ตัวแปรที่มีผลต่อประสิทธิผลขององค์กรภาครัฐ
กรณีศึกษาสำนักงานเขตกรุงเทพมหานคร

Variables that affect public sector organizational performance
Case study of Bangkok Metropolitan Administration's District Offices

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บทคัดย่อ

การศึกษาครั้งนี้เป็นการวิเคราะห์สำนักงานเขตกรุงเทพมหานครโดยใช้แบบจำลองสมการ โครงสร้างเพื่อหาตัวแปรที่มีผลต่อประสิทธิผลขององค์กรภาครัฐ โดยได้มีการเก็บข้อมูล 340 ตัวอย่าง จาก 50 เขตของกรุงเทพมหานครทุกโดยใช้วิธีสุ่มตัวอย่างแบบสุ่ม (Purposive Sampling) โดยใช้ PLS-Graph เพื่อใช้การวิเคราะห์แบบจำลองสมการโครงสร้าง (SEM)

ผลการวิจัยพบว่ามี 3 ปัจจัยที่มีผลอิทธิพลในการกำหนดกลยุทธ์ของเพื่อให้มีประสิทธิผลที่ดี และยังพบว่าองค์กรที่มีประสิทธิผลสูงที่ค้นพบนั้น จะมีความสามารถปรับตัวทันการเปลี่ยนแปลงและ การดำเนินงานของรัฐบาลสมัยใหม่ได้อย่างดีและมีความยืดหยุ่นเป็นปัจจัยสำคัญอีกด้วย ซึ่งผลจากการ ค้นพบสิ่งเหล่านี้มีความสำคัญในการบรรลุเป้าหมายในการใช้ทรัพยากรของภาครัฐได้เป็นอย่างดี

ABSTRACT

This research study is concerned with the analysis of the Bangkok Metropolitan Administration's (BMA) District Offices using a structural equation modelling to determine the

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variables that affect public sector organizational performance. Three hundred and forty (340) quantitative samples were drawn from all 50 of Bangkok's BMA districts using simple random sampling (Purposive Sampling) while using Partial Least Square (PLS-Graph) software to apply structural equation modeling (SEM) analysis.

The research found that there are three factors determining BMA's strategy. They are transformational leadership, strategic public marketing, and high performance organization.

The first element, public sector marketing factors has a direct and positive influence on BMA's performance. The second, transformational leadership has been shown to have a positive although indirect effect through variables in their high performance organization. It was also that high performance organization discovered able to keep pace with the flow of change and how to run a modern government efficiently and flexibly were crucial factors as well. These were important in achieving the goals of satisfying the constituency and optimizing public sector resources.

Keywords: Strategic Public Marketing Managerial, High Performance Organization,

Transformational Leadership

INTRODUCTION

Change is unavoidable and affects organizations in both the private and public sector. Every enterprise is confronted with new competition that often times require reengineering complete systems and processes or else they might be forced out of business.

At the same time, there is no guarantee that state agencies will always have funding assuring their survival. State agencies are no different than corporate enterprises in the fact that they are affected by new technologies and innovation and must be willing to generate change.

They must also embrace strategic vision on how they can operate more efficiently as well as implement new innovations. They must market themselves to gain understanding of their issues from their tax-paying electorate. This also includes agencies concerned with their oversight and monitoring.

In an effort to restructure large and unwieldy bureaucracies into smaller and more efficient management systems, some have advocated a disaggregation of bureaucratic units in order to form a more efficient and accountable public service. Additionally, with the use of free-market mechanisms stimulating competition with appropriate cost-cutting measures, goal-

oriented mangers with short-term employment contracts and better financial incentives and administrative autonomy will be better equipped to service their constituency.

Research Objectives

The researchers were therefore interested in studying the analysis of the Bangkok Metropolitan Administration's (BMA) District Offices using a structural equation modelling to determine the variables that affect public sector organizational performance.

Benefits of research

To implement factors important in achieving the goals of satisfying the constituency and optimizing public sector resources. Reorganization and administrative autonomy are necessary so that officials can perform their duties in a manner that is consistent with the district's economic and social conditions. This also helps facilitate better serving the people's needs and helps with the coordination and monitoring of state government goals and objectives within Bangkok.

Literature review

As state enterprises are big organization with large bureaucracies and complex management structures, it is necessary to adapt to these supporting changes (Kotler and Lee, 2006). Today, a modern governmental administrative system needs to combine management models with commercial market models. Privatization of bureaucratic roles in public service operations creates a pressure building mechanism that creates competition.

Additionally, private sector organizations being allowed to be involved in playing a role in public service operations instead of the government contributes to one of the important goals of the governmental administrative system reform under such a conceptual framework (Nakarin *et al*., 2011). This opinion was consistent with 'New Public Management in Action' which involves the introduction into public services of the 'three M's': Markets, Managers and Measurement. This new method of governmental administration classified its operations into management of change, downsizing and decentralization and the search of excellence while focused on public services (Ferlie, 1996).

The new concept of 'C-Customer' or Customer Care should be the starting point to find personnel that are able to apply private sector marketing principles that can deliver better services to their electorate. Efficient and effective organizations need to have the capacity for change, support innovation and function effectively without being 'top-heavy' with excessive managers.

The key is to encourage and motivate personnel so they can sustain a good attitude and work performance. Organizational culture drives creativity and change within the human resource department where balance needs to be achieved in matters including both life and work (Office of the Public Sector Development Commission Thailand, M.P.P.)

Research conducted by Miller (2009) analyzed the role of High Performance Organizations (HPO) produce organizational capability that delivers sustainable organizational results through a system of teamwork and good operational practices.

They would also change from a High-Control Organization (HCO) to one embracing ideas found as a High-Trust Organization (HTO). Change would also occur from being focused on material manufacturing to knowledge based services.

In organizations of high trust (HTO), problems are dealt with easily and efficiently with management teams compared to low-trust environments with a single individual.

Team spirit and work leads to team rewards compared to individual reward. Corporate and institutional structure flattens out compared to a more bureaucratic hierarchal structure. HTO's also demonstrate more flexibility in their structure willing to exchange information with both employees and outsiders as well as accepting blame for mistakes and problems.

As such, this study is concerned with the analysis of the BMA government organization measuring 1) constituency satisfaction 2) customer service and 3) transparency and accountability of each office, leading to the following three hypotheses:

The study by Kelloway, Barling and Helleur (2000) 'Enhancing transformational leadership: The roles of training and feedback' applied transformational leadership measures of Bass and Avolio (1990)'s, perhaps one of the best contributions to our understanding of transformational leadership. The conclusion of the study found that leadership training for transformational leaders was an effective and positive use of resources which contributed to more positive attitudes and better information exchange amongst management. It could also be determined from their study that training contributed to better group morale and more positive attitudes.

In a study about the linkages between internal marketing and leadership Gounaris (2006) and Hult (1996) concluded that if managers gave priority to the communications with customers, this would facilitate a better understanding of their products and services (Bell, Menguc, and Stefani 2004).

In addition, the study by Pasmore (2011) found that transformational leaders created new jobs as well embracing social responsibility, better customer relations and risk management. Leadership roles effect organizational strategy formulation within in the public sector in different ways and was consistent with the study of Sarros, Cooper and Santora (2010); Carr (1996); and Sara, Susan and Shelley (2011).

Research Methodology

After reviewing the above literature, the researcher has determined further research and analysis of Bangkok's BMA 50 districts should be conducted with a focus on administrative tools and procedures oriented towards 'customer marketing'

According to literature review summaries, hypotheses have been formulated as follows:

H1: Transformational leadership affects strategic public marketing.

H2: Strategic public marketing affects high performance organization

The survey was conducted from a random sampling of residents within the 50 Districts of the Bangkok Metropolitan Administration area.

Data Collection

The sample group for this research includes 340 of Bankokian.

Questionnaires Design

The questionnaires were designed to be used as a measurement tool according to the conceptual framework and operational definitions. The survey used the 5-Point Likert Scale and field definitions were constructed with its use.

Quality has been assured by using Cronbach's α-coefficient for calculation of average of correlation coefficient gained. It was found that α-coefficient for the entire questionnaire was 0.964 and the α-coefficient for each enquiry was between 0.508 to 0.853, which is considered a high reliability factor if each item of α value is less than < 0.50. Resultant data below 0.50 has been eliminated from the measurements.

Analysis

Partial Least Squares has been applied for analysis of quantitative data by the researcher. It is data analysis for Confirmatory Factor Analysis (CFA) relating to the determination of Manifest Variable and Latent Variable and testing of research hypothesis exhibiting in structural model analyzed by using the applications of PLS-Graph (Chin, 2001).

Transformational Leadership variables included **idealized influence** (LDF), **inspiration building** (LDI) and **individuality** (LDC). The loading value was more than >0.707 and all values have been statistically significant ($|t| \geq 1.96$) representing convergent validity of scales.

Strategic Public Marketing (MKS) variables included customer relations management (CRM) and corporate social responsibility (CSR)

High Performance Organization (HPO) variables included satisfaction of service user (HPS), service quality (HPQ), and transparency (HPT). The loading value was more than >0.707 and all values have been statistically significant ($|t| \geq 1.96$) representing convergent validity of scales as shown in Table 1.

Table 1: Convergent Validity Statistics in Latent Variable Measurements in the Reflective Model

Construct/Item	Loading	t-stat
LDSF : Transformational Leadership		
LDF: Idealized Influence:	0.965	26.0957
LDI: Inspiration Motivation	0.986	31.8670
LDM : Intellectual Stimulation	0.459	2.9508
LDC : Individualized Consideration	0.973	36.5506
MKS : Strategic Public Marketing		
CRM : Customer Relation Management	0.953	59.3813
CSR : Corporate Social Responsibility	0.946	77.4000
HPO : High Performance Organization		
HPT : Transparency	0.829	29.4613
HPQ : Service Quality	0.913	31.6008
HPS : Satisfaction	0.957	28.7388

The above reflective model shows the discriminant validity of the internal latent variables and the correlation of variables. It also depicts the scale reliability which has been analyzed from composite value reliability (CR) as well as the average variance extract (AVE) and R^2. The CR value should not go below 0.60 and the AVE values should also drop below

0.50 and R^2 values should not be under 0.20 (Lauro and Vinzi, 2004; Henseler *et al*., 2009; quoted in Boondhavan and Montree, 2010).

Table 2, it can be found that all CR values were >0.60, and all R^2 values were >0.20 and all AEV values were higher than 0.50, showing that the measures were reliable. It found that data sets in the $\sqrt{AVE}$ have higher values than all of the corresponding values in the 'Cross Construct Correlation' in the same column, representing discriminant validity of the measure in each construct and with a greater value than >0.50 of AVE as shown in Table 2.

Table 2: Confirmatory factor analysis (CFA) of the independent variables of; Leadership, Management Skill, Organizational Innovation and their affects on the dependent variable, Organizational Performance. CR = composite reliability; R^2 = square of the correlation; AVE = average variance extracted;.

Construct	CR	R^2	AVE	Cross construct correlation			
				LDSF	MKS	PMK	HPO
LDSF	0.922	-	0.758	**0.871**			
MKS	0.948	0.201	0.901	0.448	**0.949**		
PMK	0.823	0.596	0.543	-	0.772	**0.737**	
HPO	0.901	0.675	0.752	-	0.395	0.478	**0.867**

Note: Statistical significance level is at 0.01 and diagonal figures mean $\sqrt{AVE}$.

The model generated below was done using Partial Least Square-Graph software. It mirrors the variables found in Table 1 but instead generates 'hypothesis testing results' from all of the research variables. This data is shown on Fig. 1 and in Table 3.
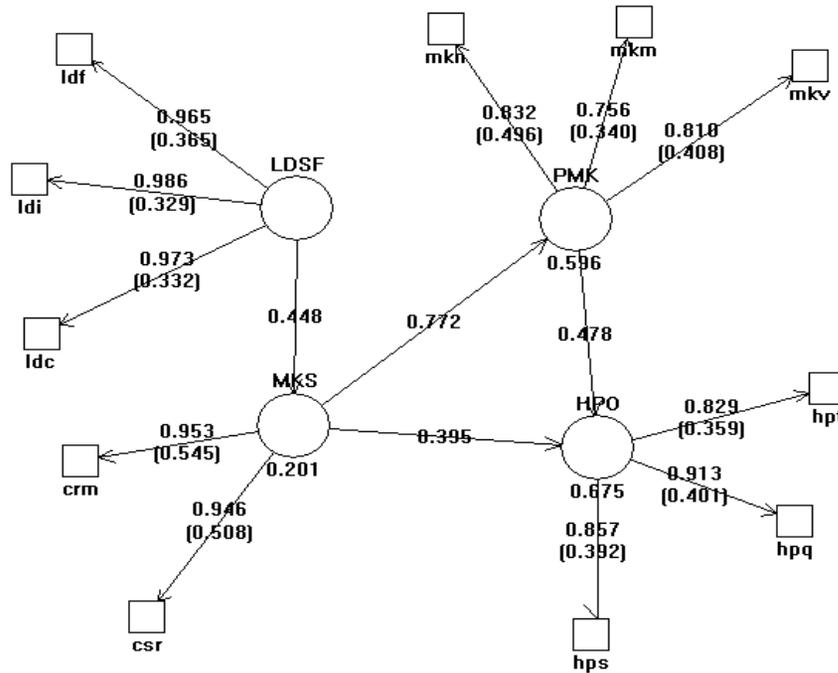
Fig 1: Results for the structural model of the independent variables of; Leadership, Management Skill, Organizational Innovation and their affects on the dependent variable, Organizational Performance.

CR = composite reliability; R^2 = square of the correlation;

AVE = average variance extracted.

Fig.1 Notes: LDSF = Transformational LeadershipMKS = Strategic Public Marketing HPO: High Performance Organization

Figure 1 shows the structural model of variables that influence the high performance organization of Bangkok's Metropolitan Administration (BMA) District Offices. Variables included Transformational Leadership, Governmental Marketing and Strategic Public Marketing of 340 surveyed Bangkokian. The samples were analyzed to answer the research hypothesis criteria of the following four assumptions. (Table 3)

Furthermore, the structural analysis model was used to research the t-test coefficients and their relationship of each path of the t-test hypothesis with significance greater than 1.96 **. This explains the results obtained from analysis as shown in Table 1 and 2 as well as the test results presented in Table 3

Table 3: Hypothesis Testing Result of Hypothetical Research

Hypothesis	Coef.	t-stat	Result
Hypothesis 1 Transformational leadership affects organizational strategy formulation	0.448	10.356	**Supported**
Hypothesis 2 Organizational strategy formulation affects marketing in public sector.	0.772	33.205	**Supported**
Hypothesis 3 Organizational strategy formulation affects high performance organizations (HPOs).	0.395	7.028	**Supported**
Hypothesis 4 Marketing in public affects high performance organizations (HPOs).	0.478	6.586	**Supported**

Results and Implications

Quantitative analysis of the conceptual framework and research hypotheses, including the study of the various theories and a review of the relevant literature, leads to the conclusion that the findings are useful for development. The authors discuss the findings of the objectives of the research and have chosen to model the nonlinear relationships of variables affecting the high performance organization (HPO). Details are as follows.

Transformational Leadership

It included the four "I"s which were 1) Individualized Consideration 2) Intellectual Stimulation 3) Inspirational Motivation and 4) Idealized Influence (Bass and Avolio, 1990). According to the study, it was found that transformational leadership had the capacity for public organizational development.

This was consistent with Kirkbride, (2006) who said that it was essential for transformational leaders to have leadership skills that emphasized creativity and were able to be innovative with new work methods. They were also able to intelligently build value from existing resources, as well as able to formulate organizational strategies in which they were able to keep up with their industry trends.

In a study about the linkages between internal marketing and leadership Gounaris (2006) and Hult (1996) concluded that if managers gave priority to the communications with customers, this would facilitate a better understanding of their products and services (Bell, Menguc, and Stefani 2004).

Organizational Strategy Formulation

Strategic thought and vision is an important component of a high performance organization and formulates the direction of public organizations. Negative perceptions about customer relations and service within the public sector are difficult obstacles to overcome due to the slow execution of executive decisions.

These issues could be overcome however with the formulation and application of new information technologies increasing an organization's effectiveness and adding customer satisfaction and value (Silva and Batista, 2007). This agreed with the study results from Filho (2010) that social responsibility has become indispensable and strategic decisions of large companies involve social as well as economic consequences, which are intimately connected. Strategy and competitive advantage are related to enhancing the company's image and reputation through the efforts of employees.

This was also applicable for a company's image and reputation as the relationship between social strategy and competitive advantage was influenced from opportunity, resources, employee skill, company, industrial structure and stakeholders. Decisions from the strategy formulation process should take into account the positive and negative impacts that may arise, not only for the business itself, but also for stakeholders and society in general.

It also showed that marketing planning in the public sector is not much different compared to the private market. Market share is less important than the overall size of the market. Pricing is something that cannot be controlled as well. Competition is usually not relevant to the needs of the market. Resources determine to some extent the better performance of the organization and the difference in the positions of competitors.

Governmental Marketing

In public administration, the emphasis on high performance organization (HPO) concepts in governmental marketing was consistent with Cousins (1990) that in marketing services, there was no differences between public and private sector marketing. Market share is less important than the overall size of the market with pricing usually unable to control. Competition is usually not relevant to the needs of the market as resources will determine to some extent the organizational performance and the difference in the positions of competitors. However it was noticed that resource utilization was a factor that drove higher performance in public organizations. In a marketing research study for government Nutley (2003) cited in Palermo *et al.* (2010) found that public policy needs to be creative and updated to reflect their new roles and to keep up with external changes.

They must also experiment with new activities and services, such as communication and information channels to reach the public. As a result, organizations will get public recognition for their quality of services.

Transforming the public sector requires restructuring, development of technology, processes and services to citizens which will result in a solution. It will also cause great changes and affect public sector performance management (Sparrow *et al*., 2002).

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