the bonus according to individual departmental unit’s actual performance result. It seemed the Department preferred equally allocating the bonus to its staff members. So it seems not effective, I think. On the one hand, the Office of Public Sector Development Commission wanted to see bonus allocation according to actual performance result; the better performance you achieve, the more money is given. On the other hand, the Department preferred to give equal bonus to all departmental units as the Department regarded the contributions of all departmental units as part of the Department’s achievement. (R31).

In particular it was reported that the Department seemed to find it difficult to achieve effective rewards as there was a lack of the alignment between the PMM system at the organisational level and performance appraisal at the individual level, meaning that the link was broken at the bottom level. For example:
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We must be satisfied with it [The bonus policy] because we don’t have any rights to react against it. When it came to us, we just had to distribute it to all of our staff. We really didn’t know what to do, we only followed others. (R45).

From the perspective of operational staff, the issue of staff low motivation appeared to be complex and mainly caused by the Department’s HR policy. One participant claimed that staff were faced with high levels of workload and dissatisfied with the Department’s pay increase policy which was set according to the quota policy.

... When we look at staff in other departmental units, we feel very inferior. We’ve got high workload, but have received a very limited number of quotas [for salary/pay increase]. I really don’t know how quotas have been determined for our departmental unit! But I only know that we’ve got high workload. We’ve been working very hard. We’ve made a lot of contributions to the success of the Department. You know what! I just think we should have received more quotas in order to meet the contribution we’ve made. (R28).

Many of the interviewees stated that although the Department had the PMM system in place, there had been no change in its HR policy to support the practice of the PMM system (i.e., the Department’s pay increases policy were not determined according to individual staff performance results), and that individual staff performance was still rated based on manager discretion under the traditional guidance set by the Office of the Civil Service Commission (OCSC), as one respondent explained:

What I’ve observed is that they’re really not measuring individual staff performance at all. I think they rather attempt to provide equal opportunity [for salary increase and promotion] for all staff. It’s because although you may have worked harder than any other staff member, you still receive as much as what others do. Because it may be seen that all staff are working for the departmental unit. But individual staff contribution may differ according to potential. It predominantly depends on managerial discretion. (R38).
Additionally, the respondents appeared to become cynical about the bonus they received under the PMM system. It was reported by many respondents that those in management positions earned much bigger bonuses than their subordinates, which was seen as extremely unfair. One informant gave a detail on this issue:

They [The OPDC] emphasised that senior managers should receive more money due to the higher level of responsibility. Assuming, director general receives 200,000 baht [About £3,000], while an ordinary operative employee gets 2,000 baht [About £30]. We really differ in terms of significance much more than the effort involved. The bonus cannot motivate at all. (R20).

... The money the Government gave us or the bonus! Well, if they really intended to financially reward us, I think, they shouldn’t have given us that money. After we received it, many staff unanimously said, ‘we’ve been working very hard and nearly die now. We don’t think it’s the actual bonus.’ It’d better to be termed as the change for a cup of coffee ... (R50).

It [The bonus]’s not motivating at all. In terms of the bonus we’ve received, they [the Department] should have spent this money on investing more in the IT system. They don’t need to pay us at all with that amount of money. I wish they could make our database system as good as that of the Department A ... (R27).

All interviewees seemed to agree that the Department’ HR policy was incapable of providing support for the Department’s operations, in particular the practice of its PMM system. There was a feeling that the latter was not yet linked to the performance appraisal system at the individual level which was still based on managerial discretion. Kim (2002, pp. 456-457) points out that the errors caused by managers’ subjective assessments frequently weaken the credibility of the performance appraisals process and the lack of credibility also decreases the perception that “pay reflects performance”. This phenomenon is similar to the findings from the studies by Radnor and McGuire (2004) in which the principle of performance bonus schemes was not
seen as reasonable and fair, but led to staff de-motivation (p. 254). The Department’s current performance appraisals system appeared to impede the coordination of staff. Kim (2002) makes it clear that under the limited budget for pay increases, employees often compete with one another for a larger share of the limited amount. This also hinders the achievement of shared goal among employees, or in other words, team-working (p.457). Interestingly, unlike the Bank, none of the respondents at the Department talked about the Department’s support or the role of the HR Division or the Training Division to help equip them with the necessary knowledge and skills to deal with the requirements of the PMM system. In fact, the Department’s HR policy was highly centralised by the OCSC and was often perceived as out of the Department’s management control, confirming the warnings of Sotirakou and Zeppou (2006, p. 1298) that the role of HR policy should be to provide extensive training on PMM and performance oriented reward system at the local level.

This issue of the integration of practices around the PMM system has often been associated with the availability of dedicated IT resources, especially for performance data collection, and performance reporting systems (Kennerley and Neely, 2002, p. 1236; Bititci et al., 2000, p. 695). At the same time the inadequacy of IT system can become a major barrier to the implementation and development of PMM (Kennerley and Neely, 2002, p. 1236). Many studies have shown the importance of IT system to the success of PMM (e.g., Tze and Boon, 2008; Cavalluzzo and Ittner, 2004). Given this issue and the results reported above, it is not surprising to find that the Department had been struggling to establish a capable IT system for many years. The current system failed to support the practice of the Department’s PMM system, in particular the preparation of performance reports, and resulted in work complexity
and increased staff workload. Most of the more senior managers felt dissatisfied with the capacity of the Department's IT system. They perceived that it had been developed over many years, but still could not support the Department's operations effectively. One of the interviewees referred the Department's procurement process to as a major impediment to the development of the IT system:

... Information technology changes quickly. What we've bought now becomes obsolete. Today we're looking for new [IT] systems. The procurement process remains a problem. At the start, we outlined our basic requirements. After that those requirements change. Our requirements change over the time. But those vendors that feel uncomfortable to sell what we want. This prolongs our procurement process. (R29).

From the perspective of middle managers, the inadequacy of the Department's IT system in providing support for the operations of the Department was widely recognised by all informants. Most felt sceptical about the IT system but tended to perceive the causes of failure with the Department’s IT staff and senior managers. For example:

Our IT system remains problematic. I don’t know what’ve caused this problem. It seemed to me that those who’re appointed as a head of IT Centre tend to escape from this job. You know! When reporting to the upper level managers, they [senior managers] said that our IT system had been successfully established despite the fact that we cannot even make use of it. It totally failed. Maybe it’s because of our senior managers. None of them is an IT expert. I just feel pity for our IT system which doesn’t work. (R45).

We're still experiencing the shortage of IT experts. We’ve put our effort in developing our IT system for 10 years. It’s not been successful or a bit developed yet. (R36).
The senior manager who is in charge of IT system must be energetic. At least, he/she must have enthusiastically followed up the progress. In the past, those senior managers who are in charge of IT system were not in the position long enough. As a result, we’ve received messed up master plan, messed up specification, messed up auction criteria or that sort of thing. It becomes that those contractors [IT consulting companies] have never been successful. (R52).

From the perspective of operational staff, there was also a perception that the failure of the Department’s IT system was the lack of competent IT staff and the incompetence of the senior manages in charge of IT policy. The following was a typical response:

... I got very upset because there are only three staff members who are civil servants that work for the IT Centre. The rest are those who are contract or temporary workers. We’re short of staff. We don’t know whether those who are now working for the IT Centre really have potential to perform the job. But we know we’re now short of IT staff. In reality, the IT Centre becomes something that we need to recruit more staff. But they are still underdeveloped like such old turtles ... (R28).

However, some interviewees pointed out that despite the incompleteness of the IT project, the Department’s senior managers had decided to approve the closure of the IT project, which left all staff in doubt about their commitment to improvement:

That system is what we get from the IT contractor so far and it’s now officially over. It should have been successfully completed, but it’s still not completed. Well! The senior managers just have signed a project approval form. In fact, we’ve received only four subsystems out of total twelve subsystems according to the agreed contract. There are many reasons why most of these have failed and we even thought that these problems should have been sorted out already because we know what actions are needed. However, they’ve already approved the completion of the project. (R38).

Respondents at this level seemed to be aware more clearly of the impact of the inadequate IT system on PMM practices. As one explained:
We're ready for the strategic plan and KPIs in all aspects, except IT, because we're short of desktop computers. At present there are a few PCs [personal computers] we can use within our office. We've got to share our computers with another division. We've got our own ones, but some of them have broken down ... Our department's IT system works very slowly and breaks down very often. At present, we cannot log in into the tax offender suppression system and as a result we cannot submit our report to the Department, because of such breakdown. The breakdown lasts sometimes 3-5 days. Sometimes a week. (R51).

The respondents also revealed that the Department's IT system fails to support the tax collection performance monitoring and reporting system, which was as part of the Department's PMM system, and this lead to work complexity (i.e., increased paperwork). It is interesting to note that different offices were still required to produce hard copy performance reports (as a result of the Thai Official Letter Regulations which require each office to keep a copy of the original paper documents for proof and reference – in the truly classical bureaucratic way). Many informants seemed to feel hopeless and de-motivated as a result of the Department's IT system:

I really don't know why we've never made it. I observe that they've tried to install such system for many times and they always fail in the end. Recently, they're trying to make it again. I cannot foresee the positive result actually. (R27).

This seems to correspond to the results from the previous studies (e.g., Sotirakou and Zeppou, 2006; Chan, 2004) that the capable IT systems are important to the success of PMM. However it may also be possible that this level of dissatisfaction reflects and reinforces the more general feeling of dissatisfaction with the nature of the PMM system and the feelings of exclusion from involvement in this so that the lack of IT support reconfirmed the general impression of respondents that this was not an issue that was regarded as important by the organisation in reality.

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Conclusion

The themes emerging from respondents' views of the Department's PMM system showed significant differences from the views of Bank respondents. In general it was found that although there was often an initial appearance of the acceptance of PMM, this was on closer inspection an overly simplified picture. In particular, the senior managers in the Department were shown to frame PMM in a way that suggested the primacy of hierarchical authority rather than 'performance' as with the Bank. Thus although their accounts appeared to support PMM, it seemed that this was only as a condition of maintaining obedience to centralised requirements. In particular, almost all of the respondents perceived the Department's PMM system as a 'test' or a 'game' set by the OPDC which required high compliance in order to 'pass' and meeting the expectations of the most senior officials appeared more important than the actual performance outcome.

It seemed that staff were using a framing that linked the PMM frame to the hierarchy frame with the latter appearing to operate as the primary frame – although this was not how it often appeared initially when support was given to the PMM system. Therefore it could be argued that the supportive framing of PMM was in fact a 'fabrication' that was used by respondents to disguise the real practical primary frame of hierarchical power. This created a complex interpretation in which it seemed that support had to be stated for PMM (even though as it emerged later, this had little genuine support in practice) in order to avoid challenging the dominance of hierarchical authority (which would be undermined if it was admitted that a policy that had been imposed from above, was not accepted or agreed with). Thus by looking at the secondary frames behind the primary (fabricated) framing of PMM, it emerged that the real dominance
in shaping understandings and actions was the power structure of the Department and its bureaucratic logic of control. In fact, as responses were taken from respondents at progressively lower levels in the Department, the strength of the primary hierarchical authority frame increased and the performance framing decreased. At the lower levels it seemed that the hierarchical frame took on an explicit primary significance with less emphasis on presenting the PMM system as a legitimate process, this seeming to be the result of the lower level employees having significantly less involvement in the process (other than being ordered to comply with requirements) than those in managerial positions (who had limited involvement in the design of the system but had more responsibility for its application). Few respondents at any levels but especially at lower levels emphasised real benefits to either them or the organisation from adopting PMM but did tend to identify difficulties.

From this perspective it was suggested that the role of PMM within the Department was to operate as a ‘power ritual’ (Collins, 2004): a situation in which individuals or groups engage with each other as ‘order-givers’ and ‘order-takers’, resulting in the exercise of D-power (deference-power or order-giving power) rather than E-power (efficacy power, based on making things happen). It was suggested that this sort of power did not translate into actions that changed things (such as improving real performance) but tended to reproduce existing behaviours to maintain the status quo.

This seemed to be close to the understanding of PMM as a control tool (Greiling, 2007) associated with strengthening of bureaucratic regulation rather than producing more flexible and performance-driven behaviour (such as with post-bureaucratic and NPM models; Sanderson, 2001; McKevitt et al., 2000; Hoggett, 1996). On this theme
there also emerged a view that many managers tended to adopt Theory X assumptions which appeared to encourage a ‘low discretion syndrome’ (Fox, 1974) and associated low trust. The PMM system seemed to act in this respect as a focus for underlying tensions and dissatisfactions. This was seen in one instance in the expression from one unit which was insulted by its exclusion from the process (Gabriel, 1998). Even though, with irony, few respondents expressed any positive commitment towards being involved in the process, it seemed that the exclusion had a symbolic significance in the context of the hierarchical authority (indicating inferiority) rather than suggesting offence at not participating in the PMM process, which again highlights the issue of its framing as a fabrication.

In fact as more detailed views of respondents were explored, it became clear that despite the formal acceptance of PMM, there appeared to be little full commitment, even at more senior levels (Cavalluzzo and Ittner, 2004) where nearly all respondents placed responsibility for the system’s limitations not with themselves but with the top leader of the Department who was seen to hold absolute power. This concern with following authority from above was apparent also in the form of communication adopted for the PMM system which consisted of ‘downward instruction’ through formal meetings. This was also being reflected in highly centralised HR policy (dictated by the OCSC) and the lack of any integrated training, individual development or reward systems to support PMM (as was the case in the Bank).
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This chapter presents the results of the investigation of the PMM system of the Revenue Department. As with the Excise Department (previous chapter), the Revenue Department operates under the Finance Ministry and is the highest tax collection agency, generating more than half of the total tax revenue for the Government (Individual Income Tax, Corporate Income Tax, Value Added Tax, Specific Business Tax, Stamp Duties, and Petroleum Income Tax). In 2006, it had 19,812 permanent civil servants, 12 Regional Revenue Offices, 96 Area Revenue Offices, and 848 Area Revenue Branch Offices throughout the country.

To give an overall view of the Department of Revenue's organisation structure, its organisation chart at the time of the study is presented below. Like other government agencies, it adopted a functional structure, split into a number of functional groups for specialisation.
Figure 7.1: The Revenue Department’s Organisation Chart
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This structure was not affected by the introduction of PMM, prior to which, in an attempt to increase flexibility, the Department attempted to informally organise its staff into teams, each of which comprised a staff member at level 8 as a team leader and 6-7 staff members at the lower ranks as team members. The Department’s overall management style, like the Excise Department, seemed to reflect Likert and Likert’s (1976) Exploitative-Authoritative model. Staff at lower levels claimed that they were reluctant to express their genuine views to managers but simply followed directives in order to secure favour for promotions or pay increases. As a result, there was no evidence that the Department put an emphasis on involvement or group decision making. The formal organisation of the PMM process was the same as that for the Excise Department (to save repetitions, the reader should refer to in the previous chapter if necessary).

Within the Revenue Department, the Tax Policy and Planning Bureau was responsible for preparing strategic/performance plans, KPIs, and standards at the departmental level, coordinating with internal units/staff and other government organisations. In this regard, the Department’s performance measurement and targets were effectively imposed from above. Interestingly, the Department’s strategic plan was seen by almost all interviewees as having failed to help improve organisational performance and having resulted in staff being taken away from the Department’s key operations. Ironically, the strategic planning process did not make use of feedback or performance data derived from KPIs and the preparation of action plans from the strategic plan was perceived as time consuming. The respondents at operative level appeared to feel most strongly about the consequences of the plan.
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Among the more senior managers, respondents expressed dissatisfaction with the technical terms used in the strategic plan (which had been translated from English into Thai) and perceived that these terms were difficult for ordinary people to understand and resulted in communication difficulties. The following view was typical:

... It's got too many KPIs. I think it's over the top. And what made us a headache was the technical terms after translated into Thai. Those terms seem indifferent. It looks dull and confusing. It's difficult to tell those technical terms apart. (R42).

Furthermore, two respondents also pointed out that the improvement requirements according of the plan were not worth doing. One respondent explained this as follows:

... If you asked those operative staff directly, they won't accept it [PMM], I think. What I mean by 'they won't accept it' is that they're not against it, but some KPIs force them to leave their main responsibility to do what're required by the KPIs instead. So they keep telling us that they cannot meet the tax revenue target because for one day they must click 20 items keying in performance data into the Department's database system. They tell us that today they have an appointment with taxpayers. They must go out to meet the taxpayers. They'll get some money [tax income] for sure. But today is also the last day that they must click! They have to stick to KPIs first; otherwise they may ruin the image of the Area Office and of the Regional Office. The image of the Regional Office also has an effect on the image of the Department as a whole. (R64).

Here in much the same form as the Excise Department these more senior managers did not automatically, as in the Bank, draw on a performance frame to explain their PMM system but rather located it as a secondary frame in relation of hierarchical authority and status reputation with other parts of the public sector.

At the level of middle managers, there was less concern expressed about weaknesses of the strategic plan, probably because they had less direct involvement with its
content, simply being the receivers of decisions made at a higher level and having to translate these to local relevance. However, there were generally critical views about the organisation of the planning process. The following was typical:

... Sometimes the preparation of the strategic plan takes too much time. The format of the strategic plan requires us to handle large amounts of paperwork ... We’re required to write plans, to write project plans. We have to write a lot of things. It takes time and wastes papers as well ...

(R55)

From the perspective of operational staff there was a wider level of dissatisfaction. Respondents who worked for the area offices tended to identify more weaknesses than those at the head office. The negative impacts of the strategic plan on their work life were identified as follows: unrealistic requirements sometimes leading to fabricating performance data; wasting time and making work more complicated; redundant and complicated performance reports; not compatible with the Department’s routine tasks; not easy to understand; failing to build trust with staff; and failing to motivate staff.

The following quotation captured the way the strategic plan was perceived by operative staff:

The strategic plan or whatever they call it. It brings about lots of burdens. Well, we’ve to collect data to produce performance reports. I’m not sure what it’s called. We’re required to align our jobs with the Department’s strategic plan. From my opinion, in formulating the Performance Agreement, some tasks shouldn’t have been considered qualified enough and included. Senior managers and we may have got different ideas. I’m not sure if they’ve chosen such tasks because of simplicity. But from my point of view, working on such tasks or matching the chosen tasks with the Department’s strategy [paperwork], it’s really nonsense! Those tasks may have been regarded by the Department as not too hard to achieve, I don’t know. Anyway those tasks are wasting our time indeed. (R39).
This is an interesting quotation that gives a clear indication that these operatives did not frame strategic PMM objectives in terms of a performance frame (as was the case in the Bank) but rather in a more strong form of the framings found in the Excise Department. In the latter case PMM was generally framed primarily through the exercise of hierarchical authority (rather than ‘real’ performance) and was largely accepted as a set of rules that had to be obeyed. Here there is also a challenge to that authority (rather than acceptance) in the sense that the application of PMM undermines the credibility of the latter.

Significantly although this view was strongly expressed at the operative level it could be found in echoes at the more senior level. When asked about how well KPIs work, one senior management respondent replied that in an imaginary comment to the OPDC:

... You’re measuring our department’s performance. We accept that you’re measuring our performance! But at present, we’re thinking that some KPIs that you’ve set for us may be useless. We don’t have to use them. We should have more time to do something else more profitable, because our main responsibility’s collecting tax revenue. (R65).

In fact there seemed no major differences in the ways the participants at all levels responded to the Department’s KPIs. Most respondents pointed out that they felt the PMM system was made up of too many KPIs which were leading to the need to undertake many new tasks that were seen as unnecessary, thereby intensifying the workloads of all. As a middle manager pointed out in a typical comment:

... There are too many compulsory performance indicators. It’s difficult to specify which ones are qualitative or quantitative; for example to save water supply, to save the electricity, to save fuel. Our department has to go
out to meet taxpayers, but they [the OPDC] require us to save fuel by 5% based on our last year’s fuel consumption. How could we do so? I have to go out to visit the taxpayers. I cannot save fuel at all … (R55).

It is interesting to note that one cause of some of the dissatisfaction appeared to be the movement from optional PIs towards compulsory ones. For example:

The number of optional performance indicators is decreasing, while that of compulsory indicators is increasing. This becomes a problem and results in only paperwork. (R56).

Although this concern was expressed directly in terms of the effect on the workloads of employees, it is also likely to be the case that this moved from optional indicators (under the control of the local department and units) to compulsory imposed PIs had a symbolic effect in terms of the relations of discretion available particularly to managers. From recalling the discussion of high discretion and low discretion syndromes (Fox, 1974) discussed in the previous chapters, it seems to be likely that this reduction in discretion (to choose optional PIs) would also lead to a reduction in trust between department managers and the wider bureaucratic authority (mainly the OPDC), already suggested in the quotation from Respondent 39 above. This will be explored in further detail below. Overall, nearly all participants agreed that performance indicators, except tax collection related indicators, were very broad and did not fit the Department’s business, but instead led people to focus only on the organisation’s performance score, again reflecting the framing of PMM as a form of ‘power game’ as identified in the Excise Department Chapter. In fact, views in this department were even stronger as they saw the PMM process (particularly that part which involved it being ranked by its ‘customers’) as making their position more difficult, as one respondent vividly described:
Different government agencies have different roles. In particular the government agencies in charge of collecting tax revenue from people, no one will regard them as good organisations. Because we’re taking money from those people. Therefore, there is a big difference between what our department’s doing and what the Department of Public Affairs is responsible for; helping people. When asking people about how they feel about the Department of Public Affair, they must say this organisation is very nice. In contrast, based on the same question and the same respondents, our organisation will receive negative perception definitely. However, it’s still part of our organisation’s goals [collecting tax revenue]. This is a problem. None of those people will have positive view on our organisation definitely. No one wants their money taken from their wallets ... (R44).

This is an interesting perception as it suggests that respondents may actually perceive the PMM system as being associated with a double undermining of trust: on the one hand, reducing discretion leading to less trust from higher in the organisation; on the other one, a perceived reduction in trust from clients resulting from the PMM measures that make an already and unavoidable negative perception appear to be something of a new problem (whereas it was perceived by department members as an inevitable issue that was merely being highlighted as a ‘problem’ by the introduction of the measures). Not only this but also it was felt that some of the PIs also introduced competition between departmental units, particularly based on location, and could therefore further reduce trust within the organisation. One middle manager respondent described it as follows:

There are some indicators I strongly disagree with. For example, the indicator like the number of taxpayers filed via Internet. As we’ve known that a majority of people in our country are still illiterate; so how many people in rural areas are good at computer? I think, it’s applicable only to those who live in the Bangkok area. When it’s been set as one of our performance indicators, we must achieve the assigned target according to this indicator ... Because we want those people to submit tax payment form via Internet, then we have to help them with keying in their information or whatever online. What we’re doing is totally wrong, but we have to do it. We cannot avoid not doing it. We’ve been given such performance target. If we don’t do so, why other area offices are
still being able to do it? We have to compete with them. Despite we all having the same problem, we have to compete with each other under such condition. (R49).

Several respondents spoke of how the way the performance indicators were used to create competition among units under the same cluster was demotivating due to the lack of control over the main performance objective. The following was a typical view:

... In addition to our own department's performance results, we also share certain performance results with other two tax collecting departments, which refer to the Revenue Cluster's performance. This means if any of three departments fails to meet or to exceed a revenue target, this will unavoidably affect other two departments' performance; despite the fact that those other two departments make a positive growth rate, say, of 20% of the last year's performance. Although those two departments are doing their best, they all must collectively lose some performance score. Therefore, it's not motivating us. (R44).

At the operative level staff spoke about the more direct effects of the PMM system on their work life, the following respondent giving a common account of how things at her office had changed due to one particular PI:

There is one indicator that we cannot comply with. You know what? It's about energy saving such as electricity, water supply, or fuel. It's unreasonable. They force us to save fuel. The price of the fuel has gone so high. Also we have to go out to meet taxpayers almost every day. Our office cars are hardly idle. It's unrealistic. To me, such indicator is weird ... (R60).

This is interesting as it shows how one particular indicator that is experienced as unrealistic and unfair can influence perceptions about the whole system. She continued her explanation in more detail:
In the past after work hours, our office staff did not go home yet, but wanted to stay until 5 pm or later, you know? Since the Department imposed such performance indicator that requires us to save more energy, we have had to turn off the electricity, to turn off air conditioners at given hours. Our staff have decided not to work late any longer since then because the room temperature in the office is normally very high. We’ve got to call it a day instead of staying longer and making more progress. By contrast, we make less progress. In the past we always stayed at the office until 6 pm. If we didn’t finish our daily jobs, we would stay longer and could make more work progress. The Department told us that we’ve got to turn off air conditioners after 4 pm. In the past we were always willing to stay even until 11 pm. At the present, the latest time we stay could be only 5 pm. and we leave the office then. It is this indicator which stimulates us to do so. I think, the indicator has a huge negative impact on our work life. Although it seems insignificant, we have to comply with its requirements. It’s part of our performance. (R60).

This response is worthy of long quotation because it raises a number of interesting points that reflect issues raised by other staff and respondents in the Excise Department (of the previous chapter). First, it can be noted that there are issues that relate to the organisation of trust and discretion. It can be remembered that Fox’s (1974) book was entitled ‘Beyond Contract’ and sought to explain how different forms of discretion and trust in work would have influences on performance and cooperation between groups and individuals. Here in the above quotation however, it can be seen that the imposition of a particular performance indicator created not only perceived distrust associated with a lack or reduction of discretion but also seemed to result in the previous willingness of employees to work ‘beyond contract’ to be removed and for them to move towards a position where they simply followed rules and instructions rather than showing individual motivation and commitment to the quality and quantity of their work. In this respect, therefore, it appeared that this effect of the PMM system was the exact opposite of what was actually intended (that is, greater commitment and more improved performance). Second it can be noted that throughout the quotation above there is a repeated use of terms such as ‘imposed’,

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have to’, ‘requires us’, which emphasises how the PMM system is framed strongly within the notion of hierarchical authority and it seems that it is this framing that leads to the actions that undermine the actual performance requirements, it being reflected in the phrase ‘it is this indicator which stimulates us to do so’ – suggesting that employees have developed this understanding (framing) of how the system works and the sort of response that is appropriate to this.

Therefore as the PMM system seemed to be operating to provide dysfunctional effects in both terms of performance and individual attitudes, it is necessary to examine in greater detail how the Department organised itself to deal with the PMM requirements and whether this contributed to this apparently negative response pattern. From the immediate account provided above it appears that there was limited effective alignment between the high level organisational objectives (as set by the OPDC) and those of the operating objectives and indicators at the lower levels. This can be contrasted with the approach of the Bank which appeared to have strong alignment and ‘fit’ between its performance and other HR systems. Here, as with the Excise Department, there was strong determination of objectives from the top but it appeared difficult for this to be made to fit effectively with what was perceived to be appropriate work activities at the operational level. This can be seen as the reason why respondents used the primary frame of hierarchical authority to define the PMM system rather than the performance frame found in the Bank.

In particular, in trying to understand the way in which PMM systems are adopted and used, this account provides evidence of the usefulness of a qualitative approach that focuses on the experiences and perceptions of organisation members. For instance, it
uncovers levels of difficulty that might be not apparent from simply observing the formal structure of the organisation and its formal policies. This is the case in relation to team working which has often been seen as associated with performance driven cultures (Holbeche, 2005) and which formally appeared to be apparent in the Department. However as will be seen below, although team working was formally in existence the experienced reality of what this involved was very different to what might have been expected. Many organisational units had their staff allocated to what were called teams by organising them into groups of individuals from across different ranks. In practice this assured that rather than operating as an organic unit, these ‘teams’ tended simply to reproduce the hierarchical authority structure of the wider organisation. Individual tasks were typically broken down from the tasks at the team, unit, and departmental levels, respectively but there seemed no unified shared goals across units or within teams. The reason seemed to be that individual employees were given clearly defined operational tasks that were expected to be done individually. As a result staff members interacted with each other and performed jobs within their individual areas of responsibility that did not require coordinated skills or mutual judgements. In consequence, the group performance appeared to be no more than the summation of each group member’s individual contribution. In addition, the teams did not facilitate greater employee participation in operating decisions which remained under the control of the most senior members and were not delegated.

It was therefore not surprising that expressions of feeling part of a team were not found in the accounts of the respondents at any level. The term ‘team’ appeared only to exist as part of formal organisational structure; it was not considered within a
performance frame or even mentioned specifically within the hierarchical frame, suggesting that, in practice, it held little real meaning for understanding or action.

In fact, the more common theme to emerge from respondents when talking about relationships within the Department was the issue of conflict and disagreement. For example, as the more senior managers commented:

Everyone is highly individualistic. Everyone doesn’t like change. Everyone’s always insisting that they’re right; we must put new ideas into their thinking. We’ve been doing brainstorming but this makes it more difficult for those staff to work as a team ... (R44).

The level of coordination isn’t as high as I wish, because everyone has their own boxes. They stick to different regulations. There are still conflicts among those staff. I have to keep encouraging them to work more collectively. (R42).

This type of view was reflected also among the middle managers and the following quotation again interestingly captures the sense of deferral to hierarchical authority and gives an insight into why with this attitude it appeared difficult to implement genuine team working rather than reproducing existing power relationships on a smaller scale:

Frankly speaking, our department is like a good boy of the Government. We can do what the Government wants us to do. We always do. Within the Department, although we’ve achieved the assigned goals or we’ve achieved the most advanced IT system, the coordination among departmental units, the interaction between people remain weak ... (R62).

The issue of shared goals also raised some sceptical comments from most respondents and appeared to confirm this fragment position, the following being a typical response:
What do you mean by shared goals? Because within our office, there are almost no shared goals, I think. All tasks are different and allocated to individual staff to carry out. Well, if we talk about the shared goals at the unit level, we hardly have shared goals as well because all tasks are normally separated. Different staff members are working on different operating tasks ... (R41).

At the operational level, respondents pointed out that task allocation within units was typically done according to an informal structure that reflected the interests of particular managers’ purposes. A majority of respondents claimed that this led to high levels of competition for promotion among employees by seeking to please individual managers. When asked about the extent staff coordinated with each other, one operational respondent confirmed the fragment view of the middle managers above:

... All the responsibilities of the Bureau are normally separately allocated to all staff members. All staff members are responsible for specific jobs ... (R35).

We each have a clear role and responsibility. We know who is doing what. My job is clearly defined as I already told you. For others, they are dealing with handling financial related matter. And still others are dealing with tax returns and refunds. We each have a clear and separate role. (R40).

This fragmented pattern of working seemed to be encouraged by the importance of legal requirements that governed the nature of its actions and meant that there were limited options to restructure work processes in more innovative ways. Legal regulations made it difficult to combine operating units due to the specialisation involved and this was also seen to operate against a ‘performance culture’ which was perceived as too risky in relation to the very careful and standardised work that had to be done to ensure legal compliance (it being clear that many of the respondents in this department were committed to the principles of a ‘professional bureaucracy’ [Mintzberg, 1983; 1981] which was seen as opposed to the notion of high
performance based on quantity rather than quality). As one senior manager pointed out:

The Thai government system too relies on the regulations that apply to all government organisations. From my point of view, different regulations should have applied to different types of government organisations. It seems to me that the Government applies one law for all tasks of the Government. So it's not right at all. Some tasks should be flexible. Some tasks should use another type of regulations. That's my opinion ... (R42).

This was also reflected in the emphasis that senior managers placed on the formal qualifications of their staff (another feature of the classic bureaucratic principles):

We've high quality of staff. I dare say so because I'm a member of many boards of directors in several state enterprises. More than 70% of our staff members [in the Department] have more than one degree. This isn't just a new phenomenon. But it's been well established by our department's clear rules and regulations e.g., promotion criteria. For example, if you hold only one degree, you get a given score [used in getting promoted]. If you obtain more than one degree, you'll get a higher score. So those staff members are attempting to gain extra knowledge. The more educated those staff become, the higher quality of work we have achieved. In many government departments, from my experience, only 6% of all employees obtain a bachelor degree as the highest educational qualification. In some organisations, staff members with a bachelor degree account for 50% or less than that. But here we've got more than 70%. (R44).

This specialised and 'silo' nature of the Department was also reflected in the way that respondents spoke about the wider organisational processes associated with PMM, specifically, HR policy and the IT system. Whereas in the responses from the Bank these two processes were defined as supporting the primary PMM system (through the performance frame), here they were seen as having little real integration.

There appeared to be no strong linkage between the PMM system and the Department's HR policy in terms of individual performance appraisals and
compensation practices and the Department’s HR policy was cited by all respondents as a problematic area, associated as being responsible for staff shortages and low staff morale. Individual salary increases were based on an annual performance appraisal rating but almost all respondents felt that salary increases were not directly under their control and often pointed out that they had never known what the criteria used for their annual performance appraisals were. The Department also rewarded operative employees with bonuses according to the Department’s performance result but most participants claimed that the bonuses they received had little to do with individual performance and were so small as to be meaningless, the total of amount of money being determined by the Government and the OPDC. All respondents similarly felt that the criteria for individual performance appraisal or for promotion were not clear as neither were the career paths for employees. One senior manager criticised the Government’s overall HR policy as the basis for these problems:

The performance appraisal criteria are not clear. Moreover, the rotation of positions is regarded as punishment. This results in inflexibility. We’ve wasted a lot of money. The cause of such problem is this [the Government] system … (R64).

Such a response from a more senior manager is interesting as it suggests a sense of powerlessness against the ‘system’ that reflects as in the previous chapter the embeddedness of hierarchical authority and the ways in which this leads employees to frame their activities and policies in restricted terms rather than through a more entrepreneurial perspective of the sort found in the Bank.

Like the senior managers, almost all middle managers were keen to emphasise the educational qualifications of their employees and the high quality of their work:
Our department has a large number of employees; this leads to high competition. Those who have passed our recruitment and selection criteria have high quality, I think. They all pursue self development, each of them obtains at least one first degree and many of them hold two bachelor degrees and one master degree. About 20% of our staff members obtain a master degree. Everyone is energetic to learn. (R66).

As before this is interesting as it may be one reason for the resistance to the principle of PMM given that in addition to the hierarchical authority frame, the respondents in this department also seemed to use an equally strong 'academic expert frame' which defined work performance in terms of specialised formal expertise.

This frame can be seen to be in tension with the 'performance frame' which was perceived as emphasising merely quantity rather than quality and, possibly as a result of the introduction of the PMM system, also in tension with the hierarchical authority frame which had been associated with the performance frame, through the experience of the PMM system, as a double challenge to the respected academic expert frame which they had traditionally, and continued to do, used to understand their roles and status within the organisation.

In fact this complexity may also have contributed to the rather paradoxical result that, on the one hand, managers would sometimes talk with pride about the qualifications and capabilities of their staff, but on the other hand, would complain about their poor attitude and need to be monitored and instructed (that latter being possibly associated with their perceived need to enforce the performance frame of understanding, to maintain hierarchical authority, against their practical understanding of a more bureaucratic framing of everyday activities). Possibly as a result of these conflicting
framings, all respondents admitted that the level of staff motivation had gone down in recent times. The following were typical concerns:

... Another problem is that we're facing staff shortages. We have a limited number of staff. There are more than ten thousands of taxpayers [in our responsible area], but we don't have enough staff to deal with them. We have to put the reduction of the tax offenders the top priority. We acknowledge that there exist a number of the tax offenders, but we don't have enough staff to deal with all taxpayers. (R41).

Some middle management respondents also pointed to the rotation of salary increases within some organisational units which appeared to reflect a reluctance to engage in the judging of staff performance which, in turn, made it difficult for other units to do otherwise:

They may fear their subordinates. They fear that their subordinates won't obey anymore. They may fear that those who didn't get salary increase would feel de-motivated. But they look over the fact that those who work hard would feel de-motivated as well. I don't fear my subordinates feeling demotivated, I only think that those who work well must get what they deserve. (R41).

... Managers prefer to compromise with their subordinates and to avoid conflict at work. Sometimes there were no outstanding staff members really ... (R49).

From the perspective of operational staff there were issues with the way that staffing levels were handled, with the result that what appeared as being a positive response resulted in actual negative outcomes. As one respondent explained:

... The HR policy may have been mistaken since the beginning. Well, they [The OCSC] are attempting to provide government employees with more opportunity for career advancement. When we made a request for more management positions, they did give us what we wanted, but at the same time, they abolished some positions at the operative level in return. Now
we've got plenty of grade 8 level-positions [for middle managers], but lack operative staff. (R39).

This illustration again illustrates the absence of thoroughly aligned policies and the disconnection between a key HR policy and performance objectives; it can be contrasted with the bank situation where HR policies were tightly linked to their effect on performance related behaviours (again reflecting the Schuler and Jackson's [1987] approach to HR 'fit' and the identification of the behaviours needed to meet strategic goals and the alignment of policies to produce such behaviours – whereas in the current case, the HR policies seemed to work in opposition to the behaviours needed for performance and to demotivate these rather than stimulate them).

Respondents appeared to be constructing a view of their organisation in negative terms, as dissatisfaction appeared to spread to cover most aspects of activity, associating these with poor management of human resources. The following quotation captures this general spirit and, even if the claims made were not accurate, it reflects the apparent tendency to perceive the organisation as in a failing state that seems to be associated with the changes in working practices associated with the introduction of PMM. For example:

Our department recruited a large number of staff, and many of those staff have now left the Department. This is because within our department there are high workloads unlike other government organisations. In particular, for pay in which many people perceive that our department provides better pay than other departments. This is not true at all. We may have received less compensation, in particular lower bonus. In fact, we've been working harder than any other department. (R40).

These sorts of negative comments exposed not only a lack of trust in the ability of management to look after employees, but also seemed often to indicate tensions in relation to dealing with change. In fact, although there was a widespread view that the
existing pay and reward policy set by the OPDC was uncompetitive, respondents also tended to relate the problems with motivation and turnover to attitudinal issues. For example:

So far, most of the Department's employees are adaptable. But new generation employees are a bit less tolerant. The old generation employees who are often stereotyped as inflexible have been willing to adjust themselves to the new work condition. They've attempted to learn to operate computer equipment and that sort of thing. It's only those young generation employees that are not tolerant and decide to leave the Department in the end. (R39).

This quotation above is interesting as it suggests not only that existing employees have responded positively to imposed changes but that this effort has not been appreciated (stereotyped as inflexible) and that loyalty was not respected. Although this was not directly linked to the PMM system, it can seem that the introduction of this system brought a number of pressures to the surface and intensified existing tensions that make these, such as the inadequacy of some HR practices, appear as larger issues than they had previously done. For example, one respondent noted that there was now more pressure for individuals to promote themselves with managers in order to secure the performance ratings linked to promotion:

... Everyone has to show off in front of their boss. Everyone has to establish their own marketing strategy. It's impossible at all that you do nothing and then get the highest salary increase. To be successful, you should have done a good job and make your boss favour you. You may fail to get promoted despite you having done a good job, if you don't present your contribution to your boss ... (R47).

It was certainly not the case that nepotism and favouritism were absent before the introduction of PMM, but it now seemed to appear that the deliberate need to secure performance ratings had made this more important (rather than as such a system
would be intended to do, making it less so and dependent on objective merit). This confirms the important point that where the commitment to PMM remains as largely rhetorical or imposed on top of existing practices, rather than replacing them, then its intended effects can be undermined by the persistence of the status quo (as been seen already with the dominance of the hierarchical frame in respondents’ accounts rather than the performance frame which was apparent in the Bank). Therefore, despite the introduction of strategic plan and KPIs, the Department’s individual performance appraisal process still relied on the OCSC guidance in which managerial discretion was the major determinant of results. Many respondents felt that they were not given adequate information on the criteria used or how individual staff performance was rated and ranked by their managers:

I’ve been here for 5-6 years and I’ve witnessed the rotation of salary increases among staff, whether their performance is good or bad ... (R35).

Most of the senior managers were also dissatisfied with the bonus plan, which they too saw as being disconnected in reality from the process of performance and determined by the amount of overall money available to distribute which was usually small and meant that it was not appreciated by staff or seen as appropriate for their efforts, but by introducing even small differences, provided the grounds for conflicts. The following was a typical account:

You’d better not talk about it [the bonus plan], I think, because the senior managers are the target of criticisms every year. The staff always compare the bonus to that of local government organisations. In particular we have a large number of staff, we’ve got to a large number of sharers ... Instead of being a motivating tool for our staff, the bonus becomes a tool that leads to conflicts between people. For example, why Mr. A gets more money than Mr. B, though the difference is only 100 or 200 baht [about £1.5-£3.0 at the time] ... (R65).
At the level of middle managers there seemed to be mostly indifference and disillusionment towards the bonus plan which again appeared to reflect both the perceived unfairness of the system and the relatively small amounts of bonus payments involved. For example:

When compared with other government departments, our bonus is less than it should be. But I don’t take it seriously. (R66).

[The bonus] It’s not motivating at all. So far, a number of civil servants in many government departments have transferred to local government organisations in which travel packages are being offered as bonus to their staff. Our department staff have been working very hard. We have to depend only on salary, while the bonus we’ve received seems very small (R43).

But from the perspective of respondents at the operative level there appeared to be greater discontent about the system. One respondent put it in the following terms which captured more graphically the feelings given by most at this level:

It’s absolutely not appealing at all. By contrast, it turns to be an outrage. They [the OPDC] shouldn’t affirm that if we work hard, we then will be rewarded. In fact, if they don’t do so, we still must do it. After we’ve done it, it seems to us that they’re lying. We’ve put our effort into it. We’ve worked on it. We’ve attempted to achieve it. We’ve done a lot. When it [bonus] came to us, it’s very small. Anyway, they shouldn’t have referred to it as the reward. They’d better tell us that it’s our duty that we must do it, or that what we’ve done significantly contributes to the Department, the nation as a whole, or whatever. It’s a lot better for us to hear that. (R39).

I’m not satisfied with it [bonus] because I know it was not transparent. The way the amount of money was allocated is not clear. The small amount of money just appeared on my bank statement. If asked to what extent I felt excited: not much! Especially when compared to other departments in which their staff were delighted because it was a better reward. We really don’t know how they [the Department] determined staff bonus. (R34).
These above comments are interesting because they reflect not only on the issue of the value of bonus rewards but also are suggesting of a strong emotional reaction that appears to be potentially linked to the issue of trust and discretion. In the first quotation above in particular, returns to the issue of insults discussed in the previous chapter where it can be recalled that according to Gabriel (1998): “Insults include behaviour or discourse, oral or written, which is perceived, experienced, constructed, and at times intended as slighting, humiliating, or offensive” (p.1331). In the previous chapter the nature of the insult was around the issue of a group’s exclusion from the strategic plan, but here it appears to be experienced more as slighting, that is, that the bonus disregards the hard work that operatives perceive themselves to have undertaken and causing a sense that the small bonus is an insult because of this lack of recognition. The emotional tone of both these accounts also suggests that the way the system has operated to emphasise performance but only produces inferiorly perceived rewards could be also seen as a breach of the psychological contract. According to Conway and Briner (2005) breaches of psychological contract can occur for four main reasons:

1) inadequate human resource policies, that is where policies are poorly developed or implemented, and also where “there is a mismatch between management communications about human resource policies and what employees actually experience” (p.67);

2) employees feel a lack of support from the organisation or supervisors;

3) previous individual experiences of other organisations breaching the psychological contract;

4) when employees “compare their deals unfavourably with other employees and perceive inequality” (p. 68).
From the quotations and the previous views of respondents across levels (above) it seems that at least conditions 1, 2 and 4 appeared to be present in this department. It is not therefore surprising that respondents appeared to feel the emotions identified by Conway and Briner (2005) as being associated with breaches, see Table 7.1 below, and what is significant from the responses of respondents, most of these feelings seem to be present, often in the same individual, suggesting that the psychological contract is in a poor state in the Department.

Table 7.1: The Consequences of Breach:

<table>
<thead>
<tr>
<th>Feel</th>
<th>Think</th>
<th>Do</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Anger</td>
<td>• ‘How can I trust this organisation any more?’</td>
<td>• Put in less effort</td>
</tr>
<tr>
<td>• Violation</td>
<td>• ‘I’m not going to put myself out again’</td>
<td>• Not prepared to go the extra mile for the organisation</td>
</tr>
<tr>
<td>• Upset</td>
<td>• ‘What’s the point in being loyal when they behave in this way?’</td>
<td>• Refuse to work beyond their contract</td>
</tr>
<tr>
<td>• Dissatisfaction</td>
<td></td>
<td>• Retaliate, being late, leaving early, being difficult.</td>
</tr>
<tr>
<td>• Betrayal</td>
<td>• ‘How dare they treat me like this?’</td>
<td></td>
</tr>
<tr>
<td>• Sadness</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Conway and Briner (2005, p.70)

And, if not the entire cause, the introduction of PMM would seem to have played an important part. For example, although it could not be claimed that PMM caused inadequate HR policies (1), the focus that PMM created tended to expose the latter in a particularly clear way, although in the other cases, issues associated with PMM do seem to have had a more direct impact (that is lack of support from supervisors, such as the disaffection of middle and senior managers, and perceived inequalities between departments and units caused by KPIs).
Some of the reasons for this apparent disruption of psychological contracts more directly associated with the PMM system can be explored, looking firstly at the issue of setting KPIs and performance targets. As stated previously, the performance targets were normally imposed by the upper levels within the hierarchy without consultation. This increased the level of resistance to performance targets and deteriorated the value of PMM system. At senior management level this seemed to be largely accepted as inevitable and there appeared to be some cynicism towards the process. For example:

Within the Thai government setting, the power distance between the senior and the junior still matters. For example, when the Department's proposing forecasted tax revenue based on its baseline data, they [The Ministry and other parties] always insist that the Permanent Secretary wants a given figure. Finally we all have to set the government budget based on that figure. It isn't based on any factors at all. It's only the fact that they want that figure. (R44).

It's difficult to say. For our side, we've to defend our estimated figure. I understand that the figure forecasted by our staff is based on the fact. But the upper levels always want a bigger one in order to balance their expenditure. Very often, that figure flies to us, it is not based on any fact. After we've taken such figure, we really don't know how to push it away. It's absolutely not based on the fact. (R42).

We're ready to work under the key performance indicators. We've also thought that it's not as effective as you [the OPDC]’re expecting. We have to ask you; before you’re imposing KPIs onto the Department, have we ever achieved tax revenue targets? Yes, we’ve already achieved all of the targets. You’re introducing KPIs into our working system, while we’re given the same sort of targets. So what? Because those targets are what you’ve set, but not what we want to see. (R64).

What is significant from the above quotes is that they appear to show a lack of confidence at the more senior level in the robustness of the target setting process and it can be expected that this will be inevitably understood by lower level employees,
even if the dissatisfaction is not voiced openly, through the lack of enthusiasm and apparent personal commitment to the targets (which was a feature of the Bank). Any perceived lack of commitment in senior managers is likely to create the conditions for the first type of psychological contract breach, by formal communications not matching with experience, and the second type, by creating an anxiety that if senior staff are not committed then there will not be real support for those lower down. Although this effect cannot be directly tested with the present data, the accounts of operatives and middle managers (anger and indifference respectively) suggest that even if such top management attitudes are not causing the disaffection, they do little to redress it. This therefore seems likely to maintain the position of the PMM system as being concerned with more of the preservation of hierarchical power than with the management of actual performance.

For example, from the perspective of the middle manager respondents there was a shared view of the goal setting process in which all respondents viewed it as a top down approach in which they expressed little evidence of trust or confidence. For example:

Most of things [the action plans and KPIs] have been already done from upper levels. However, the final outcome is not always what we've expected. Those senior managers must have taken something from the upper level managers already. We just have to agree. (R43).

The Department calls us in to discuss performance targets every year. But whether they listen to us or not is another point because the Department's goals and targets are already received from the Government. (R49).

I think it's not fair for our department, because they [the Government] focus only on how much tax revenue we can collect for them. (R55).
In these accounts can be seen the combined evidence of sadness and upset rather than anger (Conway and Briner, 2005) as the respondents seemed to be resigned to the fact that they would play little real part in the process and suggested that this appeared more like an ‘empty ritual’. This can be seen also to echo what was discussed in the previous chapter about the exercise of ‘D-power’ (deference power) rather than ‘E-power’ (efficacy-power) (Collins, 2004), in which compliance is to the rank of seniority (position power; George and Jones, 2005) rather than based on the evidence of turning claims into actions. The lack of enthusiasm shown by the middle manager respondents could be in conformity with Collins’s (2004) claim that having to participate in ‘power rituals’ (that is to act as order-takers in deference to others’ order-giving under conditions where they have little control; Doern and Goss, 2009) acts to drain emotional energy in individuals in subordinate positions, resulting in a loss of enthusiasm and an unwillingness to take initiatives (Collins, 2004, ch. 3). As previously discussed, such reactions are the opposite of what is intended to be created by a PMM system which should show the exercise of E-power through getting things done and increasing emotional energy and stimulating higher performance.

This emphasis on conformity and taking orders in a routine form was more apparent even in the respondents at operative level. As respondents explained:

It’s a top down approach in which we have only to follow our supervisor’s directives. I don’t know if it’s also been found in any other government organisation. But we here must do what the senior managers tell us to do. It seems to me that despite the fact that we’re allowed to express our opinion or argue against them, they seem not to listen to us ... Participation in meetings? Problem-solving! I rather would like problem-solving. If we had a chat, and they gave us advice like you should do this or do that. Things could get better then. Or even every month we should have discussed our problems and how to fix the problems together. (R40).
We're not part of such process [the goal setting]. In practice, they always command us clearly to do what they want us to do. In terms of KPIs for this year, they provide our area office with clear goals and targets. We must achieve this, achieve that, blah, blah, blah, and then we will get 1, 2, 3, 4, or 5 marks. We're expected to do what we're told. (R47).

They may perceive that we've already got high workload. Why do we have to collect those data? Why has such target been set in the way it has? Though we finally accept it, it always begins with the feeling of resistance. After that, everything turns to be difficult. (R39).

There are very few people who're interested in the Department's performance results so far. We just carry on our duty. Our big boss is always complaining about our office's performance; why we couldn't achieve this, why we failed to meet that performance target, why our tax revenue dropped. Why should operative staff like us have to pay attention to it? It's not our concern at all. Salary is still salary. We're not interested, whether we get salary increase or not. (R46).

Only one thing that the Department hasn't achieved yet is its staff happiness. Apart from this problem, the Department's exceeded all set targets. (R34).

In these views the response seems to be more negative than in the case of the middle managers and rather than passive resignation seems to be more towards dissatisfaction and violation (Conway and Briner, 2005), as shown in the sense of resentment in the first quotation above ('we're allowed to express our opinion . . [but] they seem not to listen to us', which would be consistent with the type 1 breach of psychological contract, above, involving a gap between what is claimed and what is experienced; which could also be seen as a form of 'reneging' which has been shown by Robinson and Morrison, 2000, as a cause of breach), and in the second quotation where the phrase 'blah, blah, blah', suggests that there is little real connectedness between the orders of managers and the respect of operatives expected to carry them out (again suggesting empty D-power rather than E-power) and consistent with a type 2 breach where there is seen to be little genuine support from managers. In the third quote there
also seems an indication of the effect of moderate resistance (rather than direct retaliation) reflected in the sense of ‘not being prepared to go the extra mile’, by questioning the legitimacy of the PMM demands (Conway and Briner, 2005, p. 70). This response appeared also to be recognised by more senior managers who placed the blame with the ministry-level OPDC. The following was a typical response:

Whether a top down approach is used, it depends on the audience [the OPDC]; how much they stick to their belief, how much they’re open to feedback. If they’re listening to feedback from the bottom, the use of a top down approach is not a problem. They must pay attention to what the operators think about the performance indicators they’ve set and how well feedback is consistent with the way the indicators operate … (R44).

We’ve witnessed an increase in the number of performance reports but in fact, we’re still doing business as usual … I don’t think I considerably benefit from the performance measurement data. It has been said that we don’t need to pay much attention to the strategies that are not involved with performance score … (R42).

Again this supports the view of the predominance of D-power, as even the more senior managers seek locate responsibility for what appears to be a recognised problem as something that is beyond their control and responsibility, this being likely to contribute to a sense of a lack of genuine support from management in making the PMM system work effectively.

… I fully admit that the Department can achieve any goals by using any means. Just asking any amount, for example, at the mid of the fiscal year. The Department never says ‘no’, but only ‘yes’ and ‘yes’. And it’s gone mad. It’s been able to provide all of what the Government wants. In doing so, whether its employees almost die or not, who care? The Department just puts the goal achievement the first. (R47).

At the middle manager level, respondents also pointed to inadequate support from the OPDC in terms of training and mentoring and claimed that the OPDC lacked
sufficient understanding on the Department's nature of business. Again it can be suggested that regardless of the truth of such claims, the tendency for managers to want to pass the blame for an unpopular policy upwards, supports the view of the dominance of hierarchical authority and position power rather than a firm focus on a genuine performance frame within which to structure activities.

In fact when asked about commitment to the PMM policy members of the management team did not express firm support but rather appeared to regard it as something imposed and that was unsatisfying and stressful and made little difference to actual performance and could even detract from it. In continuing the themes previously exposed, this lack of commitment appeared to be associated with the need to comply with hierarchical authority which appeared in nearly all cases as the primary frame used by respondents with PMM being framed as a secondary frame that had to be interpreted only in the light of the former. This appeared as being reflected in the formal ways in which PMM objectives were communicated, which was generally through meetings between representatives of different levels, making an approach which retained the top-down direction and order-giving style, rather than encouraging wider involvement through participative discussion. For example:

... We admit that some of indicators which have been set only by those responsible persons who lead the operators. I strongly agree that we must have such indicators, but we must have a talk between the operators and those who set the performance indicators. (R41).

Generally I delegate my authority to my subordinates and I'm now monitoring the assigned target at the organisational level then. Within our department, we've meetings every month. We've a senior management meeting once a month, a regional office manager meeting every two months. (R42).
... We usually invite other departmental units to the presentation of the Department's new performance measurement. But this is limited to only those who work for the planning and evaluation section of each unit. The extent to which the Department's strategic plan is assimilated by all staff depends on regional office managers. The managers who are interested in the strategic planning would convey our messages to their subordinates. The success depends on the way they communicate with their subordinates. (R56).

As the above quotation suggests there was likely to be a sense in which such an approach would depend largely on the inclination of particular managers as to how far they decided to share the details of PMM requirements with lower level employees. As one operative explained, this could amount to little more than being instructed what to achieve:

We, operative staff or lower ranking staff, often don't understand the strategic planning, because it started from the senior managers to the senior staff at level 6 or 7 along the hierarchy. Those who are at the management level know more than we do. In fact as operative staff, we’ve heard of it, but don’t have enough understanding. We just follow what are told, but don’t understand it at all. Well, we do what they tell us to do. (R63).

In a slightly different form there was a similarly fatalist understanding among the middle managers, who again showed how they did not use a primary performance frame but tended to explain their activities in terms of more 'professional' standards associated with 'doing one’s best' and regarding the PMM results as secondary to this (rather than ‘doing one’s best’ being defined in terms of performance criteria as was the case at the Bank). The following was a typical form of expressing this understanding:

Although the performance result isn’t influential to me very much, I’ll do my best. If I cannot meet the assigned target, I’m not worried about it. It’s one of our performance appraisal criteria. If we’ve put all of our effort into it and we fail, [I won’t regret it because] I’ve done my best. (R41).
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This type of attitude appeared to suggest that despite the levels of scepticism shown above regarding the validity of the PMM system, most employees appeared to assume that, in the traditional bureaucratic paternalistic style, they would be protected by their top leaders. As one middle manager explained it:

... The strength of the Department is the top leader. Those who were our top leaders in the past always followed the policy of the top leaders who came before them. The department policy has been always in the same direction then. When we order, they always obey. If we don’t have such culture, we cannot be what we are now. Our department’s organisational culture is that everyone always moves towards the same direction. Well they’re listening to their leader. (R56).

This type of attitude may appear as paradoxical given the limited trust that appeared to be shown in the PMM system and the view that this was not an honest or appropriate way of organising work and the apparent breaches of psychological contract, but it can be considered as an illustration of the contradictory form of strongly hierarchical authority which has been referred to as paternalism which according to Goss (1991) involves a combination of ‘identification’ and ‘differentiation’. The latter is based on differences in formal authority and status (such as organisational position), but the former is based on the dependence of the subordinates on their superiors. This distinction means that although subordinates may be aware that their interests are not necessarily the same as those of their superiors and that complying with these may be to their disadvantage, they realise also that compliance will be a better option than resistance and they may therefore decide to accept the authority of the superior on pragmatic grounds and in the hope that their expressed loyalty will be recognised by those in power and offer some protection. As one respondent expressed the situation:
It seems like we're in the same boat. We're given performance targets. When our boss promises to meet those assigned goals, it then becomes our obligations we will help our boss from losing face. (R34).

This approach therefore involves a tension between identifying with leaders out of a need to demonstrate obedience and a fear that the power of the superior could be turned against them if dissatisfactions are openly expressed, and the latter sense of employees being not prepared to confront their more senior managers from concern that this would be seen as disloyal and damaging to their position, has been shown to be common throughout both public sector organisations. However this was made most explicit by two operatives who rarely expressed the underpinning of fear in this compliance with hierarchical authority:

Although they allow us to make personal request, no one dare tell the truth like, I don't want to work in this team; I would like a new supervisor; I don't want to work here anymore; I need change, for example. That's all what's been now missing in the Bureau...Because we fear ... We fear that the persons we're working for may know about it and would get upset. As long as we work for this unit, we cannot avoid meeting these people from time to time. We then never dare express our feeling that we dislike them and also that sort of feeling. (R47).

The expression of individual thoughts or ideas heavily remains limited by the influence of seniority. The ideas that are generated from the bottom are rarely allowed to occur. (R35).

**Conclusion**

The respondents from all three levels shared in different ways a similar view on the nature of PMM. Most perceived it in quite abstract and superficial ways. There was no use of performance measurement data analysis for challenging whether the Department’s current strategy led to the desired outcomes (i.e., improvement requirements) or even for guiding the Department’s strategy. Respondents did not
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seem to frame PMM objectives in terms of a performance frame (as was the case in the Bank) but, like the Excise Department, PMM was generally framed through the exercise of hierarchical authority and was defined as a set of rules that had to be obeyed rather than as an invitation to make changes to improve actual performance.

Most respondents felt the PMM system had too many performance indicators leading to new tasks that were unnecessary and intensified workloads. They claimed that performance indicators, except tax collection related indicators, were too broad and led people to focus only on performance scores, rather than actual performance on the ground. As with the Excise Department respondents perceived PMM as a form of 'power game'. In fact, respondents seemed to perceive the PMM system to be creating a double undermining of trust: by reducing discretion and creating less trust within the organisation; and by reducing trust from clients by using measures that encouraged them to be critical of the service.

It was found that the imposition of performance indicators that were perceived to be without legitimacy seemed to reduce respondents' willingness to work 'beyond contract' and encouraged them to simply follow rules and instructions which was the opposite of the intention of PMM initiatives (as portrayed as part of the move to NPM). In contrast to the claimed view that NPM is associated with a reduction in bureaucratic organisation, as with the Excise Department, the Revenue Department showed a persistence of conventional bureaucratic practices reflected in the respondents' use of a primary frame of hierarchical authority to define the PMM system rather than the performance frame found in the Bank. As an example, it was found that although team working was formally in existence the reality was that staff...
were allocated to 'teams' according to their rank which meant that rather than operating as an organic unit, these 'teams' reproduced the hierarchical authority of the wider organisation. Group performance appeared to be no more than the sum of each group member's individual contribution and did not support employee participation in operating decisions which remained under the control of the most senior members. In a similar form, individual salary increases were based on an annual performance appraisal rating that almost all respondents felt were not directly under their control and not influenced by their actual performance.

Overall there appeared to be an absence of aligned policies and a disconnection between key HR policies and performance objectives, even with HR policies seeming to work in opposition to the behaviours needed for performance. Within this context the introduction of PMM appeared to have maintained nepotism and favouritism as a means to secure performance ratings and commitment to PMM from the organisation was perceived as largely rhetorical or imposed on top of existing practices, rather than a different way of working.

Respondents expressed emotional reactions that suggested they were insulted by the operation of the system (Gabriel, 1998) which seemed to be experienced as a 'slight' that disregarded their hard work, and appeared to be seen as a breach of the psychological contract (Conway and Briner, 2005) in terms of inadequate human resource policies, lack of support from the organisation or supervisors, and unfavourable comparisons with other employees. It was found that respondents seemed to be resigned to the fact that they would play little part in the PMM process which appeared more like an 'empty ritual' that reflected, as in the Excise
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Department, the dominance of 'D-power' (deference power) rather than 'E-power' (efficacy-power) (Collins, 2004). This was seen to lead to a passive approach from respondents where they appeared not to approve of the way the PMM process was managed but were unwilling to challenge to power that was perceived to be behind it, reflecting a form of paternalism (Goss, 1991) that involved a combination of 'identification' and 'differentiation' with those in power.

In summary, therefore, as with the Excise Department, and in contrast to the Bank, the results from the Revenue Department confirm the view of the Thai public sector organisations as remaining strongly bureaucratic in their forms of operation and with the introduction of PMM systems as 'additions' and supports to this system rather than representing the move to an alternative form of more performance driven organisation (as associated with NPM theory). It therefore needs to be considered whether this situation is merely part of a temporary progression towards a more performance driven form or whether it represents merely an adaptation of bureaucratic power that will give an appearance of development but retain its established operating practices. This will be discussed in the final chapter.
This thesis has sought to explore the nature and effectiveness of PMM by comparing the experiences of staff in two departments in the public sector with those of employees in a private sector bank. The emphasis has been on the using of qualitative data in order to be able to present a picture of how PMM is experienced from the perspective of those who are involved in the application and use of such systems. This approach was considered important to provide the detailed understanding of a phenomenon that has had only limited investigation in the Thai context (with very few qualitative studies of organisations being available and even fewer in the public sector) and the need to recognise that systems such as PMM are often complex in terms of their effect on employees and need to be understood in terms of their effects on experiences rather than simply described and measured in terms of prevalence and formal characteristics. For this reason, the current study was concerned not with absolute statistical generalisability but with the depth and texture of the data in order to be able to present an account of the operation of PMM from the organisation members’ position in order to demonstrate the sorts of issues that can be involved in the application of such systems that might be overlooked by approaches that took simple cross-sectional measurements of implementation. The research questions to emerge from the literature review were as follows:

i) Is there a shift away from bureaucratic model toward a post bureaucratic model in the Thai public sector? (This was addressed by considering both the nature of the organisation of the departments studied and by comparison with a non-public sector organisation)
ii) To what extent has the Thai public sector undergone structural and cultural changes to accompany the introduction of PMM? (This was addressed by considering a model of how the organisations studied have developed their PMM systems and the role of structural factors and psychological contracts)

iii) To what extent has the Thai public sector adopted HR initiatives to provide the strategic and operational context for the introduction of PMM? (This was considered through an analysis of trust and discretion and different forms of power)

iv) How effectively has the Thai public sector integrated its PMM system with other organisational and individual activities? (This was considered through an analysis of how respondents framed PMM)

v) How does the Thai public sector formulate and communicate the use of its PMM system and how does this affect individual responses to it? (This was considered through a combination of the factors above)

To summarise the results of these questions it is necessary to begin by addressing parts of questions 1 and 2 by summarising the main differences and similarities that were identified from the formal specifications of the three case studies and some of the issues raised through the interviews. This will be followed by a consideration of the subsequent research questions which are concerned for the ways in which organisation members responded to these PMM systems. By comparing the two departments and the private sector bank it will enable it to be determined both what structural and cultural practices are present in the public sector cases and how these are different or similar to those of a non-public sector organisation. This comparison is considered useful as it allows the research to suggest that the differences identified
are part of the organisational processes of the public sector rather than reflecting only an established national/regional cultural pattern of management (Hofstede, 1980). This comparison will be shown first as a summary table (Table 8.1) and then briefly elaborated on key points.

Table 8.1: Comparisons of Three Case Studies

<table>
<thead>
<tr>
<th>The Nature of PMM</th>
<th>The Bank</th>
<th>The Excise Department</th>
<th>The Revenue Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Objectives of the Implementation of PMM</td>
<td>Improving organisational performance; Resolving problems which arise; Communicating strategic direction to employees.</td>
<td>Conforming to government requirements</td>
<td>Conforming to government requirements</td>
</tr>
<tr>
<td>2. Performance measures</td>
<td>Developed within the organisation</td>
<td>Externally imposed (by central government)</td>
<td>Externally imposed (by central government)</td>
</tr>
<tr>
<td>3. Emphases of PMM system</td>
<td>Performance measurement and Performance Development</td>
<td>Performance measurement</td>
<td>Performance measurement</td>
</tr>
<tr>
<td>4. Content of Performance Measurement</td>
<td>Financial (Revenue) and Non-financial (individual employee development)</td>
<td>Financial (Revenue) and Non-financial (Organisational improvements)</td>
<td>Financial (Revenue) and Non-financial (Organisational improvements)</td>
</tr>
<tr>
<td>5. Implementation Process</td>
<td>Top-down with discussion</td>
<td>Top-down</td>
<td>Top-down</td>
</tr>
<tr>
<td>6. Goal/Objective setting</td>
<td>Internally developed and agreed</td>
<td>Externally imposed</td>
<td>Externally imposed</td>
</tr>
<tr>
<td>7. Performance monitoring</td>
<td>Organisational level (senior management) and individual level (coaching by line managers)</td>
<td>Organisational and unit levels (senior management)</td>
<td>Organisational and unit levels (senior management)</td>
</tr>
<tr>
<td>8. Analysis of performance data</td>
<td>To support management decision making; To determine individual pay, reward, and promotion; To support individual development; To support budget allocation at the local level</td>
<td>To produce performance reports for the government</td>
<td>To produce performance reports for the government</td>
</tr>
<tr>
<td>9. Performance Measurement Review</td>
<td>Modification based on feedback from managers and employees and the Bank’s business direction</td>
<td>No control over the modification of a framework of PMM</td>
<td>No control over the modification of a framework of PMM</td>
</tr>
</tbody>
</table>
The Public Sector Approach

Objectives of the Implementation of PMM: Following the Thai public reform programme, all government agencies were encouraged to take full accountability for the results of their public services. PMM was regarded as a crucial part of this programme. The Thai government required all government agencies to adopt PMM. The adoption therefore was an imposed requirement driven by the central government bodies beyond the specific Departments affected.

PMM Development: The framework of PMM was formulated by upper level central agencies such as the OPDC. This framework outlined what government agencies were expected to improve in line with the national agenda of the government. The two departments studied had no control over the development or modification of the framework but were required to adopt a one-size-fits-all approach.

Emphases and Contents of PMM: The Thai government’s PMM framework comprised financial and non-financial performance measures focused on quantifiable targets with little or no managerial discretion. Within a department, a modified Balance Scorecard was used to define and measure organisational and unit performance. Performance agreements were made with senior managers but did not involve lower level staff. There was no coaching for staff or a coherent link to
performance related pay. The emphasis was on organisational improvements rather than recognising the performance development of individuals.

**Implementation Process:** There was an emphasis on a standardised and top-down approach without opportunity for significant changes to be made. Centrally imposed performance objectives and targets, as well as performance measures, made government agencies responsible only for executing operations. However, the way in which these were executed was left to the Departments and varied from one department to another. However in both the cases studied, a top down approach was used with little opportunity to involve staff in the decision making process in relation to PMM.

**Goal/Objective Setting:** Goal setting appeared to offer little opportunities for involvement and put an emphasis on measuring performance only at the organisational level. Government departments were supposed to be permitted to propose their own targets, and negotiate those targets with their minister but in practice goal setting in both Departments was purely a top-down approach where goals were imposed from above.

**Performance Monitoring:** Compliance with performance measurement was formally the responsibility of senior managers and reported to the Bureau of Tax Planning and Policy. There seemed to be no evidence that performance measurement was used to check whether the organisation's non financial performance improved and performance of individual employees was not formally monitored or included as part of normal performance monitoring process.
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The Analysis of Performance Data: There appeared to be no clear evidence that performance data was officially discussed or analysed for improvement purposes or guiding future actions. Both departments appeared to focus on recording the requirements rather than on the outcomes of those requirements. Thus senior managers attempted to measure only performance targets required by the OPDC.

Performance Measurement Review: As the PMM framework was imposed externally, the Departments were not directly involved in the review of performance measures. Thus there was no formal review of measurement and targets based on reported feedback of results from staff.

PMM and Other Management Systems: Despite the public reform programme via PMM, the Thai public sector did not allow government agencies for financial or organisational flexibility. Budgeting policy and HR policy were kept highly centralised and therefore had little real connection to PMM processes or results.

The Private Sector Approach

Objectives of the Implementation of PMM: PMM was regarded as a means of keeping the Bank competitive. The current PMM system was the outcome of attempt’s to improve business performance and to meet bank employees’ expectations (and retain high level talent). The adoption of PMM was driven by intense competition within the Thai banking industry for profit and staff.
PMM Development: The Bank’s PMM was developed internally over several consecutive years on a continuous improvement basis. The Bank sought feedback from its employees to formulate and refine the system.

Emphases and Contents of PMM: The Bank seemed to have succeeded in linking individual employees’ goals and objectives with those of the Bank through the use of performance agreements at the individual level together with a Balanced Scorecard framework. The performance measures were designed to reflect all areas of performance that bank employees regarded as important to both personal and organisational success. Other than performance measurement, the Bank also put emphasis on performance development via the use of individual performance agreement and coaching process.

Implementation Process: The Bank put staff acceptance of PMM as its top priority. This resulted in an incremental employee-oriented change process in which goals and targets were customised to fit local level needs. The Bank heavily invested in training its managers and employees, communication and improving its HR policy in the area of reward. A wide range of supports (e.g., PMM manuals, training, site visits by the Change Team) were provided to help staff to deal with the implementation and related changes.

Goal/Objective Setting: Goal setting was intended to reflect the Bank’s business direction and provided bank managers and employees with fairness and transparency. Goals and targets were derived from the Bank’s strategy and cascaded down to managers and employees who could specify the expected behaviours and performance
needed to meet these objectives. Negotiation was allowed throughout the process of goal setting to help reflect the actual circumstances at the local level. Every individual employee was involved in the setting of his or her performance goals and targets.

**Performance Monitoring:** The Bank's performance monitoring system was enhanced by the support of IT (although with some technical problems), along with coaching processes carried out by line managers to ensure the achievement of established goals at all levels. Thus line managers played a major role in monitoring performance, encouraging and providing needed support for their subordinates.

**The Analysis of Performance Data:** Performance data was analysed and used by the Bank for several purposes e.g., budget allocations, individual pay increases and promotions, individual performance improvement, and organisational strategy formulation. The Bank used performance data (i.e., sales and service performance) for making decision on budget allocations for bank branches.

**Performance Measurement Review:** Managers and employees were allowed to review performance measures that applied to them. After every change to performance measurement, a 'Change Team' was sent to help embed the changes.

**PMM and Other Management Systems:** The Bank had integrated its PMM with other management systems such as IT, HR policy and accounting system. In effect this meant that employees perceived these functions as supporting the PMM system rather than the PMM system as just another policy. Other policies were defined in terms of their contribution to supporting the PMM approach.
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Having summarised the main approaches to PMM in the case study organisations, to address question 1, the remaining research questions will be addressed through an examination of the key themes that emerged from the data analysis as these provide overlapping insights into the issues covered by the research questions such as structural and cultural changes (Q2), HR initiatives to support strategic and operational use of PMM (Q3), compatibility with other organisational processes and individual activities (Q4), and individual responses and understanding of PMM (Q5).

To address these questions the analysis will be summarised in relation to the following key themes that emerged from the study:

i) the framing of the PMM system;

ii) the significance of structural factors and the nature of power; and

iii) the operation of trust and discretion.

Together these themes offer a number of insights into the nature and application of PMM which will be brought together in the final part of this chapter. But first each theme will be discussed in separation.

i) Framing the PMM system

It will be recalled from the Methodology chapter that the approach of a variation of ‘frame analysis’ (Goss, 1996; Goffman, 1974) was decided to be used as a technique for providing an initial analysis of the interview data in order to identify the existence of patterns in the ways in which respondents talked about the PMM approach of their organisation in order to identify possible similarities and differences. This approach was adopted because it had the possibility to assist in linking different ideas together
to provide an overall picture of the priority and significance of an issue in relation to a range of possible influences (rather than focusing on one factor in isolation). Attempts were therefore made to identify the ways in which respondents framed their views of PMM from the examination of the interview transcripts. By examining how they spoke about the PMM system an assessment was made of whether they were understanding PMM as a primary frame and how this was linked to other secondary frames. It will be recalled that a primary frame was defined as a section of text in which an issue of interest (the PMM system) was spoken about as the dominant issue relative to other issues being discussed such that other issues (such as for example HR issues) were presented as following from or subordinated to the dominant issue (that is as secondary concerns). There are taken to be two main ways in which primary and secondary frames are linked (Goss, 1996): a) ‘keying’ (linked secondary frames that connect dominant and less dominant themes in a consistent way that is informed by the underpinning logic of the primary frame; this being a metaphor based on the musical notion of changing keys; b) ‘fabrication’ (where the primary frame is presented as a way of ‘disguising’ the real nature of a situation that may be represented by what appears as being a secondary frame but is, in reality, the dominant issue, for example, this would be equivalent to the distinction between rhetoric and reality). The following pattern was identified from the data.

Table 8.2: Summary of Response Pattern

<table>
<thead>
<tr>
<th>Case Organisation</th>
<th>Response Pattern</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bank:</td>
<td></td>
</tr>
<tr>
<td>All respondents</td>
<td>PMM as primary ‘performance’ frame. Keyed to secondary supporting frames of HR; hierarchy; reward, promotion.</td>
</tr>
</tbody>
</table>
In the Bank, it was clear from all the respondents that ‘performance’ was regarded as a central concern that was presented as being relevant to both the organisation and to individuals. When asked about the PMM system, respondents spoke easily about its nature and emphasised its relevance to them both directly and in terms of the company culture. In particular, the respondents made clear that the purpose of the system was to improve actual performance and several, recognising that this also involved increasing the effort they put into their work and being conscious of the need to make improvements as an ongoing process. When they spoke about other aspects of the organisation, in particular the organisation of more general HR processes such as reward, promotion and communication, they tended to frame these in relation to the PMM system that is they described them in relation to how they helped to make the PMM system work and how they enabled the improvement of performance. In summary, therefore it seemed that the ‘performance frame’ was used by respondents to make sense of and to define most other aspects of the way their work was organised with these secondary frames being keyed from this (as the latter were defined by respondents as being consistent with the logic of the primary performance frame and treated as an extension of this).
In terms of the way in which public sector respondents framed their accounts of the PMM system, both Departments will be treated together as respondents in each adopted the same form of framing. Here the picture was more complicated than that of the Bank. It became apparent when respondents talked about the PMM system that they regarded it as a subsidiary issue to that of the principle of hierarchical authority which all respondents identified as the dominant factor in explaining how the organisation and their own roles worked. Therefore although it appeared as a primary frame in terms of the fact that respondents could identify the system as a major feature of their organisations, it emerged from the more detailed analysis of their accounts that this appeared to be more of a 'fabrication' such as when they spoke of it, it was apparent that they saw it as being underpinned by the frame of hierarchical authority. This was most apparent for the more senior managers who seemed anxious to maintain the view that they were not criticising this imposed measure even when recognising its limitations. Thus what they spoke of was what was recognised as a 'front' that had a rhetorical existence (as a primary frame for presentation to the wider world) but that did not reflect the actual practice of how the organisation worked, which was framed by all respondents in terms of the need to conform to instructions from the top of the organisation. The framing also met the form of fabrication, as respondents recognised PMM as a 'game' that had certain rules which were designed to maintain the power of senior managers rather than to produce behaviours which changed the status quo of the organisation. At the level of the operatives in particular, the concern to maintain the fabrication of support was less apparent and most respondents recognised the PMM system as being merely a secondary framing of the established power of higher managers who they also appeared to recognise as being involved in presenting the fabrication. In both cases, the understanding of PMM as a
rhetorical fabricated frame seemed to mean that this understanding did not have large
effects on changing the actual behaviours or performance of the organisation.

It therefore can be seen that the ways in which PMM was framed in both
organisations were very different leading to the suggestion that in the Bank there had
been deliberate attempts to make the PMM system central to most other organisation
practices and also to ensure that this was communicated to staff in such a way that
there was a strong match between the understanding of the system and how it was
actually put into practice. As such the performance frame was widely used by staff to
explain both the nature of the scheme and its practice and can therefore be regarded as
providing a ‘binding’ framework that made the system appear central to all activities
and because of this consistency, when employees spoke of the PMM system using the
performance frame, it seems likely that this would also reinforce their understanding
of how this had an impact for their behaviour. However in the two public sector
departments there was not a similarly unified relationship between the way that
employees understood the PMM system and the fabricated framing that was apparent
seemed to reflect the situation where the practice of PMM did not prove to be
consistent with its formal presentation. This disunity between rhetoric and reality was
referred to frequently and was seen to reflect the disillusionment of many employees.
Thus, unlike the Bank where there was a coherent framing of PMM which reflected
and strengthened practice, here it seemed that the awareness of the fabricated rhetoric
of PMM resulted in a lack of connection with actual performance and an approach to
task performance that was based on passive compliance with orders rather than with
an interest in making real performance improvements. The reason for these
differences in framings would seem to be related to the nature of organisation

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structures and the power relations associated with these (as both organisations were using PMM systems that were in technical terms rather similar, being based on Balanced Scorecard techniques).

**ii) Organisation structure**

Both public sector departments were structured in similar ways and will, as above, be treated together for this discussion. It was clear from the previous chapters that the public sector departments retained most of the features of a classical bureaucracy or mechanistic structure and appeared to have little in common with the notion of the post-bureaucratic organisation associated with several of the approaches to NPM. Similarly, its approach to HRM was also more in the form of traditional personnel management with a strong emphasis on functional specialism rather than being concerned with enabling the strategic alignment of organisational strategies. It was therefore not surprising that the respondents' framings of PMM reflected this form of organisation. It was noted in Chapter Three (above) that bureaucracy has been claimed to suppress creativity, produce dissatisfaction, and de-motivate workers (Adler and Borys, 1996, p.61) and that even adopting a contingency position, where the relationship between formalisation and attitudinal outcomes depends on the context within which formalisation operates, the Thai context appeared to encourage these negative effects. Although it has been claimed that “employees will react positively both when high levels of formalisation are associated with routine tasks and when low levels of formalisation are associated with non-routine tasks”, in the current context it appeared that formalisation was applied to all tasks and conditions resulting in workers lacking in autonomy and control, creating feelings of dissatisfaction and de-motivation (Adler and Borys, 1996, p.65). Under these conditions, the introduction
of PMM appeared, with irony, to have created "rules, regulations and procedures that are burdensome or ineffective" (Bozeman, 2000, p.69) whereas in theory it should have reduced this 'red tape'. It seemed that the bureaucratic structure had dysfunctional effects, leading to over-conformance with rules and regulations on the one hand (Blau, 1955; Merton, 1940) and to others often being ignored to meet performance targets (Crozier, 1964; Gouldner, 1954), encouraging technical inefficiency. In terms of its culture, it appeared as close to the framework of Claver et al. (1999, p.459) of a generic model of bureaucratic culture: authoritarian management style with a high degree of control; little communication and the management with a univocal, top-down focus; individuals searching for stability and having limited scope for initiative with orientation towards obeying orders; repetitive and centralised decision-making process; reluctance to start innovative processes; high degrees of conformity; and high reluctance to change.

In contrast, the Bank appeared to have adopted a structure that was closer in some aspects to the post-bureaucratic model. Heckscher (1994) identified twelve of his ideal type of post-bureaucratic organisation and these can be considered in terms of their relevance to the findings from the Bank (see Chapter 2 above for fuller details).

1. Emphasis on institutionalised dialogue to create consensus (present in the form of consultation and negotiation about translation of organisational targets to local needs).

2. Dialogue defined by the use of influence which is derived from knowledge and experience to persuade others (present in the use of 'change teams' to introduce changes to PMM and direct involvement of senior managers).
3. Influence underpinned by trust and interdependence (present in the belief that all different parts of the organisation were moving toward the same goal and were supported by senior managers and organisational processes).

4. Emphasis on organisational mission for communicating what is sought to achieve with insiders and outsiders, and for linking overall organisational goals with individual goals (present in multiple forms of communication with different levels of detail and complexity).

5. Widespread sharing of information about organisational strategy to link individual contributions to that mission (present through communication, above, and through regular meeting with direct managers and performance reviews).

6. Focus on principles for greater flexibility and responsiveness to changing circumstances to guide actions that are expected to achieve that mission (partially present in the ability to renegotiate targets).

7. Frequent restructuring of decision making process on the basis of contingent relationship between the ways the problem to be resolved and the nature of problem itself (partially present in the ongoing performance review process and iterative development of PMM practice in response to this).

8. Relationships of trust strengthened by the support of IT that provide information about who to go to for a particular problem or issue (partially present in the developing IT system for managing performance targets but not entirely successful at time of study).

9. Use of thorough and open process of association and peer evaluation to establish social recognition and foster trust among members (partially present
through sharing of performance data but still some differences between head office and branches).

10. Emergence of the new form of labour market as a result of the open boundaries of post-bureaucracies (some possible presence in recognition of need to develop fairness in PMM in order to attract and retain key staff).

11. Emphasis on PRP and a shift from collectivism toward individualism in employment relations (some partial presence, but seen as a longer term objective to be achieved).

12. Concentration on flexible time frames which are subject to constant change (partially present as a driver from market competition and one reason for the development of an effective PMM system).

Here it can be seen that the Bank appeared to match, in partial form for some in strong forms for others, some parts of all of the features claimed for a post-bureaucratic organisation. In particular, all of these features appeared as closely connected with the practices and meanings of PMM and, therefore as such, it can be considered that the overall structure of the organisation was working in alignment with the PMM system rather than, as in the public sector departments, the PMM system was merely an ‘addition’ which did not influence the underlying bureaucratic approach to rigid and formal hierarchical authority. Thus it was suggested that in the public sector departments power took the form of D-power (deference power; Collins, 2004) where respondents reported themselves as involved merely in obeying orders from above on the basis of the position-power associated with senior managers. Because employees were aware of the fabricated nature of the PMM system and showed their compliance with it in terms of respect for the D-power of senior managers it seemed that it had the
effect of also creating the PMM system as an ‘empty ritual’ with the effect that participation in it served to drain energy and to demotivate those involved. In contrast, respondents at the Bank made reference to the power of those in superior positions in terms that were more similar to Collins’ (2004) E-power (efficacy power) by emphasising how they too were motivated by a concern for performance and saw all members of the organisation as taking actions that had the effect (rather than just the rhetoric) of improving performance by changing practices and developing individuals in order to achieve this. As such this appeared as a more effective ritual for participation and respondents generally expressed commitment to the PMM system, even though some recognised that it required greater effort and application from them. In both these issues of organisation structure and the exercising of power there are also connections with the final major theme of trust and discretion. It can be noted that this notion of power was not discussed in the literature review (of Chapter Three) but reflects, as was stated in the Methodology Chapter, the awareness of an inductive approach to the analysis of the data and the commitment to apply theoretical ideas that were helpful in understanding the themes that emerged from the data (rather than testing previously developed theories or hypotheses). However, the data itself suggested that these concepts provided useful labels for the relationships that were discovered and, as will be seen below, suggest areas for further research.

iii) Trust and discretion

In understanding the nature of trust in relation to the PMM process, use was made of the framework developed by Fox (1974) that there is a relationship between trust and discretion. As with the conception of power (above) the notion of Fox’s ideas were not discussed in the opening literature review but were suggested as useful and
appropriate frameworks for understanding as the data analysis developed. Although this is a theory that is many years old, it relates to basic relationships of the workplace (task discretion and trust) that can be as still highly relevant in contemporary organisations and offers a clear and concise framework for understanding that can be applied with clarity to empirical data (it is also an approach that has still been in use recently by other writers such as Evetts (2009; 2006), Grugulis (2007), and Sitkin and Roth (1993).

Fox’s (1974) low-discretion syndrome was made up of: i) superordinates behave as if they believe subordinates will not deliver the work performance desired from their own volition; ii) job activities are tightly defined and subjected to close supervision; iii) close coordination is imposed and governed by rules and routines; iv) inadequate performance believed to result from carelessness or indifference; v) conflict between superordinates and subordinates is handled through bargaining processes and differences of interests are assumed as given. From the studies of the public sector departments it seemed that there was revealed a perceived shift from what respondents had in the past perceived as being a ‘professional bureaucracy’ (Mintzberg, 1983, 1981) form of organisation and management (reflected in the numerous references to the high educational qualifications of employees and the views often expressed that their work should be primarily regulated by legal-rational requirements). However there also emerged an apparent contradiction as more senior managers appeared as showing contradictory views that seemed likely to have been introduced by the introduction of the PMM system. On the one hand there was a tendency to show pride and respect for the professionalism of staff and their traditional tasks, but also when talking about the introduction of PMM, to speak about
them as being unwilling to change and not being able to be trusted to meet the specified targets. This latter attitude appeared to have encouraged the emergence towards a low discretion syndrome in which staff felt that they had lost control over their ‘real’ activities and were required just to follow orders from above, resulting in inefficiencies and a breach in their psychological contracts (Conway and Briner, 2005) which had reduced their former willingness to work ‘beyond contract’ (Fox, 1974). It therefore appeared that although the existing ‘professional bureaucracy’ form of organisation of the public sector had been dominated by hierarchical control, this had been accepted as it had reflected long established practices and that appeared to be consistent with the tasks that employees were required to undertake (directly related to the functions of the Departments) and had therefore not influenced directly on the discretion involved in day-to-day actions. This it seemed had created a basis for trust in the hierarchy to protect and respect its employees. However, the introduction of PMM, by being imposed from central government bodies outside the Departments, appeared to have challenged this situation. In particular it introduced a range of targets that employees did not perceive to be relevant to the professional activities and that they perceived to be not given the genuine support of their managers.

However because of the culture of obedience to authority from above these measures and targets were experienced as imposed without good reason but had to be obeyed because of managers’ insistence on meeting the targets in order to maintain their own standing and that of the department within the wider public sector which made them appear as a game or test that had to be passed.
CHAPTER EIGHT

CONCLUSION

Because of this need to meet targets that were perceived as not relevant and that required the imposition of higher workloads, it seemed that this created the perception of the loss of discretion in work tasks and the resulting statements that indicated a decline in trust on the basis that it was perceived that management was only interested in meeting paper targets and not in the wellbeing of employees or their professional status (as one employee stated, the more established 'professional' workers were 'stereotyped' as resisting change and lacking commitment).

In contrast the Bank appeared to have retained higher levels of trust even though not all work activities appeared to be high in discretion. In particular, the front-office jobs appeared to have lost some of the former professional discretion and, with the introduction of the PMM system, to have become more influenced by sales targets and objectives. However unlike the public sector departments this did not appear as to have had a largely damaging effect on employees' trust and motivation. The key to understanding this difference appeared to be in the level of involvement, consultation and communication that the Bank engaged in with its employees at all levels to ensure that the PMM was understood and perceived as merely being imposed and not connected to the work that was undertaken. In this respect also, the Bank had made more efforts in integrating PMM as a core practice and in using HRM systems to support and promote this (whereas in the Departments, HR systems appeared to have little connection in practice or perceptions to the PMM processes). It seemed that employees were well trained and supported in what was required by them to meet performance targets and through the use of Change Teams and direct communications with managers, perceived the system as something in which all employees were involved. This appeared to create a sense of institutionalised trust so that even
employees with lower discretion jobs felt that they had some responsibility for their actions and that there was a sense of 'prescribed trust' at these levels as although their work quality could be checked through the PMM system, it was perceived that their ability to be involved with managers in setting targets and feeding back local issues meant that this did not undermine the view that their work was respected and valued.

In summary these themes can be combined together to provide the following models of how the PMM process appeared to be experienced by staff in the case organisations (as previously done, the two public sector departments will be treated as showing similar basic features). Figure 8.1 shows the public sector process which can be seen to take the form of creating a negative cycle towards PMM.

**Figure 8.1: Negative Cycle of PMM Acceptance in the Public Sector Cases**

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Procedural bureaucracy;
   i) high dependence on hierarchical power
   ii) stable professional duties
   iii) moderate discretion and trust in paternalist protection.

Imposed PMM system;
   Little scope for local negotiation or involvement of staff

Continued dependence on hierarchical power
   Professional discretion undermined
   Trust in managerial control and protection challenged.

PMM framed as a fabrication for untrustworthy, hierarchical D-power,
   Lack of commitment to PMM, spreading tensions, conflicts within and between units and
   overall loss motivation.
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In Figure 8.2, the process at the Bank is outlined and this can be seen in contrast to create a positive cycle that appears to support the PMM system and its development.
Contribution of the Study

The study of this thesis can be suggested to make four main contributions to knowledge of the area under study.

1. Understanding PMM as a process within a wider organisational context (HR practices, sector, power, work roles). This study has focused on the way in which PMM has been adopted in different forms of organisation by making comparisons between different sectors and in different organisational contexts. These factors have been shown to have an influence on how individuals respond to the adoption of the PMM system in different ways. It has therefore suggested that it is necessary to not only examine the practice of PMM itself in isolation but to also understand how it relates to wider factors ranging from organisational structure, culture and sector norms and practices. In addition it has shown how the way in which power and
authority is exercised can be important for the way in which individual managers and employees respond to what may be similar PMM techniques. Although the influence of such factors have been identified in previous studies there were found to be few if any which examined them together in depth in terms of their effects on a range of stakeholders (rather than focusing on one main factor or offering prescriptive advice without detailed empirical at the whole range of levels).

2. Providing qualitative data on experiences of responding to PMM from different standpoints and forming novel inductive explanations and themes. Following from the above, it was shown in the literature review that there were relative few very detailed qualitative studies of the PMM as a process of organisation (rather than as a formal policy) affecting individuals in different ways across an organisation. This has hopefully provided significant insight into the complexity of the process as it is experienced by organisation members rather than treating it as a merely rational policy for application. This approach has allowed organisation members to 'speak for themselves' as far as possible but also to allow the researcher to make interpretations that have, as shown above, introduced possible explanations and concepts that had not been largely associated with the process of PMM, such as different forms of power, trust and discretion and the complex ways in which individuals make sense of such policies by framing their understandings.

3. Identifying the organisational and individual factors that together influence the acceptance of PMM. Here the study has allowed a tentative conclusion to be drawn (subject to more extensive testing, see below) about the factors that appear to influence the successful and unsuccessful adoption of PMM. Specifically it has
emerged that a key issue in the extent to which employees are prepared to adopt with willingness the PMM process is the issue of the involvement of employees and the extent to which they can feel that they can have some control (through feedback and negotiation) of its operation at a local level. Although this is not a wholly new finding it is useful to see it as an issue in the context of Thailand as most of the issues concerning involvement and trust have been developed in western contexts. It therefore contributes to the debate that there may be some organisational processes that have universal application in terms of basic human processes such as the establishment of trust and respect, even in societies such as Thailand which are often characterised as having an acceptance of high power-distance (Hofstede and Hofstede, 2005) and therefore a willing acceptance of autocratic management styles. This study has shown that although there can be an acceptance of autocratic style, this is not necessarily merely a passive acceptance but may disguise underlying discontents and conflicts.

4. Providing a qualitative study of organisational practices in a context (the Kingdom of Thailand) that has been under-researched and mostly based on quantitative accounts. Finally the research provides a contribution to the study of comparative organisations and HRM by providing detailed qualitative analysis of Thai organisations and their workers. In general there have been comparatively few qualitative in-depth investigations of eastern organisational processes and very few in the Kingdom of Thailand. By allowing respondents to express their views fully on a range of organisational practices and understandings the study has contributed to a better comprehension of the extent to which there are real differences in organisational actions below the surface differences that may at first be apparent.
Limitations of the Research and Ideas for Further Research

Case Studies and the Generalisability of the Findings

This thesis and its conclusions are drawn from the three case studies. It has hopefully provided greater depth into the experiences of working with a PMM system that has been the case with most previous studies of this issue and has also done so from a range of perspectives (rather than the usual focus on managerial perspectives). But this can also be recognised as a limitation as it is not possible to generalise the findings statistically to a wider population. This could possibly be relieved by adding additional case studies to cover more types of organisation within the public and private sectors and to assess the similar and contrasting results to determine if there is an overall consistency that exists. Alternatively it would be possible to use the results produced inductively from this study as the basis for constructing more standardised instruments that could be administered to a statistically representative sample. For example, it could be possible to treat the three major themes identified as measurable independent variables and to investigate the relationship of these to a dependent variable such as individual commitment to PMM. It would be therefore possible to design an instrument such as a questionnaire to measure the variables of: 'work task discretion', 'trust in management/employees', 'nature of power and authority', and 'commitment to PMM' and to analyse the results statistically to test the relationships proposed in the above analysis.

Non-inclusion of Respondents from the Office of Public Sector Development Commission (OPDC)

The role of the OPDC emerged throughout the accounts of the department respondents as playing an important part in 'imposing' the PMM system in the public
sector. However, no members of the OPDC were interviewed for the study. This could be regarded as a limitation as it has had to be taken on ‘trust’ that it did provide the ineffective role suggested by respondents without real insight into this from those involved. It would provide greater balance and insight if such respondents had been included and this could also be seen as an issue for further research in order to strengthen the coverage of the investigation (see above). Although it cannot be proved beyond doubt that the respondents were correct in their assessment of the OPDC, it does seem that consistency of the responses did suggest this was a widely shared perception (and therefore not a fundamental challenge to the validity of the study), but it would be of interest to understand more about why such perceptions were generated and how these were recognised or responded by OPDC officials. This would not necessarily change the interpretation of the data in this thesis but could add another dimension of complexity to the understanding.

Thai Public Sector Characteristics and Readiness

A final limitation could be that the Thai public sector has only just begun to embrace the practices of PMM and that, therefore, the study has identified issues that are associated with a changing process and that will be resolved over time. In other words, that the results are untypical and only a temporary picture. This may be the case, but the study still captures the actual experiences of individuals involved and identifies the practices that are being changed in some detail. Given the strength of the views expressed it is likely that these influence the outcome of the changing process of adopting PMM. It would certainly be an interesting idea for further study to repeat the current study at different periods of time to be able to monitor how the adoption of PMM did develop and what role was played by early attitudes of individuals and how
these modified over time. However this would not be regarded as a reason for questioning the findings of the present study although it could be accepted that they are not necessarily the end of the story. Although it could be suggested that having a detailed understanding of experiences of PMM could be used to help develop the process more effectively for the future.
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## APPENDICES

I. The Summary of frequency of quotations used by each respondent

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<th>Chapter 7: The Revenue Department</th>
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Note: (S) indicates Senior Manager, (M) indicates Middle Manager and (O) indicates Operational Staff
II. Sample Interview Questions (all interview schedules were variations on this approach)

Note: Text in [ ] indicates prompt and supplementary questions used if respondents did not elaborate on the relevant issues in their first answer.

1. Interview Questions for Private Sector Senior Managers

Could you please tell me about your educational background and work experience? [How long have you been in the Bank? Where did you first start your career?]

What is the title of your current position? [How long have you been in the current post?]

Could you please tell me about your role and responsibilities?

Could you tell me about the PMM process at the branch level [What activities are being measured and monitored? How is branches’ performance being measured and monitored? How important is this activity to your role as a senior manager? To what extent do you agree with performance measures concerned with these activities? How well do you think they operate? Which of them do you think needs to be reviewed?]

What do you think the Bank’s PMM system is intended to achieve? [How well do you think it does this? Are there any things you think are particularly good or particularly bad about the way bank branch performance is being measured at the moment? How
often is the PMM system changed? How do you know if the PMM system needs changes? Who make this decision?

How do you think the Bank employees have reacted to PMM? [What impedes managing your staff members? What do you think the staff like or dislike about the system? Why do you think this is? Do you think there are any changes that would improve? How does the Bank manage to get staff acceptance of its PMM system?]

Could you tell me a bit more about how the individual bank employee is being measured and monitored [Who measure his/her performance? How often? What are being measured and monitored? How are they determined? How well do you think this process operates? Why do you think this is? Are there any things you think are particularly good or particularly bad about the way the system operates? How could this process be improved?]

Could you tell me about the way goals are set? [How are the performance goals and targets set? What sorts of data are needed? Who participates in the goal setting process? Do you agree with the way performance goals and targets have been set? If you are not involved, why do you think this is? Do you think this is something you ought to be involved in? Does your department have any collective goals? What are they and how are they set? How do you manage to achieve these shared goals?]

Could you tell me to what extent the Bank is open to staff feedback on its PMM system? [How well do you think the Bank is responding to staff opinions?]
Could you tell me how the Bank makes use of performance data derived from performance measurement? [How well do you think the available performance data helps with making decision? What are benefits of using performance results you have perceived so far? In making general decision, what sources of data are you concerned about? What would happen if the performance targets were not met? Is there any comparison in terms of results with elsewhere?]

Could you tell me about the incentives used in the Bank’s PMM system? [How are they determined? How well do you think incentives motivate the Bank employees to work effectively? To what extent do you think the employees are satisfied with their bonuses? Do you agree or disagree with the way it is?]

How well do you think the employees are working as a team? [How are the teams organised and reinforced? Is everyone given a specific responsibility? What about coordination between teams?]

Could you please define the term “Success” of the Bank? [Do you think the Bank has succeeded in what it is trying to achieve so far? What do you think are the key successes of the Bank? What do you see in your department’s operations at the moment? Do you think that is enough to achieve the Bank’s overall goals? Why do you think that is? Do you agree or disagree with this?]

Could you tell me about you understand the Bank’s vision statement? [Do you think it is easily understandable? How well do you think it reflects what the Bank does? And do you know why it is determined in that way? How often is it revised? Do you think
everyone at your level understand about it in the same way? To what extent do you think it receives attention from you and your colleagues?]

What role is played by the HR Department? [How is the department organised? How does it communicate? Is there a HR strategy? What role does the department play in the PMM process? How effective do you think the department is?]