

ความท้าทายในการจัดการการเปลี่ยนแปลงและนวัตกรรมในภาครัฐของไทย
**The Challenges of Change and Innovation Management
in the Thai Public Sector**

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บทคัดย่อ

ในช่วงศตวรรษที่ผ่านมา ประเทศต่าง ๆ ทั่วโลกเผชิญกับการเปลี่ยนแปลงทางเทคโนโลยีที่ก่อให้เกิดการเปลี่ยนแปลงเชิงสังคมอย่างมากมาย ประเทศใดที่สามารถปรับตัวทั้งด้านเทคโนโลยีและด้านสังคมไปพร้อมๆ กัน ก็ถือว่าประเทศนั้นสามารถสร้างการพัฒนาอย่างยั่งยืน ในส่วนของประเทศไทยเองก็ต้องการการปรับเปลี่ยนเช่นกัน แต่ทว่าปัจจุบันประเทศไทยอยู่ในฐานะที่มีบทบาทในการติดตามความเปลี่ยนแปลงทางเทคโนโลยีมากกว่าบทบาทของ“ผู้นำการเปลี่ยนแปลง” การสร้างการเปลี่ยนแปลงเพื่อนำไปสู่การสร้างนวัตกรรมภาครัฐเป็นสิ่งที่มีความจำเป็นมากขึ้น แม้ว่าการสร้างนวัตกรรมและการบริการใหม่ ๆ ส่วนใหญ่จะมีความเสี่ยงต่อความล้มเหลว แต่ภาครัฐก็มีความจำเป็นในการสร้างการเปลี่ยนแปลงและนวัตกรรมขององค์การภาครัฐเพื่อนำไปสู่การเพิ่มประสิทธิภาพการให้บริการประชาชน บทความนี้แสดงถึง

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รูปแบบและกระบวนการสร้างนวัตกรรมขององค์การภาครัฐเพื่อสร้างการเปลี่ยนแปลงและเพิ่มระดับการให้บริการแก่ประชาชนต่อไป ทั้งนี้การเปลี่ยนแปลงต้องอาศัยศักยภาพของผู้นำ ความชัดเจนของนโยบาย การพิจารณาความพร้อมของบุคลากร การปรับเปลี่ยนวัฒนธรรมและโครงสร้างองค์การให้เหมาะสม และการสื่อสารเพื่อสร้างการมีส่วนร่วมในการจัดการนวัตกรรม ซึ่งการสร้าง ความยั่งยืนในการจัดการนวัตกรรมในภาครัฐไม่ใช่เรื่องยาก เพียงแค่เริ่มต้น โดยมีหลักการในการจัดการนวัตกรรมที่สำคัญคือ การเลือกเป้าหมายที่เห็นได้ชัดเจนที่สามารถกระตุ้นให้เจ้าหน้าที่ของรัฐเห็นประสิทธิผลได้ การสร้างระบบสนับสนุน นวัตกรรมหลังการขับเคลื่อนโดยทำให้พนักงานรู้สึกว่าการสนับสนุนจากองค์การ ในการสร้างนวัตกรรม ทำให้แน่ใจได้ว่าผู้ปฏิบัติงานและผู้ให้บริการจะได้รับ ประโยชน์จากนวัตกรรมที่สร้างขึ้น การสร้างวัฒนธรรมในความเป็นมิตร ระหว่างเจ้าหน้าที่กับระบบนวัตกรรม มีระบบประเมินผลและการให้รางวัลจาก ความสามารถในการบริหารนวัตกรรมให้บังเกิดขึ้น โดยปัจจัยทั้งหมดนี้ต้องได้รับการมีส่วนร่วมและการสนับสนุนของผู้นำองค์การ เจ้าหน้าที่ภาครัฐ รวมทั้ง ประชาชนผู้ใช้บริการด้วย

Abstract

At the turn of the century, the world was facing great changes in technologies. Countries that can adapt and adjust to this technology and to these social changes in time are believed to be able to grow with stability. Thailand is no exception: the country needs to and must change. Today, Thailand is rather in a position of a “change follower,” picking up changes in technology rather than being a “change leader.” Thus, Thailand must constantly adjust its operation processes in order to catch up with

the speed of change by using innovation management. Innovation involves risks, and new sets of practices are prone to failure. Government bureaucrats, however, must find ways to deal with the foreseeable risks of change and innovation creation in the government body in order to upgrade its services to the public. This article presents the process of change for innovation in the Thai public sector in order to create higher client satisfaction. Change management should concern the potentiality of the change agent or leader, the long-term vision or policy (political side) of the organization, the communication within the organization, suitable organizational culture and structure, preparedness of the personnel, and the fitness of the reward system. Sustaining innovation creation is not sophisticated, as traditionally believed. A basic management principle of identifying clarified and motivating goals needs to be followed by creating support systems after implementation and by ensuring the stakeholders' benefit, derived from the innovation projects. Finally, creating an amiable atmosphere among the practitioners, including effective evaluation and reward schemes, will support the innovation. However, none of these will ever take place unless support is gained from the leaders of those organizations, and from the staff and clients involved.

Introduction

“Innovation is the specific instrument of entrepreneurship. It is the art that endows resources with a new capacity to create wealth. Innovation indeed creates a resource.”

(Drucker, 1985: 27)

“There is nothing more difficult to handle, more doubtful of success, and more dangerous to carry through, than initiating changes in a

state's constitution. Because the innovator makes enemies of all those who prospered under the old order; and only lukewarm support is forthcoming from those who would prosper under the new. Their support is lukewarm partly from fear of their adversaries, who have the existing laws on their side, and partly because men are generally incredulous, never really trusting new things unless they have tested them by experience.”

(Machiavelli, *The Prince*, 1552: 6)

The world today is progressing enormously. Changes occur rapidly and affect people and society as a whole. The most effective factors that bring about change are technologies. As we are not past the dawn of the 21st century, several countries around the world are transforming their public sectors with new reform paradigms under terms such as the new public management (Hood, 1991), entrepreneurial government (Osborne and Gaebler, 1992) and governance (Frederickson, 1997).

Thailand is bound to change too; as Peter Drucker (referred to in Yosyingyong, 2006) stated, no organization will survive without change management. All organizations, led by the organization leader, must learn to develop new products and services continuously. This is the key factor to initiate change and manage it for sustainable success. Therefore, all leaders must adapt their missions, business goals, and business strategies. They must adapt to be more flexible, to improve their HR management, and to modernize their structure together with the aim toward more development, all of which are considered to comprise constructive change. Change management is yet another important tool that management can utilize in order to bring effectiveness and innovation to the organization.

Definitions of and Challenges for Change Management in the Era of Globalization

Osborne and Brown (2005) found that change is the gradual improvement and/or development of the existing services provided by a public service organization or their organizational context. It represents continuity with the past. Paul F. Wilson et al. (referred to in Chaowarit, 2005) defined change management as a process to improve or revise the design of operation, techniques or system, such as organizational processes and documentation revision, all of which follow systematic change pattern. It is there to lay out plans and activities that help reduce the impacts caused by change. Change management can be said to comprise the process and systematic activities that occur to handle and answer to the changes affecting the organization, aiming to improve, change, and develop potentials to achieve goals.

There are two groups of factors affecting organizational change: 1) External Forces, such as labor, technology, economic uncertainty, social trends, politics, laws and regulations, customers, clients, and competitors, and world-class effects, such as wars, natural disasters, and infections; and 2) Internal Forces, such as management processes and organizational behavior, for example, changes in policy, organizational structure, strategies, and production processes. In general, changes because of the external environment will inevitably affect the internal environment. When customer behavior or the competitor changes, other organizations must change their strategies, goals, or technology. Tichy (1980), for example, has proposed the idea of strategic change management forces that there are three important inter-relative components, as follows:

1. **Technical issues**, which involve change of vision, goals, and principle strategies of the organization. Technical change also extends to cover structure, job functions, and the administration system.
2. **Political issues**, which involve decisions on issues regarding allocation of authority and organizational resources, such as budgets and the career path of crucial positions within the organization. Political change affects authority and the hierarchy of all personnel in existing and newly-formed organizations.
3. **Cultural issues**, such as communication and systems to support the staff's values and beliefs. Weak organizational culture can easily be changed, while it is more difficult to change the existing culture if it is strong.

In the globalization era, customer needs change rapidly so public sector management must change its structure, culture, and the behavior of employees in order to create high customer satisfaction. Changes in the public sector are more difficult than in the private sector because public sector has complex stakeholders, such as politicians, government officers, and people in many sectors. Furthermore, the large size of the public organization, budgets, and bureaucratic system will affect the decision to change. However, if top managements and employees have the same target and participation, the organizations can change policies and strategies to improve service for people. Illustrations of some of the major changes in Thai public service are subsequently presented.

Definitions and Development of Innovation Management for Change

There have been ideas and discussions on innovation development for at least 50 years up to the present. In the 1950s, researchers looked at innovation as another branch of development, separated from all other research studies. Nowadays, innovation is not being looked at as merely an output of individual performance per se, but rather as an output of a problem-solving process within the organization. In this regard, innovation management is an interactive process, as an output of the inter-relationships between organization and personnel with important roles. Nevertheless, in the 1960s a research study on innovation activities in non-profit organizations or volunteer units was conducted, where the innovation study was treated as a branch of the social sciences (Knokke and Prensky, 1984). At the early stage of the study, it involved examining the role of innovation with regard to economic change from the micro-prospective, after that there were studies of innovation in relation to a competitive environment in order to enhance organizational competitiveness (Porter, 1985; Gomulka, 1990). Additionally, many researchers have studied the role of innovation in relation to the organization's life cycle (Bessant and Grunt, 1985).

Innovation is defined differently depending on the researchers. It is generally defined as the introduction of new elements into a public service in the form of new knowledge tools, a new organization, and/or new management skills. It represents discontinuity with the past (Osborne and Brown, 2005). Innovation is therefore the ideas, processes, practices, or new things that bring about social change. It improves the ways of doing things to make them more effective, notwithstanding that these new things must be applied and proved workable.. Innovation is thus limited by time and place. It erupts as a result of the attempt of human beings to solve problems with regards to work or living.

Innovation recognition is therefore referred to as the attempts of human beings to apply knowledge, ideas, processes, or new things to improve ways of making a career or bettering ways of living. Additionally, innovation is a practice or process to make use of new ideas and practices in all activities of change, improving what has been done in order to achieve better quality and efficiency. The following are some of the characteristics of innovation (Zaltman et al., 1973):

1. Innovation must be new wholly (Beck and Whistler, 1967) or partially (Knight, 1967; Mohr, 1969; Pettigrew, 1973).
2. Innovation must be applications of processes applied in a systematic way.
3. Innovation must be developed by process, i.e. invention, testing, and implementation.
4. Innovation's output must never have been part of any job process before.

Comparatively, the management standard of services provided by the public sector is lower than that provided by the private sector. As such, it leads to less efficiency and less effectiveness in operation and less competitive advantage. As Michael Porter (1985) has argued, the lack of innovation in the public sector is an obstacle to better performance and productivity. Innovation is undoubtedly one enhancing factor of government services. Naturally, the incentives in building innovations in the public sector are different from those of the private sector. The incentives will induce the public sector to use innovation as if it were the representative of the organization. Incentive in the public sector is varied and complicated (Osborne et al., 1995). Table 1 illustrates the incentives in creating innovation.

Table 1: Incentives that induce Innovation in the Public Services

Incentive	Innovation created therein
Research Push	Innovation arises from creating new knowledge
Market Pull	Innovation arises from new wants
Political Imperative	Innovation arises from change in public policy
Conspicuous Production	Innovation arises representing performance output of person or organization

(Source: Adapted from Osborne and Brown, 2005)

Organizations in the public sector are naturally reinforced by political imperatives and conspicuous production. They must change to build innovation and will as a result serve as a performance index in the public sector.

The Change Process and Innovation Management in the Public Sector

The social pressures nowadays have undoubtedly contributed directly to change in the public sector and dominantly, in politics, economics, and society as a whole, all of which will adversely retreat and influence the direction and importance of the public sector again (Welch and Wong, 1998). Lynn (2001) has developed a framework to determine five different levels of public sector administration, called "Governance Levels," which are derived from the output of policy, decision making, and strategy determination of the public sector. This framework will help to clarify the change effects in various levels. The relationships among these determinants occur at the same and different levels. They are:

1. Global/National/Cultural Environment Level. This change is an outcome of global trends and the spread of new concepts concerning public

management, which are accomplished with consideration of economic factors, technology advancement, and public needs.

2. Institutional (Public Choice) Level. The public sector needs to convey the understanding of change with thorough consideration of government, official authority, and citizens' influences. Geva-May (2002) confirmed that changes on this level consist of the relationship between setting of policies, political culture, and institutional components.

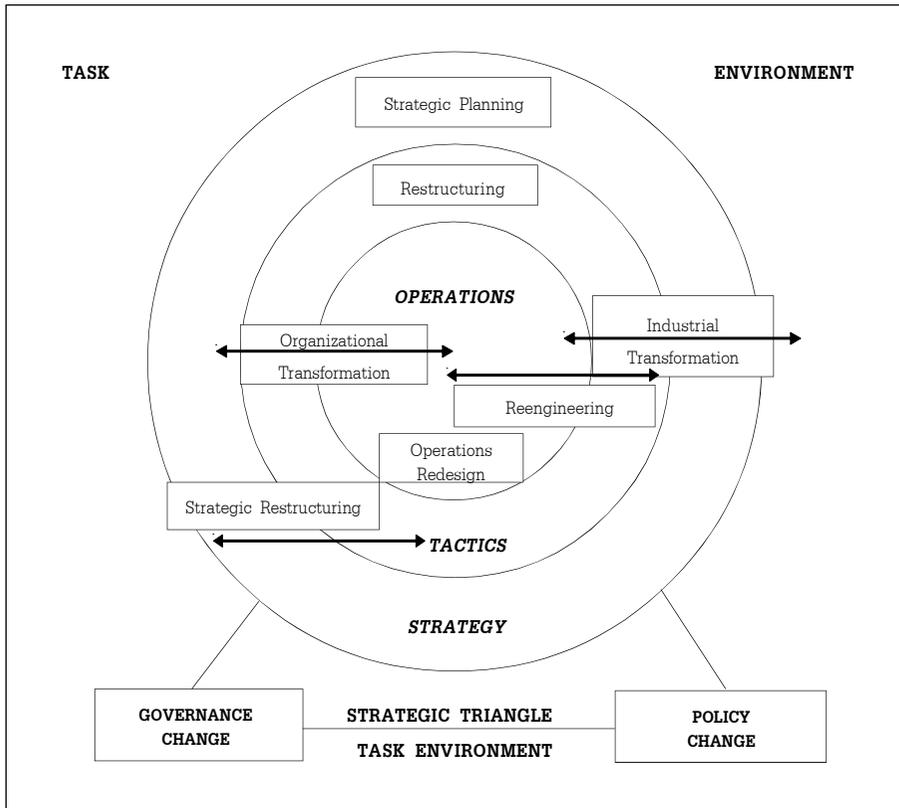
3. Managerial Level. This level involves the interaction of relations between operational levels and organizational structure to achieve strategy allocation in order to accommodate and put into practice the changes derived from the institutional level.

4. Technical (Primary Work) Level. This level involves the officers in the public sector. They are the personnel directly responsible for servicing the general public. Level 3 and 4 will be affected if there are changes in policies, organization structures, and in the rules and regulations governing them.

5. Political Assessment Level. Political environments and factors must be given utmost importance when changes in the public sector occur. Any decision and applications of changes or evolutions must take into consideration the political situations affecting the success of the projected implementations.

The concept of change management and innovation affecting public sector management can be explained by the following illustration:

Figure 1: Management Change Modes and Levels



(Source: Adapted from Brudney et al., 2000)

With the context of the public sector environment, change is an output of the policy at the administration level. As a result, change in policies will impact the work structure of the public sector at the strategy level, tactics level and operations level. However, it is noticeable that even if the administration level remain unchanged, the public sector can still apply changes within work scope by applying the principles of administration and innovation to their routine work in order to achieve work efficiency and effectiveness, keep in

mind the scale of economy, and provide optimum public services. The components of management change modes and levels are:

1. Operations Redesign. This is one of the strategies with which change in traditional working habits and production processes can be brought about in order to achieve effectiveness and quality of operations while goods and services still remain at the same level. Methods such as downsizing by automation, in other words, make the organization lean without losing hurting the services.

2. Strategic Restructuring. This comes in the form of decentralization or contracting out jobs to the private sector that used to be performed by the public sector.

3. Strategic Planning. This is to plan and to set forth the vision and goals of the organization in order to determine operations guidelines, all to achieve success, project strategic architecture, and determine priorities of work.

4. Reengineering. This changes the operation system, to de-root, and to re-ingrain values and beliefs with the help of information technology.

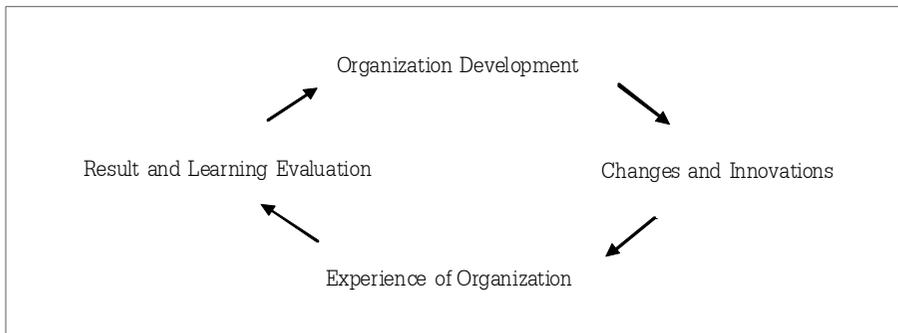
5. Strategic Restructuring. This adjusts and changes at the operational level, for example, to joint venture and to work as a partnership or alliance.

6. Organizational and Industrial Transformation. This applies and uses innovation to create new goods, and services.

As a starter, the public sector can always apply and test the above change management and innovation in the test unit before expanding it across the board to achieve overall success. This will boost the morale of the staff to welcome the changes coming up in the future (Fredericson and Perry, 1998). In

inducing changes and innovation, the organization must develop learning processes pertaining to organizational behavior. The public sector must assess the needs and thereby determine strategies of change in a way that mingle or adjust well with the surrounding environment, as illustrated in the following:

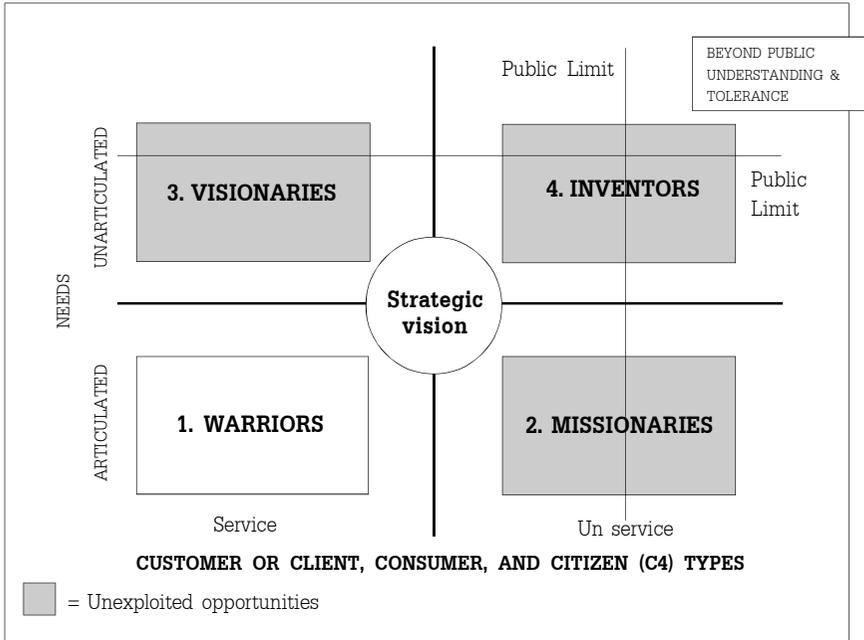
Figure 2 : The Organizational Learning Cycle



(Source: Adapted from Salaman, 1995)

Change is a phenomenon that every human being, as well organization, must learn and accept, and adopt and adapt accordingly. No organization can stop change, as it is embedded in an open system by nature. Organization needs interactions with external systems, such as the social system, the economic system, and the political system and technologies. An organization by itself must cope with its own internal environments or task environment, which will directly affect the organization's operation. Change management and innovation can thus be said to be of vital importance for public sector management. Hamel and Prahalad (1994) have shown the change process in the public sector in a diagram as illustrated in Figure 3.

Figure 3 : Strategic Direction Matrix



(Source: Hamel and Prahalad, 1994)

The change procedures begin from the public sector’s attempt to serve the general public by improving the quality of its services, make it faster and more economical (look at Cell 1: “Warriors”). Later, the public sector must extend these services to those that never before utilized the services (look at Cell 2: “Missionaries”). For example, the service of producing and giving out citizen ID cards with a digital system, which was enjoyed by the residents in Bangkok, must be extended to other provinces in Thailand. The public section must try to develop new and better services to offer to the public, and propaganda must be employed to make the public aware of such services (Cell 3: “Visionaries”). Lastly, the public sector must deliver all the new services to other parts of Thailand (Cell 4: “Inventors”). For example, visual education aids

media can be added to the public library services in addition to books and publications. The media can be extended from Bangkok to the greater metropolitan area and to neighboring provinces. After the public sector improves and changes its services and makes them accessible by the public, it can expand its services and serve all of the people. This process will increase innovation in the public sector. If public organizations concentrate on customers' needs, organization will create something new to serve the service.

Nowadays more and more work units in both the Thai and foreign public sectors have realized the importance of change and innovation management. The study of Price Pritchett, change management expert from Pritchett & Associate, Inc. (referred to in Patnaporn, 2000), found that 20% of workers in any organization welcome change and innovation; 50% of workers hold a wait-and-see attitude toward change and innovation; and 30% of workers resist and reject change. From this study, it is obvious that only 20% of workers welcome and are ready for change from the beginning; the burden will then fall on the shoulder of the administration of the organization as a change leader. The study also reflects the fact that change is a process to adjust the cultures of the organization.

Ates (2004) studied the change from the hierarchical-professional culture to the business-like culture in the setting of the Turkish health sector and found that sector had never before applied new managerial techniques to changes in the organization's cultures or created innovation in the workplace. This attempt is feasible as long as it changes the organization's culture to be entrepreneurial, adaptive, and positive in relation to innovation management, which is the business-like approach of the private sector. Brown et al. (2003) studied change and innovation management in the public sector using a case study of Australia's Department of Main Roads, Queensland, and found that by planning a change

program with the goal of developing a relational approach to manage change in the organization, which consists of mostly engineers and technicians, can best build the competitiveness of these professionals in terms of their expertise and specialization, and as a result, lay a solid foundation for future innovation for them to think and to take charge of the pressure arising in times of change. The collaboration of the two concepts creates a good relationship by providing high-quality technical management and superb service-minded person, all of which level up the competitiveness of the organization.

The Application of Change and Innovation Management in the Thai Public Sector

Nowadays “administrative reform” or the improvement of public sector performance has become one of the policy priorities of all governments. Administrative reform is considered by scholars as a prerequisite for the achieving economic, social, and political goals of the government. Presidents and prime ministers, therefore, have launched administrative reform programs which aim at overhauling the public sector. Conceptualizing administrative reform as a politician-bureaucrat relationship is a very useful exercise (Bowornwathana, 1999). For centuries, the Thai public sector has had a tradition of being ruled by the few. Under absolute monarchy, kings exercised authoritarian rule over the public sector. The establishment of a constitutional monarchy in 1932 paved the way for the powerful bureaucratic elite, especially the military, to assume control over the public sector (Riggs, 1966; Bowornwathana, 1998). Public sector reform is about strengthening the way that the public sector is managed. The public sector may be overextended—attempting to do too much with too few resources. It may be poorly organized, its decision-making processes

may be irrational. staff may be mismanaged, accountability may be weak, and public programs may be poorly designed and public services poorly delivered. Public sector reform is the attempt to fix these problems.

Administrative reform has been a matter of utmost importance for centuries in Thailand. But the idea of reforming the Thai public sector in accordance with the principles of the governance paradigm and the new public management is quite novel (Rhodes, 1996). For example, downsizing and privatization have been major policies of Thai governments only since the decade of the 1980s. But the major impetus for governance arrived very recently with the promulgation of the new 1997 Constitution, which contains clauses in full support of the development of the governance paradigm in Thailand. The 1997 Constitution allows citizens to gain more control over the public sector. New governance institutional arrangements, such as the ombudsman office, the national anticorruption office, and the administrative court system, are mandated to facilitate the growth of a stronger, more transparent and open democratic society. However, administrative and governance reform in Thailand is still at an early stage, and the role of unintended consequences is important in terms of administrative reform (Bowornwathana, 2000).

For Thailand, with regard to research on change and innovation management, changes taking place in the workplace must be well planned, appraised, and controlled in order to achieve the goals and strategies as determined. The Office of the Public Sector Development Commission (OPDC) has planned and laid out seven strategies for the development of the Thai public sector (2003-2007):

Strategy I: Re-engineer the work process

Strategy II: Re-structure the framework and administration of public organization

Strategy III: Reform the financial and budgetary system

Strategy IV: Review the human resources management and compensation system

Strategy V: Change management paradigms, culture, and values

Strategy VI: Modernize the public sector through e-government system development

Strategy VII: Enlist public participation in the work of the government system

In analyzing these seven strategies, one can see that all of them involve change and innovation. Key success factors (KSFs) are needed to make the changes successful. KSFs range (1) enhancing supportive environments ensuring the readiness and co-operation of the staff in the organization to cope with future changes (2) shared vision, mission, goals, and strategies of change, and (3) close attention from an enthusiastic management team, all to drive plans forward that have been set in conjunction with time, the situation, and the target group.

In the next five years, the Public Sector Development Strategic Plan (2008 – 2012) has to be revised in response to current global changes. Public administration must be more flexible, adaptive, and responsive to the needs of the citizens. Strengthening the capability of the public sector is one of the key elements in increasing national competitiveness, reducing poverty problems, and achieving sustainable social and economic development. Public sector is essential to ensure transparency and accountability, and to create opportunities for all sectors to participate in public policy processes as well as to improve the ability and effectiveness of public sector management. The challenges extend beyond improving performance, to maintaining and restoring public confidence and the trustworthiness of the entire public sector. The Thai public sector shall

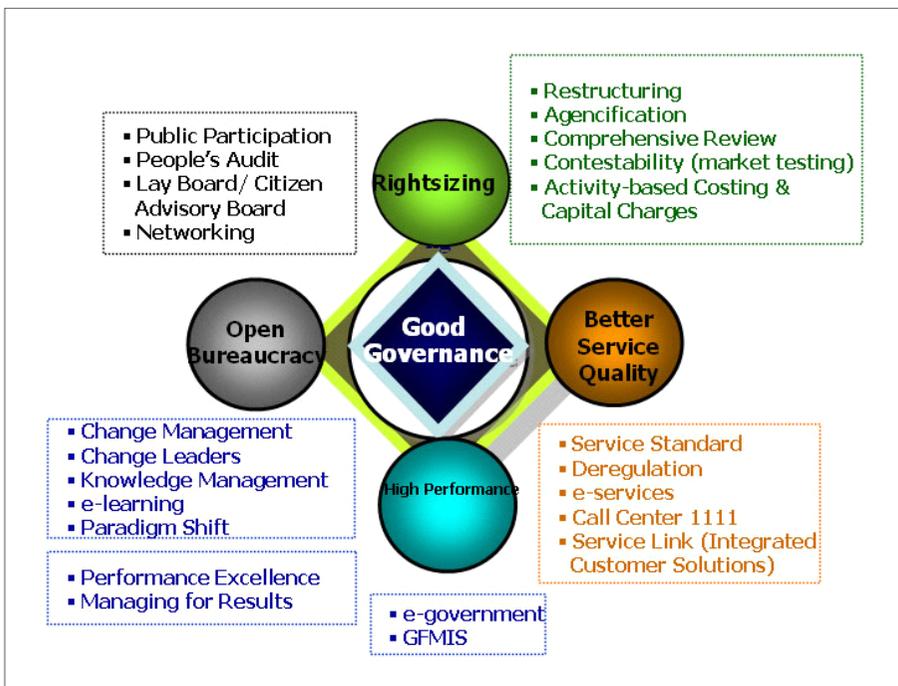
emphasize and adhere to the following principles (Thai Public Sector Development Strategic Plan, 2007):

- Focus on a “citizen-centered approach,” improving public services and delivering high value outcomes to the citizens.
- Revise the roles of the public sector to those of supporter and facilitator, cutting out unnecessary functions, and streamlining work processes with better utilization of public resources.
- Maintain proper relationships with political administrators, providing neutral and impartial advice based on professional standards.
- Build networks and cooperate with other sectors in society as well as integrate or link government activities at all levels.
- Enhance managerial capabilities and the ability to execute major programs, becoming more creative to cope with new challenges and to respond quickly to unexpected changes.
- Put good internal control system in place, complying with legal requirements and keeping bureaucratic discretions within boundaries, as well as becoming more proactive regarding social responsibilities and environmental concerns.
- Strive for performance excellence, ensure high quality standards, and apply advanced technology to deliver world class public service.
- Seek new talent, knowledgeable and competent staff, promote ethical behavior and fight against corruption as well as encourage a paradigm shift and a shift in the attitudes of the existing public servants.

The first strategy in Thai Public Sector Strategic Plan (2008 - 2012) is about “Response to Change,” leveraging service and performance to match a complex, diversified, and changing environment and the needs of the citizens. The second strategy is “Participation,” building networks with private sector

and civil society organizations, empowering people in the governance process, and connecting government efforts at all levels. The third strategy is “Smart,” moving towards a high performance organization and excellent performance with agility and creativity. The last strategy is “Perfect,” creating an effective self-control system to ensure transparency, accountability, and ethical behavior as well as to restore public trust and confidence. OPDC has proposed the OPDC’s diamond model to promote continuing development to respond to the needs of the people (See Figure 4).

Figure 4 : OPDC’s diamond



(Source: OPDC, 2008a)

In order to achieve continuing development to respond to the needs of the people, OPDC has changed the model, as can be seen in the following:

- **Structure:** OPDC restructures public organizations by restricting the sections 53-58 Public Administration Act and solving problems caused by the restructuring, and improving the Cluster Management System and establishing guidelines for more efficient public services.
- **Public Sector:** OPDC creates a royal decree on good governance B.E. 2546 workshops on “Leadership Development for Change Management” and the use of an incentive scheme to promote good governance with strategies, indicators, performance agreements, and performance evaluations (10 pilot ministries and CEO governors), reduces the work process of public services, service links, and integration and linkage through the e-government system.
- **Budgetary Systems:** OPDC reforms the Public Sector Audit Committee.
- **Human Resource:** OPDC creates guidelines for changes in paradigms, cultural norms, and values.
 - “I AM READY campaign” and motto promotion: “Friendly Service to Create Smiles for all.”
 - Networking knowledge management and creation of learning organizations
 - e-Learning and mini MPM to promote knowledge on the restructuring of the public sector
 - Certified Internal Management Consultancy Program, Workshops on “Leadership Development for Change

Management” (T-ENA) and improvement of the Compensation System

- **Transform to Autonomous Public Organization:** Establishment of autonomous public organizations and improvement of management compensation scheme and performance evaluation of autonomous public organization
- **Non-Governmental Organization:** Establishment of Service Delivery Units such as the Printing Bureau of the Secretariat of the Cabinet, the Royal Thai Mint, and the Institute of Good Governance Promotion

With the above being mentioned, the author can draw a primary conclusion: that in order to naturalize the application of ideas of change and innovation management to add value and provide the best possible goods and services for the general public, it requires the public sector’s understanding of the nature and needs of the serviced groups. For example, there was a case study done on the Social Welfare Office in Samutsakorn province, Thailand, applying the process and format of change and innovation management and using result-based management (RBM) for a pilot project for the purpose of adapting the outcome of the study to the operational level countrywide. The four indicators set to be achieved for major operations were efficiency, effectiveness, service side, and operations required by law. The study showed that there are three factors affecting change and innovation management. They are the management potentiality at the management level, the preparedness of the personnel, and cultural factors and organizational structure (Patnaporn, 2000).

With the fact that the personnel at the Social Welfare Office are new generation, they are ready for change, coupled with the fact that the Social Welfare Office has received funds to do innovative project. The fund has been

screened and approved by a joint committee composed of representatives from the government, employers, and employees. The most important thing is that the change leader must understand what to be changed, and what should be done to bring about on-going change that is sustainable.

Moreover, there are samples of change management bringing innovation to the public sector. One obvious example is the National Health Assurance Office (NHAO) in Thailand (Saenpadung, 2006). This organization was set up under the decree of National Health Assurance 2002 to assure that all Thai citizens had access to public health services that are standard and effective. It is the duty of the public sector to provide health assurance to all walks of life. The primary objective was to provide services for bureaucrats and employees of public enterprises, together with their family members only. Realizing that there are forty-seven million more people that are not included in the primary two groups and have thus been overlooked, the innovation in the public sector thus has assured that all citizens will have equal access to public healthcare. It took more than ten years to propose and create laws, with many amendments in between. After National Health Assurance was tested many times in many provinces in Thailand, public healthcare was finally approved and became law in November, 2002.

This is a significant change. It is the first time in Thai history that the government/country has taken charge of the expenses incurred with respect to this law and the policy of the government has been aimed at increasing people's income and cutting down on expenses on healthcare equivalent to money saved. The major change is to make happen what has never existed before. There is certainly an effect with regard to this change. The most affected was the major change in the monetary and fiscal systems of the country. In the past, the distribution of the budget was done according to the

capacity of each hospital. After the change, the funds were distributed according to the number of the population that chose to use the services of the hospital. Therefore, a hospital with more patients would receive more funds. The country's public health system was then changed dramatically. Hospitals are now more patient-oriented. Patients no longer need to go to big hospitals for healthcare services, and there is now a good patient transfer system in the network. One interesting change which has never happened before is the participation of the public. The following are powers needed to be exerted to bring about change:

1. **Knowledge Power.** Thorough knowledge of the healthcare system is needed, and there must be exchange or flow of knowledge, platforms for exchange, to experiment is needed, as was done previously in the Pra Nakong Sri-Ayudhaya Pilot Project.
2. **Political Power.** This is extremely necessary as healthcare concerns public policy and it needs to be enacted as law.
3. **People Power.** NHAO's changes must be supported by the people.

Sometimes change in the public sector is difficult, as the public sector is huge. Therefore, thought should be given to setting up a new-age public sector that is highly flexible and is not stuck with a bureaucratic system. The public sector should create or build new organizational cultures/norms to be a High Performance Organization (HPO). Creating a new work culture and changing work behavior are not easy tasks because bureaucrats are from the public sectors and they will bring along with them the old cultures. Therefore, in order to change, there is a need to create a new organization culture, to create a positive internal communication system, and organizational development. Organizational development in the public sector means building and encouraging the relationships of all workers in order to make them work together happily as a team. There can be problems during these changes, such as work redundancy.

Without proper handling or management, work pressure can occur and thus induce conflict among work units and this can finally affect teamwork. The following are four pre-requisites to bring about smooth change in the organization:

1. **Strategy Change.** Good change management is needed, as change will result in change in strategies and thus affect work units in the organization.
2. **Structure Change.** New work units may be added; therefore organizations must avoid work duplication or redundancy in the existing work unit. Good change management is essential, as there will be strong resistance from the workers affected when combining or dissolving of work units occurs.
3. **System Change.** Some workers might find it threatening if computers are brought in for use, as they may not feel familiar with them and not be willing to learn new things. Also, changes in performance appraisal formats/techniques can also create resistance.
4. **Culture Change.** Culture changes needs good change agent. Change agent must first be a well-respected person and have good teamwork skills in order to take charge of the entire process of change. Good management will also include participation and communication to create new culture.

All must prevail so that cultural change for the public sector can keep abreast of innovation and step forward to provide new services to the public, to derive optimum interest for the public good, and to provide a good public healthcare system with better health standards and a better quality of life.

Discussion of Change and Innovation Management

In the past, the overall picture of the obstacles in the public sector in Thailand, with bureaucrats included, can be summarized as follows:

- a. The administration and decision-making of the bureaucratic system at present are still centralized, with the politician being the authoritarian making the final decisions in all regards. In Thailand, a small group of political executives and senior bureaucrats who sit on top of the central government machine possess the sole authority to run the public sector. They exercise control over the national budget and two million public servants, and they have authoritative decision-making power over the state machine.
- b. The public sector has over-expanded during the “Rush-Train” during the development period (1961-1977). This has jeopardized the system, creating too many work units and personnel that work redundantly, thus causing problems with effectiveness.
- c. Most public sector structures are not flexible or are not responsive to the rapid change.
- d. The wages and compensation system in the public sector, compared with the private sector, differ tremendously, leading to moral weakness, corruption, and malfeasance in the public sector.
- e. Some civil servants are interfered with by the political power—all that hampers the success of the work.

There seem to be problems and complexity when one tries to apply change and innovation management in the public sector setting. This is mainly because the values and cultures of the public sector, together with the internal environment, are not supportive of change. The size of the public sector is

normally large and thus obstructs communication. There are also concerns that new management system and the creation of new services will be costly, and if it fails, the representative that takes charge of the change will be afraid of taking responsibility. Additionally, change may harm the interest of some certain groups and thus create resistance to change. The obstacles to change and to innovation can be "Silent Killers." Other obstacles may include a top-down or laissez-faire senior management style, unclear strategies and conflicting priorities, ineffective senior management, poor vertical communication, poor co-ordination across functions, businesses or borders, and inadequate down-the line leadership skills and development.

Change in the public sector creates resistance from bureaucrats, as they sometimes feel that their routine work will be threatened by innovation and they will resist it from the start. However, resistance is considered part of the change in process. It is a challenge for the administrative level to cope with the situation. The management level needs to anticipate obstacles that innovation will encounter. Borins (2001) has pointed out the factors that obstruct innovation in the public sector, including the following: barriers within the bureaucratic system, such as officers' attitudes; internal barriers, such as teamwork and technology slack; and political barriers, such as conflicts of interest, public resistance, and competition with the private sector. Feasible solutions to these barriers include creative as a habit, and consult and discuss with the interest groups who can possibly be affected by innovation.

Navigation is needed to actualize and make a success out of the concepts of change and innovation management. Innovation management covers planning, directing, management, and output appraisal in order to achieve the set goals by an able leader with a clear direction of change, a clear vision, and determination to "face-lift" the existing organization toward a whole new

look. The leader needs to be decisive, to give support and advice pertaining to effectiveness, to and to ingrain and adapt appropriate cultures and organizational structures to match the innovation. Most importantly, the change navigator must communicate to the entire organization regarding the importance and necessity of adopting change.

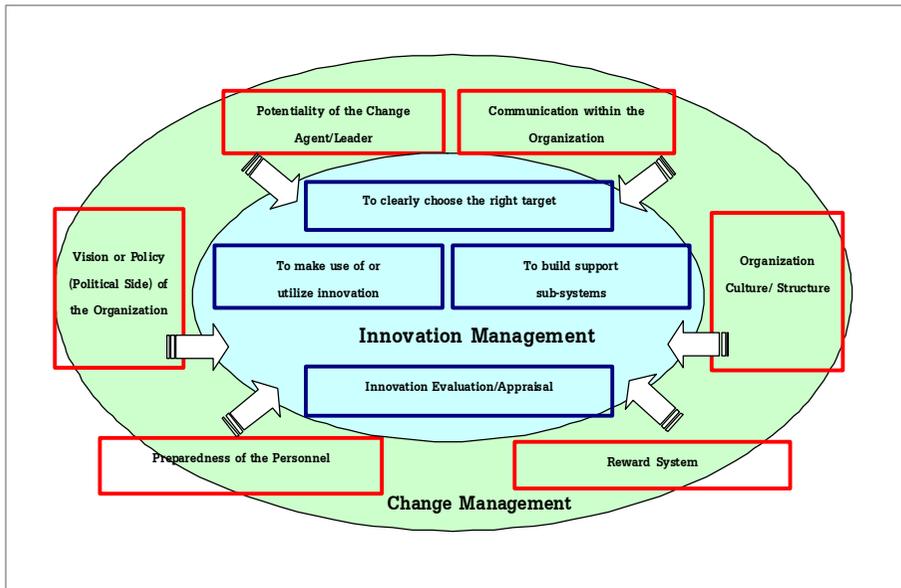
About change and innovation management, anyone embarking on a program of changing the way people work in organizations will face some enormous challenges (Kearns, 2003). An organization must enhance innovation management process, preparedness for change of the personnel, and other factors which are supportive of change. The sense of ownership must be built from the start and everyone in the organization must aim at the same objective. Human resources management involves promoting the employees' level of knowledge and work capability, and enhancing their work skills and attitudes for these activities in order to support the security and growth of the organization (Wutthirong, 2006). A reward system must be set up in the organization to acknowledge the personnel that create change and innovation. Also important is the awareness that, apart from the determination of the staff within the organization to change, the intention to create changes in the public sector in order to bring about innovation will always be affected or influenced by the public policies. However, the management of the public sector needs a clear policy in order to convince all the staff in the organization and finally bring about real change.

There is no ready-made formula for successful change. The change agent, apart from being participative in the change activities, must control, follow up, and co-ordinate all of the activities therein in order to be able to adapt and adopt plans when the situation changes, keeping in mind the final target to be achieved. The change agent must also possess the ability to

communicate everything with regards to change, as this also is another important factor that will affect the distribution of data and information. The change agent must also build understanding and acceptance of change. Affected personnel must be aware of the balance between the organization's security and the incentive development that change can bring, and thus utilize the output of change. Therefore, as the environments surrounding the organization are dynamic, and change is inevitable, it is a must and extremely useful for the organization to create an understanding of the nature and characteristics of the environments that surround the public sector in order to achieve appropriate change. Apart from the change agent, organization vision and two-way communication can support the sustainable change, the management must build up management team in form of networks in order to work with change, and to support on-going change that will have domino effect. A reward system needs to be set up to award attentive and ready-for-change personnel.

It is not difficult to build innovation sustainability in the public sector. The important method is to choose clear targets for innovation, enabling and stimulating enthusiastic government officers to make them aware of the effectiveness that the change can bring, to build sub-systems to support innovation after being started, ensuring the bureaucrats that the supporting system is there for them, and making them feel that the bureaucrats and the interest groups will benefit from the innovation and that there is an appraisal system to support them (see Figure 5).

Figure 5 : Factors affecting change and innovation management in Thai public organization



In order for change management and innovation to be effective in the Thai public sector, it is important to adjust the Thai bureaucratic system, which includes the bureaucrats themselves. Top management must treat its own employees as their customers and then, employees will provide good service in order to increase the people's satisfaction. All of the changes that benefit the majority may affect and lessen the power of the present authority and thus create resistance. Therefore, we need to get back to Principle I: everyone should benefit from the change (a win-win solution) or the loss of the authority should be lessened; and Principle II: all changes that occur must be directed to correspond with the reinforcement of the rule: "One receives what one contributes" and "Virtue breeds virtue."

Conclusion

Public management reform in Thailand is potentially a means to multiple ends. These include creating savings (economies) in public expenditure, improving the quality of public services, making the operations of the government more efficient, and increasing the chances that the policies that are chosen and implemented will be effective (Pollitt and Bouckaert, 2004). On the way to achieving these important objectives, the development of innovation management of the public sector is considered another important factor in creating economic and industrial growth and upgrading the quality of the life of the nation.

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