The procedure and consequences of performance agreement as a tool of new public management: A case study in the Thai Ministry of Justice

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ABSTRACT

This research article investigated New Public Management (NPM) approaches that have been implemented to improve Thailand's public sector. The investigation was carried out based on the performance agreement (PA) as a management tool in the Ministry of Justice as a case study. Documentary research and in-depth interviews of three groups were conducted. The target group consisted of: 1) one central administrative officer (Office of the Public Sector Development Commission); 2) 11 middle managers in the Ministry of Justice; and 3) two experts who had been public sector consultants. The results were verified by personnel in the Ministry of Justice who were not included in the target group. The data were analyzed using content analysis. The data analysis revealed that the implementation of the performance agreement was successful in terms of documents but it did not reflect achievement in the goals of line agencies because: 1) the developed indicators in the PA did not correspond to the organization's goals, which was the result of the centralization of authority to determine the assessment framework of the central agency and the lack of participation from line agencies; 2) the PA framework is "one size fit all"; and 3) the tools of PA were not used in accordance with the principles, leading to a decrease in the cooperation in the agency, unfair allocation of incentives, as well as forgery of documents and setting the goals too low in order to guarantee achievement.

Introduction

The critique of government centralization during the Cold War as well as bloated and inefficient organizations which are unresponsive to environmental changes has led to a reform based on the Washington Consensus (Baimyrzaeva, 2012). In the early 1990s, the world's reform direction was called "New Public Management" (NPM) (Pollitt & Bouckaert, 2011).

The formation of Thailand's New Public Management was initiated between 1987 and 2006, from the Sixth National Economic and Social Development Plan (1987−2001) until the Ninth National Economic and Social Development Plan (2002−2006). The emphasis was on shifting the role of the public sector from supervising and assessing to monitoring, as well as on downsizing the public sector. The private sector was hired to accomplish certain tasks and was given greater opportunity to join public enterprises. Haque (2007) stated that result-based

budgets, service targets, and PA are widely popular management tools in Thailand in NPM approaches.

However, the authors of the current study argue the implementation of PA in improving the Thai public sector has deviated from the principles of improving operations, achieving organizational goals, and improving the organizational performance. Nevertheless, in practice, the intention of PA receives less attention than does the desire to make the organization gain a higher score, which results in distortion of the facts through document forgery to guarantee that the organization will get the desired high score.

Literature Review

New Public Management

New Public Management (NPM) is a public sector reform agenda that was implemented during the late 1970s–1980s, which was the period when there was chaos in the world's economy. Western welfare states had high management costs but lacked efficiency. Furthermore, neoliberalism played a more prominent role and there was a change in the government's role in the West. During the Cold War, government agencies expanded extensively and were criticized for centralized administration, inefficiency, and unresponsiveness to changing environments. This failure directly resulted from the excessive role of government in public services (Baimyrzaeva, 2012).

NPM is a resistance to the traditional bureaucracy and big government. It emphasizes business approaches where management is a key skill, and the market and incentives are key mechanisms (Pollitt & Bouckaert, 2011). Hood (1991) explained that key characteristics of NPM consist of hand-on professional management in the public sector, explicit standards and measures of performance, greater emphasis on output control, a shift to disaggregation of units in the public sector, a shift to greater competition, and stress on greater discipline and parsimony in resource use. Borins (1995 as cited in Borins, 2002, pp. 181–194), on the other hand, explained that NPM is characterized by: 1) high quality services; 2) measuring and rewarding for the improvement of the organization and individual performance; 3) promoting managerial autonomy, particularly reducing control by central agencies; 4) greater emphasis on performance targets; and 5) open-for-service competition. Haque (2007) proposed that NPM consists of: 1) reduction of the public sector's direct role as a facilitator and implementation of the private sector in service delivery through means such as downsizing, and outsourcing partnerships; 2) restructuring of the public sector with performance contracts as tools; 3) expansion of operational autonomy and flexibility in personnel and financial management through the establishment of autonomous agencies; 4) assessment of public sector performance by results rather than input or process; and 5) reinforcement of customer orientation by giving more customer choices, based on the benefits of customers. In brief, NPM is a reduction of the public sector's roles and allowing the private sector to take over in some service delivery areas with stress on administrative flexibility, target setting, and performance assessment, with fewer rules and regulations.

Experience of Implementing Performance Agreement in the Public Sector

PA is one of the public sector reform developments to promote performance and commitment to achievements. In 1995, the United States of America, England, New Zealand and Australia implemented PA for departmental leaders and top civil service managers with the aim of establishing the individual's commitment to performance and relating personnel performance to the organization's obligations and targets. PA starts from top level management through different hierarchical levels to ensure that the performance targets of all personnel are related to corporate goals (United States General Accounting Office [GAO], 2000).

These main components of the system are the negotiation of PA aiming to promote explicitness of work between personnel performance and achievement of the organization's goals (GAO, 2000 as cited in O'Donnell & Turner, 2005). A common PA is goal setting by developing performance objective which are specific, clear, measurable, and correspond to key jobs and competencies. The acceptance of goal setting to facilitate participation in the negotiation of PA with the involvement of personnel can initiate from discussion between the superior and a subordinate to develop the objectives relating to the organization's goals. James (2004) stated that the procedure of objectively developing and setting PA goals requires negotiation in order to prioritize matters together with line agencies rather than through direction from central agencies. However, O'Donnell and Turner (2005) mentioned the problems emerging from the implementation of PA in the public sector in Vanuatu where there was difficulty in implementation due to the lack of motivation, an unreceptive environment, and lack of trust between employees at different levels. In contrast, the facilitating factors to successful implementation were: 1) promoting explicitness of corporate goals and work objectives; 2) effective communication between executive officers and employees about work objectives; and 3) employee acceptance of the organization's goals.

New Public Management Paradigm of Thai Public Sector

The implementation of NPM in Thailand was not obvious until the Sixth-Ninth National Economic and Social Development Plans, where the public sector's role changed from directing and assessing to monitoring. The private sector was hired to work with public enterprises. In the meantime, the government policy NPM was promoted from General Chatchai Choonhavan's government (1988–1991) until Thaksin Shinawatra's government (2001–2006). Also, all the three Strategic Development Plans, namely the Bureaucracy Reform Model Scheme 1997–2001, the Public Sector Management Plan 1999, and the Thai Bureaucracy Strategic Development Plan 2001–2007, are based on NPM.

The concrete evidence of bureaucratic development based on NPM are the autonomous public organizations according to Thailand's International Public Sector Standard Management System and Outcomes (P.S.O), Result-

based Management (RBM), Performance Agreement (PA), public sector management quality award (PMQA), e-Government, Government Fiscal Management Information System (GFMIS) and Privatization.

In particular, in the government of Thaksin Shinawatra, there was a revision of the Public Administration Act 2002 and establishment of the Office of the Public Sector Development Commission (OPDC) to launch public sector development. There was also a Royal Decree on Criteria and Procedures for Good Governance 2003 which served as a development plan that obligated all agencies to take action. Haque (2007) also suggested that Thailand's implementation of NMP occurred under the Public Administration Act 1992, Public Sector Management Reform Plan 1999, and Result-based Budgets, and that PA is a widely popular tool of NPM. However, the investigation by Painter (2006) and Mongkol (2012) revealed that the development results related to NPM were cemented in the Thaksin government (2001–2006). In summary, Thailand employed management tools under NPM, especially by establishing public organizations, promoting information technology, and implementing PA effects on the extensive public sector.

Implementing Performance Agreement on the Thai Public Sector

In Thailand, the Office of the Public Sector Development Commission (OPDC) applied PA in the development of the public sector in 2004 by adapting the balance scorecard (BSC) and dividing it into four dimensions—effectiveness, service quality, efficiency, and organizational development. Each dimension consists of indicators as follows.

The first dimension, effectiveness, consists of: 1) target achievement according to the public sector's strategic plan; and 2) success in output achievement (according to budget documents). The second dimension, service quality, includes the satisfaction level of customers. The third dimension, efficiency, consists of reduced costs, reduced time of service, and expense worthiness. The fourth dimension, organization development, consists of knowledge management, information technology (IT), and change management.

Procedure for Developing Performance Agreement

The procedure for developing PA consists of three main steps: 1) preparing the agreement and assessment; 2) negotiating goals; and 3) signing the agreement, with details as follows:

Developing Mechanisms for PA

Developing Mechanisms for PA consists of two parts.

(1) Establishing the PA Development and Assessment Committee which sets the criteria and PA framework, goals, assessment methods, and incentive allocation. This committee consists of 14 members: (1) two members of the political sector who act as the chairman and the deputy chairman; (2) one member of the

central agency; (3) 10 experts/scholars; (4) one member of the OPDC who acts as the secretary.

(2) The PA Negotiation Committee is established by the OPDC to negotiate the appropriateness of the key performance indicators (KPIs), goals, and grading criteria, depending on each ministry.

Approaches to Developing PA

Following the establishment of the two committees in the previous paragraph, the Central Performance Agreement Framework (CPAF) is released to be used in the operation of the 20 ministries and over 140 departments. After that, the OPDC will develop a KPI draft for each of the 20 ministries. Then, there is a process of negotiation between the PA Negotiation Committee and the public sector agencies. Afterwards, there is a signing of the mutual agreement, in an order of hierarchy starting from the signing between the Prime Minister and the Ministers, to the signing between the Ministers and the Permanent Secretaries, and the signing between the Permanent Secretaries and the Directors General of each government sector.

Public Sector Operation Follow-up and Assessment

The follow-up and assessment of public sector operations can be divided into four categories: (1) an investigation of documents and evidence such as (1.1) twelve-month self-assessment report (SAR); and (1.2) report of bureaucratic services according to the six-month, nine-month and twelve-month PAs; (2) related personnel interviews; and (3) observation of public sector operation.

Thus, there is a procedure for developing PA in the Thai public sector, both in establishing operational mechanisms, setting operational direction, following up, and assessing.

Research Methods

The data were collected through the method of documentary research and the in-depth interview of three target groups: 1) one central administrative officer (Office of the Public Sector Development Commission); 2) 11 middle managers in the Ministry of Justice; and 3) two experts who were former public sector consultants. The data were then analyzed using content analysis along with a pattern building technique. The results were verified by ministry officers.

Results and Discussion

Effects of Implementing Performance Agreement in Thailand

The authors found issues and obstacles regarding implementing PA in Thailand as follows.

Established Indicators Do Not Correspond to Organizational Goals

In the procedure of developing the PA, the OPDC acts as a central agency which sets the assessment framework and presents it via a central committee called "The Performance Agreement Development and Assessment Committee".

Then, this Committee passes the information on to the line agencies, which consist of 20 ministries and over 140 departments. In addition, the OPDC determines the draft PA KPIs for each agency that are used to lead the negotiation with line agencies.

Because the CPAF and KPI Draft are developed by the OPDC, the resultant PA tends to not correspond to the performance targets and objectives. Moreover, due to the agencies' problems and obligations, even though there is negotiation between central agencies and line agencies, the negotiation is less likely to change from the original draft as stated in an interview:

"*I think, if efficiency is needed from the agency, it is necessary to know the real job and understand it rather than specifying indicators from outside or general indicators for evaluation. Each department has its own methods, procedures and process of work and laws enforce them to follow. Meaning, each department determines and becomes the goal for its efficient work. The OPDC must come and talk to communicate contents with a real process for negotiation. In fact, the OPDC declines. If it doesn't know generally we propose, but the OPDC commands what this year will be evaluated and informs the department with high criteria and when we negotiate, these criteria will not be reduced.*"

(personal interview, March 1, 2014)

There are two main reasons that can explain this.

(1) Structure of the Performance Agreement Development Committee

The committee's role is to determine the PA negotiation framework, targets, assessment methods, and incentive allocation. The committee consists of 14 members from four sectors: 1) the political sector which comprises the Deputy Prime Minister and the Minister Attached to the Office of the Prime Minister; 2) the government sector which comprises one Permanent Secretary of the Office of the Prime Minister; 3) up to 10 experts from seven fields of specialty—law, economics, political science, public administration, monetary and fiscal subjects, psychology, and sociology; and 4) the Office of the Public Sector Development Commission which comprises the Secretary-General. The entire committee works part-time, except for three or four experts who have been chosen to work full-time.

The structure of the committee still lacks one member from line agencies such as ministries, bureaus, and departments that are left out of the PA framework. This factor causes the framework to be determined solely by the central agency (the OPDC) before handing the framework down to the ministries, bureaus, and departments in a top-down approach. Therefore, the formulation of the PA framework by the Office of the Public Sector lacks participation from the line agencies which are key actors in implementing the framework. However, as these actors do not have any role in developing the framework, the framework does not correspond to the target and obligations of the agencies. The procedure of the formulation of PA in Thailand deviates from the concepts of PA. Locke and Latham (1990 as cited in O'Donnell & Turner, 2005) explained that the procedure of making PA work focuses on the negotiation that is carried out through participation among the related parties. Thailand's PA development procedure goes in the opposite direction to England's PA procedure. James (2004) stated that the public sector prepares a public service agreement draft to be used during the discussion with personnel from the Ministry of Treasury. Everybody plays a role in designing the details of the PA for the public sector. Despite its authority to direct, the Ministry of Treasury deals with the negotiation using the order of hierarchy of personnel of the line agencies rather than directly through central agency controls that restrict the inventive ideas of public sector employees.

What has determined the direction of Thailand's public sector development can be sourced back to events in the past 50 years (1959—2006) through the implementation of the committee that was first established by the government of Field Marshal Sarit Thanarat (1959—1963) called the Government Administrative Organization Advisory Commission whose duties were to develop policy and push forward development policy in Thailand's public sector. The committee's structure was limited to only three components: the administrative sector, central agency and experts. The limitation of actors in the structure of the committee that develops and pushes forward policy is considered centralization as the power to make decision lies with a small group. The development of the Thai public sector has placed very little importance on the role of line agencies and the people in the past five decades even though these two sectors are the main stakeholders of service delivery. Bowornwathna and Poocharoen (2005) mentioned that reform at the operational level in Thailand is greatly influenced by central bureaucrats, leaving the central agency as a leading actor in the reform while line ministries are allowed less participation in the reform. Line ministries and departments are important actors in the reform of Thailand's public sector because they are the ones who implement the policy, especially middle managers and front-line staff.

The centralization of Thailand's public sector development is a result of the founding culture which was predicated on centralization. Brewer (2003, pp. 186—207) and Rigg (1991) stated that the Thai public sector is characterized by a hierarchy and high centralization. Hagensick (1970) described the restructuring of the public sector as being directed by centralized agencies in the Office of the Prime Minister and Office of The National Economic and Social Development Board (NESDB). This corresponds to the claim by Samudavanija (1998) that since 1961, the Bureau of Budget (BoB) and NESDB have become the main organizations that direct the other government agencies through the launch of the National Economic and Social Development Plans and through budgeting.

Prasertkul (2005) described as an example of central-ization that greatly affected Thai people, the use of the National Economic and Social Development Plans based on top-down directing and resulting in a lack of consultation with the people who worked on the development of local resources plans. In brief, the development of the public sector through central agencies from the past to the present has shown that the Thai public sector is characterized by centralization in the central agencies, and the lack of discussion about the problems and the obligations of line agencies and people. Centralization in the central agencies of the Thai public sector contradicts NPM that advocates managerial autonomy, especially mini-mizing the directing role of central agencies. It is also corresponds with McCourt (2002, pp. 227–242), who found limitations in applying NPM in developing countries due to centralization in a central agency, as this lacks decentralization which is the foundation concept of NPM because the central agency is worried about the loss of their power and of losing their top-down control. Similarly, Painter (2004, 2005 as cited in Haque, 2007) argued that the limitations of the Thai government administration come from the top civil personnel who oppose reform, as they fear loss of their power in the bureaucracy.

(2) Content of Central Performance Agreement Framework
The OPDC has set the content of the Central Perfor-mance Agreement Framework (CPAF) to be the only criterion to be implemented in 20 ministries and over 140 departments, which does not correspond to the problems and target requirements of the organization, lacks flexibility, and has many KPIs. The KPI Evaluation Manual 2005–2007 for public sector line agencies, in-cludes the following content:
(1) KPIs of the effectiveness dimension consist of an indicator of operation according to strategic plans or action plans of ministries, clusters, public sector, or departments.
(2) KPIs of the services quality dimension emphasize the satisfaction of customers and the participation of people in the development of the public sector, the transparency of operation, and anti-corruption.
(3) KPIs of the public sector efficiency dimension emphasize the management of the budget in terms of both energy efficiency and time efficiency.
(4) KPIs of organization development emphasize the implementation of management tools in the public sector system, such as Knowledge Management (KM), IT, Change Management and Human Resource Development (HRD), Public Sector Man-agement Quality Award (PMQA), and Risk Management.

Regarding the mentioned CPAF, the OPDC negotiates with ministries and departments in only one dimension, namely the effectiveness dimension. The negotiation is conducted under the indicator draft that has been prepared by the OPDC, based on the organizational strategic plans.

The other three dimensions (services quality, organization development, and public sector efficiency), direct all the 20 ministries and over 140 departments to act as advised. From this, it can be seen that the performance indicators established by central agencies for line agencies to comply with are characterized by one common feature, "one size fit all" that allows the indicators to be implemented by the 20 ministries and over 140 departments. Furthermore, the indicators lack flexibility in implementation and do not correspond to the needs and variations of issues of the organization due to differences in their roles and the obli-gations set by each organization.

> "*Some indictors are specified by the OPDC and not the need of the department such as some dimension of organiza-tional development. The question is whether I give this importance. Yes. Nevertheless, its weight is so little and the OPDC gives it a heavier weight but just to attract its importance in the internal process of each unit. Here, it does not reflect the real job. In measurement, sometimes, or evaluation, it has been worked out carelessly and it may not reflect accurately. Some indictors are not specified by the internal agency but from the top or other units. Some jobs might be allocated just some indicators. They do not fit. Sometimes, what they want and what we want are not convergent. Sometimes, the OPDC fixes the indicators with a high weight to be used in every agency, but each agency plays different roles.*"
> (personal interview, March 14, 2014)

These obstacles contradict the principles of PA that aim to establish the explicitness of operations between the or-ganization's goals and the work goals of the personnel that are related to each other. The results of the study showed that PA does not truly reflect the organization's goals, rather it is the goals that have been set based on the wants of the OPDC as a central agency that directs all agencies in the public sector to implement the mentioned framework as stated in an interview:

> "*The KPIs indicated do not reflect the target or the orga-nizational success. There are no impacts on an organiza-tion. For example, the indicators beginning with the Success Level of … are characterized as 1) Commission Appointment, 2) meeting not less than 2–3 times, 3) meeting not less than 6 times, 4) summary-made from analysis, 5) the management has reported. Just a report gains 5 scores. Some organizations have written KPIs like this. So, KPIs are not aimed at solving the problem of an organization. Some units and some ministries earn a bonus from their high scores at levels 4 or 5 but many problems still exist. The success of the indicators is to reach 4–5 not solving the problems that exist.*"
> (personal interview, March 24, 2014

Deviations from the Implementation of Performance Agreement in Thailand

The Office of the Public Sector Development Commis-sion employs PA as a tool to push forward other managerial tools that are not covered by the principles of PA, or if the

Office of the Public Sector Development Commission wishes to implement tools in the Thai public sector by adding these tools to the PA and to the dimensions of organization development such as KM, IT, Change Management, PMQA (which is adapted from the Malcolm Baldrige National Award) and TQA as well as Risk Management.

Thus, the PA for the Thai public sector has become a tool that is implemented to direct line agencies to implement new managerial tools. This causes the PA in Thailand to deviate from the principles of PA as stated in an interview:

> "*When OPDC applies new tools in the public sector, new tools will be contained in PA such as KM, PMQA, IT, etc. For that reason, PA will drive new tools to be implemented.*"
> (personal interview, July 16, 2014)

The PA serves only to set key organization goals. O'Donnell and Turner (2005) suggested that the common ground of PA is the goal-setting where the purposes are specific, clear, and measurable, and correspond to key job responsibilities and competencies.

Hence, it can be seen that the action of the central agency in Thailand that attempts to add other managerial tools to the PA is action that deviates from the principles because this managerial technique is not related to the key targets of the line agencies, rather it addresses the needs of the OPDC only.

Not only does this deviate from the principles of PA, but it also leads to other two consequences as follows:

1) Waste of time, personnel resources, and budget in the development of indicators each year, which requires the collection of data and evidence to be referenced for the evaluation report of each indicator. The report is conducted every six months, nine months and twelve months.

2) Many KPIs that do not correspond to the organizational targets can create confusion regarding the organization's key targets and to personnel understanding what is needed for implementation as stated in an interview:

> "*Our KPIs today are taking everything and every factor to include in KPIs. I disagree with these KPIs as no jobs are done better. They measure tiny things and mess everything up. They do not reflect the uses of the tools. The problem is with the top management. If they really know, then deep down, they will not do it like this.*"
> (personal interview, March 24, 2014)

This issue is related to a claim by O'Donnell and Turner (2005) that the performance agreement in Vanuatu has set a lot of objectives that has made it difficult to distinguish their importance. Spitzer (2007) called the act of measuring too much as one form of "measurement dysfunction" which is the measurement of something too little and the measurement of the wrong thing or unnecessary things. This leads to higher costs of measurement and creates confusion rather than explicitness in the organization. This claim corresponds to the finding of the World Bank's study on Thailand's Result-based Management (RBM) (World Bank, 2011) that there is overproduction of KPIs that makes it difficult to measure. In addition, the achievement that has been accomplished is the achievement based on the documents that have been prepared rather than the practical achievements that lead to concrete outcomes.

Consequences

Duty Certificate Reduces Cooperation at Work and Causes Unfair Incentive Allocation

Because the PA is tied to the incentives (the evaluation merits), the personnel focus on accomplishing the requirements of the indicators for which they are responsible. They refuse to do what is not obligated by their duties. This results in the reduction of cooperation among personnel in the organization. The personnel try to accomplish what their indicator requires. The tasks that other agencies ask for support in or the tasks that have not been included in the indicator will not be regarded as important. The outcomes of accomplishing the indicator's requirements include incentives, especially individual and group bonuses, merit evaluation, salary increases, and promotion. All of these cause people to become more selfish and cause disharmony in the organization as stated in an interview:

> "*Personnel try just address the indicators, if not, they decline. Collaboration between divisions is reduced because all focus on their own indicators because these affect their salary rate consideration. It makes personnel selfish. Therefore, petty jobs are ignored because they are not associated with the indicators such as coordination for information to support another agency or jobs requesting support by other agencies will become insignificant. Thus, the information job is then difficult as it not their job, which makes personnel selfish and causes disparity.*"
> (personal interview, March 27, 2014)

Furthermore, in the process of working toward the KPIs in the PA, there is a need to work together as a team. A single staff member cannot hold absolute responsibility for the KPIs. Therefore, the implementation of KPIs requires teamwork by many parties but these parties receive different rewards. When the task accomplishment requires teamwork but each team member receives different rewards, there can be difficulty in obtaining cooperation, resulting in disharmony and creating a broken workplace relationship. All of this results from the feeling of being treated unfairly in the workplace due to different incentives. The unfair treatment among personnel leads to greater difficulty in working together as stated in an interview:

> "*… Some indicators must be worked out as a team, but after evaluation, some earn distinguished scores. Some earn good scores though they work in the same workplace. It disunites them. As it is, the responsibility should then be under the office (agency): if you can do it, the office earns the reward. It indicates that the KPIs for individual creates disunity.*"
> (personal interview, March 19, 2014)

Rhodes (1998 as cited in Bowornwathana, 2000) investigated the unprecedented effects of implementing

England's NPM that contributed to increased fragmentation and increased difficulties of coordination. O'Donnell and Turner (2005) stated that public sector personnel were aware that the merit evaluation process was not fair and this led to decreased morale and motivation in England and Australia. Moreover, this finding corresponds to the findings of the investigation by Mavhiki, Nyamwanza, and Linnet (2013) of the implementation of result-based management in Zimbabwe. It was confirmed that public sector personnel lost faith in the government pay system and the government was blamed for its failure in performance-related payment.

Camilleri and Heijden (2007 as cited in Bregn, 2013) described the effects of unfair performance-related payment and mentioned that if the performance-related payment is unfair, it can lead to negative reactions, particularly in decreased work efficiency and higher risks of a condition called "unproductive reactions".

Distortion and Use of Duty Certificate

The intention of PA is to promote outcome-based efficiency but when PA is implemented in the Thai public sector and is tied to incentives, especially reward and punishment, this tool acts as a source of fear among personnel, as they are afraid of getting a low score. The implementation of the tool that originally aims to improve performance but later is used with a focus more on reward and punishment leads to the distortion of information in two ways as follows:

(1) Forgery of documents

Documents are forged to make the document conform to the high score in the indicators' requirements. The score in the performance indicators is changed and false evidence is created. Marie, Holzer, Posner, and Rubin (2006) explained that the use of KPIs in rewarding or punishing can make humans feel like it is a "game". The use of reward and punishment can motivate a person to seek benefits and tends to lead to a distortion in performance.

"*What is the final result? For me, it is the performance agreement and not for efficiency. Would the department or the unit cheat and be foxy or would it demand 80%? The department will demand its office reach the target, number management, paperwork management to reach the target to gain the "5" score, but it loses its reality dimension and its authenticity if all departments gain 4.8 or 5. However, why does the Thai public system do this, as it raises a dichotomous target-conflict? It may not, but often the department wants to show off. Nevertheless, the result is fake. It is not a development. This is the main cause and not just only here but in the entire Thai public system.*"
(personal interview, March 13, 2014)

(2) Setting targets too low

Work targets are set too low to guarantee that the organization can absolutely accomplish the set targets. Some of the KPIs may be set higher than what they should be. Spitzer (2007) explained about cheating

when the personnel are determined to get the reward, so the players or the personnel will do anything to win. They will try to set the KPIs in each task low in order to guarantee that they can always achieve higher than expectation as stated in an interview:

"*Sorry, how does the OPDC know better than the department what is difficult or what is easy in the process of negotiation whereas we can say how difficult it is to handle a case. It is so tough. The OPDC may try. In fact, in our work life it is easy. No one knows better than we do about a specific job. We say it is difficult but we often achieve it.*"
(personal interview, March 24, 2014)

Conclusion and Recommendations

The phenomena discussed have led to the conclusion that the implementation of PA in the Thai public sector has deviated from the principles, especially in terms of the behavior of the personnel in central agencies and line agencies. The personnel focus on indicator-based achievement. They aim for a top score of "5" rather than for performance improvement. The agencies claim success as they have reached the KPI target scores at a high level. However, success according to achieving KPIs did not reflect the real organizational target achievement which was the improvement of operational performance. This was at the heart of the problems and obstacles to the application of PA in the public sector and was caused by PA being inconsistent with the organizational targets. The preparation of the measurement framework resulted in the centralization of decision-making power at the central agency according to a "one size fits all" manner. At the same time, the central performance agreement framework brought various management tools that the OPDC had copied from overseas into the PA system. The guidelines which had been formed deviated from the PA principles which aim to create commitment between executives and officials who would like to drive key organizational targets to success.

Hence, most KPIs were determined by the central agency. The KPI determination procedure was carried out amidst a lack of trust between both parties as there was a tendency for the central agency to try to take control of the line agencies. Consequently, the "achievement" which took place was only the success of the operation according to the KPIs. A score level of "5" did not guarantee or reflect organizational accomplishment in terms of problem solving. In other words, the achievement according to the KPIs and the organizational achievement were disparate.

Based on the current study, policy makers should: 1) restructure the PA development committee by involving line agencies and people and restructure it from its original form that consists only of the political sector, government officers and experts (including scholars) in the OPDC. The current framework in the negotiation of PA is influenced solely by central agencies; 2) revise the content of CPAF by: (2.1) canceling the Central Performance Agreement and allow line agencies to develop the KPIs draft by focusing on the organization's goals. There should be participation from the line agencies to negotiate with the OPDC; (2.2) focus on the use of performance agreement tools to mainly improve

the performance rather than to support the many other managerial tools; and 3) promote participation in negotiating the goals and acceptance of the indicators can build trust between the central agencies and line agencies.

Conflict of Interest

There is no conflict of interest.

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