New Public Management from a Human Resource Perspective: The Case of Thailand

Malinvisa Sakdiyakorn[*]

Sopat Voravivatana[**]

Abstract

This article examines twelve reformed agencies in Thailand, referred to as Autonomous Public Organizations, by focusing on human resource-related initiatives under New Public Management. Drawing upon qualitative data, an investigation on hands-on professional management and progressive human resource practices that are evolving within these organizations is conducted, focusing on management and employees with direct experiences.

Although respondents are generally positive about the reform, several unintended consequences resembling those found in other New Public Management contexts are emerging. The fragmentation of human resource practices and internal policies among the organizations, the lack of alignment between different human resource practices and the larger organizational strategy, and an increasing roll-back to bureaucracy provide a wake up call for policy makers and reformed agencies to reassess the reform approach and outcomes that they wish to obtain.

Keywords: Human resource management, new public management, transformation, autonomous public organizations, Thailand

[*]Mahidol University International College, Mahidol University, E-mail: malinvisa.sak@mahidol.ac.th
[**]Ch.Karnchang public Company Limited, E-mail: sopatv@gmail.com

การจัดการภาครัฐแนวใหม่จากมิติด้านการพัฒนาทรัพยากรบุคคล: กรณีศึกษาของประเทศไทย

มาลินวิษา ศักดิยากร[*]
โสภัชย์ วรวิวัฒน์[**]

บทคัดย่อ

บทความนี้เป็นกรณีศึกษาเกี่ยวกับการบริหารจัดการทรัพยากรบุคคลภายในองค์การมหาชนของประเทศไทยจำนวน 12 แห่ง ตามแนวทางการจัดการภาครัฐแนวใหม่ งานวิจัยเชิงคุณภาพชิ้นนี้ศึกษาถึงประเด็นการบริหารจัดการแบบมืออาชีพ และ แนวทางการปฏิบัติด้านทรัพยากรบุคคลแบบก้าวหน้าโดยการสัมภาษณ์เจาะลึกผู้บริหารและพนักงานในองค์การมหาชนที่มีประสบการณ์โดยตรง แม้ว่าผลของงานวิจัยจะพบว่า ผู้ที่ทำงานในองค์การมหาชนส่วนใหญ่จะมีทัศนคติเชิงบวกต่อการปฏิรูปองค์กรไปสู่การจัดการภาครัฐแนวใหม่ แต่ก็พบว่ามีผลกระทบที่ไม่ได้คาดคิดตามมา การกระจายอำนาจให้กับองค์การมหาชนในการกำหนดแนวทางการปฏิบัติด้านทรัพยากรบุคคลและนโยบายภายใน การขาดความเชื่อมโยงระหว่างนโยบายทรัพยากรบุคคลกับภาพรวมกลยุทธ์องค์กร และ แนวโน้มการกลับคืนสู่การบริหารจัดการเชิงรัฐ นับเป็นประเด็นสำคัญที่ผู้วางนโยบายและองค์การมหาชนจะต้องนำมาพิจารณาแก้ไขเพื่อนำพาให้การปฏิรูปองค์กรเป็นไปตามเป้าหมายของการจัดการภาครัฐแนวใหม่

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[*]วิทยาลัยนานาชาติ มหาวิทยาลัยมหิดล อีเมล์: malinvis.sak@mahidol.ac.th
[**] บริษัท ช.การช่าง จำกัด (มหาชน) อีเมล์: sopatv@gmail.com

Introduction

New public management (NPM) has been actively pursued over recent decades with the desire to enhance public service delivery through business-like model of governance aimed at achieving greater efficiency, effectiveness, innovativeness, profitability, serviceability and sustainability (Hood, 1991; Minogue, 1998; Osborne & Gaebler, 1992; Politt et al., 2004; Van Thiel & Van der Wal, 2010). NPM reforms related to people management have emerged simultaneously, leading to an increase in studies that explore the transformation of public sector human resource management (HRM) (Bach, 2010; Bach et al., 2009; Hays & Plagens, 2002; Kessler & Purcell, 1996; Poor et al., 2009; Teo & Crawford, 2005; Teo & Rodwell, 2007). One stem of literature has examined the varying HR reform trajectories from broader institutional and comparative perspectives to uncover similarities and differences in processes and outcomes that exist among countries and reformed agencies. (Bach & Bordogna, 2011; Bach & Givan, 2011; Bordogna & Neri, 2011; Christensen et al., 2008; Pollitt & Bouckaert, 2004; Pollitt et al., 2007; Poor et al., 2009; Verhoest et al., 2012)

By contrast, a second form of investigation focusing on the extent to which HR reforms addresses the more specific issues of 'staff responses to the reform' remains insufficient (Bach, 2010: 561-562). The objective of this paper is to examine this latter stem of literature due to the lack of academic research within the Thai context that empirically investigates the situations from those working inside the reformed agencies. Particular emphasis is made on two HR-related NPM policy domains-hands-on professional management, and diffusion of HRM practices-in which 'more complex and uneven patterns' (Bach & Bordogna, 2011: 2284-2285) have been identified across countries. The paper offers valuable insights into the transformation by exploring how managers and employees perceive and are affected by the change.

The next section provides a review of NPM from a HR perspective that looks into themes of investigation from previous literatures. This is followed by

a review on the aspects of HR transformation that is explored in this paper. A background on Thailand's Autonomous Public Organizations (APOs) is discussed before explaining the research methodology used. The rest of the paper reveals the findings, discussion and conclusion of the study.

New Public Management from a Human Resource Perspective

One of the major impacts of NPM is transformation in HR process. Key NPM principles emphasizing market-based values, incentives and individual behaviour provide the guiding platform for HR reform. Consequently, popular private sector HR models-known as 'high performance', 'high commitment' or 'high involvement' practices-have been introduced and trialed under the assumption that they can easily replace traditional public sector HR practices to enhance performances (Bach & Bordogna, 2011; Gould-Williams, 2004; Lonti & Verma, 2003). 'Decentralisation and devolution, performance management, and flexible service delivery' constitute typical HR transformations found across the globe (Bach, 2010: 567-571). Other private sector best practices which look into the whole employee life cycle-from recruitment and selection, to compensation, training, retention and work-life quality-have also been highlighted (Hays & Plagens, 2002; Powell & Spicer, 1994).

Over time, the maturity of NPM reform has opened room for contested observations and debates. Comparisons between NPM and parent agencies provide arguments as to whether HR convergence towards private sector practices has occurred. Although greater strategic and operational HR autonomy has been found in many reformed agencies (Verhoest et al., 2012), results of most studies indicate diversity and variation rather than convergence both inside and across countries (Bach & Bordogna, 2011; Bach & Givan, 2011; Boyne et al., 1999; Poor et al., 2009; Truss, 2008; Van Thiel & Van der Wal, 2010). The different types of leadership found among reformed agencies, varying organizational features, along with diverse country-specific contexts accounted for countervailing patterns.

Furthermore, criticisms have evolved around the impact of HR transformation within the reformed organizations suggesting that 'post-bureaucratic reforms are misleading' (Morris & Farrell, 2007: 1575) and not as promising as claimed. Evidence in support of such NPM drawbacks include the existing chains of command and tighter performance controls from the center, harsher working environments within the organizations and the derailing of public ethos and values such as integrity, trust and impartiality among employees (Laegreid et al., 2008; Roness et al., 2008). The breakdown of a beneficial unified system due to duplicated HR systems has also been notably criticised as leading to a loss in central capacity and institutional learning (Bach, 2010). Cunningham et al. (1999), for instance, highlight how equality policies in the UK's civil service are likely to further erode as reformed agencies adopt different recruitment, promotion, pay and grading schemes.

Despite the controversial outlooks towards HR transformation under NPM reform, little is still being discovered about how different groups of stakeholders, especially how those working in NPM agencies view the change (Bach, 2010: 561-562). The next section discusses the framework used in exploring HR transformation under NPM.

A Framework for Exploring HR Transformation under NPM

HR transformation is defined here as *'the production of intended or expected results deriving from HR reform under NPM initiatives'*. In particular, two of Hood's (1991) seven NPM doctrines directly related to HR are used as the framework for this study: *(1) hands-on professional management in the public sector and (2) the stress on private-sector styles of management practice.* HR transformation is explored by investigating into these two intended NPM components from the viewpoint of employees.

Hands-on professional management in the public sector covers the 'active, visible discretionary control of organizations from named persons at the top' (Hood, 1991: 4). Consequently, attention is directed towards the relationship

between the core government and the top-level management of APOs. Since APOs are established to distance certain state activities from the government, certain degrees of *autonomy* and *devolution* in their management are expected under this NPM strategy. While autonomy has been defined broadly by some scholars as 'flexibility in management' (Boyne et al., 1999), 'involvement in decision making' (Gould-Williams, 2004) and 'improvement in organizational flexibility' (Teo & Crawford, 2005), others have pinpointed the degree of freedom to which an NPM-type organization can decide on important matters by itself, including HR and financial management (Lonti & Verma, 2003; Roness et al., 2008). *Devolution*, on the other hand, emphasizes the decentralization of decision making away from the core government (Bach, 2010; Boyne et al., 1999; Pfeffer, 1994; Rainey & Steinbauer, 1999; Teo & Rodwell, 2007). Given that devolution and autonomy are granted, accountable administration that can better meet the needs of customers should be achievable through what Osborne and Gaebler (1992) term 'entrepreneurial spirit'.

Stress on private-sector management style also serves as one important component of the NPM strategy relevant to this study. In other words, the shift from an authoritarian-style public service ethic towards the use of 'proven' private sector management practices is what constitutes successful organizational transformation (Hood, 1991: 5). However, due to the limitations in using any one specific high performance model to determine effectiveness, several HR practices as posited by different scholars form the basis of this paper. First, *selective hiring* emphasizes on NPM-type organizations having more rigorous selection process (Becker et al., 1997; Gould-Williams, 2004; Huselid et al., 1997; Rainey & Steinbauer, 1999), and acceptance of external candidates at all levels based on specific qualification and experiences (OECD, 2008). Second, performance-driven compensation serves as a key criterion (Becker et al., 1997; Gould-Williams, 2004; Lonti & Verma, 2003; OECD, 2008; Wright et al., 2001), alongside the need to ensure internal and external pay equity (Boyne et al., 1999; Wright et al., 2001) when discussing pay and benefits. Third, the issue of *performance management*

stresses the necessity of effective performance appraisal (Bach, 2010; Huselid et al., 1997; Lonti & Verma, 2003), and performance linkage to administrative and developmental purposes (Becker et al., 1997; Boyne et al., 1999; Gould-Williams, 2004; Van Thiel & Van der Wal, 2010; Wright et al., 2001;). Lastly, is the call for training and development that is both sufficient and can lead to performance maximization. (Gould-Williams, 2004; Rainey & Steinbauer, 1999; Van Thiel & Van der Wal, 2010; Wright et al., 2001)

Thailand's Autonomous Public Organizations

NPM-type organizations are referred to by numerous names according to country-*executive agencies* and *quangos* in the UK, *statutory corporations* in Australia, *public corporations* and *independent regulatory* agencies in the US, crown entities in New Zealand, independent administrative corporations in Japan. In Thailand they are called Autonomous Public Organizations or APOs. The idea behind establishing APOs originated in 1999 and is modeled after UK-style executive agencies.

The particular combination of Thailand's economic, political and social contexts provided the supporting platform for change. Plagued by an increase in bureaucratic vices and an economic crisis, the NPM doctrine was seen as a promising remedy to the problems. Good governance in both the public and business sectors was a key agenda and was supported under the new 1997 Constitution facilitating the growth of a stronger, more transparent and open democratic society (Bowornwathana, 2000: 394). Also similar to the British system, the highly centralized, majoritarian system, toppled with strong and credible policy makers allowed for reform ideas and practices to spread quickly and forcefully among public agencies (Pollitt & Bouckaert, 2004). The lack of unions within the Thai public sector paved way for a smooth transformation when compared to other countries.

APOs serve as a third type of public sector organization existing alongside public agencies and state enterprises. Supposedly designed to share a common

degree of flexibility and autonomy in management similar to state enterprises, APOs, like public agencies, are, however, non-profit in nature (OPDC, 2010). Operating as legal entities under the Public Organization Act of 1999, there are currently 29 APOs in Thailand with each performing a specific function in economic, educational, social, technological or environmental-related areas. They can be categorized by their type of services:(1) services supporting specific top-priority government policies; (2) services requiring specific technical or interdisciplinary know-how; and (3) general public services.

The proliferation of APOs can be explained by considering the impact and benefits they extend to different groups of stakeholders. Of particular interest are the positive impacts that advocates of APOs claim extend to the internal stakeholders or personnel working in such organizations. In Thailand, emphasis is placed on how this type of organization can make the most efficient use of its human resources under a more organic environment which favors a high degree of autonomy in the decision-making and implementation process (OCSC, 2000). Decentralization combined with new organizational structures supporting autonomy seem to convey favorable opportunities including more autonomous roles for top-level management and the chance for individual agencies to develop their own HR policies to fit their new strategies and structures.

In practice, however, APOs are attached to ministries and run by a board appointed by the relevant minister. A large proportion of politicians, ex-officio and high-level bureaucrats serve as board members and are responsible for overseeing the operation of APOs and appointing the CEO, known as the APO Director. In addition, general rules and regulations regarding the structure of the agency, recruitment, appointments, salary scales, compensation, welfare and fringe benefits, removal, disciplinary actions and punishment are issued and monitored by the board (Bowornwathana, 2012). Unsurprisingly, it is this very nature of the entities that has led to the major criticism that red tape lingers on at the expense of efficiency. While there may be some truth to this, the extent of

these claims has not been assessed empirically. The evidence derived from this research is garnered from the viewpoints of management and employees within the APOs and how they perceive HR-related transformation.

Research Methodology

The qualitative research methodology was applied in this study to capture the perception in which employees of the APOs had towards HR transformation after the reform. The selection of APOs was based on years of establishment and on classification by dimensions. In order to gain sufficient data on organizational transformation and changes, only APOs in operation for over five years were chosen. Since many of the earlier APOs were categorised under economic, social and educational dimensions, an equal number of four APOs from each of these three dimensions were picked (Appendix Table A-1).

In-depth interviews with key respondents from the 12 selected APOs were conducted to gain insights from operational level employees, middle and high-level management teams as well as key HR personnel. A total of 48 key informants, (Appendix Table A-2), were interviewed with approximately four from each APO. While there were no restrictions on educational background, age and gender, the position and number of years in the workplace were important inclusion criteria in selecting the interviewees. In addition, all interviews were aimed at specific employees who had worked with the organizations either since their previous forms or since the APO's formation. The snowballing technique was applied to enhance participant selection. Interviews were transcribed and the index was constructed manually.

Findings and Discussion

Insights from the in-depth interviews show that APO staffs in general are positive towards the NPM agenda and that they view hands-on professional management and progressive HR practices to be supporting the desired reform. Nevertheless, varying implementations found among agencies have also led to

mixed attitudes among employees as to the reform processes and practices. The following section discusses key HR transformation and challenges found in the Thai context.

Towards hands-on professional management or hands-on bureaucratic control?

Contingent upon their missions, faster and more convenient services for external stakeholders are part of what APOs seek to accomplish. APOs also provide for more complete services that may not have been previously available in the Thai context. It is assumed that professional managers that are granted devolution of power and degree of autonomy would allow APOs to operate more effectively to achieve such goals.

In practice, the extent to which hands-on professional management emerged within APOs was however described with mixed feelings. From a positive angle, similar features to those stated by Torrington (1995) were mentioned by respondents indicating: (1) more scope being delegated from the centre; (2) operational units made smaller and more manageable; and (3) less emphasis towards conformity to a single pattern (Torrington, 1995).

First, a flatter line of command from seven to four levels following decentralisation was structurally laid out. Residing at the top is the responsible Minister who plays a policy-making and supervisory role, as well as approving the annual budget. Most decision-making power, however, is granted to the appointed Board of Committee and the APO Director. At the bottom level are the personnel of the APO who report directly to the Director. Interviewees from 7 of the 12 APOs mentioned that this four-level hierarchical structure meant that day-to-day operations were handled more quickly and with greater autonomy for managers of APOs.

> *'Because of the flatter structure and main authority given to the Board of Committee and Director, projects are approved faster than in public sector organizations.' (High-level management of NEDA)*

> *'Our Director acts like a CEO and makes most of the decisions. Only a few matters are decided by the Board once a month, which makes work progress rapidly.' (HR manager of ONESQA)*

Secondly, autonomy is also legally granted to allow each APO to develop its own HR system, budgeting and finance, and internal affairs. This has allowed APOs to respond more effectively to their specific needs and demands. From the perception of respondents, taking on this 'employer role' from the centre was seen as a challenge and a sign of empowerment, which in turn fosters greater work motivation and the end result of improved services.

> *'We are proud to be able to design our own HR system ... we hired an external consultant to help us create it. And now other APOs are studying our model.' (HR Manager of SAC)*

Alternative viewpoints were, however, raised by some respondents implying instead a roll-back towards hands-on bureaucratic control found among some APOs. According to many respondents, leadership style made it more difficult for most APOs to manage themselves and to achieve the desired state of transformation. This is because each APO is governed by a Board of Committee, consisting of 11 members and appointed by ministers, which plays a key role in assuring accountability and providing policy guidelines. Serving as a form of patronage between bureaucrats and politicians, some APOs turn out having many high-level officials from related functional ministries sitting as committee members. Such favoritism has created discomfort especially for the professional APO Directors. Interviewees in those APOs felt that the ratio and mentality of bureaucratic-minded committee members did not serve much purpose. Much of them came into position without truly knowing what to do and proved obstructions to the workings of the organizations. Several respondents stressed the point that freedom had not truly been handed down to the APOs.

> *'Five committee members are from the government, another four are ex-civil servants. The only two experts have no choice but to go with the flow which is to manage through tedious rules and regulations.' (Director of ITD)*

Fortunately for a few APOs, the situation was different. With the organizational presence of less bureaucratic committee members, those in these APOs felt that they had the autonomy to lead and decide.

> 'We are considered very lucky because out of the eleven Committee members, nine are specialists in the field. Only one member was appointed from the central government.' (HR Manager of SAC)

Apart from leadership issues, the current pressure on APOs to report back more frequently to ensure greater economic efficiency means the system may eventually be diverted from its original objectives. According to interviewees, there is a striking consensus that the amount of paperwork each APO has to submit to the core government has increased over time. This, in part, lies in the fact that public scrutiny, especially from politicians and the press, on the cost-effectiveness of these APOs has increased. Since different APOs receive diverse amounts of funding-some reaching 20 million USD per year-greater pressures and controls have been placed upon them, especially the Director, to ensure that they are best able to achieve their objectives and produce the outputs expected of them. This has led to the feeling of greater inflexibility being imposed on APOs.

> 'In the beginning, there wasn't this much paperwork. Now we have to keep track and report on so many little details. It's becoming more and more inflexible.' (Operational-level employee of ONESQA)

> 'Many of my subordinates came from the private sector wherein the workflow is much faster and more flexible. Now one of them is leaving because she can't stand the work process.' (High-level management of TCEB)

In summary, the preceding discussion on hands-on professional management suggests that differences among APOs exist with regards to devolution of power and autonomy granted to management and employees. The bureaucratic mindset among Board members and increasing scrutiny from the Central government serve as key challenges which APOs must need to overcome. The next section reveals other HR transformation and challenges relating to HR practices being adopted in Thai APOs.

Progressive HR practices in experiment

Though the ability to develop distinctive HR policies and practices has often remained constrained in many reformed agencies (Bach, 2010: 567), the general perception among those working in Thai APOs is one of autonomy and flexibility to design and implement their own internal practices. As a benchmark, Thai APOs have been geared towards applying private sector HR practices. Responses from interviewees, however, revealed that the particular practices varied in degree from APO to APO as each undergoes different phases of transformation. The following part provides the discussion.

Hiring in APOs

APOs' hiring policy differs from that of public agencies on two key points. First, civil servants mostly enter at the entrance-level based on educational qualifications with promotion being reserved for insiders. All positions in APOs are however open for external competition at all levels:

> *We hire a lot of mid-careers with the right experience and expertise. Some come from leading MNCs and state enterprises. Though pay is lower, they find the work challenging. (HR of TCEB)*

Attracting candidates has, however, been difficult for some APOs, especially for hot skill jobs that have strong demand in the labor market. Particular comments were made on professions in IT, finance, marketing, academic, nursing and doctors.

> *'It is sometimes difficult to attract researchers with experience since we have so many direct competitors like universities and other well-known research institutions.' (HR of ITD)*

> *'We find it hard to get professional financiers who want to work with us. Most of them opt for banks that offer higher pay and benefits.' (Director of NEDA)*

To solve the problem, several APOs have no choice but to accept green horns with no experience and instead train them on the job. Others plan ahead by granting scholarships that lock in future employees as they graduate, while some APOs choose to outsource certain jobs.

Secondly, APOs, unlike public organizations, have the freedom to design their own selection process without having to go through a central examination required among civil servants. While this opens room for more tailor-made selection test relevant to APOs, most interviewees mention the usage of a simple approach where a written examination followed by one to two rounds of interviews are adopted. Other forms of selection methods commonly used in the private sector such as personality and cognitive ability tests are rarely trialed.

Pay and benefits in APOs

In part, APOs were established with the hope that better pay and benefits would attract and retain more talented and skillful applicants (Nitichai, 1999). In practice, most respondents were more satisfied with the intrinsic rather than extrinsic rewards that APOs had to offer.

> *'Our work is about helping other businesses. We can see the impact of it towards society.' (Operational-level employee of GIT)*

> *'I came here because I wanted to help the industry and serve the country. And I know I have the expertise. It's not so much about the pay!' (High-level management of TCEB)*

Extrinsic rewards in the form of pay, however, are viewed with mixed feelings. When compared to the industry rate, all respondents agreed that their pay fell in between those of public agencies and private companies. Justification regarding pay is therefore normally considered alongside other factors.

> *'Pay is higher than government work but not as good as the private sector. But of course, when compared to the private sector, the job is more secure. You can't get kicked out easily.' (High level management of NEDA)*

'Pay rate is similar to public hospitals but far lower than private hospitals. But being a doctor here is very challenging. You get to be involved in very rare cases. You learn a lot!' (Doctor of Banphaeo)

At a more internal level, comparisons are also made among different APOs. One clear example is the different salaries which Directors receive based on classification by types of services which may range from US$ 3,100-9,500 (OPDC, 2010). This has led to feelings of inequity especially since there are no clear cut justifications as to why some Directors should receive higher salaries than others.

In addition, different benefits exist among the APOs. In one extreme case, comprehensive health benefits extending to immediate family similar to those granted to government officials were in place. In another case, full coverage health insurance was provided to the employees themselves; while, most provided only partial coverage. Unlike government officials who are granted pensions after reaching certain years of public service, APOs do not provide such special retirement schemes. What some APOs do provide are provident funds, children's education, gym facilities and parking space similar to the private sector.

Performance management in APOs

Performance management in APOs is still in its infancy given the complexity and difficulties in its implementation. Most APOs therefore have continued to use a similar bi-annual evaluation approach found in traditional public agencies. A few APOs, namely OKMD and TCEB, however, have started exploring alternative performance management approaches through the help of external HR consultants. MWIT and ONESQA, also, are experimenting with the use of multi-dimensional evaluation combined with multiple raters. Among the APOs, these developments are shared in the Directors' meetings held every two months and through communities of practice organized among HR teams.

When linking performance to pay, merit pay constitutes the dominant form with the percentage of increase differing among APOs. At NEDA and NIETS, for example, the range of a 1-12% increase in merit pay was found. At SACICT, numbers may go up to 15% for exceptionally high-performers. Beyond this, other forms of performance-related pay programs are limited. Though small amounts of individual incentives were rewarded equally to all employees of a few APOs, there seems to be no significant program that recognizes differential performances.

More challenging than performance-related pay is the linkage between performance and career movements. First, the flat organizational structure of most APOs does not allow for all high performers to either grow or keep on growing. Since very limited positions are available in each level of the organizational chart, many employees remain stuck in the same position for too long, while others may reach the top level by their mid-40s. Ultimately, retaining stars has been difficult.

> *'Opportunity to grow is limited. This is a challenge especially for young generations who want to see fast results, especially in their career progression.' (High level management of TCEB)*

Secondly, given that many of the APOs in the study employ academicians, career advancement is often benchmarked with the academic ranks of those working in public universities and schools. The lack of professorship rankings that can be granted to academicians working in ITD, GIT, MWIT, Banphaeo, SAC, ONESQA and NIETS, for example, has led to pressure in retaining them. To minimize this concern, some APOs are now starting to introduce their own types of academic ranking classifications (e.g. professional, senior professional, specialist senior specialist) as a way to help motivate these academicians.

Thirdly, a problem of a different nature is the large age gap between employees in the cases of SACICT, NIETS, ITD and MWIT. These APOs consist of a few high- and mid-level managers in their 50s-60s and a large number of inexperienced operational level employees in their 20s-30s. Concerns are raised

as to the inability to prepare the younger workforce in time for the gap left by those retiring in a few years. In addition, even if potential candidates do exist, the fact that 35 is the requirement age for any mid-level position may force APOs to have to recruit from outside, leaving high yet young performers demoralized.

Training and development in APOs

Several patterns regarding training emerged from the interviews. First, most HR managers mentioned training in the general sense of how certain needs are defined and training is designed. In this case, specific training is linked to the particular job specifications while at a more general level, the demands for English language and computer classes are found in most APOs. Secondly, while training courses are normally initiated by the HR division, some APOs allow employees to suggest particular training courses they would like to take. Only a few APOs, however, set apart a fixed training budget for individual employees based on their positioning or level. Thirdly, training is considered one KPI of several APOs. Employees are obliged to fulfill their KPIs by joining general training programs which differ from APO to APO in terms of required hours or days.

> *'Every employee must go through two rounds of training per year. But it has not been set clearly as an individual development plan.' (Mid-level management of TCEB)*

Implications from the interviews suggest that though training is available, it is not strategically laid out as part of long-term employee development. Similarly, employee development in APOs was found to be implemented randomly rather than through systematic planning. Key developmental approaches included informal coaching and mentoring systems and experience-building opportunities found in most APOs. In specific, job rotation, external and/or overseas field trips was frequently mentioned as a way to motivate high-performers. On the other hand, formal education, through provisions of scholarships to attain professional-related certificates or degrees, was only found in cases where specialists are highly in demand yet hard to find in the external labor market. These consisted of nurses and doctors in Banphaeo, gemologists in GIT and

teachers in MWIT, who upon displaying exceptional performance are sent off to further their studies.

In summary, the abovementioned findings and discussion suggest that a variety of private sector HR practices are being widely trialed and implemented within APOs. Nevertheless, several key challenges relating to selection, pay and benefits, performance management, training and development exist alongside that will need to be managed strategically. The next section provides a deeper reflection and conclusion to these challenges.

Conclusion

This study on HR reform within Thai APOs provides an analysis of a late NPM adopter from a developing country undergoing NPM transformation through the voices of those working in the 12 selected APOs and with direct experience. Several practical implications in the realm of public administration can be garnered from the case studies.

The overall perception of APO staffs towards the reform was positive. This in part lies in the belief that this new form of organization setting along with the HR practices of a more private sector nature will bring forth greater effectiveness and efficiency when benchmarked with past bureaucratic work practices. On the other hand, compared to the private sector, working in APOs also support the feeling of pride among employees-considering themselves to be working in a privileged type of organization that serves the country.

Upon looking closely at the details of the reform, the study, however, paints an interesting picture of how 'changes in the reform menu are starting to be implemented, altering the type of HR practices adopted in the public sector' (Bach, 2010: 571), and also leading to unintended consequences. Firstly, though the ability to design tailor-made internal management processes and practices of one's own allowed APOs to similarly learn and absorb modern HR tools, such freedom has also negatively led to the fragmentation of HR practices and internal

policies among APOs. Key differences can be found in terms of the selective hiring methods, performance management tools, training and development opportunities, and most importantly pay and benefit schemes that have been adopted varyingly. These differences, while only starting to be discussed among employees in different APOs, can in the future lead to a feeling of inequity, low morale and increased competitive ethos among APOs (Bach, 2010; Bach & Bordogna, 2011; Cunningham et al., 1999). In addition, although concerns on loss of central capacity and institutional learning have been addressed, no formalized policies or systematic processes have been formulated to tackle the issue.

Second, the mere implementation of private sector HR practices in APOs seems to constitute a substantial NPM key success indicator among those working in them. This perception resonates with Bowornwathana's assumption (2000: 399) that reform outputs matter more than outcomes for government reformers in Thailand. The qualitative evidences from the study support the claim by showing how naïve and optimistic APO managers and employees are towards the NPM doctrine. In addition, while much discussion is geared towards the various HR tools and techniques being implemented in different APOs, little is mentioned about internally aligning the different HR practices and externally aligning them with the larger organizational strategy. Similar to cases found elsewhere, the experience of Thailand signals an important flaw which may require tackling the 'limited HR capacity and capability to manage the devolved HR systems' (Bach, 2010: 567).

Third, it is also evident in the study that decentralization does not always translate into increased managerial autonomy (Bach et al., 2009). In practice, APOs 'remain woven inside the unbreakable single hierarchy with the Prime Minister on top' (Bowornwathana, 2006: 32), supporting instead a larger and more bundled government. Increasing sign of a roll-back to bureaucracy rather than towards responsive governance is reflected by the employees. This calls for a re-justification of devolution of power and autonomy in order for APOs to be able to fully attract professionals rather than political bureaucrats into the system.

To conclude, the cases of Thai APOs have strengthened the justification that it is difficult to find organizations that have fully transformed themselves to attain the promoted NPM ideology. Although convergence of HR practices between the public and private sector can be observed in the cases, it also comes with many unintended consequences resembling those found in other NPM context especially within the Western hemisphere. This suggests that even if varieties of reform trajectories may exist across countries, the problems that occur can be very much similar and that there are valuable lessons that can be learnt from one another. Some limitations of this paper have also been noted. First, only two of Hood's (1991) seven NPM doctrines were used as the framework of this study. While these two doctrines form the basis of NPM that can be more easily observed during the period of this research, future studies may need to investigate all seven doctrines in order to capture a well-rounder picture of the organizations being studied. This may include going beyond looking at the HR processes to evaluating overall results based on different HR metrics; and exploring the ability to compete with existing or new competitors in the market. Second, since the research was conducted in the initial stage of the reform and during a one time period, it may not be able to detect continuous transformation that may occur across time. Third, though HR transformation may relate directly to employees whom have direct experience with the reform, focusing merely on their viewpoints can render subjectivity in results. Fourth, although people judgments through interviews provide a rich perspective of the HR processes, a more thorough investigation into actual outcomes may need to combine results from other assessment tools such as HR metrics. Future research may want to study reform transformation overtime through longitudinal data collection from the perspective of multiple stakeholders. In addition, measurements of HR effectiveness that map with quantitative metrics can be included to provide more solid justification of transformation success. Finally, further investigations into the cases of reform processes and outcomes in developing countries are highly encouraged since there are lessons to be learnt and shared across the variety of NPM reforms.

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Appendix:

Table A-1: Selected APOs in the Study

Economic Dimension	Social Dimension	Educational Dimension
International Institute for Trade and Development (ITD)	Community Organizations Development Institute (CODI)	Mahidol Wittayanusorn School (MWITS)
Thailand Convention and Exhibition Bureau (TCEB)	Banphaeo Hospital (Banphaeo)	Office of Knowledge Management and Development (OKMD)
Gem and Jewelry Institute of Thailand (GIT)	Princess Maha Chakri Sirindhorn Anthropogy Centre (SAC)	National Institute of Educational Testing Service (NIETS)
Neighboring Countries Economic Development Cooperation Agency (NEDA)	Support Arts and Crafts International Centre of Thailand (SACICT)	Office for National Education Standards and Quality Assessment (ONESQA)

Table A-2: Interviewee (n = 48)

Demographic variables	Interviewee (%)		
Gender (n=48)	Female	25	(52%)
	Male	23	(48%)
Age (n=48)	20-30	5	(11%)
	31-40	16	(33%)
	41-50	10	(21%)
	51-60	17	(35%)
Education (n=48)	Bachelor's degree	12	(25%)
	Master's degree	31	(65%)
	Higher than Master's degree	5	(10%)
Public sector work experience (n=48)	Yes	35	(73%)
	No	13	(27 %)
Current work position (n=48)*	Operational level	17	(31%)
	Middle-level management	16	(33%)
	High-level management	15	(36%)

* Note: Regardless of work position, a total of 13 interviewees are directly involved in HR-related roles