

# **A Challenge for Change: A Thai Telecommunications Case Study**

**Wasunee Sirichuwong**

**Bachelor in Science (Accounting),  
Kasetsart University, Bangkok, Thailand**

**Bachelor in Education (Chinese Language Teaching)  
Suan Sunandha Rajabhat University, Bangkok, Thailand**

**Master in Economics  
Krirk University, Bangkok, Thailand**

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Victoria University, Melbourne, Australia.**

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## **Declaration**

I, Wasunee Sirichuwong, declare that the Doctorate of Education dissertation entitled A challenge for change: A Thai telecommunications case study is no more than 60,000 words in length, exclusive of tables, figures, appendices, references and footnotes. This dissertation contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this dissertation is my own work.

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Signed

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Date

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## **Abstract**

### **A Challenge for Change: A Thai Telecommunications Case Study**

The study is set in the context of increased competition and rapid change in the telecommunications industry in Thailand. The aim of the research and the selected methodological tool of benchmarking is to contribute to improvement of work performance and to provide a basis for such improvement in the Business Management Sector III, including development of employee skills and knowledge, and increasing technical and professional capabilities.

This study investigates the workplace practices of TOT Corporation Public Company (TOT) employees, comparing two divisions and utilizing the findings to contribute to plans for continuous improvement. The research complements the corporation's overall strategy to become a learning organization.

Qualitative ethnographic research methodology is employed using a case study approach and descriptive statistical information is gathered using the methodological tool of internal benchmarking. The internal benchmarking is conducted in the phases of planning analysis integration, action phase and maturity. The research tools employed to conduct the study are observation, interview and self-reflection. The comparison of the revenue sharing process of Sector III, Divisions I and III staff from the observations, interviews and self-reflection provides details of changes deemed to be desirable to be adopted, according to eight themes namely, system management, time management, learning, learning organization, teamwork, motivation, professional development and benchmarking.

It is indicated that there are key factors that TOT should consider regarding its organization and staff. An organization where people continually learn how to learn together, should ultimately become a learning organization and its staff require professional development and motivation. However, environmental and financial

issues cannot all be resolved immediately and long term planning is required before full movement to a learning organization can occur.

This thesis has identified areas of new knowledge for TOT. Benchmarking the two divisions enhances knowledge, understanding and self-development which can bring about the competitive edge that TOT requires. It not only permits improved work processes but also conceptual thinking, although this is an ongoing process and change will continue to occur. The system management, time management, learning organization, professional development, teamwork and motivation are aspects that TOT should consider for attaining best practice. Knowledge management is required to allow staff to become learners and have improved performance. Employees can learn from their working experience in order to become regular and lifelong learners. This in turn is likely to lead TOT to become a learning organization.

This study of performance and change in a large telecommunications company makes a contribution to the industry both nationally and internationally. It contributes to our understanding and knowledge of how change may be managed in a traditional organization in such a way as to enable it to move towards becoming a learning organization.



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# **Chapter 1**

## **Introduction**

In the wake of the 1997 economic and financial crisis in South-East Asia and corporatization in 2000, the Telecommunications Organization of Thailand (TOT) was confronted by increased competition and rapid change. It granted concessions to two companies (True and TT&T) to administer telephone line expansion, for which monies would be transferred from TOT. The two divisions responsible for the correct transfer of these monies are the focus of this research. The basic premise of the research is to make improvements to their work. The researcher's goal was to study and compare the two divisions and to utilize the findings to contribute to plans for continuous improvement. The study is in line with TOT's overall corporate strategy of performance and its desire to become a learning organization, with the attendant benefits that are expected to be obtained, although the study itself is not directly or specifically concerned with the movement towards becoming a learning organization.

### **1.1 Background**

TOT developed from the Post and Telegraph Department established in 1934 and became the Telephone Organization of Thailand in 1954, when the Telephone Organization of Thailand Act (Section 6) determined that it had the right and responsibility to operate a telephone business. After that Act, TOT was established as a state enterprise under the Ministry of Communications and, according to section 16 of the Act, had full power to operate the business. It provided telephone services in the form of a natural monopoly, in the belief that only the government could provide this service at a reasonable price. Moreover, the telephone system forms part of the infrastructure of the country and thereby affects its security.

TOT started with only 10,000 telephone numbers, a cross bar automatic exchange, 700 employees and Baht 50 million (US\$ 1.43 million) in assets. However, by 1992 it could be seen that TOT had some limitations in investment, manpower and existing

resources which prevented it from expanding its services sufficiently to meet rapidly increasing demands. As a result, the government issued a policy that allowed the private sector to operate telephone services on a Build-Transfer-Operate concession. TOT granted a 25 year concession to Telecom Asia Corporation Company Limited (now called True) and TT&T Public Company Limited (TT&T) to administer telephone line expansion, with 2.6 million lines in the metropolitan and 1.5 million lines in provincial areas respectively. It is the transfer of revenue sharing monies from TOT to the two concessionaires that is the focus of this research.

The next key development was in 1997, when Thailand, along with other countries in South-East Asia, was faced with an economic and financial crisis and the government decided to float the currency and agreed to the monitoring of its financial activities by the International Monetary Fund (IMF) as a condition of obtaining funds arranged by the IMF.

At this time, Thailand was committed to the World Trade Organization to liberalize its telecommunications sector by 2006. TOT was therefore likely to be exposed to increasing competition and rapid change. To remain successful, its management felt that TOT needed to stay lean and to be more responsive to the changing environment. At the same time, TOT's policy was to demonstrate a reinvigorated commitment to its employees, developing long term capabilities in their core competencies and the bringing about of greater innovation.

It was also in 1997 that the idea of privatization was first considered. There were attempts to communicate the concept to those involved through newsletters, workshops, seminars, meetings and exhibitions but there was little preparation for change such as formal training or professional development programs. Nevertheless, on 31 July 2002, under The State Enterprise Corporatization Act of 1997, all the "rights, entitlements, debts, obligations, assets and staff" of TOT were transferred to TOT Public Company Limited, with an initial registered capital of Baht 6,000 million (US\$ 171.43 million) and a paid-up capital of Baht 6,000 million. The Ministry of Finance wholly and solely owns the company equity of 600 million common stocks at a par value of Baht 10 per share, so TOT is effectively 'corporatized' and not 'privatized'. Nevertheless, there have been some changes in work culture and work

processes. As at 31 December 2006, the number of employees was 19,752 and total revenue amounted to Baht 75,764,654,154 (US\$ 2,164 million) and the net profit was Baht 6,981,223,329 (US\$ 199 million) (TOT Corporation Public Company Limited, *Annual Report 2006*, pp.80-82).

## **1.2 The nature of TOT**

TOT is at a challenging time in its development. After having been corporatized, TOT changed its structure to become more flexible. Teamwork, work skills and decision making were more recognized within what is still a bureaucratic and traditional organization. TOT has focused on maintaining its customer-base and increasing its revenues. TOT has tried to change and improve its work culture to become a different type of organization. The comparison of a traditional organization and 'new' organization is reflected in its systems and organization. The new organization needs to develop its work performance skills and team work. Robbins and Coulter (2002, p. 7) explain the details of the changing organization as shown in Table 1.1. The characteristics of the traditional organization, as identified by Robbins and Coulter (2002, p. 7) are features of TOT.

**Table 1.1: The changing organization (Robbins and Coulter 2002, p. 7).**

<b>Traditional organization</b>	<b>New organization</b>
Stable	Dynamic
Inflexible	Flexible
Job-focused	Skills-focused
Work is defined by job positions	Work is defined in terms of tasks to be done
Individual-oriented	Team-oriented
Permanent jobs	Temporary jobs
Command-oriented	Involvement-oriented
Managers always make decisions	Employees participate in decision making
Rule-oriented	Customer- oriented
Relatively homogeneous workforce	Diverse workforce
Workdays defined as 9.00 am. to 5.00 pm	Workdays have no time boundaries
Hierarchical relationships	Lateral and networked relationships work anywhere, anytime.

TOT indicated a desire to move from a ‘traditional’ organization to a ‘new’ organization. However, as will be indicated, there are a number of ‘barriers’ which affect such a movement.

There are many different forces both outside and inside an organization which influence manager and employee performance. Effective management is essential for successful workplace change and development. The managerial functions of planning, organizing, leading and controlling must be accomplished under constantly changing conditions. Even if the concepts of coordinator, mentor or coach become more widespread in organizations, the managerial functions must be still implemented. Managers must deal with both the external and internal environment.

### 1.3 The organizational culture of TOT

Organizational culture comprises the value judgments and beliefs which occur in an organization's system and influences its employees' behavior. In other words, organizational culture is the personality or spirit of the organization (Robbins and Coulter 2002, p. 17). The TOT culture is that staff work with their managers, colleagues and staff as a family. (TOT *Annual Reports* 2003-2007). This is because TOT's culture encourages staff to have self-confidence, to believe in their managers and for managers to trust their staff. Staff feel equal, accepting each other's differences, because it is company policy to treat all employees with respect and show concern for their livelihoods. The organization endeavours to compensate all employees fairly if they perform effectively and also provides them with good welfare benefits. For example, it pays health care expenses not only for the employee but also for his or her parents, wife, husband and children. TOT also uses different media such as newsletters, intranet and e-mail to communicate the organization's goals and to help employees to understand them. The use of these media helps promote a good relationship between management and staff. Even though TOT is effectively still a state enterprise, being wholly owned by the Ministry of Finance, employees see their work as challenging. This is because each work unit holds regular brainstorming sessions and managers attempt to make the work interesting, by using job rotation as well as endeavoring to place the right person in the right job. This occurs through a system of job appraisal, training, and counseling. The effect is improved job satisfaction and greater employee responsibility. The organization also has social responsibility concerns and decisions are made with reference to their long term effects. However, there are also some disadvantages stemming from the tall hierarchy of the organization's structure, so that employees feel they have real no decision making power and this slows down the working process.

Thai business culture is characterized by promotion based on seniority and a high hierarchy, particularly evident in large government bureaucracies. Adams and Vernon (2004, p. i) say:

*Many (of the respondents to their study) believe that Thai firms practice a Thai style of management based on Asian cultural values. This involves top-down centralized*



*management, compromise, personal relationships, and less focus on formal performance measures than in Western-managed firms. This appears to be a culture-specific matter although it may also be related to the prevalence of family-owned or controlled firms in the region.*

Although TOT itself wants to move to become a learning organization, it is constrained by government ownership and this tall management hierarchy which cannot be easily changed (McC Campbell, Jongpipitporn, Umar and Ungaree 1999, pp. 318-320, Onishi 2006, pp. 260- 275, Holmes and Tangtongtavy 1995, pp. 12-18).

TOT's union was established in 1974 in order to build up a good relationship and understanding between employees and between them and management. (TOT *Policy Document No.2* of 2003). The union has a board of 25 directors, selected by its members, which helps to protect employees' rights and benefits within the framework of the labor law. For instance, the union passed a cabinet resolution requiring TOT's Board of Directors to increase the salary of all employees by five percent in October 2005. The union also plays a cooperative role by increasing administrative effectiveness and upholding TOT company benefits. This is achieved by encouraging education and knowledge about labor relations, collaborating with other unions and labor organizations locally and worldwide. For example, the Union has promoted a selection process for a new CEO that protects the organization before any negative impacts can be felt. TOT's union therefore helps the organization to enhance employees' performance and allows it to keep talented people. Through employees' satisfaction with their union, there will be greater employee loyalty to the organization.

This type of union 'cooperation with management' differs considerably from the confrontationist approach of many unions towards management, particularly in many 'western' organizations.

## **1.4 Issues facing TOT**

In order to maintain its leadership position in the telecommunications market, TOT needs to change its organizational structure in order to survive and grow in this

liberalized and highly competitive business, and it needs more investment, and better management of old and new technological telecommunication facilities. In short, it needs to change. Hall and Hord (2001, p. 25) say that an organization does not change until the individual within it changes. A key point in creating successful change is the need to provide people with support as they embark upon the change. The value of ongoing training and other professional development work should not be underestimated. Such support will assist people to manage the change process more effectively and enable them to acquire new knowledge and to develop new attitudes and skills.

TOT faces external and internal pressures. The external factors are that TOT needs to become a private enterprise corporation or a public company, as opposed to a corporatized entity owned by government. In terms of the telecommunications liberalization policy, ultimately the monopoly system will be annulled, so that private companies can freely compete. There must be free competition, as determined by the World Trade Organization and as negotiated with Thailand in 1998. However, the practicalities of such a change could still take some time, to actually occur.

This liberalization occurred because Thailand wanted to expand its telecommunications market to member countries of the World Trade Organization in 2006. As a result, the WTO members, as well as Thailand, have to improve their telecommunication equipment in order to capture the market. All this takes place against a background of improvement in telecommunication and information technology, leading to cheaper quality goods and services and increasing attractions for investors and competitors.

The Thai government's 8<sup>th</sup> National Economic and Social Development Plan (1997-2001), (National Economic and Social Development Board, 1997), required that the liberalization of privatization policies be implemented in such a way that the private sector could invest in and improve the telecommunications industry. Specifically, the plan required an amendment of laws to facilitate a private sector role in investment, an increased private sector role with an evaluation system to monitor its effect, changed state enterprises to public companies to allow capital to be raised, established a central organization to foster cooperation between state enterprises and used of an

evaluation system instead of controlling all units in the organization (National Economic and Social Development Board (NESDB), *The 8<sup>th</sup> National Economic and Social Development Plan*, 1997-2001).

The internal factors are that TOT's working culture is bureaucratic, leading to slow adjustment and ineffective competition. TOT's employees do not have enough expertise in new telecommunication technology, the company lacks modern database technology. The management and operations of TOT is conducted in accordance with all relevant laws, regulations, Cabinet resolutions and policies of the Board of Directors. With privatization, greater flexibility in operations would be gained. So, this researcher considers that this effectively means that TOT is still really a 'traditional organization' (TOT *Annual Reports* 2003-2007) rather than a 'new organization' which may cause tensions to develop as TOT moves to try to become a learning organization. This is because, at present, it is a traditionally managed 'top down' organization whereas a learning organization requires much greater delegation of decision making than currently exists.

The challenges are reflected in TOT's declining performance. In 2004, TOT's market share reduced to 51 per cent from 66 per cent, whereas True increased its share to 27 per cent from 20 per cent and TT&T increased its share to 22 per cent from 14 per cent. In 2003, TOT's revenue was Baht 77,067,964,891 (US\$ 2,202 million) but this was reduced to Baht 76,904,692,795 (US\$ 2,197 million) in 2004 and fell again to Baht 76,018,607,791 (US\$ 2,171 million) in 2005. TOT's net profit in 2004 was Baht 9,916,428,691 (US\$ 283 million), down by Baht 3,225,692,160 (US\$ 92 million) on the 2005 figure, an effective drop over two years of 32.52 per cent.

## **1.5 Vision and mission of TOT**

As has been discussed above, TOT is a traditional organization, with a tall hierarchy. However in the context of privatization, competition and the input of staff ideas, there is a gradual shift towards change.

Privatization contributes to an organization changing its management system and human resources are a key factor in achieving the best quality work (French 1997, p. 2). TOT intends to move towards becoming a learning organization that can foster workplace learning and also can develop its orientation towards having a competitive edge in a fast changing high technology environment.

This is evident in the development of a new vision and mission for the organization. TOT's vision and mission has resulted in strategies designed to enhance the capabilities of the company and the competencies of personnel. These strategies are designed to add value to the company, provide maximum satisfaction to customers and for TOT to continue as an important telecommunications player in south-east Asia. TOT's vision is to be a national telecommunications company with transparent management and world-class effectiveness. TOT's mission is to be a 'backbone' - a main network service provider with cutting-edge technology, combining awareness of national security information while introducing and promoting free and fair competition, leading people to gain access, equally and thoroughly, to information and public services (TOT Annual Report 2006).

In 2006, the Chief Executive Officer outlined to the TOT Board his vision for the organization and the administrative direction necessary to achieve its goals. The mission was that TOT should become a learning organization which would involve five components. The first component is systems thinking, which involves using reason rather than emotion and focusing on continuing or existing problems, rather than reflecting on jobs well done. Secondly, personal mastery is required. This is the ability for self control and the need for excellence in human resources management. Personal competence is required in order to become a champion. Thirdly, there is a need for role models, which can eliminate prejudice when improving employees. For example, once weaknesses have been found in an employee's performance, a role model can be presented in order to improve and inspire that staff member. Next, a shared vision is key. When employees perceive and understand the organization's goals, this can lead to them sharing the same objectives and achieving goals together. Finally, team learning is required. When employees learn together the best qualities in each employee can come to the surface and consequently the team is able to secure excellent outcomes (TOT Annual Report 2006).

This goal and the five components are displayed on billboards throughout company buildings. The program of the TOT Academy over the past year has focused on the 'learning organization,' with training programs available to all staff.

## **1.6 Scope of study**

This study explores the work practices of two work units in TOT through a process of internal benchmarking. The exercise serves as a catalyst to open discussion of work practices and administrative and organizational structures, encouraging thinking and discussion of possible changes, potentially leading to an interest and focus on becoming a learning organization.

The researcher's goal was to study and compare the two divisions and to utilize the findings to contribute to plans for continuous improvement.

The researcher identified two divisions within the Business Management Sector III of TOT that would lend themselves to internal benchmarking and the identification of the best practice. The study was conducted between 2000 and 2006. During this time, TOT developed as part of its corporate strategy with the goal to become a 'learning organization.'

TOT's interest in this benchmarking exercise was its potential to improve its revenue sharing process and thereafter other aspects of its operation. This would lead to the successful accomplishment of its goals, improved productivity and enhanced competitive positioning. The benchmarking exercise would assist in determining best internal practice for the staff concerned and possibly improve their working conditions, as well as to be instrumental in spreading the concept further throughout the organization and possibly beyond. The research took the form of an internal benchmarking study of Business Management Sector III at TOT's headquarters in Bangkok. The fieldwork comprised workplace observations, in depth, semi-structured interviews with staff and recording of their self-reflections on the revenue sharing process. Division I and II are responsible for handling the True concession, whereas Divisions III and V handle the TT&T concession. Division IV is responsible for the

asset management control of both concessionaires. Divisions I and III were selected for benchmarking with a view to studying their work performance and to identify possibilities for ongoing improvement.

Benchmarking is identified in the case study as an important part of the process towards becoming a learning organization.

## **1.7 Research questions**

This research aimed to evaluate, through an internal benchmarking exercise, the performance of Division I and Division III of TOT which have different but similar responsibilities to handle the work for True and TT&T with the aim of improving work performance. In this study there are four research questions:

1. What is the benchmarking process able to achieve?
2. Is the administration of the benchmarking process working?
3. How could the administration be changed to make it more effective?
4. How could Business Management Sector III be changed to make it more effective?

These questions do not specifically address the broader development of a learning organization as such but they can be related to this concept.

As indicated, this study used internal benchmarking and did not compare itself with any external organizations, either in Thailand or internationally. It is recognized that this is a restricted form of benchmarking, although it is regarded as legitimate (Vitasek and Mandrodt 2005, p. 55; Southard and Parente 2007, p. 162).

## **1.8 Research objectives**

The following research objectives are identified as being important in this study:

1. To compare, through an internal benchmarking exercise, the performance of Division I and Division III of TOT which have different responsibilities to handle the work for True and TT&T with the aim of improving work performance.
2. To provide a basis for the improvement of work performance.
3. To develop the skills and knowledge of Business Management Sector III staff.

4. To increase Business Management Sector III staffs' technical and professional capabilities.
5. To enhance Business Management Sector III staffs' working, and professional capabilities.
6. To evaluate previous professional activities.
7. To evaluate ongoing benefits/change.

## **1.9 Contribution to knowledge and professional practice**

This thesis provides a useful case study of benchmarking in the telecommunications industry in general and also contributes to a better understanding and utilization of benchmarking in the TOT business. By utilizing benchmarking in Business Management Sector III, it produces an important model of internal benchmarking that could be taken up and applied by a range of other companies that are not in a position to benchmark competitively. It provides a model of professional development to be used by other parts of the company. The case study of a national telecommunications organization provides a contribution to the specific industry nationally and internationally. It also provides a study of a traditional hierarchical Asian business organization embarking on a pathway to major change. The internal benchmarking carried out in the organization has provided a catalyst for change, contributing to a goal to become a learning organization.

## **1.10 Overview of the thesis**

This thesis follows a conventional structure with literature relevant to the thesis being explored in the following chapter. Chapter 3 addresses the methodology and methodological tools employed in the research, discussing the selection of a case study method, with internal benchmarking as a methodological tool. Camp's five phase model (Camp 1994, p. 14) provides a framework for the study and this informs the methods of benchmarking, interviews and self reflective journal writing and observation. Chapter 4 discusses the implementation of the methods for the research, chapters 5 and 6 the analysis and Chapter 6 presents and analyses the findings. Chapter 7 is used to discuss the themes that emerged from the study including the

movement towards becoming a learning organization and the researcher makes recommendations and draws conclusions. Finally, Chapter 8 reflects on the new knowledge obtained and the next steps to be taken in the organization, particularly with respect to continuing movement towards becoming a learning organization.



## **Chapter 2**

### **Literature Review**

#### **2.1 Introduction**

This thesis focuses on internal benchmarking in a major Thai telecommunications company, a study designed to compare the workplace practice and productivity of two departments. It is pertinent to situate this study within the literature relating to internal benchmarking, thereby providing a framework for the research. In particular, the work of Camp has been selected to provide a framework for the study. The conducting of internal benchmarking within the organization has lead to consideration of workplace learning, workplace practice, administrative and organizational change. The influence of the local context of this case study is also important to consider. The case study is of a Thai organization, and therefore the Thai and Asian context is discussed as well. There is the challenge of employing methods for change developed in the west and then utilized in an eastern country. The study has served to take the organization in a new direction, with the discussion and then planning to aspire to become a learning organization.

TOT, in facing a new century of globalization and an internationally competitive market, needs to consider change and learning as key aspects for survival and success. Ellinger, Ellinger, Young and Hawton (2002, p. 21), believe that competitiveness has become a key issue, in the light of increasing globalization and rapid technological advances. This is certainly the case in the telecommunications industry. As a result, they argue that there is increased emphasis on the 'knowledge economy' and that an important element is the skills levels in the workplace. They indicate that workplace learning can assist employees to continually upgrade their professional development on a constant basis. In addition, if the learning is work-based, it has direct relevance to the work tasks involved.

## 2.2 Benchmarking

Benchmarking is seen as one of the most effective tools for transferring knowledge and innovations in organizations (Goh and Richards 1997, p. 580; Harrington 1996, p. 41; Hinton, Francis and Holloway 2000, p. 55). Of even more importance, benchmarking used to support continuous improvement strategies is likely to have a positive impact on the organization's competitiveness (Karlof 1995, pp. 41-43; 2002, p. 65; Carpenetti and Mello 2002, pp. 246-248).

Reider (2002, p. 41), defines benchmarking as:

*A process used for analyzing internal operations and activities to identify areas for positive improvement in a programme of continuous improvement.*

Camp (1998, p. 33) says benchmarking is the search for industry best practices that leads to superior performance. Other scholars and practitioners have defined benchmarking in a variety of ways, from simple definitions to more complex ones. A simple definition is:

*Benchmarking is the process of drawing meaningful comparisons between a company's performance and the performance of identified best practices. For many companies, these known best practices can become a beacon for continuous improvement, pointing employees to better ways to get things done.*

(Vitasek and Mandrodt 2005, p. 55)

Webster's Dictionary (2003, p. 23) gives the meaning of benchmarking as a surveyor's mark of a previously determined position and is used as a reference point standard by which something can be measured and judged. Andersen (1999, p. 288), Baker (2001, p. 15), Center for What Works (2001, p. 1), indicate that benchmarking is a continuous, systematic process for evaluating the products, services and work practices of organizations that are recognized as representing best practice for the purpose of organizational improvement. Longbottom (2000, p. 12) says that benchmarking compares how the company does something to how others do the same or a similar thing. If one compares widely enough, one will find who does what best and so, by measuring the activity carefully, one will know what one has to do, to meet

that standard. Zairi (1998, p. 15) says that benchmarking can be defined as anything taken or used as a point-of-reference or comparison and something that serves as a standard by which others may be served. Welsh and Mann (2001, p. 431), Tinsomboon (1999, p. 38), indicate that the purpose of a benchmarking study is not only to compare for the sake of evaluation, but also to learn for achieving improvements. Benchmarking is to provide goals for realistic process involvement and an understanding of changes necessary to facilitate that improvement (Cappelli and Neumark 2001, p. 738; Center for Applied Research 1999, pp. 1-3).

With regard to the characteristics of benchmarking, Ribeiro and Cabral (2006, pp. 23-35) provide a useful assessment. They describe it as a comparative study, based on a structure of qualitative and quantitative indicators, to measure the performance within or between organizations. It can be applied to various industries and starts with a deep understanding of the internal processes (Center for Applied Research 1999, p. 12). Its main purpose is to learn from practices that support the best results but it can be a demanding process (Godard 2001, p. 777; Simmard and Rice 2001, p. 12). Because practices and performance change frequently, it is also a tool for continuous learning and improvement (O'Dell and Grayson 1998, p. 12; 2000, p. 2; Gallup Organization 2002, p. 3). As a result, organizations should adopt benchmarking as an ongoing process (Johnson and Seborg 2007, p. 23; Coopers and Lybrand 1996 (film); Public Service Benchmarking Service 2005, p. 3; American Productivity and Quality Center 2003, p. 2).

With reference to the different types of benchmarking, a number of authorities identify four basic types, depending on whom one compares with; these are competitive, functional, generic, and internal benchmarking (O'Dell and Grayson 2000, p. 12; Balzan and Baldacchino 2007, pp. 750-52; Reider 2000, p. 42). Competitive benchmarking, probably the most common form of benchmarking, looks outside the company, identifying strengths and weaknesses and helping to prioritize specific areas for improvement (American Productivity and Quality Center 2003, p. 3; Rolstadas and Andersen 2000, p. 13). However, it sometimes raises the problem of the sharing of sensitive information with competitors and it was not really available to TOT (Craig 2002, p. 268; Mandrodt and Vitasek 2004, p. 5; Simmard and Rice 2001, p. 15; Reider 2000, p. 42; Andersen and Pettersen 1996, p. 13; Andersen and Per-

Gaute Pettersen 1996, p. 20). Functional benchmarking is used when an organization wants to benchmark with partners drawn from different business sectors to improve similar functions or work processes (Andersen and Pettersen 1996, p. 13). Generic benchmarking, which is similar to functional benchmarking, focuses on the processes that are most important for a particular business by looking at similar processes in unrelated businesses or industries (Andersen and Pattersen 1996, p. 13). Internal benchmarking means benchmarking against internal operations and does not examine practices outside the organization. It is thus a more restricted form of benchmarking, but it can still be worthwhile and useful (Vitasek 2006, pp. 1-2). It can provide a framework for trying to identify 'best practice' within an organization as a preliminary step to external benchmarking or, in its own right, solely within a particular organization (Andersen and Pettersen 1996, p. 14; Reider 2000, p. 12; Simmard and Rice 2001, p. 15).

Internal benchmarking was selected for the TOT study and while it may be seen as the most limited form of benchmarking, it nevertheless, may be of considerable value. Reider (2002, p. 42) states that the effective use of internal benchmarking techniques allows a company to operate at optimum levels by performing the 'right' job, in the 'right' way and at the 'right' time. When applied consistently, internal benchmarking can be a preventative measure and it is part of TOT's plan that the particular activity be repeated and the information obtained disseminated within the organization. Reider (2002, p. 43) also claims that it can be used successfully for internal and competitive excellence. Rodjarkpai (2002, p. iv) in applying internal benchmarking to a case study of an organization which he studied, shows that this type of benchmarking can be effective.

*The research results showed that the study derived an effective and systematic model for quality improvement in the community hospital's (the organization studied) education program.*

Vitasek and Mandrodt (2005, p. 55) write more extensively on Internal Benchmarking. They define internal benchmarking as follows:

*Internal benchmarking is looking within a firm to find your own pearls of wisdom to leverage across the organization rather than looking outward to other companies or other industries. Today's companies want a quick return on*

*investment, and internal benchmarking can help reduce the amount of time to do benchmarking. In addition, it is often much easier for employees to buy in to a best practice when they can see the practice being demonstrated within their own company.*

(Vitasek and Mandrodt 2005, p. 55)

Tinsomboon (1999, p. v) describes benchmarking as a competitive and powerful tool and the results of his study give the information necessary to create best internal practice and lift the company's level of services to gain a competitive advantage. Vitasek and Mandrodt (2005, p. 57) indicate that since the pioneering work by the Xerox Company in the late 1970s, benchmarking has become an important and familiar management tool. However, as they point out:

*An extensive literature review reveals scant mention of companies that have benchmarked their internal operations. Moreover, in our consulting and research activities, we've seen only a handful of companies actively using internal benchmarking for competitive advantage.*

(Vitasek and Mandrodt 2005, p. 55)

Despite the 'scant' literature on internal benchmarking mentioned by Vitasek and Mandrodt (2005, p. 57), there is evidence, as already indicated, that using such a measurement tool is valuable and that companies which engage in internal benchmarking are better than companies which fail to do any sort of benchmarking. Theis (2000, p. 56) and Dunn (2001, p. 3), cite several American business persons who are proponents of this technique, for example, Schmalbach (cited in Dunn 2001) who notes that internal benchmarking is an effective process because it looks at both metrics and work practices. However, a note of caution is also given, and Dunn (2001, p. 4), claims that internal benchmarking may be dangerous, because there is an attempt to compare present performance with past performance to achieve improvement. This concern is, however, addressed in this study of the TOT by the use of metrics as well as interviews of the staff concerned and their self-reflection on how to improve the work process. Others have also addressed this concern (Skryme 2001, p. 35; Internal Benchmarking 2008, p. 3; Southard and Parente 2007, p. 161; Vitasek and Mandrodt 2005, p. 56).

As indicated, there are benefits mentioned in the literature about the use of internal benchmarking. As indicated by Southard and Parente (2007, p. 61) the practice of internal benchmarking can provide benefits of improved understanding of internal systems, establishing goals, measuring 'real' productivity improvements, becoming more competitive, giving organizational members new or better ideas to improve or to introduce change, and to become aware of 'best practices'. As indicated, Rolstadis and Andersen 2000, p. 15; Boxwell 1994, p. 33) comment on the benefit of conducting an internal benchmarking study. If a work group or work team conducts the research study themselves on their activities, and then communicates the results, these are probably more likely to be acceptable both by the members of the work group itself, and also by the management, than, perhaps, if such a study were conducted by an external body. Members of the work group, the internal benchmarking team, would become more knowledgeable about the benchmarking process and could provide a valuable resource to other parts of the organization wishing to benchmark their own activities. Selecting some or all members of a functional team can create a nucleus of staff with knowledge and experience in applying internal benchmarking which then can be available to assist in applying this technique to other parts of the organization. This process may also enable members of the benchmarking group to climb a 'learning curve', to develop and enhance its fundamental 'base of knowledge' about the work they do and probably also assist them to share this knowledge with other parts of the organization. Also, if the company uses internal benchmarking as a first step before proceeding to an external benchmarking exercise, the internal benchmarking process which it has already followed is also likely to assist it in this external benchmarking process and exercise, to enable all parties to share their knowledge of the benchmarking process, rather than it only being a 'one-way' process.

As indicated, a number of scholars and practitioners attest to the value of the internal benchmarking process. Vitasek and Mandrodt (2005, p. 56), Karloff (2002, p. 65), Reider (2000, p. 12) indicate the advantages that internal benchmarking offers and which can obtain quick gains by identifying internal best practices and transferring them to other parts of the organization, including assisting and educating those undertaking the benchmarking exercise to work in new ways and establishing both the benefits and problems associated with the benchmarking exercise. Rolstadas

(1998, p. 991) argues that successes within a company's culture and business environment may be demonstrated and it is possible to establish communication channels and a network for highlighting and disseminating improvements and innovations throughout the organization. It encourages the sharing of information and usually opens up communication processes. It gives the internal benchmarkers involved in the internal benchmarking process practice before engaging in an external benchmarking process, and it helps to generate an atmosphere and acceptance of, continuous improvement efforts. Also, it may identify possible gaps in performance in similar internal processes and areas of internal operational improvements without even going outside the organization, and this may give the overall organization a clearer picture of its problem areas. Furthermore, it may prioritize critical or important areas for benchmarking opportunities. This, in turn, may develop 'best practice' in a program of continuous improvement and assist in identifying and classifying key performance indicators and drivers. Possibly, also, one may focus on external benchmarking activities once one has identified one's organizational strengths and weaknesses, through internal benchmarking.

Vitasek and Mandrodt (2005, p. 55) note that:

*Internal benchmarking simply means looking inside your own company for best practices that can be leveraged across the organization rather than looking to other companies or other industries. The beauty of internal benchmarking is that it can be accomplished quickly relative to conventional best practice discovery. Internal best practices can often be borrowed more easily because of the greater commonalities – particularly the objectives and cultural guidelines – between groups within one company. Additionally, it is often far easier to gain access to layers of information from a sister division or group than from an outside company.*

Internal benchmarking has been employed in a number of studies for workplace improvements. Examples include a study for continuous improvements in Store Development Process for Ikea (Martensson and Servin 2002), cost effectiveness in Britain's Rail Network (2003) and productivity growth in the Lisbon Police Force (Barros 2006).

Internal benchmarking, then, is considered to be a method suitable for this study and desirable for TOT as a first step towards the process of moving towards organizational change and to becoming a learning organization. By the use of internal benchmarking, TOT should be able to create more effective communication channels and disseminate improvement more effectively throughout the organization. The early gains are to identify best practices and, as far as possible, transfer them to other parts of the organization. Moreover, with TOT conducting this research itself, the findings and recommendations are considered to be more likely to be more readily accepted than if they came from external research. Camp's five phases for the conducting of internal benchmarking form a framework for study and for the methodology utilized which is discussed in the following chapter. These five phases are, the planning phase, the analysis phase, the integration phase, the action phase and the maturity phase. (Camp, 1994, pp.14-16)

## 2.3 Learning in the workplace at TOT

Kolb (1984, p. 38) defines learning as follows:

*Learning is the process whereby knowledge is created through the transformation of experience. This definition emphasizes several critical aspects of the learning process as viewed from the experiential perspective. First is the emphasis on the process of adaptation and learning as opposed to content or outcomes. Second is that knowledge is a transformation process, being continuously created and recreated, not an independent entity to be acquired or transmitted. Third, learning transforms independent entity to be acquired or transmitted. Fourth, learning transforms experience in both its objective and subjective forms. Finally, to understand learning, we must understand the nature of knowledge, and vice versa.*

Internal benchmarking is an activity which can prompt a heightened awareness and interest in learning in the workplace. The study at Ikea (Martensson and Servinm 2002), indicates how Ikea used internal benchmarking to decrease construction costs and to improve construction performance when building new stores. Barros (2006) reports on productivity growth in the Lisbon Police Force as a result of the use of internal benchmarking.



Funk (2006, pp. 1-36) examines the mobile phone industry in Japan as a result of deregulation, globalization and technological change. He does not specify benchmarking, nor, indeed, the concepts of the learning organization or knowledge management as such, but he does identify the need for change. He says (p. 21):

*Technological change provided new entrants, which were the result of deregulation, with opportunities, and encouraged domestic firms to use foreign technology (globalization).*

This is similar to the potential changes facing TOT.

Internal benchmarking provides for learning in the workplace. The internal benchmarking conducted at TOT provided an impetus to discuss learning in the workplace at all levels of the organization.

Learning in the workplace is a goal to be achieved as part of TOT's new mission and vision (TOT Annual Report 2006). Evans, Hodkinson, Rainbird and Unwin (2006, p. 8) suggest that learning in the workplace refers to learning opportunities that may be narrowly or broadly defined. An example of the former would be job-related training, and an example of the latter would be general education, that may be directly or indirectly related to the job. Sutherland (1998, cited in Evans *et al.* 2006, p. 7) defined workplace learning as referring to learning which derives its purpose from the context of employment. Evans *et al.* (2006, p. 7) explain learning in the workplace as learning opportunities which are accessed by employees through their relationship to the employer. Hales (2004, p. 22) defines workplace learning as:

*It is the sort of learning that people get when they are on the job, rather than sitting in an educational establishment. It consists largely of informal learning garnered from watching others work, from coaching and mentoring, though some of it might be formalized into a systematic developmental program. In short, it covers things people learn that are relevant to their job.*

Watkins and Marsick (1999, p. 31; 2003, p. 44 ), identify workplace learning as the way in which individuals or groups acquire, interpret, reorganize and change the way in which people construct meaning in their personal and shared organizational lives. Boud (1998, p. 12; 2000a, p. 18; 2000b, p. 23), and Boud and Solomon (2001, p. 15) identify the workplace as an important site of learning. Boud (1998, p. 2) states that:

*Workplace learning is attracting attention for a number of different reasons. The workplace is becoming the site of both learning associated with enhancing the development of the enterprise through contributing to production, effectiveness and innovation, and to the development of individuals through contributing to knowledge, skills and the capacity to further their own learning with respect to their roles as employees and as citizens in wider society.*

Billett and Somerville (2004, p. 310) indicate that research into workplace learning will be essential for people to appreciate the relationship between forces for individuality and empowerment and those directed towards socialization. This can be seen to contrast with approaches to organizational learning which emphasize wholesale changes to organizational cultures, where the learning of one individual is the source of changes affecting the system - where one person's learning becomes a force for socialization of the other organizational members.

Workplace learning has become an important organizational issue (Sloman and Webster 2005, p. 60). It concerns the ability of people to learn, which can be a source of competitive advantage (Doos, Wilhelmson, Backlund and Dixon 2005, p. 482; Eddy, D'Abate, Tannenbaum, Givens-Skeaton and Robinson 2006, p. 60; McGrath, 2001, pp. 118-131). In addition, learning has been linked to individuals' problem solving abilities (Brockman and Dirk 2006, p. 200) and to the organization's performance in a business context (Ellinger, Ellinger and Keller 2002, p. 21).

Beckett (2000, p. 41), Beckett and Hager (2000, p. 300) recognize that learning in the workplace requires a holistic approach, which means that all the staff in the organization must be engaged and involved. This involves not only intellectual considerations but also considerations of employees' emotions and values, as well as their work practices. Beckett (2000, p. 42) shows that the workplace can help to develop the whole person through mentoring and having well-managed projects and sound assessment procedures, leading to focused behavior. Stevens, Ashton and Kelleher (2001, p. 13) indicate that, to understand workplace learning, it is crucial to distinguish between training acquired away from the job and informal learning obtained on or close to the job. Training is seen as formal learning experiences, often given by professionals, whereas informal learning comes from experience.

There are specific opportunities of workplace learning in TOT. Previously as a monopoly TOT provided a modest range of training opportunities. With privatization, there has been a steady increase in the type and level and amount of training made available to employees both inside and outside the organization (Funk 2006, pp. 1-36).

Newly recruited employees will first join an orientation program for a short period, usually a half day, to learn about the general conditions of TOT, for example, TOT's organization chart, salary structure, working hours. In addition, since the knowledge from school is not enough for TOT's technicians to efficiently do their jobs, training in the technical field is provided by using equipment or systems supplies, operational manuals, and peer-coaching. The workers in administration sections will also gain experiences, knowledge, and skills not only from peer-coaching, but also from self-study, operational manuals, systems suppliers, and through trial and error. In order to monitor the capabilities of employees, supervisors and managers are required every year to analyze if their staff have sufficient capabilities required to perform their job responsibilities effectively. The gaps between actual and requisite competencies determine if and how the staff need to improve their competencies, through, self-study, coaching, training, and job rotation or a combination of these factors. Other learning sources in TOT are regularly scheduled and as requested courses at the TOT academy for interested employees either learning through e-learning or attending regular classes. News from both within and outside TOT and the learning website titled 'knowledge-based society' which is available on TOT's intranet, provide considerable information such as details of e-learning, library and technology material availability.

The TOT Academy Institute provides programs on computer programs, knowledge management, language courses and the learning organization. All programs were previously free to employees, however there is a shift to their departments paying for their training.

Some barriers to workplace learning refer to the long-standing problem of transfer of training and include limitations of instructional technologies (Billett 2001, p. 12). The organization should facilitate and motivate staff learning in the workplace and

workplace learning can be improved if an effective attempt is made to remove barriers. Moreover, communication and participation in decision making are also important. Furthermore, learning from mistakes and problem-solving with other workers are also important factors (Evans, Hodkinson, Rainbird and Unwin 2006, p. 15; Evans, Hodkinson and Unwin 2007, p. 23; Cairns, Malloch and Burns 2005, p. 3). Some people lack self awareness and might not know what needs to be learned, and personal factors, such as being hesitant to accept challenges, can be an additional barriers (Hicks, Bragg, Doyle and Young 2007, p. 12; Coutu 2002, p. 100).

Workplace learning undertaken effectively offers an opportunity for an organization to move towards becoming a learning organization. This, however, is dependent on synergy, clear goals, adequacy and quality of resources, knowledge and competency, management leadership, employee acceptance, involvement and teamwork and co-operation in terms of planning, performing, reviewing and evaluating. Given the right types of conditions, learning organizations are likely to become highly successful organizations (Belanger 2002, p. 143; Evans *et al.* 2006, p. 42).

At TOT there is a desire for workplace learning among staff but these efforts need to be coordinated so that all management and staff are engaged (Beckett 2000, p. 43). The workforce needs to be more competitive in the face of growing globalization and technological improvement. TOT's staff who are concerned with revenue sharing also lack some important resources to fully realize workplace learning and need to upgrade their professional development, as indicated later in this study. Informal learning from others does exist within TOT but it is largely uncoordinated and could be significantly improved.

## **2.4 Learning through work experience**

Several authors, including both Revons (1982; 1998) and Kolb (1984), and more recently published authors' works (Beckett 2000, p. 42; Boud 2000b, p. 152; Miller 2003, pp. 14-23) emphasize the messy and confusing nature of reality. Experiential learning is the ideal way of learning within unfamiliar and changing situations that do not behave in a stylized, predictable fashion, such as research. Adults have been

found to learn more effectively by doing or through experience, they have learned in real life and in the workplace or an organization.

This internal benchmarking study focuses on the work process of revenue sharing of Division I and Division III. Work plans were performed repeatedly so that best practice could be produced. Therefore, the learning experience was related to the learning process of participants in performing the internal benchmarking process.

The concept of learning is facing fundamental changes in the context of the global knowledge economy. One important source of change is the accelerating speed of scientific and technological advancement; learning beyond training, and knowledge for development, so it is all the more important to update the skill and competencies of staff within TOT. Lifelong learning is a process which is increasingly essential for the workforce of any organization and, in order to become competitive and to sustain that competitiveness, organizations will need to develop processes that enhance the learning of their staff throughout their working lives with the organization. Longworth and Davies (1997, p. 22) say that:

*Lifelong learning is the development of human potential through a continuously supportive process which stimulates and empowers individuals to acquire all the knowledge, values, skills and understanding they will require throughout their lifetimes and to apply them with confidence, creativity and enjoyment in all roles, circumstances, and environments.*

Lifelong learning is defined as meaning that one can and should be open to new ideas, discussions, skills and behaviors throughout one's life. Effective internal corporate training is one method to try to develop a dynamic employee base, which is better able to react in a quick and flexible e-manner to a rapidly changing organizational environment. Knapper and Cropley (2000, p. 9) say that:

*The single crucial element in the notion of lifelong learning is to be found in the word 'lifelong': it embraces a set of guidelines for developing educational practice in order to foster learning throughout life.*

Furthermore, the National Education Act (Thailand) (1999, p. 2) indicates that:

*Lifelong education means education resulting from integration of formal, non-formal, and informal education*

*so as to create ability for continuous lifelong development of quality of life.*

Lifelong learning is the key to career growth and therefore, is an important consideration for TOT employees. Although employees in Business Management Sector III have tertiary education at least, at first degree level, and sometimes beyond this level, this, by itself, is insufficient to sustain them through their careers. TOT needs to find more effective ways of improving staff learning with the limited resources it has available. There is a general need to both meet the expectations of customers and to be competitive, and this is particularly important in high technology industries. A lifelong learner needs to learn from different sources, whether these are formal or informal settings, from peers, mentors and by one's own efforts (Hodkinson, Ford, Hawthorn and Hodkinson 2006, p. 12).

Lifelong learning is a process which indicates that individuals can and do continue to learn throughout their lives.

We tend to confuse learning with formal education at schools, colleges, and universities but learning is, in fact, a continuous process throughout our lives.

Finally, for successful lifelong learning the organization should try to introduce conditions, policies and approaches which assist in motivating staff to participate in the learning process. A love of learning will usually only emerge if it is enjoyable and if it is seen as providing a tangible benefit to the individual and/or to the organization (Longworth and Davies 1996, p. 138; Jarvis 2001, p. 12).

Lifelong learning is related to formal education, informal and non-formal education and self-education. The TOT organization and management understands this and gives support to staff to undertake higher education, such as Certificates, Diplomas, Degrees and Higher Degrees in fields presently related to their jobs or to develop them for higher level jobs. In addition, staff improvement on-the-job is also necessary. This may involve attending in-company or external training related to their jobs and their interests. The process of continuous learning and improvement should be followed both within and outside the organization. Supporting staff to undertake

self learning such as learning through the internet is one form of informal education. These are ways to assist staff to become lifelong learners.

In the case of the revenue sharing process where staff want to learn in order to implement improvements into their jobs, this not only improves the work process but also develops the staff to operate more effectively in their jobs. Therefore, the organization needs both the knowledge of its employees and new technology for improving its overall capability. There are several ways the TOT organization and management can assist its staff to develop a lifelong learning capability and approach. Staff may act as trainers, coaches, mentors, and curriculum designers for training and development programs to assist other staff in the learning process and this may have a 'snowballing' effect as newer and/or less experienced staff develop and, in turn, are enabled to join in this developmental process. This is likely to cause an improvement in the overall organizational effectiveness.

## **2.5 Change and organization development**

The telecommunications industry in the USA grew considerably in the late 1990s and into the 2000s. Rapidly changing technology, an increasing substitution of wireless technology for traditional landline services (as offered by TOT) and declining profits combined to cause the telecommunications bubble to burst. In 2006 there was considerable consolidation and several large mergers, which all point to continuing change in the industry (Carbone 2006, p. 27). In the Asia-Pacific region, where TOT is situated, changes in task environment led to lower profitability rates and Ahmad and Chiaskul (2005, pp. 158-160) conclude that a firm's ability to respond to change in the task environment is reflected in changes in resource deployment. Another relevant study of this industry in Asia is that of Funk (2006) who examines aspects of this industry in Japan.

Compounding the difficulties caused by change is resistance to change itself. Jiang, Muhanna and Klein (2000, p. 27) and Piderit (2000, p. 784) indicate how it is difficult to change and how everyone resists it in some way.

In assessing its position in the international and national telecommunications market, TOT considers that it needs to change in order to remain competitive. This is a view endorsed by researchers on organizational change. (Berry and Grievies 2003, p. 294; Burns and Senior 2005, p. 30; Rock 2007, p. 18; Schramm 2007, p. 152; Armstrong 2007, p. 5). As Donnelly, Gibson and Ivancevich (1998, p. 440) reinforce this view:

*Large companies, such as IBM, General Motors and Ford are devoted to the preparation of future managers and to the issues associated with managing change. The change effort may focus on the way in which the organization is structured, the behavior of employees, or the technology that is used in getting the work done. Therefore, Organization Development is a method for facilitating change and development in structures and processes (e. g. relationships, roles), people (e.g. styles, skills), and technology (e.g. less routineness, more challenge).*

Drucker (1995, p. 6), Dunphy, Griffiths and Benn (2003, p. 15), Senge, Kleiner, Roberts, Ross, Roth and Smith (1999, p. 4), Senge, Kleiner, Roberts, Ross and Smith (1998, p. 23) indicate that change is axiomatic to organizational life, and an organization that ceases to respond effectively is balanced on the fine line between stability and stagnation (Whiteley 1999, p. 12). Waldersee and Griffiths (2004, p. 424) suggest that many staff will press for change because they are dissatisfied with events and will push those staff who want to hold on to what they do now because they are satisfied. Tucke (2001, p. 82) asks:

*Why is it so difficult to sustain change? Over the past two decades, organizations have embarked upon change journeys to meet the challenge of increased global competition, new markets and the pace of technological development. In their attempt to respond quickly to external changes in the environment, most have failed, even after some initial success.*

Drucker (1995, p. 8) says that change is not just about the creation of new policies and procedures to implement external mandates. It is also about the development of personal strategies by individuals to respond to, and seek to influence the impact of, cultural change and personal change as much as organizational change. Jiang, Muhanna and Klein (2000, p. 27) indicate that people will accept change more readily if the change is conveyed in a particular way, when everyone sees how the change will fit into the organization and how it will affect their daily tasks.



In 2004, TOT started two years of restructuring and began the implementation of a new organization structure with the formation of business groups. Internal communication ensured that staff were aware of, and appeared to accept that, these changes were necessary in order to be competitive in the new telecommunications industry environment. The new organization structure was implemented under a revised ownership structure with a need to upgrade knowledge and skills. All these practices are in line with the TOT mission. The TOT Academy is the core department in enhancing competencies for all staff in order to enhance competitiveness and achieve business goals (Brewster, Darling, Grobler, Keller and Warnich 2000, p.12; Gilley and Gilley 2002, p. 21; Dunphy, Griffiths and Bann 2003, p. 14).

TOT has revised its business strategy and restructured the organization in order to achieve its main goals. These are to offer a complete range of quality telecommunication services to customers, to develop best practices management, and introduce the 'Decentralized operation-Centralized control' concept that focuses on marketing and operations business groups in direct contact with customers (TOT Annual Report 2006).

The company also was prepared to initiate human resources improvements in response to the new organization structure. All staff would be trained in order to develop their capabilities and attitudes towards customer service to try to create a feeling of applications under its policy, to implement Balanced Scorecard practices (Kaplan and Norton 1996, pp. 147-150) in order to transfer strategy into action in the four areas of finance, customer service, internal processes, and learning and growth and apply strategic assessment of management performance contracts.

TOT has therefore undertaken major initiatives for change in the organization, the implementation of which faces the additional challenges of operating within an Asian cultural setting.

As indicated in Chapter 1, cultural factors are also significant in this context. Management in Thailand is characterized as being paternalistic, hierarchical, and traditional (Robbins and Coulter 2002, p. 3), with top-down (generally, paternalistic) management, and promotion based mainly on seniority (Adams and Vernon 2004;

McCampbell, Jongpipitporn, Umar and Ungaree 1999, pp. 318-320). Associated with this is the additional aspect of the transfer of approaches developed in western countries and cultures to Asian countries and cultures which generally have significantly different national and corporate cultures than western countries. This is certainly the case in Thailand (referred to in Chapter 1).with approaches to looking after one's employees, maintaining a larger than necessary workforce, fear of transfer or relocation of employees, loss of position and/or a reduction in salary and/or benefits.

Donnelly *et al.* (1998, p. 440) state that change is a pervasive, persistent, and permanent condition for all organizations. Most organizational change efforts eventually run into some form of employee resistance. Change triggers rational and irrational emotional reactions because of the uncertainty involved. Planning the change and aspects of its timing are critical to the process of a learning organization. Rock (2007, p. 18) contends that:

*Organizational readiness is the approach that organizations should take to move employees through major, often systematic change. Whether the change entails a company merger, management restructuring, work force reduction or any other transformation, readiness is more than just smart anticipation. It is imperative for success, especially when time is critical.*

Throughout all this disturbing change process, it is nevertheless important to maintain some continuity and protect the company's core values. As Schramm (2007, p. 152) says: *'Although successful companies must be able to manage change effectively, often it's just as important to maintain continuity.'*

One such process, which appears to have proved to be reasonably successful in application in both small and large change projects, is discussed by Hirtt, Creasey, Dutmers, Johnson and Boyd (2006, p. 1) and this identifies seven roles. These are to establish leadership and commitment, create a vision for the change, communicate and share information, establish powerful change teams, empower others to act on the vision, institutionalize the new approach and evaluate success and identify areas of continued focus. Of course, while these factors might be relatively easy to indicate, they are not easy to put into practice!

These are the types of change that the TOT Board identified that it needs to implement and so the organization must be prepared for resistance to change, and plan for it. Jiang, Muhanna and Klein (2000, p. 27) Waddell and Sohal (2004, p. 354) advise that resistance to change is caused by work, individual and social factors. Work- related factors involve fear of new technology and unemployment, changes in work conditions, fear of transfer or relocation, loss of work position and a reduced salary. Individual factors involve fear of having to improve skills, fear of criticism about present work or unsuitable situations. Social factors involve resistance to a new control system, to a change in social behavior and fear a lack of participation in coping with change.

Piderit (2000, p. 785) says that resistance to change is caused by a feeling of instability, employees' fear of losing benefits that they are used to receiving, fear of losing authority and control and creation of cultural shock. Jiang, Muhanna and Klein (2000, p. 28) see the causes of resistance to change as economic factors (reduction of benefits), inconvenience factors (transfer or elimination of a position), uncertainty (feeling threatened), resentment (towards new orders or decreased control) and union attitudes (cooperation and participation of any union/s is important).

Dent and Goldberg (1999, p. 25) suggest that to reduce resistance to change, employees should be told about the organization's future management and be allowed to participate in the change. Improved communication methods are helpful for this. A reward system should also be introduced to complement the change process. If a new program or technology is to be introduced, employees should be allowed to participate in the decision making process (Arvind 2005, pp. 8-12).

It is not only resistance to change but its consequences that often are feared, if other players are able to take advantage and fragment the industry to their own advantage. Hindle and Rwelamila (1998, p. 155) conclude that:

*Change is not simply desirable, it is essential. Without change, the symptoms of a sick industry, such as further fragmentation, poor image, declining quality standards, a declining number and caliber of recruits, skills shortages, and client dissatisfaction, will simply proliferate.*

This point of how resistance to the introduction of information technology is seen as the cause of fragmentation and loss of direction in the industry, with others profiting and customer's suffering is an important one. The telecom industry is a 'high-tech', industry and TOT must heed this type of warning. The root cause of this resistance is fear. Ford, Ford and McNamara (2002, p. 105) indicate that this fear is easier to prevent than it is to remove once it has developed. This supports TOT's decision to embark on change in a planned way, so that resistance is likely to be minimized because of early staff involvement and participation.

After the corporatization of TOT in 2002, the management held a meeting to help staff to understand and recognize the importance of change management, particularly by being able to select and undertake training at the TOT Academy, in order that they would be better prepared for local and international competition. TOT is committed to the education and training of all staff. There are also rewards for those who are responding to competition and who demonstrate good work performance. The process of acceptance of change, however, takes time and cannot take place until new ways have been taught and learnt.

TOT, however, has undergone some reorganization in order to try to become more competitive. The restructured organization is more flexible and more suited to the new business strategies. The company applies the balanced scorecard principle to management in order to try to transfer good business practices to every level and to try to ensure that every department has clear objectives that are applied and implemented in a consistent manner. TOT is endeavouring to develop and improve operations to be more efficient and effective through performance-based management.

Learning is the key to TOT's strategy, as indicated in the 2005 Annual Report. The internal benchmarking between the two divisions has prompted discussion and research in the company into the concept of learning organizations, thereby contributing to TOT's achievement of the goal of becoming a learning organization.

Human resources are now often acknowledged to be the most valuable asset of every organization, driving and sustaining organizational growth. TOT Corporation Public

Company Limited needed, therefore, to systematically formulate human resources policies and strategies in accordance with strategic key performance indicators, in order to build the qualified human resources necessary to create and launch effective innovation and services, to exceed customer needs and expectations, and to excel in a competitive business environment. To do this, the Human Resources Department aims to address the learning and growth indicators by placing competent employees in appropriate jobs, creating and fostering a positive working culture and attitudes toward colleagues and the organization; and identifying and establishing employee competency development plans and developing employee competencies in accordance with corporate strategies.

Boontis, Crossan and Hullan (2002, p. 437) say that learning can be thought of as a process by which behavior changes as a result of experience. Ormrod (2006, p. 12) suggests learning is a relatively permanent change due to experience. TOT's commitment to learning can possibly contribute to employees adjusting to change.

Experiential learning, although associated with lifelong learning is a rather special aspect of learning. It is learning from experience, both explicit, such as attendance at training courses, on-the-job training, etc., and implicit, such as when one becomes more familiar with all aspects of one's job.

Boomer (2007, p. 22) indicates that a training and learning culture is key to retaining and attraction of effective employees. He defines this culture as one in which the organization is cleverer and more productive. He says that training and learning is a two-way street where everyone learns and everyone trains and this requires seven key features, namely, a champion, an education director or learning coordinator, fostering relationships, accountability, facilities, learning management systems and budget resources (Edmondson 2002, pp. 128-146; Watkins and Marsick 2003, p. 22). Facilities, such as office equipment, will have to be improved and the necessary budget resources put in place. However, cultivating this kind of culture is, according to Boomer, not easy and requires vision, resources and an enthusiastic champion. He adds that the new generation workers prefer the best technology and related training to enhance individual productivity and efficiency. Ranganathan and Kannabiran (2004, p. 247) note that information systems and technology have become increasingly important in improving competitiveness and overall business

performance. They conclude that of five parameters which determine the ultimate effectiveness of the information system function, a most important aspect is the supportive role of top management.

Academic scholarships to study at higher degree levels at local or foreign institutions in areas of interest and relevance to TOT's strategy are one way to improve organizational efficiency and effectiveness. This will equip selected company employees with the necessary knowledge and competencies to compete in a liberalized market and with an awareness of knowledge as the key element to innovative productivity. Training is also the main responsibility of the TOT Academy. Technical and managerial courses are designed and developed in accordance with competencies, strategies and targets, for employees at every level and in all functions. Expert instructors are invited to share knowledge and experience. Furthermore, the TOT Academy provides knowledge in a user-friendly, ready-to-use and effective time and expense model, and is available anywhere and at anytime. Resource libraries for general and specific fields of knowledge are provided, equipped with extensive academic texts and media form. External training and cooperation with other institutions in Thailand and overseas are also arranged. IT-based learning using electronic distance learning (videoconference and e-learning) is also available. This form of education saves resources.

Learning is not just for those in the lower levels of the organization, but for leaders and managers, also. Leaders and managers should always be probing and testing their staff for insights and new ideas and, by doing so, they will enhance their own authority. Part of the learning process is making mistakes, so employees should not be afraid of doing a new job but should welcome the opportunity (Welsh and Mann 2001, pp. 431-452). Learning is viewed as a process of critical self reflection that can lead TOT towards transformation.

## **2.6 Adult learning**

Knowles (1984) (cited in Duxbury and Press 2007, p. 14) contends that as people mature, they go from being dependent to self directed learning; they draw on their life experiences to help them learn and they learn to improve their abilities to perform

within social roles. Adults learn to solve problems, which they want to do immediately and they motivate themselves to learn.

When we work, our experiences all contribute to our learning. Fleming (1997, p. 15) identified the importance of learning experiences with a task-centered, problem-centered, or life-centered orientation as well as motivation by intrinsic and extrinsic factors. Adults learn in groups or teams. Team learning is an opportunity to pool experiences and experiment with ideas as a learning process. Edwards (2006, p. 25-36) argues that:

*Years of research indicate that collaborative learning results in motivation to learn, more permanent outcomes, skills for working in a group process, and safe spaces for risk taking...members learn how to learn together, and in the process give them success skills for work and life.*

The working culture in Business Management Sector III is in the form of teamwork. (TOT *Annual Reports 2003-2007*). Each division in Business Management Sector III follows a procedure step-by-step. The working procedure flows from one staff member to another and needs cooperation of staff. This process leads to an exchange of experiences among staff in each division and strengthens teamwork.

Having established that adult learning is desirable and works, it requires a considerable degree of skill to undertake it. Advice on best practices for adult learning in the corporate environment is provided by Sims (2006, p. 40) who advises that enterprise learning should be planned and sequenced to provide learning experiences when needed and requires a great deal of hard work to accomplish:

*Enterprise learning's objective is changing adult behavior... it is to help adults learn more effectively and efficiently and then do things according to what they learned.*

Sims (2006, p. 41) says that learning means ultimately changing behavior and that this is not normally achieved by putting forward a master or mentor to talk to the staff. It involves 'doing', where participants must participate and this demands effort on their part, making them tired. Consequently, it is wise to restrict training to short, digestible sessions, allowing learners to internalize the experience and then talk about it with others. Furthermore, adults learn at different speeds and training initiatives

have to be designed accordingly, using all the different training media available (Hase, Cairns and Malloch 1998, p. 12). TOT whilst expressing the aims to encourage this approach to learning in the workplace, faces major challenges to be able to transform the organization.

The internal benchmarking exercise brought people in the Business Management Sectors III, Divisions I and II together to identify and to begin to address problems, and, in doing so, there is professional development of both the individuals and the organization.

## 2.7 Action learning

The major writer in this area was Revons who wrote on this topic for many years and continued to do so almost up until the time of his death in 2003. He produced a number of significant books on this topic (Revons 1980; 1998).

As indicated, Revons preferred to use the term ‘Action Learning’. As far as can be determined, he did not use the term, ‘Learning Organization’ although he was almost certainly familiar with this term. Nevertheless, his concept of Action Learning was similar to that of the Learning Organization. This can be seen by referring to Figure 2.1.

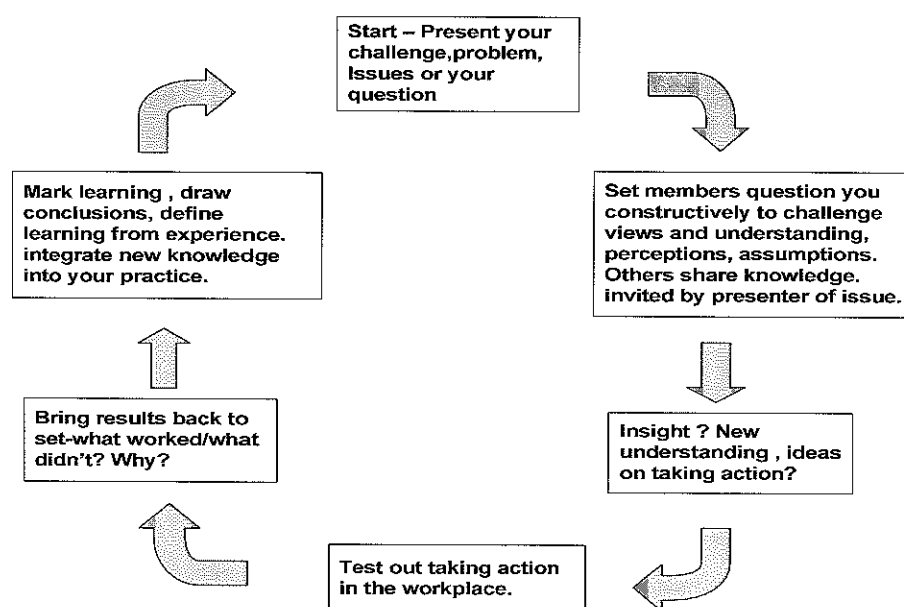


Figure 2.1: Revon's Concept of Action Learning (R.W. Revons 1998, p.26).

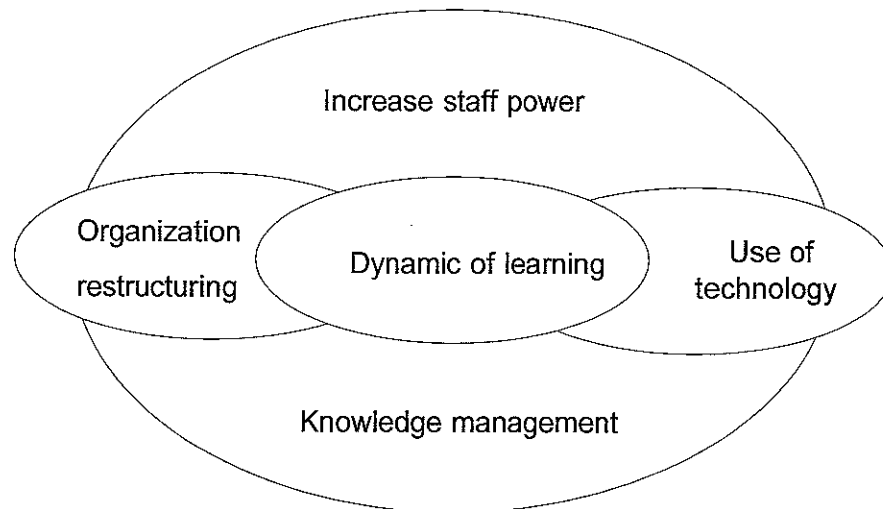


Action learning has also been quite a popular subject in the academic literature (McGill and Beaty 2001, pp. 1-15; O'Hara, Webber and Reeve 1996, pp. 16-21; Smith and O'Neill, 2003, pp.154-166.).

## **2.8 The learning organization**

An organization is a deliberate arrangement of people to accomplish some specific purpose. Organizations are composed of three common characteristics and each organization has a distinct purpose. Each organization is composed of people and all organizations develop some deliberate structure so that their members can do their work. It is a significant opportunity for staff to learn as part of their work (Billett and Somerville 2004, p. 310). The learning through the internal benchmarking exercise at TOT has impacted on the perspectives of employees and management as to the structure of the organization.

Garvin (1993, p. 78), defines the learning organization as 'one that proactively creates, acquires and transfers knowledge and that changes its behaviour on the basis of new knowledge or insights'. The learning organization focuses on enhancing its systems to continually increase the organization's capacity for performance. Marquardt (1996, p. 21), Gilley and Maycunich (2000a, p. 12; 2000b, p. 15), Ellinger, Ellinger, Young and Hawton (2002, pp. 5-21) suggest that the organization will be able to gain a competitive advantage and achieve sustainable growth in a changing environment but it needs to develop to become a learning organization. According to Marquardt (1996, p. 21), the learning organization consists of five elements, the dynamics of learning, organization restructuring, increased staff power, knowledge management and use of technology. These five elements are shown in Figure 2.2.



**Figure 2.2: Learning organization elements (Marquardt 1996, p. 21).**

Marquardt (1996, p. 21) suggests that the dynamics of learning is the most important element. It can occur at the personal level, team level, and /or organization level since learning is the core part. If we can create sustainable continuous learning, it will be an important basis for the development of the other four elements. Also, if sustainable continuous learning occurs at all levels, it will lead to effective knowledge management and technology management. Then it will finally make the organization move to become a learning organization. Garvin (cited in Craig 1996, p. 80) offers a further definition:

*A learning organization is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights.*

Robbins and Coulter (2002, p. 47) state that a learning organization is an organization that has developed the capacity to continuously learn, adapt, and change. In addition, they argue that knowledge management involves cultivating a learning culture, in which organizational members systematically gather knowledge and share it with others in the organization to achieve better performance. Senge (1990, p. 30), who was the first authority to coin the term, learning organization, adds the five underlying disciplines of the learning organization namely, team learning, shared organization vision, the use of mental models, high levels of proficiency and a comprehension of systems thinking.

Jarvis (2001, p. 13) indicates that organizational learning is when the process of the organization's knowledge and value base changes which leads to improved problem solving ability and capacity for action. If this becomes an organizational goal and policy for implementation, then an organization may be regarded as a learning organization.

Senge *et al.* (1998, p. 5) indicates that the components of the learning organization are a group of people or a community working together to continually increase their capacity to generate what they want to build. Bhindi (1997, p. 18) identifies the characteristics that are essential for a learning organization. A learning organization involves a 'culture of continuous improvement', where risk taking is tolerated and even supported. Leadership must be people-orientated and helpful.

Craig (1996, p. 78) indicates the main activities for successful learning organizations. They need to have systematic, problem solving skills and be able to experiment with new approaches. An ability to learn from the experiences and best practices of others is essential and they must be able to transfer knowledge quickly and efficiently throughout the organization. In his view, many companies practice these activities to some degree but few are consistently successful. This is because they lack the systems and processes that support these activities and fail to integrate them into their daily operations. Companies that can achieve this integration can manage their learning more effectively.

With the vision of being a leading innovative telecommunications operator and in order to maximize customer satisfaction, human resources development is a significant strategy to enable TOT to sustain organizational growth and competitive advantage (Harrison 2004, p. 777). Driven by efficient and competent employees, the strength of the company is the consistent creation of breakthrough innovations. TOT, therefore, has focused on employee development through the TOT Academy, which was established in cooperation with the Thai Government and the International Telecommunications Organization in 1993 to develop knowledge, skills and performance in accordance with organizational competencies. A wide range of courses and programs are provided, together with learning activities such as the TOT annual skills competition.

Through cooperation with academic institutes in both Thailand and overseas, technological, managerial and marketing courses are customized and arranged for both TOT employees and are available to the general public. In 2006, for example, a total of 228 courses were designed and these accommodated almost 36,000 participants. Modern learning channels, in addition to in-class learning, have been adopted to create awareness of the need for life-long learning and performance improvement: In times of a rapidly changing environment, intense competition and the requirements of telecommunications liberalization, TOT has recognized the urgent need to adapt consistently to cope with many challenging uncertainties as they emerge or develop. Effective leadership and management strategies or technologies alone, while all important, may be insufficient to meet these challenges. Therefore, a learning and growth policy and strategy was formulated to try to increase and improve employee knowledge and also support was given to the greater development of effective teamwork within the TOT organization.

Through the TOT Academy, TOT has facilitated knowledge management within the organization to support an intelligent or learning organization strategy in which all employees at all levels are more likely to be willing to share their knowledge with other employees, develop broader vision, achieve personal insights and develop greater capabilities, and continue to learn. Creating awareness and participation in knowledge management activities by employees at all levels is also likely to lead to improved performance. Creating and supporting a community of practice is necessary for all jobs and creating a TOT knowledge-based society as a knowledge center is the intention (<http://kbs.intra.tot.co.th>; Di Stefano, Rudestan and Silverman 2003, p. 45; Evans, Hodgkinson and Unwin 2007, p. 33).

TOT has a policy to use key performance indicators to indicate to staff their performance in order to assist them to achieve the goals of their jobs which in turn, will lead to the achievement of the organizations' goals. Achieving the organization's goals, TOT will achieve a competitive advantage. Therefore, TOT needs to develop a training and staff developmental program to create staff self-development and to encourage an environment of teamwork in order to create unity and to promote staff to share their vision with other employees. As indicated, TOT has developed Key Performance Indicators (KPI) as another tool which helps to focus on those key

performance areas and monitors performance in these areas (Parmenter 2007, p. 8). While many organizations use KPIs and these may not necessarily be seen as part of a movement towards becoming a learning organization, nevertheless, the two may be related. Any organization which wants to be competitive and wants to sustain its competitiveness needs to clearly identify its KPIs.

Evans, Hodkinson and Unwin (2007, p. 34) identify the elements of the learning organization as:

- incorporating reflection on practice,
- conscious evaluation of goals, norms and values,
- use of team and group learning,
- enhancement of self-esteem, self-discovery and self-directedness,
- emphasis on internal motivation through empowerment, experimentation and inquiry leading to new approaches to action,
- value given to the whole person, including feelings and emotions in learning, and fostering of continuous, informal, on-the-job learning.

Organizational learning has emerged as a field of organizational studies attracting considerable recent attention (Holmburg 2000, p. 178). As such, organizational learning is a contemporary set of ideas and prescriptions of how organizations should be managed. These ideas were popularized by writers such as Senge (1992, p. 6; 1994, p. 12), Argyris and Schon (1978, p. 15), Pedler, Burgoyne and Boydell (1999, p. 23) who apply the psychological metaphor of learning to organizations, and argue that fostering learning in individuals can be transformed into more general improvements that will lead to success and prosperity for organizations. Argyris and Schon (1978, p. 16) asserted that organizations can be seen to 'learn' as the collective patterns of behavior amongst organizational members change and adapt to their environment. Individuals act as learning agents for the organization by detecting and correcting errors in the organization's behavioral patterns, which in turn become embedded in the 'culture' of the organization. Gilley and Maycunich (2000a, p. 13) indicate that learning is seen to have occurred when organizations perform in improved and better ways, usually as a result of requirements to adapt and improve efficiency in times of change. Argyris and Schon (1997, p. 2) indicated that

organizational learning occurs through shared insights, knowledge, and mental models and builds on past knowledge and experience-that is, on memory. Railin (2000, p. 12) suggests that organizational learning is the key to management innovation.

The internal environment includes the day-to-day forces within the organization in which managers perform their functions. For example, the level in the organization where management is performed has implications for managerial performance: top-level managers do different things from middle-level managers, who, in turn, do different things from first-level managers. Coping with managerial demands in the internal environment requires managers to have different skills and to perform different roles. Skill requirements and role performance are important forces in the internal environment (Donnelly *et al.* 1998, p. 31).

Belanger (2002, p. 144) identifies critical success factors that must be created within the organization to provide an environment where people will feel supported, an important characteristic for creating a learning organization. For example, to achieve a true learning organization we need senior management committed to trying to develop staff learning capability to play a key part of its ongoing competitive advantage, a compelling vision of the desired learning organization that staff feel part of and excited by, a clear blueprint for change, milestones - identified, achieved, and celebrated - committed leadership willing to model desired changes and drive fear out of those who resist change, senior management committed to significant investment of time and resources to this process, a performance management system that links compensation to achievement of the desired vision, encouragement and acknowledgment of experimentation, collaboration, innovation, and new paradigm thinking. Besides, urgency (but no quick fixes), multiple feedback structures and multiple learning channels are required. TOT is aiming to become a learning organization, and as a part of this is encouraging the learning of its employees:

*Someone at the top must believe in the value of continuous learning and leaders need to demonstrate how they themselves continuously learn. Staff at all levels must collect information and share it. All employees should be involved in feedback loops, so everyone is learning from*

*everyone else all the time. Once started, the learning must not be allowed to slow down or stop.*

Evans, Hodkinson, Rainbird and Unwin (2006, p. 12)

However, becoming a learning organization is not easy. According to Gilley and Maycunich (2001b, p. 5):

*Becoming and sustaining a true learning organization requires a lot of work and dedication, and it takes time, energy and resources. Many are thwarted in their attempts to become a learning organization by the pressure of daily work, inability to persevere, lack of support from the top or the unwillingness to fully commit to the idea.*

Belanger (2002, p. 145) indicates that a learning organization is better described as a learning culture, which takes time to build and requires concerted effort. He divides its characteristics into processes which encourage learning and teams and which share experiences and pass on knowledge. In the latter, such behaviors are rewarded by management and a culture of openness is fostered, where employees are urged to search for the knowledge that will help them do their tasks more effectively. Sharing this knowledge is a key, and some organizations find this difficult to achieve.

Becoming a learning organization is both a challenge and essential if the organization wants to create and maintain a competitive edge (Rowden 2001, pp. 11-16). TOT has commenced along the path towards this goal and it has the declared support of top management. It must secure the cooperation from staff at all levels and be persistent, developing a culture that is sustainable.

## **2.9 Management and leadership**

Management and organizational leadership are critical to the development of a learning organization at TOT because management must not only lead this process but continue to demonstrate its commitment to continuous organizational improvement and learning.

Management and leadership is, therefore, an aspect of critical importance to TOT in the process of setting and achieving the goals of the organization through the functions of management: planning, organizing, directing and controlling. Management is of universal interest because it deals with the fundamentals of establishing and of achieving stated objectives and is found to some degree in almost every human activity. Daft (2007, p. 4) states that management provides effectiveness to human efforts. It helps achieve better equipment, plants, offices, products, services, and human relations. It keeps abreast of changing conditions, and it supplies foresight and imagination. In the TOT context, it helps to put the right person in the right job, manage the learning process and give it sustainability, creating a workplace environment necessary for success, applying the best practices and optimizing staff contributions.

While these goals are not included as a part of any policy document, they are guidelines developed from staff feedback. TOT is open to new ideas in human resource development.

Erickson (2004, p. 25) puts forward his “nature times nurture” argument, so managers should adjust their behavior to leverage the best of both. The managers should change what they can and accept what they cannot change, leading to the strategy of “hiring attitudes and training skills”. People essentially do not change their attitudes but they can be taught new skills, so the simplified model is to identify the best in each person and the best person for the job. The implication for TOT would be to identify the appropriate staff, try to instill a feeling of belonging, create conditions to motivate, reward, and develop them.

Managers should try to understand staff in order to obtain the best from them and ensure their engagement and loyalty, and try to install a successful communication strategy. However, once this has been achieved, another opportunity opens.

For example, a workforce that has a large number of staff with families may appreciate flexible working hours, which influence the way they perceive their employer. The needs of the people and the employer need to be aligned and, if this



achieved, firms could subconsciously influence employees in order to build up a desired culture and values.

Daft (2007, p. 5) says that management is the process of achieving organizational goals by engaging in the four major functions of planning, organizing, leading, and controlling. Planning is the process of setting goals and deciding how best to achieve them. Organizing is the process of allocating and arranging human and nonhuman resources so that plans can be carried out successfully. Leading is the process of influencing others to engage in the work behaviors necessary to reach organizational goals. Controlling is the process of regulating organizational activities so that actual performance conforms to expected organizational standards and goals.

Booth and Philip (2005, p. 288) highlight the management efforts required for successful exploitation of technology. They conclude that the more competitive and fast moving the environment, the more likely the organization's management will be supportive, and fully committed to, the management of information systems.

Management at TOT is closely involved in planning work processes and productivity. The CEO's Committee encourages both internal and external competition. Employees can present ideas to the committee which can then be formed into workplace policies. There is organizational support of learning in the workplace of areas relevant to work activities.

Daft (2007, pp. 6-7) outlines the principles of management which were developed over many years by management theorists and practitioners and that have been practiced since management first developed. These principles are still relevant and significant to the work of TOT today even though the organization is changing. It still requires certain consistency of management in this rapidly changing period. The problem is compounded by changes in top management and, at the operational level, revisions to tax law and other directives that have to be absorbed and put into practice by employees. The principles involving specialization of labor may lead to inefficiencies at both managerial and technical levels. Although TOT is endeavouring to become a learning organization, as a government-owned enterprise, it still has a high hierarchical structure, many departments and a large number of employees

(approximately 19,000). These factors tend to make it difficult to change at an overall organizational level, so it operates more as a traditional organization than as a 'new' one (see Table 1.1). So the process of developing a learning organization is essentially 'top-down' rather than 'bottom-up'. This may be and, indeed, is more likely to be the type of process followed by government-owned organizations in Thailand but it may also create a certain lack of flexibility which may not apply to actual or potential competitors in the fully private sector. This is something which should concern the top management of TOT and they should look for ways to mitigate this actual or potential problem.

Traditionally, there has been very low staff turnover at TOT and employment has been sought after because of the job security and the benefits it offers. Even now, employees who are denied promotion due to the hierarchical grading system can be transferred within the organization to retain their services, so there is some flexibility. Nevertheless, the degree of organizational flexibility may have to be substantially increased if and as TOT is forced increasingly to remain competitive in an environment of much greater competition from private sector organizations, both local and international.

## **2.10 Teamwork**

All models of organizational improvement, including the learning organization emphasize teamwork.

Teamwork is already the basis of all units at TOT and it is held as important as a key structural element of the organization. (TOT *Annual Reports* 2003-2007). They are a part of each of the 65 departments. Senge (1994, p. 18) argues that team-learning is about how to participate in sharing and using knowledge which leads to the skill of thinking. It also helps people in organizations to have some experiences from various aspects and will expand the extent of their knowledge. They will be able to understand many things, and they will develop themselves. Team-learning provides good cooperation, communication, and coordination in organizations. Furthermore, members of other organizations can use this source for their knowledge expansion.

Several authors refer to the importance of teams in workplace learning. Donnelly *et al.* (1997, p. 215) mention that the requirement for effective teams includes: top-level commitment and provision of clear goals and management-employee trust, willingness to take risks and share information, time, resources, and a commitment to training. They state that teams are relatively permanent work groups at any level in an organization whose members share common goals, and are accountable as a functioning unit to the organization as a whole. They also argue that increasing the teamwork is essential to organizational success. It is the manager's responsibility to develop and maintain high-performing teams that produce high quality outputs and maximize member satisfaction. These successful teams usually possess a number of essential attributes such as common goals, trust and support, mutual influence, open communication, high participation, and constructive confrontation skills.

TOT is a large organization which consists of sixty-five departments and has approximately nineteen thousand staff working throughout the country. Each department is related to other departments for working, so teamwork is of key importance for staff as teamwork can assist staff of each department to work successfully. Furthermore, TOT's staff can use teamwork as a tool for sharing information and give co-operation as a strategy which is important to make the work of TOT successful. This will assist TOT to remain a leader in the telecom industry in Thailand.

Donnelly *et al.* (1997, p. 353) identify eight common characteristics of high performance teams, participative leadership, shared responsibility, high communication, task focus, future focus, creative talents, talents and creativity, and rapid response. In addition, the nine major work functions need to be present if a team is to optimize its performance: advising, innovating, promoting, developing, organizing, producing, inspecting, maintaining, and linking. Hence, team building includes all activities aimed at improving the problem-solving ability of group members, by working through task and interpersonal issues that may impede the team's functioning.

Casca, Bamber, Sharp and Belobolbek (2001, pp. 123-124) suggest that the formation of effective teams, in a work group or in an organization setting, does not guarantee

quality team performance. Rather, managers must consciously work on building an effective team, which has the characteristics that the team shares a sense of purpose or common goals, and each team member is willing to work towards achieving these goals. The team is aware of, and interested in, its own processes and in examining norms operating within the group. The team identifies its own resources and uses them, depending on the team's needs at any given time. At these times, the group willingly accepts the influence and leadership of the members whose resources are relevant to the immediate task. Group members continually try to listen to and clarify what is being said and show interest in what others say and feel. Differences of opinion are encouraged and freely expressed. The team does not demand narrow conformity or adherence to formats that inhibit freedom of movement and expression. The team is willing for conflict to surface and be focused on it until it is either resolved, or managed in a way that does not reduce the effectiveness of the individuals involved. The team exerts energy towards problem solving rather than allowing it to be drained by interpersonal issues or competitive struggles. Roles are balanced and shared to facilitate both the accomplishment of tasks and feelings of group cohesion and morale. To encourage risk taking and creativity, mistakes are treated as sources of learning rather than reasons for punishment. The team is responsive to the changing needs of its members and to the external environment to which it is related. Team members are committed to periodically evaluating the team's performance. The team is attractive to its members, who identify with it and consider it a source of both professional and personal growth. Developing a climate of trust is recognized as the crucial element for facilitation of all of the above elements (Glassop 2002, p. 225; Welkins 1996, p. 23). TOT management considers teamwork to be of vital importance and employees are reminded of this on a daily basis. (TOT *Annual Reports* 2003-2007).

Lack of cooperation between divisions leads to failure in achieving corporate goals and a loss of competitive edge. As the revenue sharing process consists of steps, it is also subject to severe problems if the work is not passed on correctly. As indicated already, teamwork is therefore critical at all levels in TOT.

Donnelly *et al.* (1998, p. 332) list seven ground rules for effective teamwork:

- Time control, whereby each team should have a clear, achievable deadline for resolving the problem.
- Be sensitive: each team member should be sensitive to the other members' needs and expressions.
- Relaxed atmosphere: an informal, relaxed atmosphere should be fostered.
- Be prepared: material needed for team meetings should be prepared in advance. Qualified and interested members: all team members should be qualified and have an interest in the problem to which the team has been assigned to solve.
- Keep good records: minutes should be kept of all team meetings.
- Assess team performance. Such aspects for team functioning are goals for TOT.

Kasl, Marsick and Dechant (1997, p. 227) recommend that each team should periodically stop activities and assess its performance.

At TOT, the issue of teamwork is addressed in a top-down fashion. The CEO meets regularly with his directors who are all aware of the need for effective teamwork. This policy of teamwork is followed at the management level, with weekly meetings to solve any issues relating to cooperation. (TOT *Annual Reports* 2003-2007).

Team-based approaches to work have become popular in general because they are seen as effective at building organizational structure, can increase productivity, improve quality and reduce costs. They can also enhance speed and be powerful forces for innovation and change. Teams also provide many benefits for their members, by satisfying important personal needs or providing one another with feedback. Members can also identify opportunities for growth and development, as well as offering training, coaching and mentoring. However, all these team benefits can be reduced if the team is not allowed to make important decisions, which suggests lack of trust on the part of management (Bateman and Snell 2007, pp. 16-18).

Bateman and Snell (2007) also indicate that a team-orientated structure was in place at Kyocera Corporation, when it was voted best managed company in Japan. They also say that 3M's breakthrough products emerged through the use of teams that formed small businesses within the larger organization. Federal Express reduced billing errors and lost packages by 13 % as a result of introducing 'new' teamwork. Honeywell teams saved over US\$ 11 million after reducing production times and by shipping over 99 percent of orders on time. Boeing management claimed that it would have been too expensive to develop its 777 airplane without cross-functional teams. Daimler Chrysler and many other companies are using teams to create new products and elsewhere staff from one discipline, such as marketing, can learn from another, such as accounting or vice-versa. Teamwork develops strong problem-solving capabilities and these skills are transferable to new positions.

Teamwork can also affect the good standing of an organization and can be extended to customers who are treated with care. Staff members are likely to feel motivated and secure when working in a team and can look to others for help. This reduces staff turnover as they do not have to look for work elsewhere if they encounter serious problems. Econo Morales supermarket group in the Caribbean gained strength by becoming a chain and having all members working together. Colgate-Palmolive has found that top performing teams deliver strategic advantage (Welkins 1996, p. 14).

One important aspect of the revenue sharing process at TOT is the need for staff to work together. The work is detailed and requires checking, while also being time sensitive. A delay in one stage puts pressure on staff at the next stage and the repetitive nature of the work can be alleviated by a developing a cooperative and friendly atmosphere. As noted by Darlington (2006, p. 34):

*It's important to try to create a friendly environment within the workplace. When team members like each other, they will be more apt to work together as a team.*

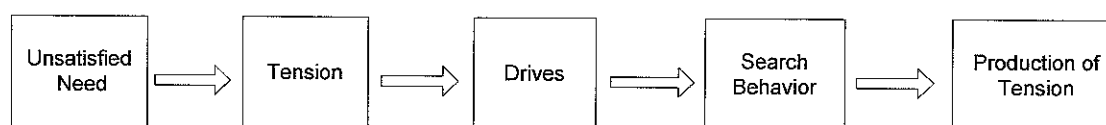
Darlington (2006) also says that all successful teams demonstrate the same fundamental features, namely strong and effective leadership, the ability to establish precise objectives, the ability to make informed decisions and to act quickly on them, the ability to communicate freely and master the needed skills as well as provide

targets and, most importantly, the ability to find the right balance of people. He adds that the ability to have fun while practicing all of the other abilities is a bonus.

One way to have an impact on teamwork and drive change is to involve internal leaders as teachers and this is an opportunity open to TOT. Most TOT employees in the revenue sharing process have long service and are well qualified to become internal ambassadors. Giber (2007, p. 14) proposes such a connection to leadership development to become an important part of the organization's strategy.

## 2.11 Motivation

Motivation is seen as a key aspect of developing a learning organization. The most important asset of TOT is its staff-managers and employees. Increasing the capabilities and productivities of TOT staff is simply smart business management. Robbins and Coulter (2002, p. 186) say that motivation is the willingness to exert a high level of effort to reach organizational goals, conditioned by the ability to satisfy some individual need. Daft (2007, pp. 227-230) indicates that motivation is the force that energizes behavior, gives it direction, and underlies the tendency to persist. A need refers to some internal state that makes certain outcomes appear attractive. An unsatisfied need creates tension that stimulates drives within an individual. These drives lead to a search behavior to find particular goals that, if attained, will satisfy the need and reduce the tension. The motivation process is shown in Figure 2.3.



**Figure 2.3: The motivation process (Robbins and Coulter 2003, p. 186).**

The best-known theory of motivation is Abraham Maslow's (1943, pp. 370-396) hierarchy of needs theory. Maslow was a psychologist who said that within every person is a hierarchy of five needs. These are physiological needs, safety needs, belongingness needs, esteem needs, and self-actualization needs. Maslow's theory

shows that it is necessary for organizations to plan and encourage their staff to work with all their potential for their happiness and success.

Many academics, scholars, and practitioners have written about motivation. Indeed, it is one of the most popular research areas in business and management. Although some authorities discount Maslow's theory and, especially his methodology, nevertheless it retains its position as the best known theory of motivation.

From the interview data, it is evident that the TOT respondents to this study indicated that they seek promotion and a high degree of self-determination as far as their careers are concerned. . From the interviews of the employees in Division I and Division III, it was found that encouragement staff by promoting them in their current positions (which is a limited option) or to newer positions and also providing satisfactory bonuses could help to motivate staff to perform effectively. In addition, staff realize that performance appraisal must be fair and have transparency. Hence, TOT is concerned about these issues, however, TOT's human resources department has established procedures for staff assessment, progression and salary increases. This, however, while it may be seen as placing restrictions on a manager's ability to reward outstanding performance, it appears to be seen as a transparent and fair system by most staff.

Although motivated employees are most important to an organization's success, staff are not always satisfied with the same rewards. For example, Drake, Wang and Salter (2007, p. 75) found that rewards affect the dimensions of empowerment differently for lower-level workers than they do for managers. Rather, then, than using exactly the same performance assessment structure for all staff at all levels, TOT should consider modifying this practice to take account of the significant differences that may apply to different types of staff. A study by Maritz Incentives and Research (2007, p. 12) found that (American) employees preferred rewards with both money and trophy value. Indeed, there are six employee types, all of which prefer different rewards, and various motivating strategies, even including Buddhist meditation, for which classes are offered at the World Bank!



According to Hartley (2007, pp. 1-3), employees want to be treated and rewarded fairly. They also want job security, good working relationships with colleagues and like to have a sense of pride in their work and workplace. There are several extrinsic rewards such as pay, benefits and respect, that can be offered but to obtain a competitive edge an organization needs to ensure that the business can be instrumental in finding and keeping the best workers. According to their research, there are seven classic ways to motivate mature workers, namely minimal commuting time, remuneration, a friendly working environment, new challenges, recognition, flexible working hours, and the ability to work from home. An employer may also offer a worker a casual contract, which some workers might prefer as it is more flexible and may have advantages for both parties. The worker is paid at a higher rate for the hours worked and the employer avoids having to pay for leave and certain other benefits. Whatever the method of reward, motivated workers are likely to improve productivity and profits.

As to the type of incentive which could be offered to motivate staff, non-monetary rewards may be most effective. Cohen (2006, p. 10) states that:

*Non-monetary rewards show your employees that you recognize their accomplishments and appreciate their hard work and time.*

Non-monetary rewards should be delivered in a timely fashion (not delayed), taking into account the individual employee and his/her personality and be well-deserved. To develop ideas for rewards and recognition, the manager should think about basic concepts and things like respect, recognition and appreciation may all be perceived as effective rewards.

Marcus (2007, pp. 32-35) cites a study of employee motivation by the Ohio State University in the late 1990s. Workers were asked to rank ten motivating factors, of which the highest ranked were 'interesting work', followed by 'good wages', 'full appreciation of work done' and 'job security'. The author also confirms that rewards do reinforce positive behavior but that the way in which a reward is given determines whether it actually motivates the worker. Roth (cited in Marcus 2007, p. 32) said that:

*Workers give their best performance when the culture of a company fosters an environment of innovation, creativity, participation and ownership.*

It is appropriate that TOT should have innovative technology and provide training for its staff so that they can think creatively. As the revenue sharing process is a team effort, there is a real need for a feeling of belonging. Cooper (cited in Holin 2007, p. 34) states that: *'A motivated employee wants to do a good job and expresses this desire through behavior and action.'*

Trying to create conditions that motivate staff is the responsibility of every manager but the direction must be supported by top management hence TOT's declared policy of developing its human resources and becoming a learning organization.

## **2.12 Professional development**

Moving towards becoming a learning organization requires continuous opportunities to be available for the professional development of all staff, not only managerial and supervisory staff.

To meet the challenges of managing, managers must understand the potential of human resources and then secure, retain, and develop these resources. This requirement is the foundation of human resources management (HRM). Donnelly *et al.* (1998, p. 404) suggest that human resources management can be defined as the process of accomplishing organizational objectives by acquiring, retaining, terminating, developing, and properly using the human resources in an organization. Developing human resources involves training, education, appraising, and preparing personnel for present or future jobs. These activities are important for the economic and psychological growth of employees. The need for personal growth cannot be satisfied in an organization that does not have an active employee development program.

Gilley and Gilley (2002, p. 36) indicate that for the human resources approach human beings are the active agents who gather up capital, exploit natural resources,

and build social, economic, and political organizations which lead to and carry forward national development. Conversely, if a country lacks the means of building up the skills and knowledge of its people, it will be unable to develop effectively.

Brewster *et al.* (2000, p. 44) define the human resources approach as the significance of utilizing all human resources in a productive activity and developing the skills, knowledge, and capacities of the labor force. In addition, they say that the human resources approach is involved with the valuable interrelationship between employment opportunities and learning opportunities. Therefore, investment in learning develops the capability of the labor force which increases the level of employment opportunity. It means higher levels of employment opportunity increase the demand for persons with higher levels of learning.

Craig (1996, p. 22) defines human resources development as training which can facilitate choices that contribute to a professional trainer's overall success or to deliver the highest quality and value in training and educational products. Brewster *et al.* (2000, p. 44) indicate that human resources development is the integrated use of training and development and career development to improve individual, group and organizational effectiveness. Harrison (2004, p. 780) says that staff development is the process by which individuals, groups and organizations learn to be more effective and efficient. Professional development is the learning process through action in the workplace, enhancing the quality of the service they provide to clients and helping them achieve more. He further says that that professional development is the ongoing process of developing the skills and knowledge of staff members to enable them to better perform all of their tasks and this fosters personal and professional growth. Brewster *et al.* (2000, p. 44) notes that professional development is career long, starting with initial training and continuing until retirement. It is an active process. Professional development is first of all a matter of personal development which enables a person to tackle new tasks, relate well to others, and see important issues. Part of this development is the acquisition of specific skills, knowledge and understanding.

In recent years, in particular, technology and knowledge have changed continuously, so TOT is an organization that wants to be a leader in the telecom industry in

Thailand, and, therefore, to be an effective organization to be able to compete with other telecom organizations, both local and international. Therefore, the development of human resources is most important for enabling this. The staff of the TOT Academy realize the need to encourage and be progressive in terms of staff training and development both in terms of technology and keeping knowledge up-to-date continuously. The TOT Academy focuses on development of knowledge and skills of staff which are compatible with the organization's strategies to create an organizational culture and attitude of working for both the organization and in order to achieve their own objectives. (TOT *Training Manual*, 2006).

### 2.13 The value of knowledge management

Knowledge management is valuable and must be seen as part of the movement towards the learning organization in TOT. Organizations hold huge amounts of data which they transform into information. When this information is used in a business context it is internalized as knowledge. Rosenberg (cited in Reiser and Dempsey 2007, p. 156) describes knowledge management as the creation, archiving and sharing of valued information, expertise and insight within and across communities of people and/or organizations with similar interests and needs, in order to improve competitive advantage. Davenport and Laurence (1998, p. 5) state that knowledge is something which we refine as we proceed:

*Knowledge is a fluid mix of framed experience, values, contextual information, expert insight and grounded intuition that provides an environment and framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knowers. In organizations, it often becomes embedded not only in documents or repositories but also in organizational routines, processes, practices, and norms.*

Rosenberg (cited in Reiser and Dempsey 2007, p. 157) identifies four kinds of knowledge: explicit, tacit, common and undiscovered knowledge. Explicit knowledge is knowledge that can be codified or documented in magazines, textbooks, procedural manuals, newspapers, websites, user guides, training courses and other media. Tacit knowledge is the knowledge of experience and insight. There is usually much more tacit knowledge within an organization than there is explicit knowledge and it is often

more valuable. Common knowledge is explicit knowledge that everyone who needs to know actually does. Undiscovered knowledge is the knowledge that represents the greatest challenge to any business and can greatly benefit the organization, provided someone is aware of its existence. At TOT there is a need to manage knowledge more effectively and this is important to the organization's success.

Quintas (cited in Tiwana 2000, p. 5) says that knowledge management in the simplest terms can be extended to management of organizational knowledge for creating business value and generation of a competitive advantage. Knowledge management enables the creation, communication, and application of knowledge of all kinds towards achieving business goals. Klasson (cited in Tiwana 2000, p. 5) says that knowledge management is the ability to create and retain greater value from core business competencies.

*Knowledge management addresses business problems particular to your business - whether it's creating and delivering innovative products or services; managing and enhancing relationships with existing and new customers, partners, and suppliers; or administering and improving work practices and processes.*

Knowledge management now has an important role to play in worldwide organizational management, especially in the age of globalization. Knowledge management is a key factor for workers and organizations to have efficient performance (Moskowitz 2003, p. 33; Seddon and Cairns 2003, p. 89). Knowledge management assists people to analyze, synthesize, and decide the value of information. Therefore, organizations such as TOT should pay attention to studying knowledge management in order to become a knowledge-based organization.

Davenport and Prusak (2000, p. 24) claimed that British Petroleum's experience with its Virtual Team Working Project illustrates some of the characteristics of knowledge. The principles they reflect are that knowledge originates and resides in people's minds, knowledge sharing requires trust, technology enables new knowledge behaviors, knowledge sharing must be encouraged and rewarded, knowledge initiatives should begin with a pilot program and knowledge is creative and should be encouraged to develop in unexpected ways.

In addition, Tiwana (2000, p. 6) also says that there are reasons why knowledge management is important. Companies are becoming knowledge intensive, not capital intensive. Unstable markets necessitate 'organized abandonment'. Knowledge management enables the individual to lead change so change does not lead the individual. Only the knowledgeable survive. Cross-industry amalgamation is breeding complexity. Knowledge can also drive decision support better than any other methodology. Knowledge requires information sharing. Miller, Fern and Cardinal (2007, p. 310) propose that searching for and transferring of knowledge across divisions in a diversified firm can cultivate innovation, which would be of benefit to TOT.

At TOT, a large amount of knowledge is not stored in a conventional way but exists in the heads of employees. In order for this knowledge to have value for the organization, we should try to manage it and, in the case of the revenue sharing process, much of it could be incorporated into a manual. The TOT knowledge-based society project organized by the TOT Academy is central to TOT's human resources development policy, highlighting the objectives of sharing knowledge and expertise of each employee and the need to build a learning environment within the company.

## **2.14 Conclusions**

This literature review covers a variety of important areas and topics central to the study.

In particular, it discusses the process of benchmarking, the different types of benchmarking, and the processes of organizational learning and knowledge management.

## **Chapter 3**

### **Methodology**

#### **3.1 Introduction**

As indicated, this study concerns internal benchmarking. Although the Chief Executive Officer had indicated a strategic direction for TOT to move towards becoming a learning organization in the TOT 2006 Annual Report, the study did not commence with such ambitions or pretensions.

It is, indeed, a much more limited and restricted study of two small divisions of one relatively small Sector of TOT. As indicated, there are only 12 employees for whom this internal benchmarking exercise applies, whereas the total number of employees in TOT is approximately 19,000!

This study was never intended to be a study of TOT as a learning organization or even about a movement within TOT towards becoming a learning organization. It was simply about trying to improve the work performance in this particular area.

However, as indicated in Chapter 2, there are some aspects of internal benchmarking that also apply within a learning organization. In particular, both are concerned with improving workplace efficiency, both involve participation and involvement of the people (staff) involved, both stress the importance of effective leadership and management, both also stress the importance of teamwork, working effectively as a team and improving performance through learning.

As indicated in Chapter 2, Literature Review, there has been a lot written on benchmarking and also a lot written about the learning organization but this research has been unable to find any literature specifically relating these two management theories and approaches together. As a result, in this internal benchmarking project within the two divisions of Sector III which are studied, no reference as such is made to the learning organization. As is the case then with this internal benchmarking

project, benchmarking usually occurs in a specific part or with a specific process within an organization. If this benchmarking is deemed to be successful, there may be a 'demonstration' effect whereby the process may then also be applied to other parts of the organization but this is normally a limited or somewhat restricted approach.

The learning organization, on the other hand, is seen more as a total organization transformational approach applying to the whole organization. This does not necessarily mean that the learning organization is initially introduced over the whole organization. There may be, for example, some parts of the organization that are either judged to be likely to be more receptive or have certain problems or issues which make management consider that initially it is best to apply the concept to that part of the organization only. Nevertheless, it is essentially a 'total' organization process whereas benchmarking is generally applied to specific areas (such as the two divisions in Sector III) and then may not necessarily be extended to the organization as a whole.

As indicated, this study commenced as a benchmarking study applied in a small, although important part of TOT. Not only this, but it was the most restricted form of benchmarking, internal benchmarking, that was undertaken.

The researcher, however, while not mentioning or indicating that the internal benchmarking process had a number of features which made it somewhat consistent with the concept of a learning organization, recognized these similarities and considered it to be appropriate and relevant to discuss the concept of the learning organization in her literature review, particularly as TOT's top executive had indicated that he wanted TOT to move in this direction. However, the actual internal benchmarking research process indicated in this chapter does not mention either the learning organization nor indicate the possible steps and policies required for the total organization to move towards becoming a learning organization.

In this research, then, the objective is to compare, through an internal benchmarking exercise, the performance of two telephone industry departments within TOT with the aim of improving work performance and to provide a basis for such improvement. This includes the development of skills and knowledge by Business Management



Sector III staff and increasing their technical and professional capabilities. Previous professional abilities are evaluated together with ongoing benefits and changes. The effect of this research is not only to increase the overall efficiency of Business Management Sector III but also to benefit the whole organization. At a time of significant change and increased competition in the telecommunications industry, it is essential to develop the potential of employees.

### 3.2 Case study

A case study approach is used in the research, with internal benchmarking as the methodological tool. There are several reasons for selecting a case study research method. It is useful when there is a need to present a detailed view of a topic or to study individuals in their natural settings, such as the workplace. It is also appropriate when there is sufficient time and resources to spend on extensive data collection and analysis.

The case study is a qualitative research instrument (Denzin and Lincoln 2005, p. 44). It is a means of investigating the natural settings, and interpreting phenomena of thinking and feeling of the individual. Marshall and Rossman (1999, p. 3) assert that case studies are an approach of qualitative research. There are multiple definitions and understandings of the case study. Gomm, Hammersley and Foster (2000, p. 12) state that it is a systematic inquiry into an event or a set of related events which aims to describe and explain the phenomenon of interest. A case study is a generic term used for conducting an investigation of an individual, group or gap phenomenon (Sturman 1997, p. 94). Yin (1994, pp. 12-13) defines case study research method as an empirical inquiry because it investigates a contemporary phenomenon within its real-life context in which multiple sources of evidence are used and relied upon. Yin also indicates that the case study can be seen to satisfy the three tenets of the qualitative method that is describing, understanding, and explaining. Patton (2002, p. 447) says that:

*The case study approach to qualitative analysis constitutes a specific way of collecting, organizing and analysing data; in that sense it represents an analysis process. The purpose is to gather comprehensive,*

*systematic and in-depth information about each case of interest.*

Gomm, Hammersley and Foster (2000, p. 14) advise that the case study emphasizes the proximal causes of behaviour and circumstances, whereas life history emphasizes the remote origins, and the continuities and discontinuities in the organization of behaviour over a relatively long period of time. Stake (2000a, p. 18) and Tellis (1997, p. 5) say that a case study is research on a specific organization, program, or process.

The case study method is significant for looking at an overall view of the situation, giving the context as well as detail. This can lead to a better understanding of the situation and yield sensitive data that might not otherwise be available. This, in turn, can lead to more effective decision making and this is important in a business context. Yin (1994, p. 10) and Stake (2000a, p. 12) point out that case study research methods have been used for many years across a variety of disciplines. Social scientists, in particular, have made wide use of this qualitative research method to examine contemporary real-life situations and to provide the basis for the application of ideas and extension of method. Various contemporary reports in psychology (Bromley 1986, p. 12), sociology (Creswell 1997, p. 41; Yin 1984, p. 10; 1994, p. 12; 2003, p. 15) and education (Stake 2000a, p. 16; 2000b, p. 454) have studied the individual or individual organization or organizational unit as the unit of analysis, and have used the case study method to develop rich and comprehensive understandings about people.

The researcher identified the case study approach as being appropriate for the research into TOT, because the case study is an investigation to gain a deep understanding of the organization. Hence, a case study was selected for this research.

### **3.3 Participants**

The researcher asked for volunteers from Division I and Division III, and twelve staff of these divisions indicated their interest in volunteering as participants in the study. Although Business Sector III 27 staff in all, there are only 12 staff in the Revenue Sharing Division, and so this means the actual respondents is 100 per cent.

As a result, there were twelve participants in the research; seven from Division I and five from Division III, and all signed the appropriate consent forms. Division I's full time staff consisted of one male and six females and all were graduates with a bachelor's degree or higher. The age range was from 36 to 44 years and the length of time they had worked at TOT ranged from 9 to 14 years, with the exception of the manager. The staff profile is shown in Table 3.1.

**Table 3.1: Division I's staff profile.**

Participants	Staff member 1	Staff member 2	Staff member 3	Staff member 4	Staff member 5	Staff member 6	Staff member 7
Age	42	40	40	44	36	36	36
Years at TOT	14	10	10	13	11	9	12
Education	B	B	B	B	B	B	B
Gender	F	F	F	M	F	F	F

Note: B = Bachelor's degree, M = male, F = female

Division III's fulltime staff consisted of all females four of whom have Masters' degrees and the fifth was educated to Bachelor's degree level. The age range was from 31 to 48 years old and the length of time they had worked at TOT ranged from 9 to 15 years, with the oldest employee being the manager. The staff profile is shown in Table 3.2.

**Table 3.2: Division III's staff profile.**

Participants	Staff member A	Staff member B	Staff member C	Staff member D	Staff member E
Age	48	31	35	38	32
Years at TOT	15	9	12	13	13
Education	M	M	B	M	M
Gender	F	F	F	F	F

**Note:** B = Bachelor's degree, M = master's degree, F = female

### 3.4 Data collection process

Information was collected from the participants in order to establish best internal practice by comparing the results from Division I and Division III. The techniques used were observation, self-reflection, and interview.

The method used in this internal benchmarking study was taken from Camp (1994, p. 14). As indicated earlier he prescribes five phases in his study. These are the planning phase, analysis phase, integration phase, action phase and maturity phase. In the planning phase, it is necessary to select the comparative companies or activity centers and determine the data collection method and collect data. The analysis phase determines current performance gap, and projected future performance. The integration phase is concerned with communicating internal findings and gaining acceptance and establishing goals. The action phase requires the researcher to develop action plans, implement specific actions, monitor progress and recalibrate the internal benchmarks. The final maturity phase focuses on leadership position being attained and the practices being fully integrated into the corporate process.

Camp's (1994) methodology is the main methodology followed in this study. Camp has undertaken an extensive study of benchmarking best practices and a number of other researchers and authors have also studied and written about the practical implementation of benchmarking in various industries and organizations (Camp 1989, p. 39; Zairi 1998, pp. 41-47; Karlof and Osblom 1993, pp. 53-58; Szulanski 2003 pp. 14-23).

Camp's (1994) internal benchmarking phases were used in this study because internal benchmarking was judged by the researcher to be an appropriate tool and it is the way selected to help translate the findings into concrete operating improvements in one organization. Internal benchmarking includes a significant amount of information sharing and joint problem solving. This is why the researcher decided to use internal benchmarking.

### **3.4.1 The Role of Research Assistants**

In this study, two research assistants were used to help collect the data from the participants. This was approved by the Human Research Ethics Committee of Victoria University.

The researcher holds a very senior position at TOT with only the President holding a more senior position. Also, the researcher is the ultimate manager of the staff in Business Sector III and she considered that participants would be likely to feel easier and talk more freely to others not from their own part of the TOT organization and at more similar levels within the organization.

This was not done for any reasons of participant confidentiality. All participants were well aware of who the researcher was and, indeed, early in the process she addressed all participants on the study and its purpose.

The two research assistants were both chosen by the researcher both for their experience, and their qualifications. Both had master's degrees in the business/management area and both had considerable interviewing skills and experience.

Prior to the commencement of the study the researcher briefed them thoroughly of the purposes and requirements of the study.

They were also well aware of the need to retain the confidentiality of respondents' comments so that only the respondents themselves, the research assistants, and the researcher herself were aware of individual comments made and by whom.

The five phases are:

### 3.4.2 Planning phase

The research took place at the Business Management Sector III offices in Bangkok between June and December 2004, after ethics approval and permission had been obtained from TOT management and the University (HRETH.FHD.092/03). All twelve from Business Management Sector III, Divisions I and III volunteered to become participants in the study after the voluntary nature of the research was explained and confidentiality was assured. Consent was obtained in writing and the only reward for participants was the possibility of improved daily work practices.

After an initial briefing, a brainstorming session among respondents was led by the researcher and attended by two assistants, one from Business Development Department and another from Human Resources Development, at TOT head office on 11 June 2004. The purpose of the brainstorming was to generate the work areas that would be selected for internal benchmarking. In this phase, the participants were invited to propose work areas that they wanted to internally benchmark and evaluate each area according to Boonyakit and Siripanit's selection criteria (2002, pp. 28-29) as follows:

1. The impact of the process on goal and organizational strategies.
2. The need to improve the process.
3. The difficulty or ease with which the company can be internally benchmarked.
4. The nature of the teamwork.
5. The organization's achievements.

This method (Boonyakit and Siripanit 2002, pp. 28-29) is considered to be a good way of selecting the area judged as most suitable by the participants, to be internally benchmarked.

Using their set of criteria, the participants assigned a weighting of 1 to 3 to each identified item, where 3 is the most important. Through this process, the researcher was able to identify the three most important priorities of the staff, namely revenue sharing, negotiation, and the process of selecting documents from archives. The researcher then conducted an exercise to confirm the items selected for the internal

benchmarking in relation to the criteria, which provided an organizational matrix for the exercise.

The revenue sharing process consists of seven work steps, namely checking the concessionaire documentation, preparation of internal documentation, cross-checking with data sources, issuing a printed report, compiling a verified payment summary, comparing the summary with manually produced source documents and approving the money transfer to the concessionaire.

The revenue sharing process was rated 3 in its ability to deliver impact on process and organization strategies. The multiplication of this figure by its weighting of 2 gives the resultant point (6) as shown in the table. Similarly, the revenue sharing process score of 3 is multiplied by its weighting across the other four criteria, giving points of 3, 9, 3 and 9 respectively and a total of 30 (Boonyakit and Siripanit 2002, pp. 28-29). The exercise was repeated for the other two key business areas, which both scored a total of 22 points. *As revenue sharing scored 30 points, it was selected as the key factor for the internal benchmarking study.* The details are presented in Table 3.3.

**Table 3.3: Criteria Testing Matrix, adapted from Boonyakit and Siripanit (2002, pp. 28-29).**

Boonyakit and Siripanit's criteria	1 Impact		2 Need		3 Difficulty		4 Nature		5 Achievement		Total
Staff weighting	2		1		3		1		3		×
Priority (weighting)	×		×		×		×		×		
Revenue sharing	(3)	6*	(3)	3*	(3)	9*	(3)	3*	(3)	9*	30
Selection process	(2)	4*	(1)	1*	(3)	9*	(2)	2*	(2)	6*	22
Negotiation	(1)	2*	(1)	1*	(3)	9*	(1)	1*	(3)	9*	22

**Note:** \* Bracketed figures are staff weightings which are then multiplied by the weightings applied to Boonyakit and Siripanit's criteria. The figures shown with an asterisk are the resultant scores.

Staff of Division I and Division III work in the revenue sharing process. They knew that the research study was about the work performance in their revenue sharing process using internal benchmarking as the methodological tool, following the five phases proposed by Camp (1994). The research tools employed to conduct the study were observation, self-reflection and interviews.

This brainstorming exercise was seen as the initial step in the information collection process, followed by observation, self-reflection and interviews with each participant, in accordance with Camp's model (1994).

### **(a) Observation**

In this research, the observation took place over five days from 12 July 2004 and was conducted by two research assistants during normal office hours. The observation framework focused on the twelve participants in both divisions who were observed to see the revenue sharing process and its steps, the working atmosphere and relationships between workers. Research assistants were utilised to provide distance from the researcher, who works at TOT in a more senior position, and who wanted to place herself at some distance from the participants to try to avoid bias. A detailed written record was kept by the research assistants.

Marshall and Rossman (1999, p. 109) say that observation is a fundamental and highly important method in all qualitative enquires and is used to discover complex interactions in natural social settings. Robson (2002, p. 310) asserts that observation seems to be the pre-eminent technique for getting at "real life" because it obviates the artificiality associated with one way mirrors or more contrived settings. The data from direct observation contrasts with and can often usefully complement information obtained by virtually any other technique. Burns (1999, p. 85) gives several basic factors which should be considered. These are to decide on a focus for the observation which is relevant to the group research and not try to record everything. It is also important to give consideration to the interviewing location and the group to be observed.



## **(b) Self-reflection**

Reflection is a tool which was used in a study by Kemmis and McTaggart (1988, p. 13) who state that reflection seeks to make sense of processes, problems, issues and constraints made manifest in strategic action. Brockbank and McGill (1998, p. 102) claim that the reflective process draws on self-report (learner's own account) and others reports (accounts by others of the learner's reflective activity). Vitasek and Mandrodt and Vitasek (2004, pp. 1-23) describe self-assessment as measuring things like behavioural style, values, tolerance of ambiguity and conflict management styles.

It was considered that self-reflection was a valuable tool to add to the process of internal benchmarking as it enabled the participants from the two divisions studied, to reflect on what was occurring in the process. Rethinking about the process may bring fresh views or perceptions to and from the participants that may not have been evident during the initial process of change.

The data were collected on 2 August 2004. The twelve participants also accepted to undertake self-reflection regarding strengths and weaknesses of work practices, recommend changes and indicate possible improvements from the learning process. In addition, they were to suggest strategies to improve efficiency and effectiveness and to say what they had learned from the benchmarking study. Self-assessment helps to determine the strengths and weaknesses that can be exploited to improve work performance. Participants reflected on the process of revenue sharing by answering four questions on a written question sheet. The questions were:

- 1) Provide any comments on your work performance that impact on you.
  - Strengths
  - Weaknesses
  - What changes would you recommend to your work performance?
- 2) Can you improve your work from what you learn?
- 3) What strategies could be employed to improve efficiency and effectiveness?
- 4) What have you learned from this benchmarking study?

### **(c) The interviews**

The TOT interviews were held from 4 to 31 August 2004 with staff from Division I and Division III Business Management Sector III. Face-to-face interviews are interactive, so it is possible to obtain the maximum amount of information. As Robson (2002, p. 272) says, they:

*Offer the possibility of modifying one's line of enquiry, following up interesting responses and investigating underlying motives in a way that postal and other self-administered questionnaires cannot.*

The interviews took a semi-structured form rather than a formal interview and took approximately thirty minutes per person, and were conducted by the research assistants. As indicated, research assistants were utilised given that the researcher works in a senior position at TOT. The language used was Thai and the interviews were tape-recorded and transcribed, then finally translated into English by the researcher. The interview schedule consisted of open-ended questions and supplementary questions were developed to explore individual feelings about work performance measurement tools. The nine interview questions were as follows:

1. Describe your work role at TOT.
2. Identify the key work goals for your team.
3. Outline the strategies designed to achieve the work goals.
4. Does the team meet the company targets?
5. What strategies could be employed to improve efficiency and effectiveness?
6. Identify supports and barriers to goal achievement.
7. What professional development would assist in achieving these goals?
8. What workplace strategies would assist in achieving these goals?
9. Can you improve your work from what you have learned?

### **3.4.3 Analysis phase**

The findings were then analysed in order best internal practice between the methods used by the two divisions. Descriptive statistics and content analysis were used to explain the findings.

Descriptive statistics are used to describe the basic features of the data gathered from an experimental study in various ways. They provide simple summaries about the measures and they form the basis of analysis of data. They consist of statistics such as frequencies, the mean and other measures of central tendency, which provide descriptive information of a set of data (Cavana, Delahaye and Sekaran 2001, p. 455). The self-reflection exercise was analysed in the same way and comparisons made. The personal interview findings, where participants give their views on the work methods used, were then explored and compared.

Content analysis is suitable for this task as it can identify categories relevant to the research. Content analyses are the process of identifying, coding and categorizing the primary patterns of the data (Patton 1990, cited in Cavana, Delahaye and Sekaran 2001, p. 171).

Krippendorff (2004, p. 16) and Nuendorf (2002, p. 18) state that in case study research, data analysis consists of making a detailed description of the case and its context. The researcher searched for a collection of instances from the data, looking for issues and relevant meaning to emerge and identified themes. As indicated, these themes were identified by using content analysis, where each piece of data was closely examined in order to identify common ideas or themes. The researcher then re-examined the data and attempted to draw meaning from the themes. She worked to establish patterns and to look for any correspondence of categories. She then compared the differences between the two sets of data - data from the two sets of observations, self-reflection and the interviews - to establish best practice based on the criteria of each theme. After that, the results gained from observation, self-reflection and interview were compared to identify differences between Division I and Division III.

### **3.4.4 Integration phase**

The integration phase involved the setting of planning goals for the next step (Action phase). Camp (1994, p. 14) asserts that the integration phase needs to set goals and objectives first then perform the action which leads to these goals. In the integration

phase, the researcher considers how to reduce the performance gaps identified in the study. Gaps are the differences between the divisions in terms of how their performance is rated for conducting a similar task or within the same theme. For example, one division may be rated as more effective than another division in terms of any of the seven themes, identified from the research. If one division is more effective with respect to motivation or system management then efforts should be made for the other division to perform at a similar level or better, thereby reducing or eliminating the gap between them. This phase involves pulling together the results of the observation, self-reflection and interview findings to establish benchmarks. Having identified the gaps, the researcher set goals and objectives to implement best practice.

So, the integration phase identifies, by theme, which division performs more effectively and shows how to try to raise the performance of the other division by reducing or eliminating the distance gap between them. It also involves setting performance goals and objectives. The goals are to impart knowledge and understanding of the internal benchmarking process and its importance, to carry out the process focusing on revenue sharing, and develop the ability to work effectively and finally to build a management system that delivers quality work. To achieve these goals it is necessary to support and encourage staff of both divisions to recognize the key features and benefits of internal benchmarking. Support and encouragement of the staff are also necessary for them to undertake every step of the revenue sharing process as planned, to work systematically as a team by sharing work experiences, to develop their technology skills and to apply self-learning so that they become aware of the importance of professional development that leads to quality of work.

As indicated earlier, the issue of the learning organization was not introduced during this process as this study was essentially concerned with internal benchmarking only.

### **3.4.5 Action phase: Re-implementation of revenue sharing process**

The action phase involves four activities, namely a meeting, examining the revenue sharing process, considering human resources development and relating the process to good governance. The researcher held a briefing meeting in order to demonstrate the main points of the internal benchmarking process to staff. It included details of the importance and benefits of the process allowing staff to learn and discuss the issues. From this phase the researcher found that the revenue sharing process operated effectively but that staff knowledge and skills could be improved; however, this could not be done immediately, due to a lack of budget, and might therefore become a longer term plan. Improvements were also needed to provide an appropriate work place environment and enhance existing technology. As indicated, there are seven steps in the revenue sharing process.

The researcher also observed that cooperation was needed between the administration department and the human resources department to facilitate the development of technology development, skills and knowledge, as well as to provide a budget to do so. Finally, the human resources department should be involved in assisting in the goal setting and assessment program for both divisions, in line with TOT's corporate policy. In the action phase the data collection focused on observation, self-reflection and interviews again in order to find best practice in the revenue sharing process.

#### **(a) Observation**

The observations took place from 15 to 29 October 2004 and were conducted by the two research assistants during normal office hours. Their observation was recorded systematically, and all the participants' contributions were considered and analysed again as in the first observation. This included observation of the revenue sharing process and its steps, the working atmospheres and relationships between workers.

### **(b) Self-reflection**

The self-reflection phase is seen as an important part of Camp's (1994) methodology. The data were collected on 5 November 2004 when participants were invited to complete self-assessment exercise. The participants self-evaluated their strengths, weaknesses and the changes necessary to their work performance. They identified a strategy to improve efficiency and effectiveness. Finally, they reflected on what they had learned from the benchmarking studies

### **(c) The interviews**

The interviews were held from 8 to 30 November 2004 with staff from Division I and Division III. They were interviewed using a semi-structured interview based on the same questions as were used in the planning phase.

## **3.4.6 Maturity**

Maturity is the name given by Camp (1994, p. 14) to the last phase of his methodology. It is the step which allows the researcher to apply the identified best internal practices in the organization, helping it to have a competitive edge over its rivals and attain a leadership position. Once the maturity phase is reached, implementation of the internal benchmarking process to other sectors or divisions can be considered. Maturity is also achieved when the best practices become institutionalised at appropriate levels of the organization. They become an ongoing, essential and self-initiated facet of the management process, and, thus, this is where the benchmarking process can then be related to TOT developing to become a learning organization. The phases shown in Table 3.4 follow the outline recommended by Camp (1994, p. 14) and are described as follows:

**Table 3.4: Phases of internal benchmarking process (Camp 1994, p. 14).**

<b>Camp's Phases</b>	<b>Tools/activities</b>	<b>Participants</b>
<b>Planning</b>	-Meeting -Brainstorming -Participants observation - Self- Reflection -Interview	- Division I= 7 (Staff member 1 – Staff member 7) - Division III = 5 (Staff member A – Staff member E)
<b>Analysis</b>	- Data analysis - Gap identification	
<b>Integration</b>	- Meeting - Planning to reduce gaps	
<b>Action</b>	- Implementation <ul style="list-style-type: none"> <li>• Participants observation</li> <li>• Self- Reflection</li> <li>• Interview</li> </ul>	
<b>Maturity</b>	-Practices fully integrated into processes <ul style="list-style-type: none"> <li>• recommendation</li> </ul>	

### 3.5 Data analysis

In this research, data were analysed in three steps. The first step, Camp's planning phase, took the form of content analysis by observation and cross-checking with documents, self-reflection and interviews in order to elicit themes. From the content analysis of the interviews the following themes emerged:

- The importance of teamwork.
- The importance of effective time management
- Effective supervision and management, including the importance of planning work and of developing conditions to try to motivate staff
- The need for appropriate training and development of staff

- The need for appropriate equipment, hardware and software to undertake and complete the work effectively.

The appropriate statistics covering Camp's analysis phase are presented in chapters 5 and 6.

Thereafter, in Camp's analysis phase, data were compared to establish internal best practice based on the criteria of each theme. Finally, data were again analysed focusing on observation and cross-checking with documents, self-reflection and further interviews in order to find best internal practice based on the criteria for the revenue sharing process.

### **3.6 Conclusions**

From the literature review, the researcher identified the case study approach as being appropriate for this internal benchmarking process conducted in two small divisions of one Sector in TOT, because it is a form of investigation that can produce a deep understanding of the organization and can lead to more effective decision making. The study involves observation, self-reflection and interview techniques, and is a case study using internal benchmarking as the methodological tool. The researcher considered that the five phases of internal benchmarking proposed by Camp (1994, p. 14), namely planning, analysis, integration, action and maturity, were an appropriate methodology to use as the model for this study and the study was completed in accordance with the guidelines set out in the research proposal and the ethics application. The twelve participants in the research were drawn from Division I and Division III of Business Management Sector III, after the voluntary nature of the work was explained and confidentiality was assured, and, where considered desirable. Research assistants were used in order that the researcher, who works in a more senior capacity, could be distanced from the participants.



## **Chapter 4**

### **Conducting the Study**

#### **4.1 Introduction**

A letter detailing the purpose of the study and its procedures was sent to invite the staff of Division I and Division III of Sector III, to participate in this research project. The voluntary nature of the study was stressed, as well as the confidentiality of personal information and the participant's right to withdraw at any time. Written consent was obtained from twelve participants in Divisions I and III who wished to take part in this research. These staff expressed an interest in participating in this project as they indicated that they saw benefits for themselves and improvement in their daily work practices. The internal benchmarking investigation and case study were planned to be carried out as part of a daily routine and both as a team and as an individual exercise.

The first phase of the internal benchmarking study using Camp's (1994) methodology is the Planning Phase. The planning phase consisted of holding an initial meeting with the participating staff, the conduct of a 'brainstorming' session at this meeting in order to determine and obtain agreement of what was considered to be the main area or areas to be investigated. This was then followed by participant observation, self-reflection and interviews with each participant, in accordance with Camp's methodology.

The initial planning meeting considered the objectives of undertaking internal benchmarking research in the two divisions of this Sector, and indicated that all information relating to the individual participants in this study was to remain confidential. It was explained that the information obtained was for this research and was not designed to affect the persons or the persons involved, although it was recognized that it might do so. The meeting stressed that the research involved an internal benchmarking study. The similarity of some of the potential outcomes from

this internal benchmarking study, to those which might also apply in a learning organization was not indicated or discussed, although the researcher was aware that such similarities did, in fact, exist and apply.

At this initial meeting, the researcher explained that the study was a benchmarking study to try to ascertain and develop best practices within these two divisions. Also, it was explained and discussed that this study was an internal benchmarking study rather than one where the work practices within these two divisions would be compared with similar work practices in external organizations. There were various reasons for this but the main ones were the difficulty of finding precisely similar work outside the organization and also that internal comparisons were more likely to obtain acceptance of the practice internally within the two divisions involved. As indicated, one of the advantages of undertaking an internal benchmarking study was that the two divisions involved in this study were performing similar tasks and these tasks would almost certainly be difficult to duplicate externally. Thus advantages were seen in undertaking an internal benchmarking exercise. The disadvantages were that only internal practices were being compared and while this could lead to improved internal practice, it did not necessarily mean that the best internal practices would stand up to scrutiny if a wider comparison could be made with practices in external organizations. In this initial meeting, the researcher informed the participants about the objectives of this research.

As indicated, part of this initial meeting was to undertake a ‘brainstorming’ session to try to determine the best or most significant area or areas to study in the work of the two divisions as it was recognized that not every aspect could be included in the study. ‘Brainstorming’ is defined by Bartol, Tein, Mathews and Martin (2005, p. 316) as:

*A technique encouraging group members to generate as many novel ideas as possible on a given topic without evaluating them.*

Having generated various ideas, the group then used the methodology, criteria testing matrix, of Boonyakit and Siripanit (2002, pp. 28-29), to decide which area or areas to study in the internal benchmarking process. This is discussed in detail in the next section.

In addition to the researcher, two research assistants from other areas of TOT were appointed to assist the researcher in developing and investigating the internal benchmarking process. It was considered desirable to include these assistants in developing this study as the researcher occupied a more senior position within TOT, which might affect the participants' interaction and discussion.

These two research assistants also attended the initial meeting. The role of the two research assistance was to observe participants in their everyday working activities, and interview them about their working environment and conditions of work and ask the participants to evaluate their ideas and experiences using the self-reflection phase in Camp's model.

The research assistants tape recorded the participants' self-reflection comments and also took written notes concerning these comments. The observations and interviews each took approximately 30 minutes for each participating staff member.

As indicated, the data were collected using a process developed by Camp (1994, p. 14; 1998, p. 20) which consists of five phases, planning, analysis, integration, action and maturity. The data from observations, self-reflections (self-assessments) and interviews were analyzed and applied according to the work performance of Division I and Division III of TOT. The objectives of the research were to improve the working performance of staff in Sector III by using internal benchmarking to compare the performance of the two divisions. This study leads to the development of skills and knowledge as well as enhancement in terms of technical and professional capabilities in order to generate ongoing benefits and changes for Sector III staff.

After the collection of the data the researcher met the research assistants to analyse the information. The data collection concerned the information from the observations, self-reflections and interviews of the participants from the two divisions. Finally, the researcher arranged a meeting with the participants to discuss and plan how to address the gaps. They would conduct an investigation, observe the best practices firsthand and document the findings. After completing the investigations and observations, they would decide how much better the best practices were than the present work practices.

After the participants at the meeting acknowledged and agreed to the research process, the researcher observed that all of them appeared to be interested and pleased to participate in the research. Everyone was enthusiastic about it and their roles in it and asked what they would have to do. Some suggested benchmarking the revenue sharing, negotiation, data filing, and data searching processes but it was not possible to do everything at the same time. Therefore, it was decided to prioritize the activities. The priority considerations were ease of collecting the data, the necessity for improving the process, the benefits obtained, the time taken, the difficulty of doing the benchmarking, and the impact on the organization's objectives or strategies. As a result, the researcher believes that the success factors of the research are based on wants and needs of the participants. The participants in the meeting requested a brainstorming session so that everyone could give their opinions. The brainstorming would search for suitable topics for the benchmarking research, using the criteria testing matrix, as recommended by Boonyakit and Siripanit (2002, pp. 28-29).

## **4.2 Staff contributed their ideas for the internal benchmarking process**

The brainstorming process was undertaken at TOT; the twelve participants were invited to a workplace meeting room at TOT head office. The researcher and the two assistants met with all participating staff in order to bring them together and brief them about the research project and the processes. All staff contributed their ideas for the internal benchmarking process through the brainstorming exercise. The brainstorming also led to an understanding of the advantages of internal benchmarking that could be verified, including what could go wrong or what could go right.

After the initial briefing, a brainstorming session among respondents was led by the researcher and the two assistants. The purpose of the brainstorming was to generate the work areas that would be selected for internal benchmarking. Every idea was recorded, evaluated and selected or not, respectively.

The business processes of a department lead to critical success factors that should be a significant topic for internal benchmarking. There were many areas of work in Business Management Sector III that could be considered for benchmarking, a list including *the revenue sharing process, document selection process, negotiation, collection of electricity, water and lease fees, contract management*, and others. To select only one area of work to be benchmarked, the brainstorming exercise focussed on three areas seen as most critical to TOT's success, namely:

- the revenue sharing process,
- the document selection process,
- the negotiation process.

The final selection was determined using the criteria testing matrix, as recommended by Boonyakit and Siripanit (2002, pp. 28-29). The criteria are:

1. The impact of the process on goals and organizational strategies.
2. The difficulty/ease to find a company to benchmark.
3. The need to improve the process.
4. The nature of teamwork.
5. The organisation's achievement.

When several benchmarking opportunities are available for consideration, a decision matrix may be used to weigh improvement opportunities against various criteria for success. The researcher and participants brainstormed the criteria for judging what was to be benchmarked, as shown in Figure 4.1. Criteria testing began by assigning relative weights to the selected criteria and these weights are shown in Figure 4.1.

**Figure 4.1: Criteria testing matrix.**

Criteria	Weight (point)
The impact of the process on goal and organizational strategies	2
The difficulty/ease to find a company to benchmark	1
The need to improve the process	3
The nature of team work	1
The organization's achievement	3

These factors and the weightings were discussed and agreed upon by the participants, the researcher, and the research assistants.

For “Revenue sharing” a relative priority was assigned to each work area on a scale of 1 to 3, (see Figure 4.2). The revenue sharing process was rated 3 in its ability to deliver an impact on goals and organizational strategies. The entry under “impact of the process” was 6 points (i.e.,  $3 \times 2$ ). Similarly, revenue sharing was rated 3 in “difficulty/ease to find a company to benchmark”, the need to improve the process, the nature of team work and the achievement the organization gets. Therefore its score was 9 points (i.e.,  $3 \times 3$ ), 3 points ( $3 \times 1$ ), 3 points ( $3 \times 1$ ), and 9 points ( $3 \times 3$ ), respectively. The total score for Revenue sharing then was 30 points.

For the “Document selection process” a relative priority was assigned to each work area on a scale of 1 to 3, (see Figure 4.2). The document selection process was rated 2 in its ability to deliver an impact on goals and organizational strategies. The entry under “impact of the process” was 4 points (i.e.,  $2 \times 2$ ). Similarly, “difficulty/ease to find a company to benchmark” was rated 3 giving a weighted score of 9 points (i.e.,  $3 \times 3$ ). The “need to improve the process” was rated 1, giving a weighted score of 1 (i.e.,  $1 \times 1$ ). The “nature of team work” was rated 2 giving it a weighted score of 2 points (i.e.,  $2 \times 1$ ). Finally, the “organization's achievement” was rated as 2 giving it a weighted score of 6 points (i.e.,  $2 \times 3$ ). The total score for the document selection process was 22 points.



### **4.3 Participant observation and document analysis**

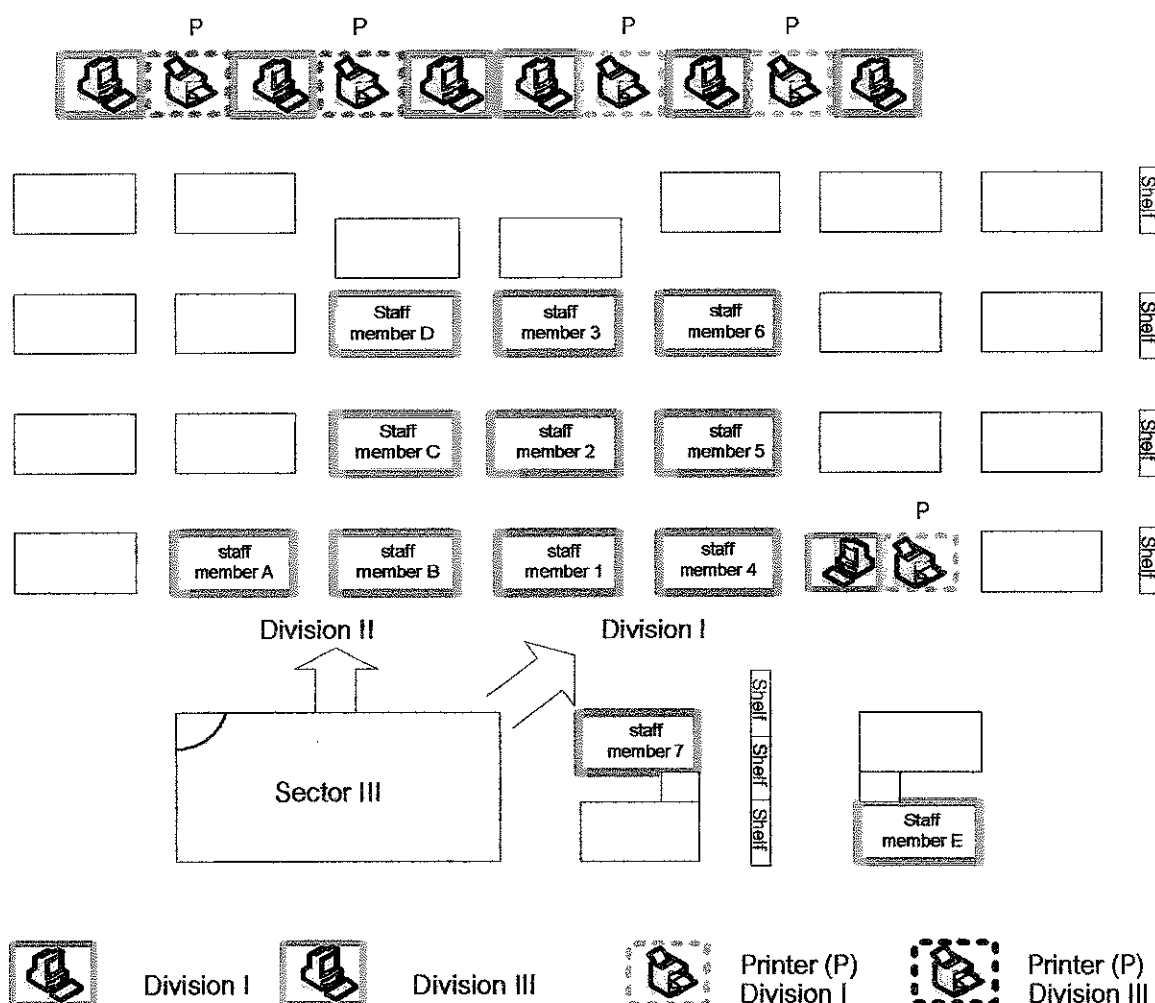
The researcher, the two assistant researchers and participants discussed what was to be benchmarked and the work area to be internally benchmarked with the decision being “revenue sharing”. In order to get the data to support this internal benchmarking, the researcher invited twelve staff, responsible for revenue sharing, to participate in a meeting. The researcher informed participants that, during their normal work in their normal workplace, the two assistant researchers would observe them for half an hour in the morning and half an hour in the afternoon for five days, with the permission of the participants. The researcher explained that the observation activity which the two assistant researchers needed to undertake included work process, work steps and work outcomes as well as the environment, work surroundings and other factors which affect work outcomes. The two assistant researchers would take notes, ask questions and make recordings. The assistant researchers’ observations are recorded below.

#### **Sector III (Division I and Division III)**

The working area is 43.4 square metres and is not well lit. Each of the 27 workers has a workspace of 1.88 square metres which appears fairly congested. In the area occupied by Sector III (the focus of the benchmarking exercise) the atmosphere was quiet. Most of the staff are female. There was little movement around the desks as staff tended to sit at their workstations. To use a computer, staff have to leave their workstations and go to a terminal designated for that division. The need to share computers, due to insufficient budget to fund equipment for all, is a significant handicap. The office space is shared by both divisions and is shown in Figure 4.3.



**Figure 4.3: Staff locations in Sector III (Division I and Division III).**



## Division I

This division has seven full-time staff, six female and one male, all graduates with a bachelor's degree or higher. The age range was from 36 to 45 years old and the length of time they had worked at TOT ranged from 9 to 15 years. With the exception of the manager and one of the youngest employees, the staff were all graded as level 6. This division was responsible for revenue of Baht 18.7 million per month.

With regard to work skills, the assistant researcher noted that computer skills in this division were at a low level. However, one staff member was fully computer literate, being familiar with Windows, networking and proprietary applications. She had an

ability to quickly learn and use new software and hardware, with proficiency in English. The assistant researcher had remarked earlier that she was efficient and had a sense of humour. Whilst computers are important in the revenue sharing process, their use in this division was confined to simple word processing and Excel spreadsheets.

The work process was essentially that of revenue sharing, which is controlled by a concessionaire contract with True Corporation Public Company, Ltd. Sector 17, document 7 of this contract states that True must hand over proprietary rights concerning the revenue collection system to TOT and that True will share the revenue with TOT in the different sharing ratios shown in Figure 4.4. The revenue sharing is calculated and affected on a daily basis.

**Figure 4.4: The revenue sharing ratios of True and TOT.**

Type of services	Ratio	
	True	TOT
Fixed lines telephone services		
-two million fixed lines in Bangkok metropolitan area	84.0	16.0
-600,000 fixed lines in Bangkok metropolitan area	79.0	21.0
Value added services		
-Leased lines and leased circuit services	82.0	18.0
-Direct Inward Dialing service (DID)	82.0	18.0
Collect Call service		
-Toll Free Call 1800	82.0	18.0
-Audio text for special telephone number 1900	82.0	18.0
-Asymmetric Digital Subscriber Line (ADSL)	82.0	18.0
Public Payphone		
-Coin operated public telephones in metropolitan area	76.5	23.5
Equipment on contract	81.0	19.0

The assistant researcher conducted observations and interviews with all seven participants. Figure 4.5 is the observations of all seven staff for the revenue sharing process.

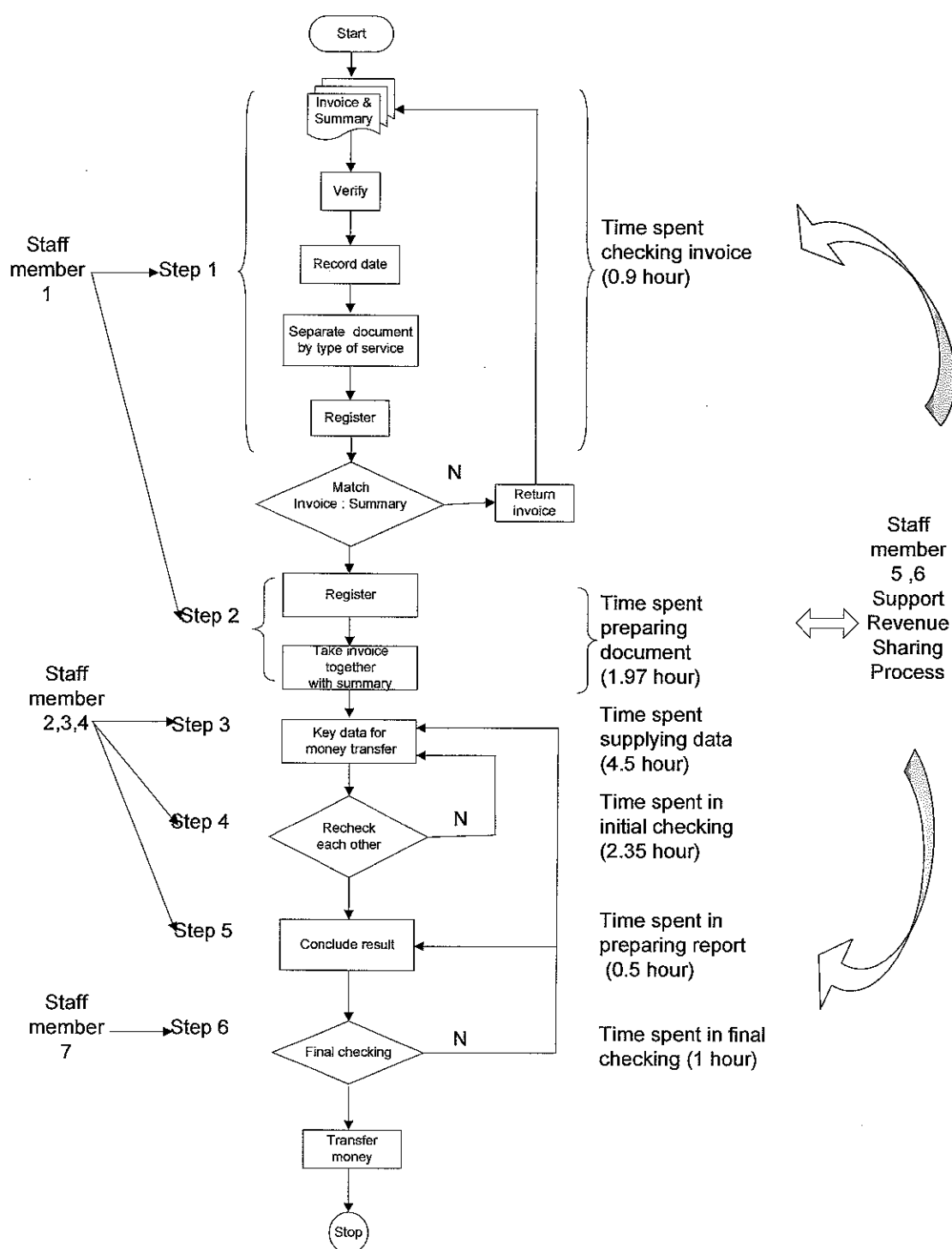
**Figure 4.5: Explanation of Division I's revenue sharing work process.**

Step	Staff member	Activity	Work process
1  (Time spent = 0.9 hours)	1		Staff member 1 receives a summary of cash payment <sup>1</sup> by type of service source of payment for the two companies via TOT messenger and receives Debit Note/invoice, a Credit Note/adjustment <sup>5</sup> and Debit Note/adjustment by type of service and date of payment via True's messenger. (These different services have different revenue sharing ratios and must therefore be accurately identified)
		Verify	After signing for the documents, staff member 1 checked the amount of money involved in the summary of cash payment, Debit Note/invoice, Credit Note/adjustment and Debit Note/adjustment.
		Record date	Staff member 1 stamps the receipt date on the summary of cash payment, Debit Note/invoice, Credit Note/adjustment and Debit Note/adjustment.
		Separate document by type of service	Staff member 1 separates the summary of cash payment, Debit Note/invoice, Credit Note/adjustment and Debit Note/adjustment and gives them to staff member 2, staff member 3 and staff member 4.
2  (Time spent = 1.97 hours)	2,3,4	Register	After receiving the documents from staff member 1, staff member 2, staff member 3 and staff member 4 register all the documents in the invoice register form, which records the daily cash payment (DCP) by type of service, including date of receipt, invoice number and date, DCP date and money transfer date. They must transfer the money within seven days from the date of receiving the documents.
		Match invoice with Summary	In this step, staff member 2, staff member 3 and staff member 4 select the invoices that should be transferred within seven days (based on first in, first out principle) and match the invoice with the summary of cash payment, Debit Note/invoice, Credit

			Note/ adjustment and Debit Note/ adjustment and put them together.
		Return invoice for rechecking	Staff member 2, staff member 3 and staff member 4 check the amount of money between the invoice and summary of cash payment and, if they find an error, they send these documents to staff member 1 to return to True company to recheck it again.
		Put invoice together	Staff member 2, staff member 3 and staff member 4 put the correct documents together and do the next activity.
3 (Time spent = 4.5 hours)	2,3,4	Key in data for money transfer	Staff member 2, staff member 3 and staff member 4 key in data into the Excel spreadsheet. This spreadsheet shows the type of service and share ratio, payment date, accounting code and VAT code, with resulting total. The revenue sharing amount is calculated by the Excel program formula. Each set of data comprises many invoices and finally the staff printed a spreadsheet reports for each set.
4 (Time spent = 2.35 hours)	2,3,4	Recheck each other	An error checking stage conducted by staff member 2, staff member 3 and staff member 4. They print the spreadsheet report and exchange them, checking them with documents that were used for keying in.
5 (Time spent = 0.5 hours)	2,3,4	Result	After rechecking, staff member 2, staff member 3 and staff member 4 printed a commission summary report, which is the daily total amount of money to be transferred from TOT to True, broken down by type of service, invoice amount, adjustment amounts and net total. They put them together with the verified spreadsheet reports from step 4 and the original documents used for keying in and send them for final checking.
6 (Time spent = 1 hours)	7	Final checking	The final step is a summary report that is verified by the department head (staff member 7) and then submitted to the director for permission to transfer the monies.

In undertaking the revenue sharing process, staff members 5 and 6 are required to support each step namely, to contact True to collect electricity, water and building lease fees and contract management fees. These revenue sharing steps are shown in Figure 4.6.

**Figure 4.6: Revenue Sharing Process in Division I.**



In observing the revenue sharing process of Division I, the assistant researcher concluded that the time spent checking invoices, in supplying data, initial checking and preparing the report and final checking was shown as in Figure 4.6.

Specifically, the first step was the time spent checking invoices, which involves one staff member and took 0.9 hours. The second step was the time spent preparing the documents and required three staff members to prepare and put the invoices together with a summary and took 1.97 hours. The third step was the time spent in supplying data, requiring three staff members to key data and took 4.5 hours. The fourth step was the time taken for initial checking; it required three staff members and took 2.35 hours. The fifth step was the time spent in preparing the report, which needed one staff member to prepare and took 0.5 hours. The last step was the spent in checking the report, which required one staff member to prepare and took 1 hour. The total money transfer time in this process took 11.22 hours. Details of the steps taken by individual staff are shown in Table 4.1.

**Table 4.1: The period of time spent in each step of revenue sharing according to participant observation of Division I staff.**

Step	Process	Staff member							Unit : hour
		1	2	3	4	5	6	7	Total
1	Time spent checking invoice								
	- Invoice/ Credit Note/ Debit Note	0.9							0.9
	- Summary (separate by service)								
2	Time spent preparing document								
	- Register		0.28	0.24	0.40				0.92
	(Invoice/ Credit Note/ Debit Note)								
	- Take invoice together with summary		0.35	0.37	0.33				1.05
	- Group Document								-
3	Time spent supplying data		1.2	1.4	1.9				4.5
4	Time spent in initial checking		0.76	0.69	0.9				2.35
5	Time spent in preparing report								
	- Report Transfer money				0.5				0.5
6	Time spent in final checking							1	1
	<b>Total</b>	<b>0.9</b>	<b>2.59</b>	<b>2.7</b>	<b>4.03</b>			<b>1</b>	<b>11.22</b>

### Division III

This division has five full-time staff, four of whom have master's degrees and the fifth was educated to bachelor's degree level. The age range was from 31 to 48 years old with the oldest employee being the manager, and employees were level 5 with one at level 6. This division was responsible for revenue of Baht 9.2 million per month. With regard to work skills, the assistant researcher noted that the level 6 staff member was proficient in Microsoft Access and other applications, whereas the others had only basic computer skills. She had also noted their efficiency and good humor. The work process is similar to Division I, and is controlled by a concessionaire contract with TT& T. Sector 17, document 7 of the contract spells out the different revenue sharing ratios between the two companies, which are shown in Figure 4.7. The revenue sharing is calculated and effected on a daily basis.

**Figure 4.7: The service revenue sharing ratio that TOT divides with TT&T Public Company Limited (TT&T).**

Type of services	Ratio	
	TT&T	TOT
Fixed lines telephone services		
-One million fixed lines in Provincial areas	56.9	43.1
-500,000 fixed lines in Provincial areas	55.5	44.5
Value added services		
-Leased lines and leased circuit services	82.0	18.0
-Direct Inward Dialing service (DID)	82.0	18.0
-Sorted Programme Control (SPC)	82.0	18.0
Collect Call service		
-Toll Free Call 1800	82.0	18.0
-Audio text for special telephone number 1900	82.0	18.0
-Asymmetric Digital Subscriber Line (ADSL)	82.0	18.0
Public Payphone		
-Coin operated public telephones in metropolitan area	76.5	23.5
Equipment on contract	81.0	19.0

The assistant researcher conducted observation and interviews with all five participants but there was some duplication. Noted below are the observations of all five staff of the revenue sharing process.

**Figure 4.8: Explanation of Division III's revenue sharing work process.**

Step	Staff member	Activity	Work process
1  (Time spent =0.75 hours)	A	Receive invoice and summary	Staff member A receives a summary of cash payment by type of service and source of payment for the two companies via TOT messenger and receives Debit Note/invoice, a Credit Note/adjustment and Debit Note/ adjustment by type of service and date of payment via TT&T's messenger. (These different services have different revenue sharing ratios and must therefore be accurately identified.)
		Categorize invoice by type of payment	After signing for the documents, staff member A checks the amount of money involved in the summary of cash payment, Debit Note/invoice, Credit Note/adjustment and Debit Note/adjustment. Staff member A categorizes the document into type of service and type of payment.
		Stamp date receive invoice	Staff member A stamps the receipt date on the summary of cash payment, Debit Note/invoice, Credit Note/ adjustment and Debit Note/ adjustment.
2  (Time spent =0.75 hours)	A	Put document in file	<ul style="list-style-type: none"> <li>Staff member A registers all the documents in the document file, which records the daily cash payment (DCP) by type of service, including date of receipt, invoice number and date, DCP date and money transfer date. They must transfer the money within seven days from the date of receiving the document. The invoices that should be transferred within seven days (based on first in, first out</li> </ul>

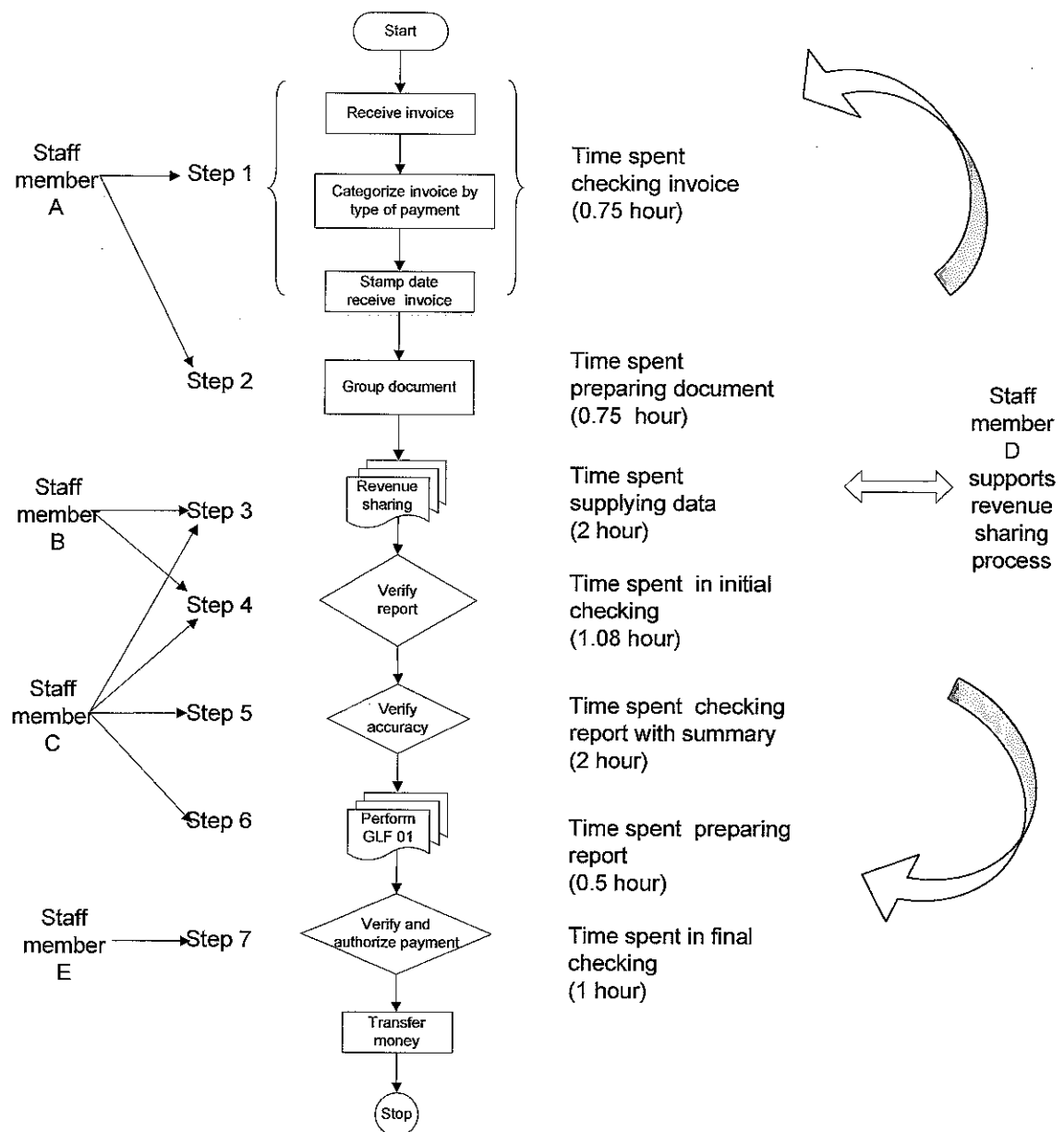


			<p>principle).</p> <ul style="list-style-type: none"> <li>• Staff member A matches the invoice with the summary of cash payment, Debit Note/invoice, Credit Note/ adjustment and Debit Note/ adjustment and put them together.</li> <li>• Staff member A checks the amount of money between the invoice and summary of cash payment and, if they find an error, they send these documents return to TT&amp;T Company to recheck it again.</li> <li>• Staff member A puts the correct documents together and does the next activity.</li> </ul>
		Match invoice with Summary	In this step, staff member 2, staff member 3 and staff member 4 select the invoices that should be transferred within seven days (based on first in, first out principle) and match the invoice with the summary of cash payment, Debit Note/invoice, Credit Note/ adjustment and Debit Note/ adjustment and put them together.
3 (Time spent = 2 hours)	B	Key in data for money transfer	Staff member B keys in data into the Access spreadsheet. This spreadsheet shows the type of service and share ratio, payment date, accounting code and VAT code, with resulting total. The revenue sharing amount is calculated by the Access program formula. Each set of data comprises many invoices and finally the staff print a spreadsheet reports for each set.
4 (Time spent = 1.08 hours)	B,C	Verify reports	An error checking stage is conducted by staff member B and staff member C. They print the spreadsheet report and exchange them, checking them with documents that were used for keying in.
5 (Time spent = 2 hours)	C	Result	After rechecking, staff member C prints a commission summary report, which is the daily total amount of money to be transferred from TOT to TT&T, broken

			down by type of service, invoice amount, adjustment amounts and net total. They put them together with the verified spreadsheet reports from step 4 and the original documents used for keying in and send them for final checking.
6 (Time spent = 0.5 hours)	C	Perform GLF 01	Staff member prints the GLF 01 report.
7 (Time spent = 1 hours)	E	Verify and authorize payment	The final step is a summary report that is verified by the department head (staff member E) and then submitted to the director for permission to transfer the monies.
		Transfer money	Staff member E sends the permission documents to the Finance department to transfer the monies to TT&T.

In undertaking the revenue sharing process, staff member D is required to support each step namely, to contact True to collect electricity, water and building lease fees and contract management fees. These revenue sharing steps are shown in flowchart Figure 4.9.

**Figure 4.9: The Revenue Sharing Process of Division III.**



In observing the revenue sharing process of Division III the assistant researchers concluded that the time spent was for checking invoices, supplying data, initial checking, preparing a report and final checking, as shown in Table 4. 2

Specifically, the first step was the time spent checking invoices, which involves one staff and took 0.75 hours. The second step was the time spent preparing the

documents and required three staff and took 0.75 hours. The third step was the time spent in supplying data requiring three staff to key data and took 2 hours. The fourth step was the time taken for initial checking, requiring three staff and took 1.08 hours. The fifth step was the time spent checking the report with a summary and took 2 hours. The sixth step was the time spent preparing the report, which took one staff 0.5 hours. The last step was the time spent on the final checking and took one staff 1 hour. The total money transfer time in this process took 8.08 hours. Details of the steps taken by individual staff are shown in Table 4.2.

**Table 4.2: The period of time spent in each step of revenue sharing according to participant observation of Division III's staff.**

Step	Process	Staff member					Unit : minute
		A	B	C	D	E	Total
1	Time spent checking invoice - Invoice/ Credit Note/ Debit Note - Summary (separate by service)	0.75					0.75
2	Time spent preparing document - Group Document	0.75					0.75
3	Time spent supplying data		1	1			2
4	Time spent in initial checking		0.58	0.5			1.08
5	Time spent checking report with summary			2			2
6	Time spent preparing report - Report Transfer money			0.5			0.5
7	Time spent in final checking					1	1
<b>Total</b>		<b>1.5</b>	<b>1.58</b>	<b>4</b>		<b>1</b>	<b>8.08</b>

#### 4.4 Staff self-reflection and interviewing on the process

After the revenue sharing observation was complete, the staff self-reflection and the researcher made interview appointments with the staff of Division I and Division III to request their comments on the process.

In this research, respondents had the opportunity to self-reflect on the process of revenue sharing and were asked to comment about their strengths and weaknesses and

what they have learned and how it had improved their work. The strategies could be employed to improve efficiency and effectiveness, and what they had learned from this benchmark study. The self-reflection and interview of staff in Division I and III is described below.

### **System management: Division I**

Staff in Division I worked on the True concessionaire revenue sharing contract and their individual responses are summarised below. Participants had several comments to make about the management of the revenue sharing system. System management is an administrative principle used to monitor the employees' functions in division I. It consists of work method, functional management, technology usage, and management that lead to the achievement of the organization's goals, and the arrangement of the working environment to be suitable for work:

*A good management information system is needed to make it easy to conduct searches quickly, but it must be accurate so that the references can be trusted.*

(Interview: Staff member 3)

*If we preplan it helps the employee to do his work smoothly and successfully.*

(Interview: Staff member 1)

In effect, the MS Excel software is not suitable for this information management system and, as a result, it takes a longer time for Division I to perform its duty of transferring money through the revenue sharing process. Nevertheless, workplace learning takes place (Beckett and Hager 2000, p. 304; Boud and Salomon 2001, p. 18) and the task is accomplished. Hence, more effective hardware and/or software is required, reflection the view of Daft (2007, p. 733) that non-human resources are also essential for the work to be carried out successfully.

*More hardware is also required to make the work easier to do.*

(Self-reflection: Staff member 3)

*At the moment the program is not good, and one reason is that there are often problems with Excel. For example, data can be over written, lost or disappear when saving under the same name.*

(Interview: Staff member 6)

*Work is correctly assigned and completed on time without error and with accountability throughout the process.*

(Self-reflection: Staff member 3)

*The staff work hard and have accountability for the work given to them by their manager. Work is finished on time, completely and accurately.*

(Self-reflection: Staff member 1)

*The work responsibility must be distributed clearly, so that each employee can discharge her duties efficiently and that the work process flows smoothly.*

(Interview: Staff member 5)

*The office walkways are congested because the desks are close together and this can be hazardous when walking to another workstation to speak to a colleague.*

(Interview: Staff member 4)

*It is important to check the work carefully and to do this; we need at least two employees to cross check.*

(Interview: Staff member 3)

*You have to check the accuracy of the invoice and summary to prevent any error occurring in the revenue sharing transfer process.*

(Interview: Staff member 4)

*The manager must support the sector employees by giving them knowledge and ability, through training, to develop their potential.*

(Interview: Staff member 6)

*Adequate computer and printer facilities should be provided.*

(Interview: Staff member 5)

*Deficient equipment and systems, including computers and power supply, can all slow down or stop the work process.*

(Interview: Staff member 3)

*The goal is to manage the revenue sharing process so that it is completed on time and to ensure that the documentation is complete, accurate and error free.*

(Interview: Staff member 4)

*You must also know how to manage your time and try to prepare information in advance so that the work flows continuously and quickly.*

(Interview: Staff member 4)

There were several observations about the management of the data. Improved computerization, careful checking and a reduction in the number of steps involved were mentioned specifically. Planning and auditing can help to produce better and faster results:

*Introduce more computer applications to make repetitive tasks easier and quicker to complete.*

(Self-reflection: Staff member 5)

*Our work has many steps and many documents.*

*Poor checking can easily lead to problems.*

(Self-reflection: Staff member 4)

*Planning can reduce the time taken to do the work and also reduce stress. If the division as a whole has no systematic plan, then individuals cannot plan well on their own.*

(Self-reflection: Staff member 3)

*Planning would also “ensure that all necessary documents arrive together, so a summary and invoice can be prepared at the same time”.*

(Self-reflection: Staff member 1)

### **System management: Division III**

Staff commented that good data management is essential for the smooth running of the operation and every step is important to ensure accuracy. Management and staff need to have a clear vision of what is to be done and a plan to achieve it. According to Daft (2007, p. 208) management provides effectiveness for human efforts:

*Good data management is essential as it affects data storage; our work quality must be 100 percent.*

(Interview: Staff member B)

*Management must have clear vision and provide clear judgments in regard to planning and running the business. This vision must be communicated regularly to all levels of staff, throughout the hierarchy.*

(Interview: Staff member C)

Also important is adequate and suitable office equipment, such as computers, printers, copying and fax machines, that work continually so as not to impact negatively on the work process. Daft (2007, p. 209) indicates that non-human resources are also essential so that plans can be carried out successfully.

*Our office equipment, such as computers, Xerox and fax machines, cannot work continually. They break down and disrupt our work. Another problem is that the document storage area is located some distance away from my desk.*

(Interview: Staff member D)

*We should have meetings to identify and solve problems and ensure that the computers and office equipment are suitable for our work.*

(Interview: Staff member D)

Working accurately and on time was considered a key success factor and this requires teamwork a methodical way. Staff must learn from the work process, as noted by Fleming (1997, p. 23).



*Working in teams increases efficiency and makes it easier to solve problems and this benefits all concerned.*

(Interview: Staff member B)

*We need teamwork to produce the work accurately and on time, so these two objectives go together.*

(Interview: Staff member B)

Participants thought that there were too many work steps in the process. However, the data management system was noticeably better as this Division used the MS Access programme. Nevertheless, there were still areas for concern, namely old equipment and insufficient storage capacity.

*There are too many work steps and some of these may be unnecessary so duplication occurs.*

(Self-reflection: Staff member A)

*Working with Microsoft Access results in good data management and it is easy to conduct checks. There is a good storage and sorting facility with the ability to look at historical data... You have to be very careful in checking and this is one of our division's strengths. According to the contract, a fine can be imposed if the work is not correct or not delivered on time.*

(Self-reflection: Staff member A)

*We should give staff concerned up-to-date equipment, especially suitable and sufficient document storage.*

(Self-reflection: Staff member C)

*The PC hardware and software should be improved to make them more effective.*

(Self-reflection: Staff member D)

Management has an important role to play in fostering a learning environment and in planning, organizing, leading and controlling (Daft 2007, pp. 6-7). Participants also saw a need for management involvement.

*Management should have a plan for each step in the processes.*

(Self-reflection: Staff member B)

*Decentralize by delegation--this spreads the accountability and offers the facility to substitute workers in case of absence.*

(Self-reflection: Staff member B)

*Use job training and mentoring to achieve zero defects continuous training is necessary for continuous improvement.*

(Self-reflection: Staff member C)

## **Time management: Division I**

In terms of the revenue sharing contracts with the concessionaires, the work must be completed accurately and on time to avoid penalties. This requires planning and correct allocation of work. Time management allows the work to be completed on time, as well as being error free, and the work process flows smoothly.

*My work must be correct and on time, as per the contract.*

(Interview: Staff member 2)

*The goal is to manage the revenue sharing process so that it is completed on time and to ensure that the documentation is complete, accurate and error free.*

(Interview: Staff member 4)

*You must also know how to manage your time and try to prepare information in advance so that the work flows continuously and quickly.*

(Interview: Staff member 4)

*The aim is to follow TOT directives and complete the work, as a team, in the time specified in the contract.*

(Interview: Staff member 1)

*We have limited time to complete the job and we should complete it on a daily basis. However, sometimes the volume is too great, especially at holiday time.*

(Self-reflection: Staff member B)

*It helps us to see what we must do to work more efficiently and effectively, for example in time management.*

(Self-reflection: Staff member C)

### **Time management: Division III**

TOT's regulations and the concessionaire contracts require the revenue sharing work to be completed on time and accurately. One way to improve the system is to use information technology, which results in quicker and more accurate outcomes.

*My job is to fulfil my obligations in terms of the Contract and TOT's corporate regulations on time.*

(Interview: Staff member C)

*We must do the work accurately and on time.*

(Interview: Staff member B)

*If you follow the target you will pay the revenue sharing amount accurately, completely and on time, as required by the contract.*

(Interview: Staff member C)

*We should adjust our revenue sharing systems by using IT to create quicker and more accurate methods which will result in work being delivered on time.*

(Self-reflection: Staff member C)

### **Learning: Division I**

Staff must also learn by themselves and from others, because working individually will not be successful. Argyris and Schon (1978, p. 28) assert that individuals act as learning agents for the organization.

*When a problem does occur, you should talk about it with your supervisor who will help you make a decision.*

(Interview: Staff member 4)

*You then use the knowledge to improve your quality of work and pass on the skills to others.*

(Interview: Staff member 3)

*We need to adjust in many ways, to improve standards of teamwork, find new technology for our operations and learn new methods which we can adopt to improve our work.*

(Interview: Staff member 3)

*I learned that our work methodology can be adjusted both individually and as a team. This leads to improved efficiency and working to full capacity so our objectives are achieved.*

(Interview: Staff member 2)

Kolb (1984, p. 38) believes that people learn from their experiences and that learning is enhanced through having realistic experiences and from this study we can see that this can benefit the corporation. Adults have been found to learn more effectively through experience and it is important to understand how to encourage this process (Knowles 1984, p. 46; Billett and Somerville 2004, p. 312). This is relevant to this study as this study is concerned with adults and how they learn.

*I learned that our work methodology can be adjusted both individually and as a team. This leads to improved efficiency and working to full capacity and so our objectives are achieved.*

(Interview: Staff member 2)

*Staff should try to improve themselves through learning.*

(Interview: Staff member 1)

*Employees also need to be supported with the opportunity to learn, which will give them knowledge and promote creative thinking.*

(Interview: Staff member 3)

New technology is important to our society and particularly so in the telecommunications industry. It is necessary that staff become familiar with this technology and are able to learn to work with it effectively. This means that self-directed learning and staff training can lead directly to enhanced performance. The participants in the study realized the importance of self-development in order to face change (Boud 2000a, p. 17; Donnelly *et al.* 1997, p. 215) mention that the requirement for effective teams includes top-level commitment and provision of clear goals, and management-employee trust.

*We also need to learn and practice new technology.*

(Interview: Staff member 6)

*TOT must help its employees to develop themselves by offering training in positive thinking and helping to instil good habits. For example, we should have the habit to accept change and "dare to think, dare to do".*

(Interview: Staff member 5)

*We should rotate the jobs in the sector to give everyone a chance to learn and allow employees to stand in for each other.*

(Interview: Staff member 6)

*I can do this by having a clear working goal, through teamwork, planning, comparison and then implementing the better way. The targets can be achieved through good working relationships and teamwork.*

(Interview: Staff member 4)

According to Boud and Solomon (2001, p. 11), workplace learning can develop both the enterprise and individuals and this is reflected in participants' comments.

*TOT should strive to be a learning organization and support and stimulate its employees to develop themselves through continuous learning and become loyal.*

(Interview: Staff member 1)

### Learning: Division III

Training will assist staff to develop their full potential, for example, in appropriate computer applications and use of new technology (Harrison 2004, p. 778). Staff also want support through sponsorship of their professional development (Gilley and Gilley 2002, p. 35; Fleming 1997, p. 63).

*Employees must develop to their full potential through training. For example, by giving an employee training in computer programs.*

(Interview: Staff member A)

*Continuous training is needed to impart knowledge to employees, which will promote creative thinking and allow them to work efficiently.*

(Interview: Staff member C)

*It made correct decisions quickly and developed the skill to analyse facts and examine reasons to make these decisions.*

(Interview: Staff member B)

*I have learnt MS Access so that I can help introduce it into the revenue sharing process and this has given us the ability to compile and check data in the past, present and future.*

(Interview: Staff member C)

*I have also introduced standardized practices which are easier to use. I have tried to find and use new technology because this makes our work easier. We need up-to-date systems for our work processes so that it is easy to key in and manipulate data.*

(Interview: Staff member C)

Learning together for the greater corporate good was also an encouraging finding (Gilley and Maycunich 2000b, p. 57).

*We learned together and accept the organizational changes that occur.*

(Interview: Staff member A)

*We need unity, creative thinking and innovation to help the company develop.*

(Interview: Staff member A)

*These changes will allow TOT to become as good as, or better than, the competition.*

(Interview: Staff member A)

## **The learning organization: Division I**

While, as indicated, the concept of a learning organization was not specifically introduced into this internal benchmarking study, the findings of the study indicate that the staff of division I are aware of the Chief Executive Officer's stated intention for TOT to move to become a learning organization. Therefore, they require support to develop themselves on a continuous basis and the result should be more efficient and effective work outcomes.

*It is also important to create a good knowledge base for future employees, so that the work process can be ongoing, with no time lost.*

(Interview: Staff member 3)

*We need to adjust in many ways, to improve standards of teamwork, find new technology for our operations and learn new methods which we can adopt to improve our work.*

(Interview: Staff member 3)

*TOT should strive to be a learning organization and support and stimulate its employees to develop themselves through continuous learning and become loyal.*

(Interview: Staff member 1)

*To do this is necessary to support employees by giving them knowledge and skills, which in turns gives them the ability to efficiently and effectively carry out the tasks given to them.*

(Interview: Staff member 4)

### **The learning organization: Division III**

Similarly, in Division III, although the concept of the learning organization was not specifically introduced into this study, nevertheless participants felt that TOT should become a learning organization and staff must therefore understand their roles and have a clear idea of how to develop in a changing and competitive environment. As Senge (1990, p. 15) says:

*Organizations learn only through individuals who learn.  
Individual learning does not guarantee organizational  
learning, but without it no organizational learning occurs.*

According to Boud and Solomon (2001, p. 23) the workplace is becoming the site of both learning associated with the development of the enterprise and the development of individuals. Technology is needed to improve work performance:

*We need to help employees understand how to develop  
their work in a competitive environment by adjusting to  
change and turning TOT into a learning organization.*

(Interview: Staff member B)

*Management should encourage and train employees to  
accept organizational change and have greater vision.  
They should be made aware of new technology and  
innovation.*

(Interview: Staff member A)

*Development of information technology has given a good  
knowledge base. It also offers potential for learning and  
self-development.*

(Self-reflection: Staff member A)

### **Professional development: Division I**

Staff need training on a continuous basis to broaden their vision, learn new technology and develop creative thinking. They need to learn how to get the best from the equipment that they have but sometimes the volume of work prevents them from having time to learn (Coutu 2002, p. 102).



*Employees need to attend seminars and have training to widen their vision.*

(Interview: Staff member 6)

*Employees also need to be supported with the opportunity to learn, which will give them knowledge and promote creative thinking.*

(Interview: Staff member 3)

*Having a lot of work prevents employees from learning other skills. Most staff don't have adequate IT skills. They cannot use the equipment in the most effective way because they don't understand the other applications.*

(Self-reflection: Staff member 6)

*Staff must have continuous training.*

(Self-reflection: Staff member 4)

### **Professional development: Division III**

Participants saw a need for professional development. Computer training was seen as essential, as well as on-the-job training and mentoring support. Allied to training is learning problem solving for which there is also a need in this Division (Evans *et al.* 2006, p. 36).

*Employees should be given training in their particular field to promote good work. For example, new computer technology for accounting, such as the SAP system, to help staff do their work efficiently.*

(Interview: Staff member A)

*Staff need to think and behave creatively and to develop themselves on a continuous basis.*

(Interview: Staff member C)

*Computer training is key to the process.*

(Self-reflection: Staff member D)

*Computerization is seen to be the most important change required in this division, together with training.*

(Self-reflection: Staff member B)

*Our training should include the programmes used in different fields such as accounting, finance, tax and the Access system so that staff can acquire greater knowledge and skill.*

(Self-reflection: Staff member A)

*Employees should have computer training so that they can correct themselves and know how to save and recover data. At the moment an employee has to call for assistance and this takes time.*

(Self-reflection: Staff member A)

## **Teamwork: Division I**

Teamwork was mentioned many times by participants. Senge (1994, p. 18) argues that team learning is concerned with how to share and use knowledge and that effective team learning provides good cooperation, communication and coordination. Donnelly *et al.* (1997, p. 353) say that increasing teamwork is essential to organizational success, a view that was expressed by participants in the study. In addition, teamwork was identified as a key success factor, as mentioned by Donnelly *et al.* 1997, p. 353; Glassop 2002, p. 227).

*You also need to have a good working relationship with your colleagues because revenue sharing must be a team activity if it is to be successful*

(Interview: Staff member 4)

*By working in a team, knowledge can be shared in a group and problems resolved more easily. This occurs in the revenue sharing process.*

(Interview: Staff member 3)

*Teamwork is very important in revenue sharing ...*

(Interview: Staff member 7)

*Working in a team and having a good working relationship, which mean the results will always be at a high level. When you work on revenue sharing in particular, the outcomes need to be correct and on time.*

(Self-reflection: Staff member 2)

*The atmosphere is easy going but there is diligent teamwork; we all work in the same direction.*

(Self-reflection: Staff member 1)

### **Teamwork: Division III**

Teamwork is seen as an important influence on the Division. It enables staff to exchange knowledge about input and output processes, especially with the Access programme. It also leads to problem solving and good decision making. Senge (1994, p. 12) and Senge *et al.* (1998, p. 18) asserts that team learning is about sharing and using knowledge and this is recognized as a benefit.

*Revenue sharing is a team effort so everyone must be a committed member.*

(Interview: Staff member C)

*Working in teams increases efficiency and makes it easier to solve problems, and this benefits all concerned.*

(Interview: Staff member B)

*Teamwork enables us to exchange knowledge about input and output process, especially when we use the Access programme for revenue sharing or to access reports.*

(Self-reflection: Staff member A)

*Teamwork is an effective strategy to improve efficiency and leads to successes.*

(Self-reflection: Staff member C)

## Motivation: Division I

Motivation was mentioned by participants as a key success factor in revenue sharing. It is necessary to stimulate and encourage every employee so that they have loyalty and affection for the company and have accountability for their actions. While we need to be able to reward outstanding performance, we need also to recognise that there often acceptable reasons for sub-standard performance. Possibly, the employee concerned has not had sufficient or appropriate training, possibly, the employee is not performing a job which is most suited to his/her abilities and/or temperament. Before we resort to 'punishment' for sub-standard performance, we should closely and objectively examine all the factors which may have contributed to this unsatisfactory performance, to see if there are other more acceptable solutions to the problem.

Obviously, creating conditions which motivate staff to higher levels of performance is an important factor. According to Daft (2007, pp. 237-240), motivation is the force that energizes behaviour, but, of course, favourable working conditions are also important. Motivation also increases the likelihood that people will begin something on their own initiative (Ormrod 2006, p. 426).

*If the benefits, such as salary, self esteem and recognition are there, we are motivated and this leads to efficiency.*

(Interview: Staff member 2)

*You need to be determined and not become discouraged or disheartened, even though there are barriers.*

(Interview: Staff member 6)

*Employees must have good morale and spirits and this will happen with good motivation and fair rewards.*

(Interview: Staff member 3)

*Employees need to be motivated to develop themselves and support must be given to those who have greater accountability.*

(Interview: Staff member 1)

## Motivation: Division III

Management should ensure that conditions apply which are likely to contribute favourably to the motivation of staff. From the research, it is clear that a financial reward or bonus scheme is one important aspect of motivation for these staff, but these are not the only motivators.

*Good work must be publicly rewarded so that employees are motivated to continue.*

(Interview: Staff member C)

*We should set a suitable and fair reward structure for employees and support and encourage them in their work.*

(Interview: Staff member B)

*If employees are given a bonus and rewarded fairly they will feel more motivated to work.*

(Self-reflection: Staff member A)

## 4.5 Conclusions

There are several things about the system management at TOT that need to be improved with respect to the revenue-sharing processes. First of all, according to the participants the organization's software programs are not adequate to ensure best performance. For example, there are problems with the Excel program, such as data can be over-written, lost or disappear when saving under the same name. Moreover, the organization has to check the invoice and summary accurately to prevent any error occurring in the revenue sharing transfer process. Also, the document-storage system used by TOT is no longer suitable and it often takes a long time to find a document. A good information management system needs to make it easy to search for and find information quickly; however, it must also be accurate so that the references can be trusted. Therefore, the organization needs to solve these problems by using Microsoft Access, using job training and mentoring to try to achieve zero defects, using multiple checks and improving hardware and software. As a result of good data management, it should be easier to conduct checks, the software will be easier to use and that will

assist in producing better reports and quicker access to documents in the archives. The work can be processed more quickly and accurately with a successful outcome, leading to both staff and the organization operating effectively.

The office equipment and systems, including computers and power supply, are insufficient and can cause the work flow to slow down or even, at times to stop altogether. For example, sharing computers raises the risk of data being compromised, although it has diskette back-up. Furthermore, the working area is too congested, for example three employees have to share one computer and one printer. So, TOT should provide sufficient and up-to-date office facilities such as computers, photocopy machines and printers, as well as suitable and sufficient document storage. IT can be used to improve the management of the working system and this is likely, in turn, to lead to an improvement in teamwork (Casca *et al.* 2001, p. 125).

The sector needs to try to initiate greater creative thinking and assessments could be conducted every quarter. Hence, the manager must support the sector employees by giving them training to develop their potential in order to increase their knowledge and abilities. The manager should also support skilled employees through assessment of their actual work and not base such assessment on feelings or personal characteristics. The manager should endeavour to treat all employees equally and manage them fairly, especially in the allocation of work. This is likely to lead to staff taking greater responsibility, being happier at work and performing more effectively.

The participants indicated that there are too many work steps at present and so some duplication occurs. The manager, in consultation with the staff, should thoroughly examine the process in an attempt to reduce unnecessary duplication. TOT structure may change and this can lead staff to become confused with the organization's contact points. Therefore, the organization should try to decentralize by delegation, to spread the accountability and offer the facility to substitute staff in case of absences. Also, the revenue sharing process should be more efficient and subject to continual examination and development, so that it can handle varied workloads and changes.

Work must be performed correctly and on time, as per the contracts. Therefore, the organization must improve time management by using IT to create quicker and more

accurate methods, leading to the work being completed on time. TOT must set a goal to manage the revenue sharing process in order that there are no delays in completing the work, and to ensure that the documentation is complete, accurate and error free. The manager should mentor and coach staff to know how to manage time effectively and try to prepare information in advance so that the work flow can be quick and continuous. This change of time management should improve and develop the quality of work in the sector.

Organizational learning is a contemporary set of ideas and prescriptions of how organizations should be managed. They have been popularized by academics and scholars such as Senge (1992, p. 6; Senge *et al.* 1998, p. 12) and many others who argue that fostering learning in individuals can be transformed into more general improvements that will lead to success and prosperity for an organizations. Boud (2000b, p. 152) suggests that organizational learning is the key to management innovation. It is therefore important that TOT create conditions to improve and develop the skills and knowledge of its employees. The organization should encourage staff to learn from both inside and outside, including many staff undertaking relevant higher education programs. Also, staff should attempt to improve themselves through learning from their colleagues and others. This will lead to the employees having greater competency, skills and knowledge that can lead to creative thinking, accurate working, innovation and achievement of the organization's and the individual's goals.

Improving the organization should include professional development because it is important for change and developing best practice. Participants in this study saw the need for professional development, mentioning especially computer training as essential but also citing the need for on-the-job training and mentoring and coaching support.

Evans *et al.* (2006, p. 17) indicate that there is a need for professional development in order to develop the skills and knowledge of staff members to enable them to better perform all of their tasks. TOT does provide support to staff by providing training and development programs in different fields such as accounting, finance and the practice of new technology, as well as seminars in order to enhance skills, knowledge and

widen staff's vision and capability. Possibly, in the revenue sharing divisions, staff could be rotated in order to give individual employees an opportunity to learn all of the work involved. Professional development should lead to employees being able to maximize efficiency and effectiveness.

Teamwork is seen as a key success factor since it can drive the work efficiently, accurately and smoothly. Teamwork means working in a team and using brainstorming to resolve problems, exchanging knowledge about input and output processes and helping each other. The organization should encourage teamwork in both direct and indirect ways, and build up good working relationships in order to allow employees to have confidence and trust in each other, as well as accepting ideas from others. The opportunity for teamwork improvement can assist the organization to achieve its goals and enhance the organization's performance effectively. Teamwork is therefore an effective overall strategy for accommodating to continual change.

At present, the telecommunications industry is experiencing substantially increased competition, and this is seen as unlikely to diminish. Brown and Harvey (2006, p. 404) refer to a learning organization as, 'a system-wide change process that emphasizes the reduction of organizational layers and the involvement of all employees in continuous self-directed learning that will lead toward positive change and growth in the individual, team, and organization'. If TOT is able to move towards becoming a learning organization, this can assist the organization to become knowledgeable about new technology and operating methods. The organization needs to adjust in many ways in order to improve standards of teamwork, find new and improved operating technologies and develop new methods by which individual employees can improve their work. This will lead to staff having greater ability to more efficiently and effectively carry out their jobs and tasks (Billett and Somerville 2004, p. 310).

This is because it is important to create a good knowledge base for employees, in order to make the work processes ongoing without losing time and to obtain employee loyalty. Also, the internal environment is important; therefore managers should try to ensure that the workplace is suitable and safe, with an appropriate 'atmosphere'.



There should be no noise disturbance, poor air circulation or pollution, which could affect the health of employees.

The improvement of employees' performance relates directly to motivation, so TOT should provide an appropriate reward system, where better pay or bonuses could lead to more effective and efficient performance. The organization should try to create conditions which could lead towards motivating factors by providing a fair reward system, recognising and praising good work, promoting self esteem, and giving recognition to employees. On the other hand, the organization also needs to closely examine the work of poor performing employees to try to improve their performance in their current positions or in other positions within the organization. In some cases, it may be necessary to discipline certain employees but this should be seen as a 'last resort'. These measures can help the organization to obtain employee loyalty, unity and accountability and employees who are willing to give commitment to the organization. The result would be greater efficiency and customer satisfaction.

The telecommunications industry is highly competitive, so whoever has the most information and uses it effectively is likely to have competitive advantage. Therefore, the organization must improve its knowledge management by encouraging employees to learn, providing training and development programs and allowing them to be 'empowered'. These methods should assist the organization to improve its knowledge management because employees become more highly and multi-skilled, with independent thinking and decision-making abilities and work effectively in teams. This is likely to lead to more accurate and better quality of work so that TOT can achieve sustainable competitive advantage.

The planning phase comprised meeting with staff and brainstorming. It identified the revenue-sharing process as the key area and object of the internal benchmarking research for this study. Observation, interviews and self-reflection are the qualitative techniques which generated the data necessary for analysis in this study. Data analysis allowed the researcher to identify internal best practice by comparing the two divisions and these findings are detailed in the next chapter.

## **Chapter 5**

### **Analyzing the Results**

#### **5.1 Introduction**

This chapter is concerned with reporting on and analyzing the results of the study.

Best practice in this TOT study involves searching for the best internal working practices through a comparison of the working steps and procedures performed by Division I and Division III in different phases of the revenue sharing process. Following the planning phase, the results of the comparison between Division I and Division III were analyzed to highlight the work processes and outcomes. By comparing the practices, the researcher was able to establish which Division worked better and, by analysis, could determine the best internal practice.

#### **5.2 Data analysis and gap identification**

##### **5.2.1 Participant observation**

In this step, the researcher examined the seven tasks in the revenue sharing process observed in both Division I and Division III. These steps were the time taken to check the invoice, prepare the document, supply data, make initial checks, check the report and summary, prepare a final report and check the final report.

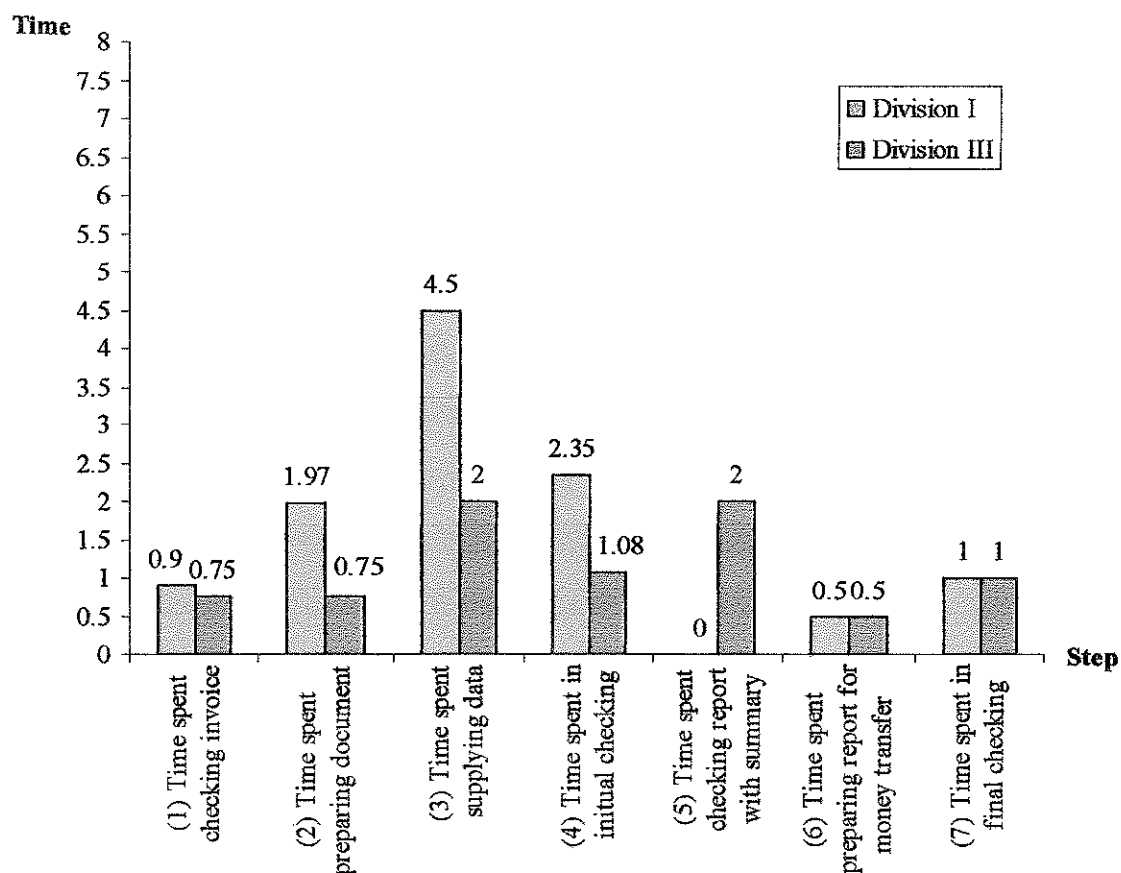
From the comparison of the revenue sharing process in both divisions, it is seen that Division III had the best performance in the time spent checking the invoices, taking only 0.75 hours to complete the task compared to 0.9 hours for Division I. This is attributed to better data management by the staff and accuracy of the invoices. Regarding time spent preparing the document, Division I had to register the invoice, prepare credit and debit notes which took 0.92 hours and prepare a summary of the

invoices which took 1.05 hours. Division III took much less time to do these tasks and was shown to have effective information and document management skills. The step of supplying the data taken by Division III was two hours, using the Access program and Division I, 4.5 hours using the Excel spreadsheet program. Division III's improved performance was attributed to its use of Access. Initial checking took Division III 1.08 hours to complete compared to Division I, 2.35 hours. Division III was found to have better management of this process. The next step of revenue sharing concerned checking the report with the summary, which was prepared by Division III in 2 hours. The findings showed the time spent preparing the report to transfer the money was 0.5 hours for both divisions. The final check took both Divisions 1 hour to complete and this time was therefore established as best internal practice. A detailed comparison is shown in Figures 5.1 and 5.2

**Figure 5.1: Comparison of the period of time that was spent in each step of the revenue sharing process, according to observations of Division I and Division III staff.**

Step	Process	Division I	Division III	Benchmark Division	Best Practice
1.	<b>Time spent checking invoice</b> -Invoice/ Credit Note/ Debit Note - Summary (separate by service)	0.9	0.75	III	Division III had improved data management and accuracy of invoices.
2.	<b>Time spent preparing document</b> -Register (Invoice/ Credit Note/ Debit Note) - Invoice summary - Group document	0.92 1.05 -	- - 0.75	III	Division III had better information and document management skills.
3.	<b>Time spent supplying data</b> (Division I :Excel Division III: Access)	4.5	2	III	Division III performed faster because it used Access program
4.	<b>Time spent in initial checking</b>	2.35	1.08	III	Division III managed the process more efficiently and more quickly.
5.	<b>Time spent checking report with summary</b>	-	2		Task performed by Division III only.
6.	<b>Time spent preparing report for money transfer</b>	0.5	0.5	I and III	Time taken by both Divisions was the same.
7.	<b>Time spent in final checking</b>	1	1	I and III	Time taken by both Divisions was the same.
<b>Total</b>		<b>11.22</b>	<b>8.08</b>		

**Figure 5.2: Comparison of the period of time that was spent in each step of the revenue sharing process, according to observations of Division I and Division III staff.**



### 5.2.2 Self-reflection and interview

As indicated, in the revenue sharing process there are seven steps through which the correct monies are transferred to the two concessionaires. Participants in this research from both Division I and Division III were invited to express their views on the process by answering four self-reflection questions and nine questions in a semi-structured interview. After the self-reflection and interviews were completed, the researcher analyzed and categorized the responses into the themes involved, which were systems management, time management, learning, the learning organization, professional development, teamwork and motivation.

### **5.2.2.1 The key performance indicators and themes comparison through the benchmarking technique**

The researcher, managers and staff of Division I and Division III cooperated to determine key performance indicators that reflect an effective revenue sharing process based on TOT's performance assessment (TOT Annual Report 2007). This took the form of brainstorming to generate the criteria to be used in systems management, time management, learning, learning organization, professional development, teamwork and motivation. The revenue sharing work practices of Division I and Division III were then compared to establish which had the better methods and these were designated as best internal practice.

#### **(a) System management**

Management and staff need to have a clear vision of what is to be done and how to achieve it. Management has a responsibility to develop staff objectives and give encouragement. There must also be sufficient office equipment, such as computers, printers and copying machines, that work efficiently, with minimum time required for effective maintenance. Working accurately and on time is a key factor that requires methodical teamwork.

It should be noted that these components were used within TOT, in accordance with criteria developed by management in cooperation with the Human Resources Department, to determine levels of performance in each area. This means that the components indicated and also the levels achieved within each component listing are TOT proprietary tools for assessing performance levels in each area. While they may represent 'best practice' within TOT, they do not necessarily apply or mean 'best practice' externally.

### **Components**

1. Good direction of vision.
2. Good work planning and an effective management system.
3. Good time management and reliability.
4. Adequate equipment.
5. Sufficient and effective technology and software.
6. A conducive work environment.

The criteria of systems management were developed by the managers and staff of Divisions I and III that is based on TOT's performance assessments:

If all 6 components are achieved it means that performance is far exceeded.

If 5 components are achieved it means that performance is exceeded.

If 4 components are achieved it means that performance is fully met.

If 3 components are achieved it means a fair performance.

If 2 components are achieved it means poor performance.

The results from the planning phase (Chapter 4) were considered for each theme by a comparison based on the criteria and judgment criteria as indicated above. The findings showed that division I staff felt that improved computerization, careful checking and a reduction in the number of steps involved would improve the data management. Division III staff also said that effective data management was essential for the smooth running of the operation and every step is important to ensure accuracy. This aspect was noticeably better in Division III as it used the MS Access program, than in Division I. Division I staff indicated that planning and auditing could help produce better and quicker results.

Division III commented that management and staff need to have a clear vision of what is to be done and a plan to achieve it. Adequate and suitable office equipment, such as computers, printers, copying and fax machines were required and needed to be able to work continuously, with minimum breakdown or maintenance time. Management had an important role to play in planning, leading, organizing and controlling.

When benchmarking the work of Division I and Division III, it was found that Division I had one component, i.e., work planning and a good management system, whereas Division III had two components, i.e., good time management and reliability, and sufficient technology and software for effective working. The findings showed that the system management of both Divisions was poor and should be improved.

The best internal practice of system management showed that management needed to improve the workplace environment and provide appropriate hardware in both divisions. Quintas and Klasson (cited in Tiwana 2000, p. 5) stress that good knowledge management can create business value and generate competitive advantage. It can also create and retain greater value from core business competencies. Best internal practice showed there was a need for an up-to-date computer system available to all staff, which would improve work quality and allow it to be completed more quickly and on time. An element of planning was needed in the revenue sharing process and this was basically the responsibility of management, however, with staff involvement. However, Division III had the better software (Microsoft Access) and standardized practices that were easier to use. Quality control, as seen in Division III, could also lead to a reduction of operational costs. Cross-checking of work was also important.

### **(b) Time management**

There is limited time to complete the work in the time specified in the concessionaire contract. Some tasks must be prepared in advance to ensure that the work process flows smoothly and management must distribute the tasks clearly and fairly. The components that were determined are as follows:

#### **Components**

1. Planning for organizing time.
2. Assignment finished on time with quality.
3. Work completed within allocated time.
4. A time management control system.

The criteria of time management were developed by the managers and staff of Divisions I and III that is based on TOT's performance assessments:

If all 4 components are achieved it means that performance is far exceeded.

If 3 components are achieved it means that performance is exceeded.

If 2 components are achieved it means that performance is fully met.

If 1 component is achieved it means that performance is fair.

If no components are achieved it means that performance is poor.

Comparison of time management using the internal benchmarking technique found that in Division I had good time management which allowed the work to be completed accurately and on time and required good planning and allocation of tasks. Division III experienced quicker and more accurate outcomes due to its superior information technology.

When benchmarking the work of Division I and Division III, it was found that Division I had one component which was work completed within the allocated time, whereas Division III had two components. These were assignments finished on time with quality and work completed within the allocated time. It was concluded that time management in Division I was fair and needed some improvement but in Division III the criteria were fully met.

The internal benchmark was indicated as Division III. They were aware of the need for time management and were already applying this skill and had a better operating system. The best internal practice would be to institute a plan and work schedule and try to ensure correct inputs, although this would depend on the cooperation of others.

### **(c) Learning**

Self-directed learning and staff training can lead directly to enhanced performance. Staff are more likely to develop their full potential through training and shared experiences. Staff need to learn the use of new technology and apply it, as well as attending internal and external courses. The components developed were as follows:



### Components

1. Self-learning and self-development.
2. Learning from experience through a problem solving process.
3. Learning from experience through knowledge- sharing with staff, from both inside and outside the Division.
4. Self-development through attending training, both inside and outside the work unit.
5. Learning the use of technology in order to apply it to the work.

The criteria of learning were developed by the managers and staff of Divisions I and III and is based on TOT's performance assessments:

If all 5 components are achieved it means that performance is far exceeded.

If 4 components are achieved it means that performance is exceeded.

If 3 components are achieved it means that performance is fully met.

If 2 components are achieved it means that performance is fair.

If only one component is achieved it means performance is poor.

The comparison of learning theme was presented and showed that Division I staff learned by themselves and from others. They realized the importance of self-development in order to face change and that self-directed learning and staff training could lead to enhanced performance.

*Staff should try to improve themselves through learning.*

(Interview: Staff member 1)

Division III staff believed that they could only develop their full potential through training, notably in new technology. Learning together for the greater good was also an encouraging finding.

*Employees must develop to their full potential through training. For example, by training employees in computer programs.*

(Interview: Staff member A)

*We also need to learn and practice with new technology.*  
(Interview: Staff member 6)

When benchmarking the work of Division I and Division III, it was found that Division I had three components, which were self-learning and self-development, learning from experience through a problem-solving process and learning from experience through knowledge sharing by staff, both inside and outside the Division. The criteria were therefore fully met. Division III had four components, which were self-learning and self-development, learning from routine work through a problem-solving process, learning from experience through knowledge sharing by staff, both inside and outside the division, and learning the use of technology in order to apply it to the work. The criteria were therefore exceeded.

The internal benchmark is Division III. Good practice was found in both divisions but mainly in Division III. The study of internal best practice found that the key learning from these comments was that it is crucial to learn by oneself, from experience and through problem solving with others.

#### **(d) The learning organization**

Existing staff need to understand and be able to perform their roles effectively. They should also have clear developmental goals. It is also important to create a good knowledge base to be able to train and develop new employees. An important role of managers and supervisors is to encourage, train and develop staff to have a broad vision about their current jobs and the whole organization and also for staff to be aware of and able to use the relevant technology and to accept and be able to adjust quickly to the introduction of new technology in their areas of activity.

The following components were developed as being the components of a learning organization:

1. A clear organizational goal, with a working process to achieve this goal, together with an effective, transparent and fair assessment/appraisal system.
2. Continuous employee development programs to enable and enhance employees' ability and desire to continue to learn.

3. Effective management of knowledge, including the effective management of the introduction of new technology.
4. Team learning and the ability to share the vision of the organization.

Criteria were also developed to attempt to assess whether and how the internal benchmarking process applied in Divisions I and III could be regarded as movement towards becoming a learning organization.

These criteria used the following performance factors based on TOT's performance assessments:

If all 4 components are achieved it means (according to TOT) that performance is far exceeded.

If 3 components are achieved it means that performance has been exceeded.

If 2 components are achieved it means that performance has been met.

If 1 component is achieved it means that performance is fair.

If no components are achieved it means that performance is poor.

Thus, TOT developed a learning organization theme and then attempted to judge whether or not this theme was achieved through the internal benchmarking study undertaken in Divisions I and III of Sector 3.

The results of this assessment were that neither division was found as meeting the criteria for a learning organization.

There may be some discussion concerning the validity of trying to assess whether or not a learning organization exists using this type of methodology.

As indicated earlier, the internal benchmarking process has certain features which are also apparent in the learning organization, such as participation of and consultation with staff, the development, process and assessment of performance improvement, and the development of effective teamwork.

The main difference, however, is that internal benchmarking is essentially a partial approach which, at least initially is applied in only part of the organization, although

this may be extended more widely throughout the organization both by deliberate management action and through a ‘demonstration effect’.

The learning organization, on the other hand, is an organization-wide process. As Brown and Harvey (2005, p. 404), say, “*The learning organization is a system-wide change program that emphasizes the reduction of organizational layers and the involvement of all employees...in continuous self-directed learning that will lead toward positive change and growth in the individual , team, and organization*”, (their emphasis).

### **(e) Professional development**

Computer training is important as well as mentoring and on-the-job support. Employees can then correct themselves without waiting for assistance. The staff concerned want to have continuous training and skills development, learning from outside and from each other. The following components were identified:

#### **Components**

1. A seminar within the work-unit.
2. A training program to enhance several skills.
3. A system to encourage working.
4. A monitoring and control system.

The criteria of professional development were developed by the managers and staff of Divisions I and III that is based on TOT’s performance assessments:

If all 4 components are achieved it means that performance is far exceeded.

If 3 components are achieved it means that performance is exceeded.

If 2 components are achieved it means performance is fully met.

If one component is achieved it means that performance is fair.

If no components are met it means performance is poor.

A seminar, a training program, systems to encourage working and a monitoring and control system are criteria which were discussed under the professional development theme. The judgment criteria were used in assessment. The findings reflected that Division I staff expressed the need for training on a continuous basis to widen their vision, learn new technology and develop creative thinking. They needed to learn how to get the best out of the equipment available. Division III staff also saw a need for professional development, notably computer training, on-the-job training and mentoring support. They also expressed a need to learn problem solving techniques.

*Employees also need to be supported with the opportunity to learn, which will give them knowledge and promote creative thinking.*

(Interview: Staff member 3)

*Employees should be given training in their particular field to promote good work. For example, new computer technology for accounting, such as the SAP system, to help staff do their work efficiently.*

(Interview: Staff member A)

When benchmarking the work of both Divisions, it was found that neither had any of the components for professional development. The assessment for both was poor and this aspect requires improvement.

Both divisions recognize the need for professional development and assistance from TOT's human resources department should be sought. Best internal practice involves professional development through acquisition of new knowledge and skills. Knowledge can be gained from experienced co-workers and/or seminars, together with self-development programs. There is a need for continuous learning and this can be established within the work units themselves. Furthermore, the best internal practice focused on management which needs to be aware of the need for courses, on-the-job training and mentoring for both divisions to achieve greater organizational efficiency.

## **(f) Teamwork**

From the interview and observation data, it is indicated that teamwork enables staff working in these two Divisions to exchange knowledge, leading to problem solving and good decision making. It is particularly relevant to the revenue sharing process and is an effective success strategy. Components for teamwork were as follows:

### **Components**

1. A policy and a goal for collaboration.
2. A chance for employees to participate in working and planning.
3. Co-operation in order to achieve the goal.
4. A meeting in order to share opinions and have a positive attitude to working in a team.
5. A good working relationship.

The criteria of teamwork were developed by the managers and staff of Division I and III that are based on TOT's performance assessments:

If all 5 components are achieved it means that performance is far exceeded.

If 4 components are achieved it means that performance is exceeded.

If 3 components are achieved it means performance is fully met.

If 2 components are achieved it means performance is fair.

If only one component is achieved it means that performance is poor.

The comparison of teamwork through the internal benchmarking technique found that teamwork received considerable mention from staff in Division I and was seen to be essential to organizational success. In Division III, it was seen as an important influence on the staff, enabling them to exchange knowledge about input and output processes, especially with the Access program. It also leads to problem solving and good decision making, with organizational goals being met.

When internal benchmarking the work of Division I and Division III, it was found that they shared three components. These were co-operation in order to achieve the goal, holding a meeting in order to share opinions with a positive attitude to working in a

team and a good working relationship. The assessment for both Divisions was that the criteria were fully met.

The internal benchmark was selected for Division I and Division III as there was evidence that teamwork was already being used to good effect. The Internal best practice involved teamwork, which was an effective strategy and led to success; it was particularly relevant to the revenue sharing process. Staff should be encouraged to share information and learn from each other. Team learning is very significant for sharing and using knowledge to develop skills and thinking. Teamwork helped staff in the organization, leading to the goals being met (Senge 1994, p. 36; Senge *et al.* 1998, p. 18; Donnelly *et al.* 1997, p. 219).

As indicated, teamwork is also seen as an important aspect of the learning organization.

### **(g) Motivation**

It is important to stimulate and encourage every employee to have loyalty and affection for the organization and have accountability for their own actions. It is necessary to have rewards but also, if individual performance is judged as unsatisfactory, a system of review must be available to try to ascertain why the performance level of that staff member was judged as unsatisfactory. If the staff member lacked the necessary training or development to perform in that position, or if they were performing in an inappropriate position, action should be taken to rectify this problem. Thus, the threat of punishment for unsatisfactory performance was seen as a 'last resort'. Motivation also enables staff to work on their own initiatives. The following components were determined:

#### **Motivation**

1. To set key performance indicators clearly.
2. To have a fair system of assessment.
3. To give rewards and bonuses fairly.
4. To collaborate in implementing good governance principles.
5. To have a fair working environment.

The criteria of motivation were developed by the heads and staff of Divisions I and III that based on TOT's performance assessments:

If all 5 components are achieved it means that performance is far exceeded.

If 4 components are achieved it means that performance is exceeded.

If 3 components are achieved it means that performance is fully met.

If 2 components are achieved it means that performance is fair.

If only one component is met it means that performance is poor.

The motivation theme consists of five criteria which are significant in data analysis and judgment. In Division I, motivation was mentioned as a key success factor in revenue sharing. It was thought necessary to stimulate and encourage all staff for them to have accountability for their actions. Mention was made of reward, whereby staff are rewarded for good work and reviewed for unsatisfactory performance to seek a satisfactory solution, through training and development or possible transfer to more suitable positions.

Division III staff found the responsibility for motivation resting with management creating policies, procedures and practices which were likely to lead to the motivation of staff. From the findings it became clear that some form of financial reward or bonus is required. There are no such systems or performance indicators in place at present.

When benchmarking the work of both divisions, it was found that neither had the components required for motivation. The assessment for both was poor and this aspect requires improvement.

Neither Division I nor Division III was fully selected by the organization for internal benchmarking. Best internal practice would indicate that there was a need to try to develop and create conditions designed to motivate staff in both divisions to work efficiently and there were many factors which affected this organizational goal. These were salary, bonus, rewards, promotion opportunities, recognition and attempt to develop self-esteem which can encourage staff to work with greater willingness. Managers should also talk to staff about their duties and their job descriptions and personal goals, as well as about the working standards of each division (Ormrod 2006, p. 422). However, it must be recognized that it is not always easy to create conditions

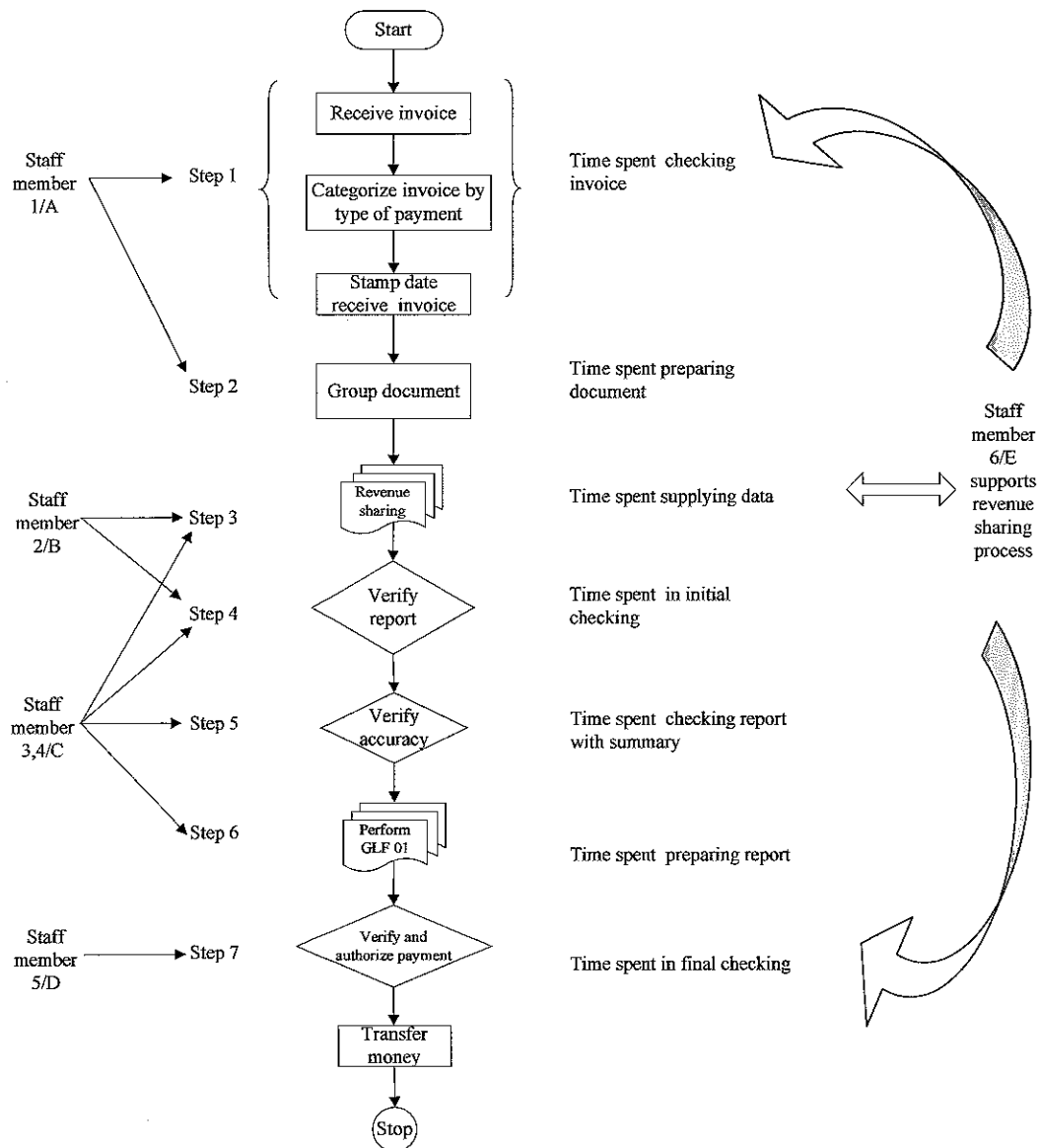


which lead to high staff motivation, especially if staff feel insecure in their own jobs (Tsai, Yen, Huang and Huang 2007, pp. 157-169).

### **5.3 Best practice for revenue sharing**

1. If internal best practice was applied to Division I, the time taken for the work steps could be reduced. It can be seen that there is a significant reduction in the time taken to complete all the steps. In fact, each step will now take a similar time as that taken by Division III. The flowchart in Figure 5.3 represents the projected internal best practice for both divisions.
2. Division III has a good checking system and computer system that are able to work effectively.
3. Division III spends less time on information management and has a good working process because there is co-operation.
4. Division I and Division III work as teams, share experiences and help each other, however analysis shows that Division III is more concerned about the value of working as a team.

**Figure 5.3: Division I revenue sharing process after benchmarking.**



Analysis of the data indicates that both Division I and Division III need to improve in the areas of professional development, and motivation. As a result, TOT must realize the importance of developing its staff through training, particularly in the use of new technology and innovation. TOT needs to provide its staff with a good working environment and promote self-improvement, learning from each other and the use of seminars to share and disseminate information. The study also found that a motivation strategy was needed, providing a bonus and reward scheme in order to assist staff to perform effectively and make sacrifices for the corporation.

## 5.4 The next step for revenue sharing

Best internal practice would be assisted by adopting the following steps to improve work processes:

1. Hold a meeting so that staff can understand the objectives and benefits of internal benchmarking and its process and allow staff to discuss and contribute ideas to this process.
2. With regard to management systems, both Division I and Division III should use computers to maximum advantage. MS Access is the preferred software program and staff should adopt the working principle of “plan, do, check and act”, supported by self-performance appraisal. Moreover, a system of checking with each other in each work step should be adopted. TOT’s administration department should stimulate and encourage staff to work and to use their new knowledge and abilities to maximize potential.
3. Both divisions should have a work plan that defines the steps and time required for each process and delivers the work systematically and on time. Teamwork is important as it is a key success factor.
4. The department needs a training program so that staff can gain knowledge and abilities, particularly in the use of new technology and effective teamwork.
5. The office environment should be improved to provide better working conditions and a friendly atmosphere should be maintained so staff are more likely to assist each other.
6. A system of good governance is required whereby staff are rewarded in accordance with their contributions.
7. As indicated, a system of staff participation in the conduct of their duties and responsibilities is seen as essential if the organization is really to develop as a learning organization.

## 5.5 Conclusion

This analysis phase has presented the data from which best internal practice can be established for Division I and Division III. The researcher has identified the strengths of the current work practices and the weak points that need to be addressed. According to Camp's (1994, p. 14; 1998, p. 34) five internal benchmarking phases, once best internal practice has been established, the researcher is able to conclude an integrated outcome for the study. The manner in which the revenue sharing process can be improved has been explored and the way is clear to set goals and operational objectives for the next step. The integration and action phases should then be implemented by TOT.

It should be noted, as indicated earlier, the components and the assessed levels of performance within each of the components are purely tools or processes designed and developed for use within TOT. Other organizations will have their own methods of assessing performance standards and assessing performance. These may differ considerably from those of TOT. The methods, components, and criteria may be quite different. Acceptable, high and low performance levels may be assessed quite differently than those within TOT.

## **Chapter 6**

### **Results of the Internal Benchmarking Study**

#### **6.1 Introduction**

The following chapter presents and discusses the results of the internal benchmarking exercise conducted in Divisions I and III, of Sector III of TOT.

Firstly, there are physical and technological requirements to be addressed. TOT needs to provide a suitable working environment and to install new computers and printers, recognizing that this is subject to budget constraints.

Existing software technology can be improved by changing the Microsoft Excel software used by Division I to MS Access, which is more successfully used by Division III to transfer the funds.

Secondly, human resources improvements are required to train and develop the staff involved in this process.

Thirdly, there is a need to use information gained from the self-reflection interviews to improve the performance appraisal system.

Fourthly, the need to develop a training and development plan is required, particularly in the use of the computer technology, which requires a budget and cooperation and assistance from the Human Resources Department.

Finally, the Human Resources Department would also be involved in assisting in preparing the goals, together with the management and staff of both divisions and also in preparing an assessment program for staff in both divisions, in line with TOT's corporate policy.

At the management level there are challenges as well. It is important that management provides the most appropriate environment for the plans to be carried out. Kofman and Senge (1995, p. 28), Johnson and Seborg (2007, p. 260) say that there are critical internal success factors such as those already listed on the previous page which need to be created within the organization to provide an environment where staff are supported and encouraged.

## **6.2 A further meeting**

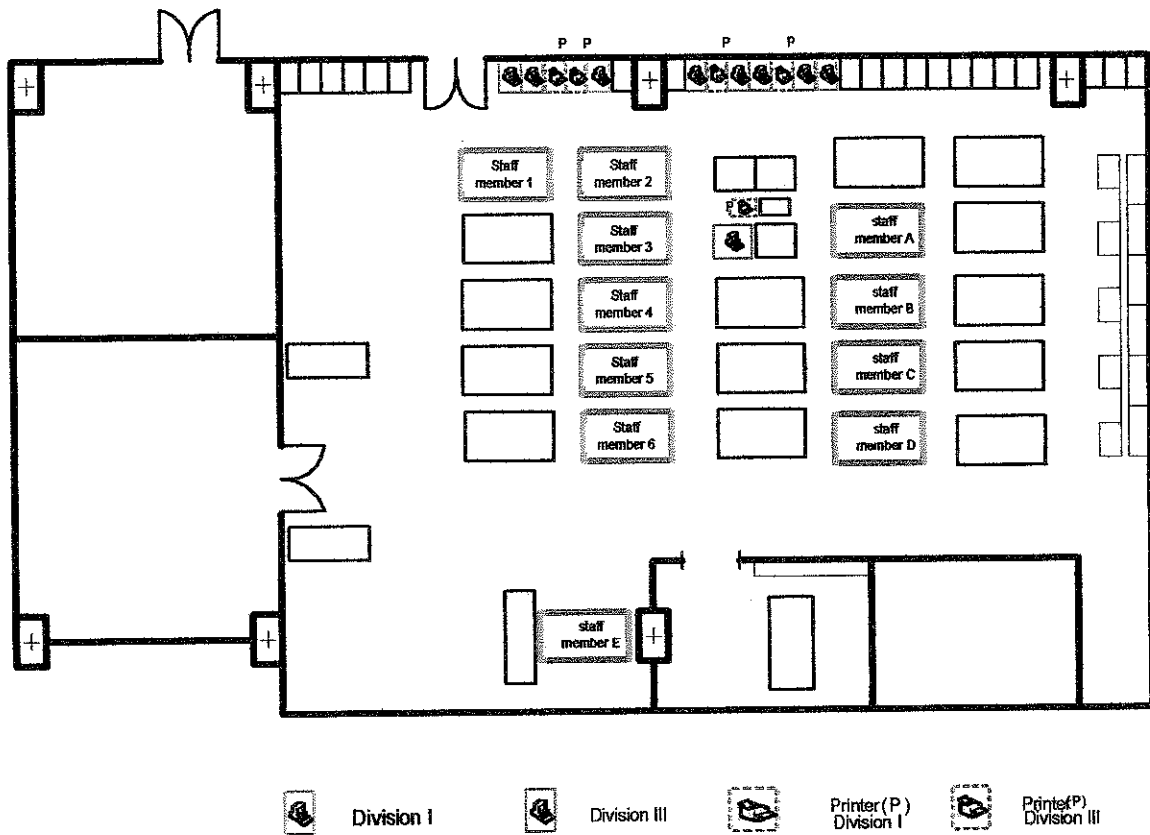
The staff from both divisions who had participated in the study were invited to attend a further meeting in order to receive a report on the results of the internal benchmarking study on the revenue sharing process in both divisions.

As a further part of Camp's (1994) process, the staff were asked to repeat the internal benchmarking process after the improvements which had been identified were implemented in both divisions.

It was found in the study that the physical working environment did affect work performance but budget restraints meant that only a certain number of additional computers and printers could be made available in the short term.

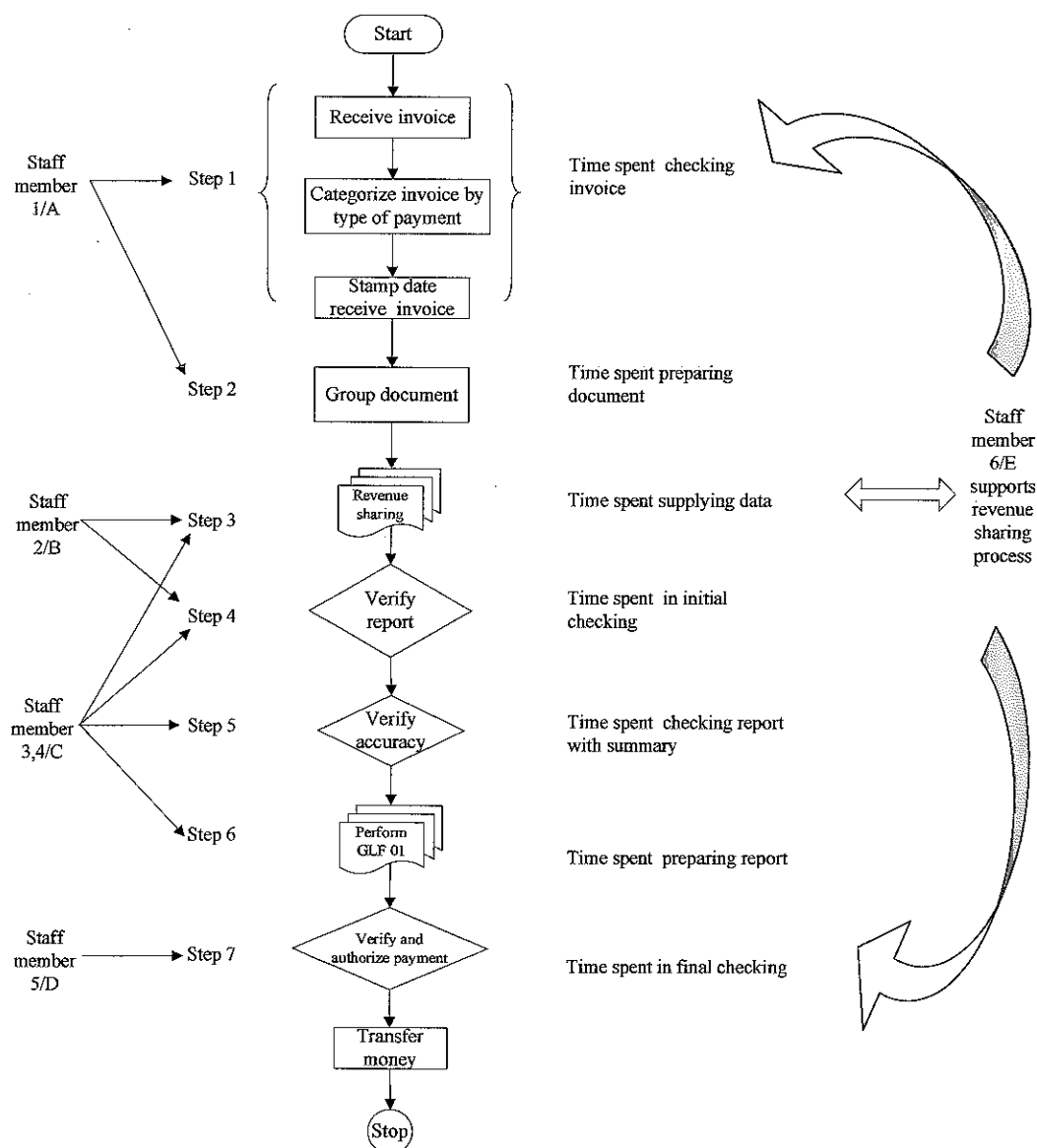
Under the new arrangement, the workplace environment would change as shown in Figure 6.1.

**Figure 6.1: Workplace environment of Sector III (Division I and Division III) after internal benchmarking.**



After installing the MS Access software program in both divisions, the seven work steps mentioned in the revenue sharing process would be affected as shown in Figure 6.2.

**Figure 6.2: The Revenue Sharing Process after internal benchmarking.**



While staff were performing the revenue sharing process according to the new procedure, a research assistant observed the employees and subsequently they were given the opportunity for self-reflection and also the research assistant interviewed them again, using a semi-structured interview based on the same questions as were asked in the Planning phase.

Thereafter, participants were invited to complete a second self- reflection check that would reveal the learning outcomes from the revenue sharing process and this was



designed to harmonize with the “plan, do, check and act” strategy. The check would also reveal individual strengths and weaknesses and hence enable staff to develop and do their jobs more effectively. The same questions as in the planning phase were asked and staff of both divisions were asked to undertake self- reflection on the work outcomes.

Finally, the findings from the participant observation, document analysis, self-reflection and interviews were consolidated and interpreted by category and by theme, within each division. The divisions were then compared to find internal best practice, as follows.

In the original comparison, Division III was found to have better work step performance than Division I. However, in the second comparison, Division III displayed no change in the overall amount of time spent but some steps were improved. The second comparison showed that Division I staff can reduce the amount of time taken to check invoices (step 1) from two hours to 0.8 hours. This reduction is attributed to better cooperation within the system and improved management of the data supply. This reduction in time had an effect on step 2, so that the amount of time required to prepare the document decreased noticeably from three hours to one. In addition, Division III improved its performance by taking less time to perform step 2.

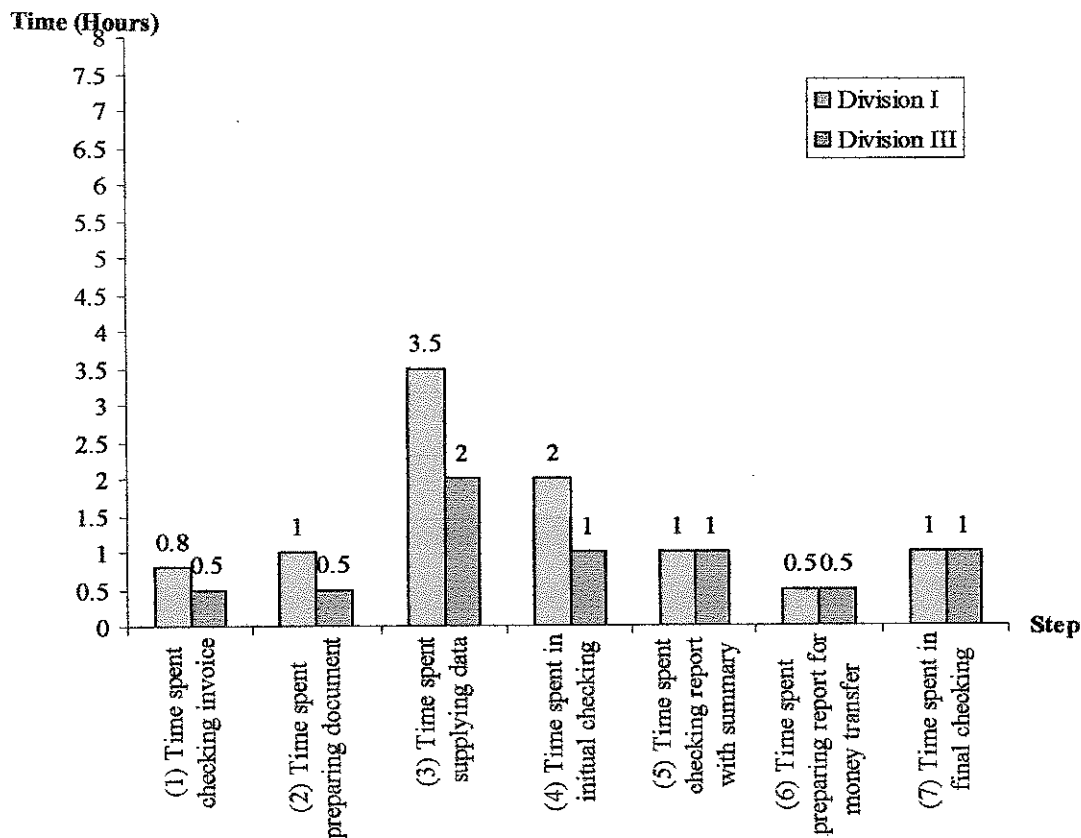
In step 3 (the amount of time spent in supplying data), Division I reduced the time to 3.5 hours after introducing the Access program, which also helped it to reduce the time taken to perform step 4. Under the new system, the time spent checking the report with the summary (step 5) was reduced for both divisions, so that they were able to send their reports to the manager more quickly, the step taking only one hour for each division. For the last two steps in the process, there was no change in the amount of time taken, with both divisions performing their tasks in the same time frame as each other. Overall, both divisions spent less time to complete the revenue sharing process compared to their performance before the internal benchmarking exercise. Moreover, documents and data were easier to read, understand and check due to improvements in the system. These findings are summarized in Figure 6.3 and the bar chart (Figure 6.4).

**Figure 6.3: Comparison of the period of time that was spent in each step of the revenue sharing process according to observation of both divisions.**

Step	Process	Hours		Benchmark	Best Practice
		Div I	Div III	Division	
1	Time spent checking invoice	0.8	0.5	I and III	Both divisions have good data management.
2	Time spent preparing document	1	0.5	III	Division III has an expertise in data management and documents.
3	Time spent supplying data (Division I and Division III: Access)	3.5	2	III	Division III has greater ability in using the Access program.
4	Time spent in initial checking	2	1	III	Division III managed the process better and more quickly. Both Divisions have the ability to prepare effective data.
5	Time spent checking report with summary	1	1	I and III	Time taken by both Divisions is the same.
6	Time spent preparing report for money transfer	0.5	0.5	I and III	Time taken by both Divisions is the same.
7	Time spent in final checking	1	1	I and III	Time taken by both Divisions is the same.
<b>Total</b>		<b>9.8</b>	<b>6.5</b>		

A graphic representation of the differences can be seen through the use of a bar chart (see Figure 6.4).

**Figure 6.4: Comparison of the period of time that was spent in each step of the revenue sharing process, according to observations of both divisions after internal benchmarking.**



After the revenue sharing process had been completed, staff were invited to give their opinions to the research assistants through the use of a semi-structured questionnaire. The comments were tape recorded and then transcribed. The researcher analyzed and interpreted the findings, creating categories and themes. The interviewees were also asked to complete a self-assessment exercise about the work outcomes in terms of strengths, weaknesses and changes. Details of all of these findings are discussed below, categorized by theme and by division.

Camp's (1994) action phase requires that once the best has been found and implemented, both the qualitative and quantitative research must be conducted again to confirm the findings. The themes that emerged were the same and best practice was

then confirmed. The methodology used was necessarily the same, so the criteria determining each theme followed the initial work described in the analysis phase. These criteria had been developed by the heads and staff of Divisions I and III and were based on TOT's original performance assessments, described in Chapter 5.

For each theme, the researcher notes the comments made by participants from both divisions by theme, comparing them and applying the appropriate judgment criteria. This process is seen as leading to the establishment of best internal practice.

The participants then saw the study as producing positive results mainly in terms of higher productivity and less stress. Most participants indicated that they were proud of their improved performance.

Organizational constraints prevented the payment of higher salaries or benefits or promotions. However, participants considered that higher performance might later lead to explicit organizational rewards.

### **System management: Division I**

Staff in this division pointed out that the use of technology, wherever possible, can lead to more effective performance (Bhindi 1997, p. 18; Billett and Somerville 2004, p. 315). The self-reflection exercise showed that there was a lack of modern technology in the division and the interview data indicated that there was better software available than the MS Excel program used for data management. Comments were as follows:

*Should make maximum use of technology.*

(Interview: Staff member 2)

*Create a single database that can be used for several tasks.*

(Self-reflection: Staff member 1)

*Introduce technology to allow more effective performance.*

(Self-reflection: Staff member 2)

*There is a lack of modern technology to gather revenue sharing data.*

(Self-reflection: Staff member 5)

*There is a Lack of modern technology to gather data.*

(Self-reflection: Staff member 7)

*We should use a program that is better than MS Excel.*

(Interview: Staff member 3)

Having adequate and effective equipment is an important factor for systems management, as it gives flexibility and can lead to the achievement of goals. Staff also pointed out that it was not only necessary to have sufficient equipment but also that it needed to be continuously upgraded. Comments were as follows:

*Management should provide sufficient equipment in the workplace.*

(Interview: Staff member 5)

*We need sufficient equipment in order to work most effectively.*

(Interview: Staff member 3)

*We need suitable office equipment, such as calculators, computers and photocopy machines, to make our work performance more effective.*

(Interview: Staff member 6)

*The (TOT) organization should promote the use of up-to-date office equipment in order to achieve revenue sharing goals.*

(Interview: Staff member 1)

*The computer peripherals are not effective because they are obsolete, which also leads to breakdowns.*

(Self-reflection: Staff member 1)

A clear work process is needed because at present some job functions overlap, which can be overcome through teamwork. Job responsibilities must be equally divided

among employees; otherwise some staff may feel that they are overworked. However, if there are suitable internal control systems, combined with good administration and management, and effective teamwork, then the document checking and payment transfer can be done according to the concessionaire contract.

*We should reduce the number of step in the work process to avoid overlaps.*

(Interview: Staff member 2)

*Work should be allocated fairly within the team, to avoid some employees being given greater responsibility for workload.*

(Interview: Staff member 6)

*Improving the work process will result in better teamwork.*

(Interview: Staff member 4)

*I do not like a repetitive job.*

(Self-reflection: Staff member 2)

*Sometimes overwork leads to a lack of creativity.*

(Self-reflection: Staff member 1)

*We need to have internal control.*

(Self-reflection: Staff member 3)

*Having good administration and management is a key.*

(Self-reflection: Staff member 3)

*The division lacks modern technology to gather revenue sharing data.*

(Self-reflection: Staff member 5)

*If those involved in checking the documents and preparing the summary, prior to transferring the revenue sharing payments, can complete the task within seven days, then there will be no delays and the work can be done as per the contract.*

(Self-reflection: Staff member 1)

### System management: Division III

Staff in this division felt that the organization should implement an on-line processing system for data and that the effective use of technology would bring about accurate and precise work. Furthermore, it should develop its employees by giving them the knowledge and the understanding necessary to make better use of the MS Access system, which in turn would lead to improved quality of work (Gilley and Maycunich 2000a, p. 18). Comments were as follows:

*The strategy should be to use technology to conduct data processing in a network (On-line Processing). Innovation is required to develop the system of working.*

(Interview: Staff member C)

*Introducing a computer system that has effective technology can be used as a tool to process data quickly and accurately.*

(Interview: Staff member B)

*The revenue sharing system has not yet been developed to work on-line.*

(Self-reflection: Staff member A)

*Continued development of the MS Access program is needed. The software is still not perfect and its limitation is that the program cannot warn of errors.*

(Self-reflection: Staff member A)

*The revenue sharing process needs an on-line system as soon as possible. It can then generate appropriate data to allow payment to be processed more quickly.*

(Self-reflection: Staff member A)

Having a good working environment and appropriate equipment can impact on the work process, by speeding up the task which leads to a quicker transfer to other steps in the process (Kofman and Senge 1995, p. 96; Paton, Peters, Storey and Taylor 2005, p. 209). At present, both Divisions still lack appropriate equipment.

*It is necessary to build up a good working environment and atmosphere, where staff can work safely and easily, together with sufficient office equipment.*

(Interview: Staff member C)

*The division needs office equipment, such as computers, and peripherals to transfer revenue sharing payments which are not connected with the data transfer process.*

(Self-reflection: Staff member C)

*There is insufficient office equipment.*

(Interview: Staff member E)

Work steps and checking procedures need to be clearly set out in a manual, so that all staff can understand the transfer system and how it is managed.

*Work steps and obligations need to be clearly defined.*

(Interview: Staff member A)

*A clear working direction must be defined.*

(Interview: Staff member E)

*We need to have a manual or an appropriate operating method.*

(Interview: Staff member B)

*A good checking process is needed to avoid errors.*

(Interview: Staff member A)

*There are a few errors in the billing of TT&T Company that lead to the return of documents.*

(Self-reflection: Staff member C)

The comments of staff may be summarized as follows. Division I staff pointed to their lack of modern technology to gather revenue sharing data. In terms of system management, having suitable equipment in appropriate quantities was necessary for achieving corporate goals and such equipment needed to be upgraded regularly. A clear



work process, combined with good administration and effective teamwork, will enable staff to perform their work as per the concessionaire contract.

Division III staff referred in their comments in that they already had the MS Access program, which had been seen to be more effective than the Excel program used by Division I. For them, developing an on-line data processing system would be the next step allied to improved staff training to make better use of the software. These participants also wanted a better working environment and improved hardware or office equipment. Division III staff also favored a work manual to allow them to better understand the revenue sharing process.

The staff comments were then compared with the components set for system management:

### **Components**

1. Effective direction of vision.
2. Effective work planning and an effective management system.
3. Effective time management and reliability.
4. Adequate equipment.
5. Sufficient and effective technology and software.
6. A conducive work environment.

The criteria of systems management were developed by the heads and staff of Divisions I and III and are based on TOT's performance assessments:

If all 6 components are achieved it means the performance is far exceeded.

If 5 components are achieved it means that performance is exceeded.

If 4 components are achieved it means that performance is fully met.

If 3 components are achieved it means that performance is fair.

If 2 components are achieved it means that performance is poor.

When internal benchmarking the work of both divisions, it was found that Division I had three components, which were effective work planning and an effective management system, sufficient and effective technology and software and a conducive work environment. Division III also had three components which were effective time

management and reliability, sufficient and effective technology and software and a conducive work environment. The findings show that the systems management of both divisions was fair.

After the internal benchmarking exercise and the replacement of Division I's MS Excel program with MS Access, both divisions worked well, with improved data management. The best internal practice is therefore to implement one computer system and format in both divisions. Management should also provide a better working environment and increase the amount of office equipment, because the current provision is inadequate and ineffective. The (TOT) organization should also introduce new technology, allowing it to handle change, for example the implementation of on-line data management.

### **Time management: Division I**

The staff want to improve the revenue sharing process through better time management and effective checking of accuracy of documents and on-time delivery. To do this, there should be specific steps and deadlines so that all employees are aware of. In addition, management should allow time for staff to relax because the job is repetitive, with quite strict time requirements and this can induce stress (Daft 2007, p. 83).

*Good administration and management is important.*

(Interview: Staff member 3)

*Revenue sharing should be completed on time, accurately and with minimal error.*

(Interview: Staff member 6)

*Revenue sharing payments need to be checked and passed to the corporation (concessionaire) within precise time limits.*

(Self-reflection: Staff member 1)

*The revenue sharing payments should be processed accurately and completely within the time limit.*

(Self-reflection: Staff member 5)

*In order to effectively do repetitive work every day, staff need time to relax and stay healthy.*

(Self-reflection: Staff member 4)

### **Time management: Division III**

Staff were concerned that the work should be done effectively, quickly and on time. To do this, there must be no obstacles and the work must be planned systematically. A meeting should be called immediately to listen to and solve any problems.

*Revenue sharing must be delivered on time, within an agreed period.*

(Interview: Staff member D)

*Our job is to accomplish the task quickly and without a problem.*

(Interview: Staff member E)

*We need a method in order to ensure that the revenue will be delivered within the time limit.*

(Self-reflection: Staff member B)

*The (TOT) organization should hold a monthly planning Meeting for the revenue sharing function.*

(Interview: Staff member E)

From the above comments, it was possible to summarize staff's views by division. Division I staff felt the need for better time management which could be accomplished through having agreed steps with deadlines, combined with adequate rest periods.

Division III staff were concerned about doing the work effectively, quickly and on time and to achieve this there must be systematic planning and no obstacles.

The staff comments were then compared with the components set for time management.

### **Components**

1. Planning for organizing time.
2. Assignment finished correctly and on time.
3. Work completed within allocated time.
4. A time management control system.

The criteria of time management were developed by the heads and staff of Divisions I and III and are based on TOT's performance assessments:

If all 4 components are achieved it means that performance is far exceeded.

If 3 components are achieved it means that performance is exceeded.

If 2 components are achieved it means that performance is fully met.

If 1 component is achieved it means that performance is fair.

If no components are achieved it means that performance is poor.

When internally benchmarking the work of Division I and Division III, it was found that Division I had three components which were planning for organizing time, assignment finished correctly and on time and work completed within allocated time. Division III also had the same three components. It was concluded that time management in both divisions was fair.

The internal benchmarking exercise and subsequent establishment of best internal practice had positive benefits for both Division I and Division III and the staff were aware of the need for effective performance, speed and good timing. Good planning leads to a reduction of errors because each department can be aware of the specific steps and deadlines for the tasks involved. TOT should also try to maintain a pleasant environment, where staff are not stressed. Stress can occur when employees are working to deadlines and are subject to pressure and tiredness.

### **Learning: Division I**

There are many factors which affect successful working; some of which are the employees' responsibilities. There also needs to be established work goals, sufficient

equipment and use of technology as these impact on work and learning. Division I found that learning could occur continuously and self-assessment is also part of the learning process (Kolb 1984, p. 39; Beckett and Hager 2000, p. 305).

*Successful work consists of many things and employees have to be careful in their work and be responsible in their jobs.*

(Interview: Staff member 4)

*Having a work goal is a key.*

(Interview: Staff member 2)

*We should always be learning.*

(Interview: Staff member 2)

*Continuous learning is important.*

(Self-reflection: Staff member 2)

*We must know how to be effective.*

(Self-reflection: Staff member 2)

*Staff should learn all the work processes.*

(Interview: Staff member 2)

*We need to learn that the work process is a system requiring discipline and teamwork, good time allocation, management and planning if it is to achieve the goals.*

(Self-reflection: Staff member 5)

*Job rotation is important in the revenue sharing process. It means that employees are able to learn and have new skills from different jobs and this gives them a better understanding of the complete revenue sharing process.*

(Interview: Staff member 4)

The revenue sharing process allows staff to develop thinking and problem solving skills. They learn from solving the problems associated with the working process and from each other (Senge 1994, p. 8; Senge *et al.* 1998, p. 5).

*Making staff to learn and understand their obligations will enable them to solve problems.*

(Interview: Staff member 7)

*Job rotation can assist staff to solve problems because they acquire the perception and skills necessary to perform different tasks, such as billing, preparing summaries and invoicing customers.*

(Interview: Staff member 6)

*Staff can recognize that working hard with spirit gives them a united sense of purpose and allows them to recognize problems and how they occur.*

(Self-reflection: Staff member 4)

### **Learning: Division III**

The revenue sharing process makes staff feel they have self-esteem and can work carefully and enthusiastically, always improving their performance. The study found that staff want to learn and be trained in many work skills, so that they can adapt to change and enhance their knowledge and abilities (Evans *et al.* 2007, p. 53; Boud and Salomon 2001, p. 23).

*The revenue sharing process gives staff a feeling of responsibility so that they work carefully.*

(Interview: Staff member A)

*Rotation of employees' positions and responsibilities makes them enthusiastic.*

(Interview: Staff member B)

*Staff should always seek to improve their work methods in order to harmonize with their environment.*

(Interview: Staff member E)

*Staff should learn and have additional job training.*

(Self-reflection: Staff member D)

*Employees should practice their skills in using the data processing program to improve understanding and accuracy.*

(Self-reflection: Staff member D)

*We need to develop our knowledge so as to better understand our work duties and what goes on around us.*

(Self-reflection: Staff member E)

It could be argued that the above employee quotations reemphasize the importance of good work practices rather than learning, however, in order to work effectively staff need to learn from their experiences.

Staff in Division III said that learning could take place in different ways, either from a colleague, from the job, exchanging ideas and sharing work experiences. Some staff felt that management should offer job rotation so that all staff are able to understand the work process as a whole (Edmonson 2002, p. 130).

*I can learn a new job, with different tasks from a colleague.*

(Interview: Staff member B)

*Job rotation can improve performance.*

(Interview: Staff member E)

*Management should allow employees to exchange jobs.*

*For example, allow an individual to rotate with a colleague.*

(Interview: Staff member E)

Having a systematic way of working, with an understanding of colleagues' tasks, is very important in the revenue sharing process because it can reduce data error. According to information obtained from the interviews and participants' self-reflection, job rotation could lead to staff finding creative solutions to problems and reduce working errors (Donnelly *et al.* 1997, pp. 359-360).

*With a systematic way of working, a job can be done normally even if some staff are not present.*

(Self-reflection: Staff member E)

*When a problem occurs, staff are able to solve it together.*  
(Interview: Staff member E)

The comments of staff may be summarized as follows. Division I staff felt that learning should be a continuous process and that it was helpful to know all the work steps. In the revenue sharing process, job rotation should be encouraged as employees can learn new skills and also obtain a better understanding of the overall procedure. They also develop their problem solving skills, either from the working process or each other.

Division III staff also favored job rotation as it made them enthusiastic and able to learn new tasks. It could also improve existing performance, for example by reducing data error by understanding the process better or through staff finding creative solutions to work problems. There is also the possibility that, when a problem occurs, staff are able to solve it together.

The staff comments were then compared with the components set for learning.

### **Components**

1. Self-learning and self-development.
2. Learning from experience through a problem solving process.
3. Learning from experience through knowledge sharing by staff, both inside and outside the division.
4. Self-development through attending training, both inside and outside the work unit.
5. Learning the use of technology in order to apply it to the work.

The criteria for learning were developed by the heads and staff of Divisions I and III and are based on TOT's performance assessments:

If all 5 components are achieved it means performance is far exceeded.

If 4 components are achieved it means that performance is exceeded.

If 3 components are achieved it means that performance is fully met.

If 2 components are achieved it means that performance is fair.

If only one component is achieved it means performance is poor.



When internal benchmarking the work of both divisions, it was found that Division I and Division III each had three components, which were self-learning and self-development, learning from experience through a problem solving process and learning from experience through sharing by staff, both inside and outside the division. The criteria were therefore fully met.

When internal benchmarking the revenue sharing process of both divisions, it was found that they had both improved through learning. It can be concluded that the best internal practice, derived from the internal benchmarking process, is that staff in both divisions learn from their work experience. As a result, they can solve problems on the job and are motivated to learn continuously from their work. Moreover, staff remain enthusiastic about their work and can learn together, especially through job rotation and from their mistakes, and, as a result became more responsible.

### **Learning organization: Division I**

TOT needs to support its staff so that they can work effectively together, exchange ideas and have less pressure and stress in their jobs. Managers should monitor the working atmosphere and improve it (Donnelly *et al.* 1997, p. 353).

*In the revenue sharing process, employees have to work continuously long hours and good teamwork helps them to reduce stress. Good eyesight and quick data capturing skills are important, so managers should not pressure their staff but rather try to ensure their effectiveness and comraderie.*

(Interview: Staff member 4)

### **Learning organization: Division III**

In order to move towards becoming a learning organization, TOT needs to support its employees by providing knowledge and the ability to educate and develop themselves. The organization should encourage its employees to collaborate and build new knowledge, to share knowledge with each other and to use this learning to create effective work outputs. In turn, this will bring about competitive advantage for the

organization and give it greater stability. Imparting common knowledge can give employees new opportunities, allowing them to become more involved with other work units, communicate with them more effectively and exchange knowledge with each other. Management needs to try to develop an appropriate atmosphere in the workplace, where employees are encouraged to work effectively. Moreover, management must not overlook the importance of having sufficient and up-to-date office equipment (Robbins and Coulter 2002, p. 47; Senge 1990, p. 30; Senge *et al.* 1998, p. 35; Argyris and Schon 1978, p. 3).

*Encourage staff to have the knowledge and ability necessary for the revenue sharing process by providing training.*

(Interview: Staff member C)

*The organization should provide an exchange of new knowledge between work units and departments.*

(Interview: Staff member C)

*Managers should create a good working atmosphere and environment.*

(Interview: Staff member C)

*The organization needs to provide the necessary tools for the job. This includes up-to-date computers and office equipment, in sufficient quantity to meet employees' needs. There should also be a fair compensation structure.*

(Interview: Staff member C)

*The organization must provide human resource development through training, in order to enhance the skills of those involved in data processing technology.*

(Interview: Staff member D)

From these comments, the researcher concluded that Division I staff felt that their organization needed to take a sympathetic and supportive stance towards employees, who were working hard under difficult circumstances. Less pressure and reduced stress would lead to a more effective working environment.

Division III staff wanted TOT management to create an appropriate working environment where employees could exchange new knowledge and be trained in all aspects of the revenue sharing process.

The following components were used for a learning organization.

### **Components**

1. A clear organizational goal, with a working process following the plan, together with an effective assessment system.
2. Employee developments in order to enhance them to continue to learn.
3. Knowledge management and technology management.
4. Team learning and sharing the organization's vision.

The criteria of a learning organization were developed by the heads and staff of Divisions I and III and are based on TOT's performance assessments:

If all 4 components are achieved it means that performance is far exceeded.

If 3 components are achieved it means that performance is exceeded.

If 2 components are achieved it means that performance is fully met.

If only 1 component is achieved it means that performance is fair.

If no components are achieved it means that performance is poor.

As indicated earlier, in Chapter 5, when internal benchmarking the work of both divisions, it was found that neither had the components at present for a learning organization. The assessment for both was poor and this aspect would have to be improved if TOT is the move towards becoming a learning organization.

Despite the fact that there was an improvement in the use of equipment, a better working atmosphere and greater teamwork, neither division was selected to be an Internal benchmark in this area. It will take quite some time for TOT to become a learning organization and to establish best internal practice. It must continue to make improvements by adding new equipment, implementing new technology and creating effective strategies to stimulate staff through self-development. A lifelong learning process is required and this will need time, money and good management to become effective (Gilley and Maycunich 2000a, p. 15).

As indicated in Chapter 5, criteria were developed in an attempt to assess whether and how the internal benchmarking process applied to both divisions could be regarded as a movement towards becoming a learning organization.

TOT developed a learning organization theme internally and then attempted to judge whether or not this theme was achieved through the internal benchmarking study.

Also, as indicated in Chapter 5, there may be some discussion concerning the validity of trying to assess whether or not a learning organization exists using this type of methodology.

### **Professional development: Division I**

Staff realize the importance of training in order to increase their knowledge in different areas, such as computers, teamwork and self-development (Glassop 2001, p. 230; Harrison 2004, p. 780; Gallup Organization (The) 2002, p. 8). They feel that management should support them to receive training and learn. In particular, there should be training in the use of MS Access to increase skills individually and as teams.

*Staff need training in computers.*

(Interview: Staff member 1)

*We need training on how to work as a team.*

(Interview: Staff member 1)

*We should send employees on training courses about working in a team.*

(Interview: Staff member 2)

*The organization needs to develop its human resources by encouraging employees to increase their knowledge of the revenue sharing process.*

(Interview: Staff member 5)

*Allow employees to attend a training program about data sharing technology.*

(Interview: Staff member 6)

*Employees need to develop themselves, either by adding to their knowledge through using a personal computer or by attending a training program relevant to their work.*

(Interview: Staff member 7)

*Employee can develop themselves through training and by adding new knowledge in aspects of their work such as the MS Access program. Their increased skills will allow them to conduct the revenue sharing process more effectively.*

(Interview: Staff member 5)

*Employees should understand all the steps of the revenue sharing process and learn the methods used.*

(Interview: Staff member 5)

*The organization should provide training to all team members in the use of MS Access.*

(Interview: Staff member 2)

*TOT should provide more on-the-job training.*

(Interview: Staff member 7)

*Developing staff through training especially in the use of MS Access which could make the revenue sharing process more effective.*

(Self-reflection Staff member 6)

### **Professional development: Division III**

According to the information collected during the interview and self-reflection exercises, Division III staff realize the importance of training and believe that it can lead to self-development and job development. They also feel that training is necessary in order to improve the work steps in the revenue sharing process and elsewhere in the Division (Berry and Grievies 2003, p. 298; Senge *et al.* 1999, p. 18).

*Training can help employees understand the work process, giving them skills and making them proficient in several data processing systems.*

(Interview: Staff member D)

*Add more on-the-job training.*

(Interview: Staff member E)

*Have a training and development program for the revenue sharing process to make it more effective.*

(Interview: Staff member A)

*Employees seek additional computer training in order to reduce their workload and need to read appropriate books and articles to gain new knowledge.*

(Interview: Staff member E)

*Need training in the revenue sharing process.*

(Self-reflection: Staff member A)

*Increase the computer skills necessary for the revenue sharing process in order to complete the work quickly and with more precision.*

(Self-reflection: Staff member B)

The researcher concluded that Division I staff felt strongly that there was a need for more training, whether it is how to work as a team, on-the-job training or training in the use of computer software. Such training would result in a more effective revenue sharing process.

Division III staff were also aware of the importance of training, believing that it could lead to self-development and job development, as well as make the revenue sharing process more effective.

The following components were used as criteria for professional development.

### **Components**

1. A seminar within the work-unit.
2. A training program to enhance several skills.
3. A system to encourage working.
4. A monitoring and control system.

The criteria of professional development were developed by the heads and staff of Divisions I and III and are based on TOT's performance assessments:

If all 4 components are achieved it means that performance is far exceeded.

If 3 components are achieved it means that performance is exceeded.

If 2 components are achieved it means that performance is fully met.

If 1 component is achieved it means that performance is fair.

If no components are achieved it means that performance is poor.

When internally benchmarking the work of both Divisions, it was found that Division I had two components, which were a seminar within the work-unit and a training program to enhance several skills. Division III had three components which were a seminar within the work-unit, a training program to enhance several skills and a system to encourage working. The assessment for Division I was fully met and for Division III was exceeded.

The internal benchmark is Division III. Good practice was found in both divisions but mainly in Division III. Therefore, best internal practice should be to establish an appropriate policy and budget as part of a longer term plan to develop staff in various ways. These should include computer skills, teamwork skills and how to operate more effectively.

### **Teamwork: Division I**

Staff commented on the importance of teamwork in the revenue sharing process because they need to learn and work together, whether in a large or a small group.

Teamwork can reduce overlap in the work steps, minimize errors and assist in performing the work quickly (Donnelly *et al.* 1998, p. 332). Teamwork has benefits for staff in the division, in the department and in the whole organization. In view of their teamwork, both divisions were selected as having internal best practice.

*Teamwork must be comprised of unity and a caring disposition towards colleagues. In the revenue sharing process, the work steps include separating the documents, data capture and accurate checking on a daily basis. Consequently, if one employee resigns or is unavailable, other staff members can cover the work so that the process can be successfully completed.*

(Interview: Staff member 4)

*Working as a team is not only important in the revenue sharing process but is important in any situation where there are many duties to be performed involving a boss and colleagues. To work successfully there must be teamwork, starting with a small team and going up to a big team.*

(Interview: Staff member 4)

*Team members encourage each other and if an error occurs they can fix it and prevent it from happening again.*

(Interview: Staff member 7)

*Teamwork brings successful, quick, and accurate results.*

(Interview: Staff member 7)

*Teamwork makes the work quicker.*

(Interview: Staff member 2)

*Teamwork prevents overlap in the work steps.*

(Interview: Staff member 2)

*Teamwork reduces the problem of conflict in the workplace.*

(Interview: Staff member 2)

*Teamwork means each step in the system can be successful.*

(Self-reflection: Staff member 1)



Hence, teamwork creates unity, leading to the successful and quicker achievement of goals.

*Accomplishing team goals equates to achieving the organization's goals.*

(Interview: Staff member 5)

*Teamwork leads to successful achievement of goal.*

(Interview: Staff member 6)

*Teamwork enables goals to be achieved quickly and effectively, leading to enthusiasm among employees for their work.*

(Interview: Staff member 7)

*Staff with knowledge and skill can work as a team to achieve the organization's goals.*

(Interview: Staff member 1)

*Teamwork will help the job to be achieved on time.*

(Self-reflection: Staff member 3)

*Teamwork is very important to work in TOT*

(Interview: Staff Member 7)

*Teamwork is an effective strategy to improve work in the Business Management Sector III efficiently and leads to success.*

(Self-reflection: Staff member C)

### **Teamwork: Division III**

Staff considered that teamwork gave benefits to employees and the organization, for example, job rotation when a staff member is ill or cannot come to work. Teamwork results in the job being successful and builds up good relationships. This in turn benefits the organization due to the stability of the work system and the collaboration amongst staff having similar goals. By working together and meeting to brainstorm

issues, staff can focus on a common goal which is then easier to achieve (Donnelly *et al.* 1997, p. 219).

*Working together is able to achieve the goal.*

(Self-reflection: Staff member E)

*Through teamwork, duties are shared and the work is managed properly. This in turn leads to accurate and effective data checking and makes the revenue sharing process deliver results accurately, quickly and completely.*

(Interview: Staff: member D)

*When a permanent staff member is absent, other staff can follow-up on the job, engendering unity and loyalty to the organization.*

(Interview: Staff member E)

*Teamwork in revenue sharing performance allows the Organization's partners to be paid in accordance with the contract and corporate goals.*

(Interview: Staff member C)

*Common goals can be effectively accomplished through the involvement of every department and by brainstorming.*

(Interview: Staff member A)

*Working in teams leads to the achievement of operational effectiveness.*

(Interview: Staff member B)

In summary, Division I staff spoke highly of teamwork, saying that it brings quick and accurate results whilst minimizing work overlap. It reduces the potential for conflict and encourages staff to solve problems together.

Division III staff also saw the benefits of teamwork, both to employees and the organization. A good working relationship means that staff become more goal orientated and brainstorming activity is more productive.

Teamwork enables staff to exchange knowledge, leading to problem solving and good decision making. It is particularly relevant to the revenue sharing process and is an effective success strategy. Components for teamwork were as follows:

### **Components**

1. A policy and a goal for collaboration.
2. A chance for employees to participate in working and planning.
3. Co-operation in order to achieve the goal.
4. A meeting in order to share opinions and have a positive attitude to working in a team.
5. A good working relationship.

The criteria of teamwork were developed by the heads and staff of Division I and III and are based on TOT's performance assessments:

If all 5 components are achieved it means that performance is far exceeded.

If 4 components are achieved it means that performance is exceeded.

If 3 components are achieved it means that performance is fully met.

If 2 components are achieved it means that performance is fair.

If only one component is achieved it means that performance is poor.

When benchmarking the work of both divisions, it was found that they shared three components. These were a chance for employees to participate in working and planning, co-operation in order to achieve the goal and a good working relationship. The assessment for both divisions was that the criteria were fully met.

The internal benchmark was both divisions. Because of their teamwork and the way in which they share experiences and goals, both divisions were thought to have demonstrated best internal practice. Consequently, TOT needs to maintain the goal whereby the steps involved in the revenue sharing process are understood by all employees. If the staff can understand each step they will be able to comprehend the whole system, which should lead to the achievement of work goals.

## **Motivation: Division I**

The study found that staff want management to support them with training and an equitable reward structure (Robbins and Coulter 2002, p. 424). In addition, managers should try to ensure that staff are placed in the right positions, according to their knowledge and competency (Bartol and Martin 1998, p. 383). Similarly, managers should be expected to use their knowledge and skills in order to impact positively on the organization's performance.

*Encourage and support staff by adding more training.*

(Interview: Staff member 3)

*Give fair and equitable compensation.*

(Interview: Staff member 3)

*All staff have capabilities but it is necessary to explore them to maximize the benefits.*

(Interview: Staff member 2)

*If managers delegate to their subordinates, this will engender better spirit.*

(Interview: Staff member 4)

*Repetitive work with without development and the opportunity to gain new knowledge can be discouraging.*

(Self-reflection: Staff member 4)

## **Motivation: Division III**

Staff felt they contributed to the work process through their efforts and dedication to the organization. In return, all employees should be treated justly and equitably. Moreover, there should be a reward including a bonus system with clear and appropriate criteria (Bartol and Martin 1998, p. 183). In addition, managers should show their appreciation to outstanding staff in order to encourage other staff to perform effectively.

*Employees have a good working spirit.*

(Interview: Staff member A)

*Staff should be treated equitably, without discrimination.*

(Interview: Staff member A)

*Receiving a reward, or showing public appreciation,  
is appreciated when staff achieve a goal.*

(Interview: Staff member E)

In summary, Division I staff felt that management had an important role to play in encouraging and supporting staff. It would be discouraging if staff doing repetitive work were not given the opportunity of gaining new knowledge.

Division III staff felt that they should be rewarded for their effects and dedication by being fairly rewarded and motivated, either in the form of a bonus system or some other form of appreciation. Fair and transparent staff assessments should be part of the motivation process.

It is important to stimulate and encourage every employee to have loyalty and affection for the organization and have accountability for their actions. To allow staff to use their own initiative may also create motivation. The following components were determined.

### **Components**

1. To set key performance indicators clearly.
2. To have a fair system of assessment.
3. To give rewards and bonuses fairly.
4. To collaborate in implementing good governance principles.
5. To have a fair working environment.

The criteria of motivation were developed by the heads and staff of Divisions I and III based on TOT's performance assessments:

If 5 components are achieved it means that performance is far exceeded.

If 4 components are achieved it means that performance is exceeded.

If 3 components are achieved it means that performance is fully met.

If 2 components are achieved it means that performance is fair.

If only 1 component is achieved it means that performance is poor.

When benchmarking the work of both divisions, it was found that Division I had no components for motivation whereas Division III had three. These were to set key performance indicators clearly, to have a fair system of assessment and to give rewards and bonuses fairly. Division I was rated as poor whereas in Division III the criteria were fully met. The performance of Division I must be improved and Division III was selected as having best practice.

Best internal practice indicated that the manager should give frank and accurate staff assessments, showing good moral principles and transparency. This is in line with TOT's policy in terms of employee performance appraisals, which was implemented in 2006 (TOT Magazine 2006).

### **6.3 Human resource development**

TOT plans to set a budget for training staff in Sector III, so the researcher worked with the Human Resources Department to further the sector's professional development. This program is in line with TOT's policy and strategy and is enable it to achieve its vision and mission. Hence Sector III staff will receive training to develop their knowledge and apply this to their work. The researcher and the Human Resources Department have worked together to ensure that the budget is spent effectively. There are a number of training and development programs which are considered relevant. These are indicated in TOT's 2006 Training Manual and are listed below:

#### **(1) Information technology program**

##### **a) Database Design and Microsoft (MS) Access program**

The objective is to allow staff to have the knowledge, understanding and ability to use MS Access, to handle the organization's database management and to build up a good

database in the revenue sharing department. This is possible because the MS Access program is quite easy to use and is also effective.

**b) MS SQL Server program**

The objective is to give Sector III staff the knowledge, understanding and skill to use SQL 2000 as part of a database.

**(2) Core competency program**

**a) Creating techniques and team development**

The objective is to make staff aware of any behavior which might impact on their relationships with other staff, either in terms of the work atmosphere or having an effect on jobs. This enables staff to learn and understand some basic principles of psychology and behavior, so that they are more likely to become effective team members. In addition to using this knowledge at work, staff can also apply it to their everyday lives. The anticipated result is that Sector III staff should be able to help each other reciprocally, and work effectively in a pleasant atmosphere, leading to improved effectiveness.

**b) Creativity and innovation in business**

The objective is to instill in staff the desire for external learning and thereby develop creative ideas for TOT. This could lead to growth, prosperity and stability for the organization through the introduction of innovation and will involve sessions conducted by experts in this field.

**c) The learning organization**

The objective is to give Sector III staff the opportunity for self-development and to do quality work on a continuous basis. TOT should also produce a guide to knowledge management, with principles corresponding to the five disciplines set out by Peter Senge (1990, p. 5) for a learning organization. The disciplines are “start with mind, self-development as a habit, continue the vision and work as a creative team” and are appropriate for TOT as part of its approach to becoming a learning organization.

## 6.4 Good governance

Good corporate governance means a system whereby there is a structured relationship between the Board of Directors and its shareholders and stakeholders, in order to build up a competitive attitude that will lead to the organization's growth. The intention is to be an organizational leader, with TOT having good governance, corporate morality and transparency that can be checked and can lead to effective administration. TOT should behave in an ethical manner by effectively controlling its operations. TOT's employees are its most valuable assets, so the organization attempts to select employees who are knowledgeable and competent and want to be trained, by offering them development and an equitable compensation and benefits package. (TOT Magazine, 2006, *TOT Annual Reports 2003-2007*). To do this, and appropriate administration must be established to try to ensure the desired operational outcome, where all employees benefit according to their contributions. The Human Resources Department can assess the requirements and give the necessary knowledge and training in a structured manner, so that performance appraisals are undertaken effectively at all levels throughout the organization. Details about how this system is managed are set by the Human Resource Department in the TOT Magazine 2006.

The system works at the personal level, team level, work unit level and corporate level to bring about enhanced efficiency. The process involves planning and setting goals, providing and checking data, reporting back, measurement, performance appraisal and provision of compensation. It is an established strategy, which interconnects clearly and accurately at the organizational, work unit, team and personal levels. Annual goals are set, together with methods of operation and essential resources needed to achieve the work objectives. Employees are regularly asked to offer advice on how to solve problems together. Such advice can either adjust the goals or the work methods and can provide job development. Giving reports back over time can also assist in refining the system.

Performance appraisal can measure goal achievement against the employees' needs, which will be financial and non-financial. In the latter case, it could be words of appreciation, recognition or being authorized to make some decisions without



recourse to supervisors or managers. However, there are many factors which are linked to performance and outcomes, including sufficiency, suitability, fairness and employees' wants and needs.

The tool used for this system is the Balanced Scorecard and this emphasizes four factors, namely financial, customers, internal processing and learning and development (Kaplin and Norton 1996, pp. 43-46). These are vital for the organization's success and allow outcomes to be effectively measured. Key Result Areas (KRA) and Key Performance Indicators (KPI) are also used as measuring tools. KRA measures the success of the organization, whereas KPIs measure the success of the KRA in a clear and tangible way (Parmenter 2007, pp. 18-21). The use of such measures assists both the organization and the staff to meet their objectives.

These measures were implemented with the incorporation of TOT.

In order for the system to be implemented, it is essential to be clear about what is to be achieved and how. There must be tangible measures that can be used as checks. In addition, while the goals are challenging they must be attainable within the given limitations and with the available resources. The goals must also correspond with the overall policies, and strategies of TOT and timelines must be set to ensure appropriate progression towards completion. Management must check the progress and report back, giving a reasonable explanation so that individual employees can know and understand their operational outcomes, strengths, weaknesses and any other barriers to effective work. When a manager indicates the assessment to a staff member, this should result in self-development and enhance the effect of the performance appraisal program.

This system is therefore designed to measure and assess performance and is used as a tool by the Human Resources management for transferring or promoting personnel and determining their compensation. The performance appraisal is made up from performance results (the results from the KRA and KPI measuring tools) and competency (knowledge, ability, skills and the characteristics of work behavior). Reward or compensation must be clearly and properly linked to performance and competency, so that TOT can compete effectively with external organizations. This

system is already operating in TOT and has been operating effectively at TOT for a lengthy period.

## 6.5 Conclusions

In the integration stage, the researcher took the results of the internal benchmarking exercise and established best internal practices in Divisions I and III. A plan was devised in order to try to reduce the performance gaps. Thereafter, the researcher set goals, objectives and an action plan to try to achieve these results. After completion of the action plan which implemented best internal practice, a second round of participant observations, self-reflection and interviews took place. This is what is shown in this chapter.

Analysis of these data showed that there were many benefits resulting from the implementation of best internal practice and that the benchmarking process could be effectively used. Moreover, implementing best internal practice can affect the time taken to carry out the steps in the revenue sharing process, with significant improvement in Division I and some improvement in Division III. It can also be concluded that benchmarking for best internal practice can improve professional development, enhance performance appraisal and may be regarded as a first step leading TOT towards becoming a learning organization. As indicated elsewhere in this thesis, internal benchmarking may be viewed simply as a one-off exercise in its own right, designed to improve performance in a part of an organization. However, as indicated, it could be viewed as part of a much broader approach to organizational improvement, movement towards becoming a learning organization. This is certainly the approach desired by this researcher.

A synthesis of the data from the entire analysis is presented in chapter seven, together with additional recommendations.

## **Chapter 7**

### **Discussions and Recommendations**

#### **7.1 Introduction**

This chapter represents a synthesis of the data analyses and further recommendations. The internal benchmarking of Sector III's revenue sharing process was conducted using the five phases set out by Camp (1994, p. 14), namely planning, analysis, integration, action and maturity. After the action phase, benchmarking identified the best internal practice that should be implemented. There then followed a second round of observation, interviews and self-reflection, after which the researcher was able to conclude an integrated outcome of best practice, based on all five of Camp's phases.

By using internal benchmarking to make comparisons of the revenue sharing process between Division I and Division III, the research project aimed to improve performance by following Camp's five phases. This procedure identifies the best internal practice that should be adopted, according to themes that emerged from the research namely system management, time management, learning, the learning organization, professional development, teamwork, motivation and benchmarking.

The procedure demonstrated a satisfactory degree of success of the internal benchmarking process and how it could be applied as a human resources management tool within the organization. The internal benchmarking system involved learning for achieving improvements. It leads to an understanding by employees of the strengths and weaknesses of the working process and allows comparisons between employees' abilities that can lead to achievement of goals and successful outcomes. In addition, employees can use self-assessment to improve their performance and emulate better patterns.

Regarding system management in Divisions I and III, the benchmarking process revealed the need for the administration department to improve the working environment by providing adequate and suitable computers and printers. By improving the working environment, employees' performances would also be improved. However, there are some problems and barriers that exist, due to Sector III's policy and the limited budget. It is therefore desirable to have a strategy plan and for a budget to be allocated within this plan. The physical working space of both divisions is also limited and has to be shared with other sectors and so improvements are also subject to the similar constraints, i.e., lack of budget.

## **7.2 Discussions**

The study found that when Division I changed its computer program from Excel to Access, this resulted in improved performance, a reduction of time, better time management and improved working systems. On the other hand, Division III was found to be a good model because of its continued use of the Access program and yet the time taken to conduct the work was still reduced after best internal practice was applied. Once Division III was rivaled in performance, it had to endeavour to improve its own outputs and become more competitive. This corresponds with the findings of Godard (2001, pp. 777-779), which showed that the awareness of benchmarking can create more competitive behaviour, leading to new ideas and a change breakthrough. In other words, internal benchmarking can stimulate employees to be more competitive at work, leading to sustained improvements. Moreover, both divisions had an exchange in terms of learning and work experiences. As a result of discussions and meetings, employees were able to learn continuously, learn from working experience and learn from others. This experiential learning is described by Kolb (1984, p. 38) and is important in the areas of globalization and privatization (Ormrod 2006, p. 215).

One way to achieve improvements in work performance is to try to create conditions which are likely to motivate employees, so the manager needs to make employees feel that they are fairly treated in their performance assessments, which should be accurate, transparent, and appropriate to ensure fairness. Robbins and Coulter (2002,

p. 424), Daft (2007, pp. 227-230) explain that motivation is significant in encouraging employees to work towards a goal, to make sacrifices for the organization and to find satisfaction in the achievement of their work. Furthermore, it is necessary to enable employees to understand the value of teamwork, because it gives considerable benefits to the organization (Bateman and Snell 2007, pp. 16-18). However, in Thai culture there are some problems related to teamwork. Thai employees tend to accept hierarchy and authority. They may accept the concept of teamwork because of their loyalty to a particular manager who wants them to work in and as a team. In other words, teamwork may not be accepted or practiced for its own sake or because it leads to higher levels of performance but rather as an aspect of respect and loyalty to someone who is regarded as a 'good' boss or manager. This is not necessarily reflected in higher levels of performance. Under this approach, there is often also a lack of cooperation with other parts of the organization who are not members of this particular team. So, there is a hierarchy of respect and groups which may not accept each other and this can be a barrier (Hughes and Sheehan 1993, pp. 140-148).

Unlike in many other cultures, it is difficult for Thai employees to openly disagree with their managers or anyone who occupies a more senior position and this can cause a barrier towards the effectiveness of teamwork (McC Campbell, Jongpipitporn, Umar and Ungaree 1999, pp. 318-320).

Despite this, the concept of teamwork is an important aspect of internal benchmarking and of a movement towards becoming a learning organization. However, an important aspect in team development and operation is a process not only leading towards successful teamwork but one which also attempts to successfully integrate the activities of all teams which is likely to lead to the overall success and competitive advantage of the whole organization.

Another way to improve work performance is professional development. This could occur through on-the-job-training, whereby employees learn from their own performance, and also from attending seminars and site visits, either to other sectors within TOT or to other organizations. Brewster *et al.* (2000, pp. 45-48), Harrison (2004, pp. 777-786) indicate that on-the-job training gives the opportunity to learn new work-related skills, promoting self and professional development. However, the

important thing is for employees to reflect on the learning, thinking and working processes through regular self-assessment, or by having regular discussion and 'brainstorming' meetings. Discussions at such meetings can reveal employees' thinking and their feelings towards the work process and this, in turn, can bring about improvements in work performance (Southard and Parente 2007, pp. 161-171).

Staff in both divisions have developed their knowledge of internal benchmarking strategy and their perceptions of how it works, namely making comparisons with each other to find best internal practice. Hence, in Division III, all staff now realize the importance of the process and that it can benefit them in terms of self-development, increase their knowledge and ability, compare themselves with another division and lead to the achievement of the organization's goals. According to this research, internal benchmarking of the two divisions enhanced knowledge, understanding and self-development which can bring about a competitive edge. Moreover, staff in both divisions have developed their knowledge of technology. This is because data management in the revenue sharing process requires knowledge not only of the software program but also of financial and accounting disciplines. When staff in the two divisions reflect on the revenue sharing activity, it increases both their technological and financial skills, which are essential to managing the process.

The study also found that staff from Divisions I and III need to develop their computer skills for use in data management. Division III led Division I to change from Excel to the Access program, resulting in time saving and better data management. Staff in both divisions now need to continue to improve their skills and thereby maximize the use of the computers which now both have the Access program installed.

Staff realize the importance of using technology to obtain quick and accurate data management. The study also found that both divisions developed their timing skills, for example, in solving problems in the work process. This was because the work has various steps and when a problem occurred, employees could share their knowledge and experience to solve it. By learning from each other, they could develop the skill of solving problems for themselves, so they learnt as a team. According to Senge (1994, p. 18), team learning is a way to share knowledge and develop thinking skills

and Donnelly *et al.* (1997, p. 353) assert that teamwork is essential if the organization is to be successful.

Although Sector III consists of five divisions, only Divisions I and III are responsible for managing the concessionaire contracts. This study focuses on these two divisions, which conduct the revenue sharing process, and they were selected for internal benchmarking to try to improve the overall performance in both Divisions, through improving technical efficiency and professional ability. This in turn would lead to improved employee performance.

To develop the staff and increase their professional capabilities, the following were identified as areas for further development:

1. Technical skills in using computers and technology.
2. Technical skills for data management.
3. Time management skills, because timing is critical when following a plan and reaching a goal.
4. Self-assessment skills, which can be used to analyze strengths and weaknesses.
5. Learning skills, enabling employees to understand themselves and others in order to work together.
6. Self-development skills, allowing employees to feel part of the organization and enhance their knowledge. This will give them greater ability to face and manage organizational change.
7. Skills obtained through using the benchmarking procedure, facilitating self-assessment and performance appraisal in Sector III.

To enhance and support the above improvements, the following are required:

1. Clear work steps to improve the working process.
2. Job rotation to allow individual employees to better understand all the roles and tasks in the Division.
3. Staff should become both coaches and learners, through self-improvement, using teamwork not only to impart knowledge to others and help them to solve work problems but also to learn from other people.
4. Lifelong learning is important. The staff need to be able to learn continuously.

5. Self-development is necessary for professional development, which will allow employees to obtain the necessary knowledge, skills and competency to do the work and to better fit themselves for promotion and other opportunities.
6. It is important for employees to have clear goals that can be assessed through the TOT performance appraisal system.
7. The work process should incorporate Deming's (1982, 2007) system of "plan, do, check and act".

Although this internal benchmarking exercise related to only two small divisions within TOT, it did identify some key factors that TOT should consider regarding its total organization and its staff, particularly, as it intends to move towards becoming a learning organization. In order to do so, and, as indicated in the benchmarking study, staff require professional development and motivation. These ideas support staff to increase their knowledge and skills in the workplace.

With regard to becoming a learning organization, the benchmarking activity found that neither Division I nor III could be selected as showing best internal practice in this area at the present time. This is demonstrated by the analysis. Consequently, TOT still needs to identify best internal practice throughout the organization. The Human Resources Department is already providing training towards the corporation becoming a learning organization but it is recognized that it still has a considerable way to go in order to achieve this objective. The criteria to become one are that employees over the whole organization continually expand their capacity to achieve the results they and the organization want to achieve, where collective aspiration is allowed and staff are continually learning to grow together (Senge 1994, p. 18; Robbins and Coulter 2002, pp. 47-48). At this stage, the organization still fits into the model of a 'traditional organization' (see Table 1.1, Chapter 1) rather than a 'new' organization.

There are still missing a number of required component parts throughout much of the organization, such as systematic problem solving, experimentation with new approaches, learning from past experience and the best practice of others, both within and outside the organization, and transferring knowledge quickly and efficiently



throughout the organization. In this respect, both Divisions I and III need to continue to improve, as do other divisions throughout the whole organization.

Regarding such improvements in the organization, while many problems and their solutions have already been identified, it is not possible to resolve all these issues immediately. This is partly as a result of budget considerations but it also requires all managers and employees to understand the process. A skilled manager is required who can not only identify the problems but also create effective strategies in order to change the organization so it can become a learning organization. This manager would require knowledge of how to create a learning organization and the skill to enable the employees to work effectively, which will still take considerable time. Also, the employees need to be trained and developed to exchange knowledge, continue their development, and build up motivation and dedication to the organization (McGrath 2001, pp. 118-131; Bhindi 1997, p. 18).

Returning to Divisions I and III, concerning the professional development of the staff in these divisions, neither division was found to have best practice in this area at present. As a result, TOT should develop, with staff involvement and participation, a long term plan of setting out the knowledge and ability required to develop each position. A time frame for developing core competencies and abilities should also be developed. For example, within a year staff must receive training and development regarding the knowledge, skills or techniques needed in their respective area. To achieve this, the concerned manager should allocate a budget so that all employees can be given the opportunity to develop, through training and development programs locally or abroad.

Although motivation is one of the key factors in successful working, this internal benchmarking study did not identify best practice in either division. TOT must therefore consider ways of trying to develop programs and policies designed to develop and enhance employee motivation, using both intrinsic and extrinsic rewards, such as a salary and/or bonus scheme, indications of appreciation and recognition, a fair remuneration system, transparency and good governance (Donnelly *et al.* 1997, pp. 127-128; Daft 2007, pp. 237-240).

An assessment of the past professional activities of Divisions I and III found that staff were not making comparisons in order to measure their performance levels. Consequently, they did not know whether their performance was better or worse than that of the other division. The researcher also found that staff merely had knowledge of their own specific area, because they had not had an exchange of knowledge with the other division which could have helped them to develop their skills. Such an exchange could be encouraged by colleagues and by management. Also, when using internal benchmarking as a tool to identify best practice, there are clear roles which the manager and staff must perform and these are described below.

The role of the manager is to encourage staff to work to their maximum potential and to be aware that all employees are important in the organization. He or she must create a suitable physical working environment, encourage teamwork, improve morale and give any assistance to staff that may be necessary. He/she must also provide a budget to allow for self-development of staff and allow them to participate in goal setting.

The staff's role is to be both learners and coaches, to be responsible and punctual and to have enthusiasm and honesty. In addition, the staff need to have good problem solving and communication skills and be able to work with others. They also need to be able to perform self-assessment in terms of their knowledge, abilities, strengths and weaknesses. Staff also need to have the self-confidence necessary to give their own opinions, be loyal and dedicated to the organization and to have self-respect and respect for others. Finally, they need to understand the internal benchmarking process and recognize its importance and benefits.

It can be concluded that internal benchmarking provides many benefits to an organization, allowing it to not only improve its work processes, management and staff but also its conceptual thinking. This applies to all types of benchmarking, of which, in some respects, internal benchmarking is the most restricted form. It is still, nevertheless, a worthwhile form, as this thesis demonstrates. However, as the organization progresses towards becoming a learning organization, other forms of comparative benchmarking, both with local and international organizations' best practices, may apply.

This can lead to more effective working systems, with management and staff having improved abilities and knowledge development. In effect, it establishes best practice, although this is an ongoing process so improvement and change occur all the time. Best practice maximizes the benefits that can accrue to the organization (Henderson and Evans 2000, pp. 260-282; Rolstadas and Andersen 2000, pp. 18-23; Boxwell 1994, p. 33).

### **7.3 Recommendations**

In the face of increasing globalization and improved technology, TOT must become more competitive, requiring workplace learning, professional development and knowledge management. To achieve this, and to become a learning organization, there is a need for organizational change, change which places an emphasis on learning in the workplace and for this learning to be lifelong. At all levels of the organization, there is a realization that teamwork is essential to reach corporate goals and maintain a competitive edge but this must be reinforced and encouraged through policies and systems designed to try to improve motivation of staff. As a state-owned enterprise, TOT faces some different problems from its competitors in this area. The interviews and self-reflection of participants in the study, and the views of staff, highlight the sorts of areas that should be addressed. For example, employees want to have greater professional development programs and a reward system that will help to create conditions of greater motivation. It is also clear that the organization in general and the revenue sharing divisions in particular, need greater knowledge management, which may be addressed to some extent by collecting employees' knowledge in the form of a manual. In all instances of improvement there will be an element of change which also has to be managed and resistance effectively overcome. It is TOT's stated corporate objective to become a learning organization and a continuously improving organization and so the improvements in the areas indicated will help to reach this goal.

Basic problems which TOT faces are the restrictions placed upon it as a fully-owned government enterprise. This places it in a controlled environment that would not normally apply or to a greater extent, than in a private sector organization. This

means, for example, that it would be considerably more difficult for TOT to significantly change its organizational structure, its hierarchy, its large number of departments, or, particularly, to downsize its numbers of employees. Of course, many may see these as attractive features, particularly, the 'protection' of employees' jobs. In this respect then, it is in a considerably different position from the privatization approaches that have applied in many western countries, which, in particular, have frequently resulted in very considerable downsizing as far as enterprise staff are concerned (see, for example, [www.austetc.unimelb.edu.au/asaw/biogs/A0049b.htm](http://www.austetc.unimelb.edu.au/asaw/biogs/A0049b.htm) and <http://www.iea.org/public/reviews/austral2001.htm>)

It may also be that there are cultural factors in Thailand (and possibly, some other Asian cultures) which have made it not possible to downsize or more difficult to do so, in areas of government employment or government ownership. Of course, if and as such enterprises face greater competition from fully private sector competition from either local or internationally-based organizations in the future, corporations such as TOT may face increasing competition and this may force other changes to occur.

As indicated, undertaking benchmarking with other work units both inside and outside the TOT organization should be considered and ultimately, applied. A comparison should also be made of other aspects between Divisions I and III, with other TOT work units and between Sector III and other sectors. Further recommendations are that a clear manual be provided for the revenue sharing process to insure ongoing good governance. An on-line system should also be introduced to facilitate the process. In order to publicize best practice to others, an annual meeting should be held to integrate the work and knowledge management should be used to control the work process.

The internal benchmarking of the revenue sharing process in Sector III enabled finding out the strengths and weaknesses in both divisions' work performance, together with positive and negative influences that were having an effect. As a result, the organization is able to constantly improve, enhance the effectiveness of its performance, knows how to solve problems and create plans for the present and

future. Moreover, the organization can effectively manage its budgets, which will be likely to lead to better outcomes on a regular basis. By being aware of its employees' behavior, the organization is better prepared to prevent or effectively manage work crises, should they occur, enable staff to be more effective in their work, enable all employees to develop self-esteem and to promote unity. TOT needs to provide adequate, good quality equipment and provide training in how to use it correctly. The final chapter focuses on rethinking the best practice in TOT Corporation Public Company Limited and its movement towards becoming a learning organization.

The discussion concerning developing to become a learning organization is contained in the final chapter.

## Chapter 8

### Rethinking the best practice and becoming a

#### Learning Organization in TOT

*Benchmarking is not a copying exercise. It is a tool that, through education and research, can lead to best practice being applied in the suitable way for my company.*

(Reflection of staff member A)

#### 8.1 Introduction

The data analysis and synthesis from internal benchmarking of the revenue sharing process of Sector III derived from Camp's (1994) four steps of planning, analysis, integration and action. In addition, results from observation, interviews and self-reflection identified seven themes which lead to best practice, namely system management, time management, learning, learning organization, professional development, teamwork, internal benchmarking and motivation. This demonstrates the new knowledge obtained and how to rethink the best practice at TOT. It also discusses this process of internal benchmarking within TOT as a step towards becoming a learning organization.

#### 8.2 The effects of best internal practice at TOT

In order for TOT to become a high quality learning organization, to be able to develop sustainable competitive advantage, which is competitive advantage over the long term, and compete in the current and future marketplace, it needs to continuously focus on the seven themes mentioned above. For example, TOT should give consideration to its system management because, at present, new technology is available that can help organizations manage data more effectively. TOT should use technology as a tool for communication and to develop the organization. In addition, it must apply sufficient

high quality office equipment and office technology to meet its requirements. For example, there should be sufficient computers and printers, and other office and operational technology, properly maintained, to ensure effective working order, to match the working and job needs of its employees. One key consideration in system management is an appropriate working environment which should be clean, well-ventilated and friendly so that the hygiene needs of employees will be appropriately met (Herzberg 1966, pp. 12-21; Boud 2000a, p. 20; Daft 2007, pp. 237-240; Kofman and Senge 1995, p. 96).

Time management is also an important consideration at TOT because of the nature of the work performed. TOT was originally a state instrumentality of the Thai government. It is now a public company, although currently all its shares are owned by the government (corporatized rather than privatized) although it may not necessarily be the case that the shares will always continue to be fully or even partly owned by the Thai government. Even though the government currently owns all the shares, there has been a significant change in the company's organizational structure and the operations of its management.

Top management now has more autonomy but with this goes more accountability. There has been investment and more jobs have been created in order to try to increase profit and be competitive. This makes it more important for each sector to have efficient time management, appropriate to the characteristics of each work unit. For example, the job characteristics of Divisions I and III of Sector III are administration and controlling the work processes in accordance with the concessionaire contracts. A key characteristic in revenue sharing is timekeeping, so that the monies are transferred as agreed in the contracts. As a result, all employees need to produce quality work on time, meaning that speed and accuracy are significant factors in delivery. So, each work unit must be concerned with time management, and both managers and staff have to have effective planning in order to meet their goals (Daft 2007, pp. 237-240).

In each work unit, TOT employees experience learning by virtue of the job characteristics and this research has shown that individual employees have benefited from experiential learning (Zuber-Skerritt 2002, pp. 114-124; Miller 2003, pp. 14-23; Hicks *et al* 2007, pp. 51-77).

Depending on the level of responsibility, the action learning and the on-the-job training, each employee's experience is different and can lead to individual and lifelong learning (Inglis 1994, pp. 6-7; Longworth and Davies 1996, pp. 9-10; Billet and Somerville 2004, pp. 309-320). Consequently, TOT should encourage employees to become independent learners, assisting them to learn and how to perform self-assessment of their learning. Once employees understand the learning process as a whole they will have greater capability for self-development. TOT should therefore promote a learning atmosphere, where ideas and experiences can be shared with each other, leading to improved working and better relationships (Rowden 2001, pp. 11-16; Argyris 1997, p. 3; Senge 1992, p. 18; Schneider 2005, pp. 58-67).

Another key factor is professional development, which should be promoted through attempts to develop both intrinsic and extrinsic motivation. TOT should introduce a system of rewards designed to try to motivate staff to learn and promote self-development, leading to both personal and organizational success. In particular, in the two Divisions which were studied with respect to the internal benchmarking process in this thesis, staff should be encouraged to develop themselves in the area of information technology, especially as this is changing rapidly and constantly in this era of globalization. These employees and other administrative and office employees need to have their knowledge and skills in this area constantly updated in order to understand how to apply these skills to their work. Likewise, employees in other parts of TOT also need to develop, maintain, and enhance the key technological and other skills appropriate to their work. Professional development, then, is necessary for the core competency of each department, where ability and skill are required for complete job involvement and it is the organization's responsibility to promote employees' competence and potential, in order to maximize the benefit both to the organization and to the individual employees (Donnelly *et al.* 1998, p. 404; Harrison 2004, pp. 777-786).

As mentioned earlier, TOT has changed from a state instrumentality to a public corporation, although all the shares are currently held by the Thai government and it therefore needs to constantly improve and modernize. TOT sees itself as needing to become a learning organization implementing new management technology and promoting good governance and encouraging all employees to learn and develop their own thinking. TOT should continue to try to create policies and procedures designed



in an attempt to try to motivate and encourage staff to work effectively through self-development and an exchange of learning, together with the development of working and thinking systems, leading them to seek new knowledge and to develop a love of learning. From this study, the researcher recommends that TOT ensures an effective physical environment and a suitable working atmosphere that will encourage lifelong learning of all management and staff and leads TOT to becoming a learning organization. Once this is achieved, TOT should be able to create a sustainable competitive advantage over the long term and thus be able to handle changes that may occur (Robbins and Coulter 2002, p. 48).

### **8.3 The next steps at TOT**

The use of internal benchmarking, in order to develop the work performance of TOT's employees, also allows them to consider its value. Benchmarking has many benefits, including human resource development and the development of work processes and standardized systems. Comparisons are possible within the organization, for example, between two sectors or divisions in order to find best internal practice using Camp's five steps of planning, analysis, integration, action and maturity. Camp (1994, p. 14) states that job development can occur as a result of having competition and self-development and it is able to motivate staff to be enthusiastic about their work and to collaborate as a team. Nevertheless, as a first step, it is recommended that TOT should define a policy for conducting internal benchmarking and conduct meetings to explain the process to each departmental manager. Thereafter, internal benchmarking could be implemented in each department, with a report of the results being presented to the organization as a whole. If most managers and employees can see how internal benchmarking can work from one area to another, then it should be easier to disseminate the process throughout the organization.

It is also recommended that TOT should set up a committee to act as an advice centre to support managers and staff and to impart knowledge about conducting the internal benchmarking process. There should also be a public relations system to disseminate information about the procedures involved in the process. In addition, a meeting

forum is recommended to exchange knowledge between work units, work centers and departments so that the benefits of internal benchmarking will be uniformly applied throughout the organization. Site visits to different centers, departments or units can help management and staff to have a more knowledgeable viewpoint on how internal benchmarking operates within the organization. Also, selected management and employees could be sent on site visits to other organizations both publicly and privately owned, and both within Thailand or internationally, to study 'best practice' organizations, particularly those which are considered most relevant to TOT and those which have been clearly identified as applying 'best practice' within their organizations.

Writing a self-assessment report for each section, unit or department is an important consideration since it can affect the development of the work system and the maintenance of quality standards of the internal benchmarking process. Learning through knowledge management is a means of enabling both management and staff to analyze, synthesize and decide upon the value of information (Jarvis 2001, pp. 12-23). This is relevant to the implementation of best practice, because knowledge management can drive TOT to become a learning organization through handling knowledge acquired from benchmarking. However, for TOT to be successful, it will need to have best practice in the seven areas identified earlier, namely system management, time management, learning, learning organization, professional development, teamwork, and motivation. It can be concluded that the organization needs to work as a system, exchanging experiences and making work improvements through technology. It must also manage and promote new knowledge within TOT and to the public, leading to ongoing development of not only employees but also the organization itself.

## **8.4 Conclusion**

After the internal benchmarking exercise conducted with Division I and Division III of Sector III, they are now set to do further internal benchmarking by focusing on the revenue sharing process. This will allow the organization to acquire effective working and management systems by implementing all seven factors of best practice.

However, TOT needs to re-think the factors that will affect success for the next step. For employees and the organization to develop, knowledge management is required to allow staff to become learners and have improved performance. Employees can learn from their working experience in order to become regular and lifelong learners. This in turn will lead TOT to become a stable learning organization.

It is considered that this thesis makes a valuable contribution, not only to TOT but with respect to the process of applying internal benchmarking in Thailand and, indeed, applying internal benchmarking generally. It is also valuable in demonstrating that while internal benchmarking itself is a separate activity to a learning organization, it may provide a useful starting point of an organization development process which leads towards becoming a learning organization.

### **8.5 A final comment concerning TOT becoming a learning organization**

As has been indicated throughout this thesis, TOT seeks to become a learning organization but it still has quite some way to go before it can claim to be a learning organization.

The application of benchmarking in two small Divisions of TOT is not, in itself, a direct movement towards becoming a learning organization. Nevertheless, as has been indicated, the benchmarking process does include various aspects which one would also see within a learning organization, such as employee participation and involvement, and an emphasis on teamwork. Certainly, if the internal benchmarking process was developed more widely over the whole of the TOT organization, TOT would be approaching the concept of becoming a learning organization.

However, there are still some problems which exist that would require significant change before TOT could be considered as a learning organization.

It is managed as a 'top-down' organization, with a tall hierarchy and many departments. It is still more similar to the 'traditional' organization discussed by Robbins and Coulter (2002, p. 7), rather than the 'new' organization.

These features may prove very difficult to change, especially while TOT continues to be a wholly-owned Thai government corporation.

Another aspect should also be mentioned. Benchmarking may not necessarily be practiced over a whole organization. As shown in this study, for example, it has been or was initially applied in two small divisions in the TOT organization. This may be extended but this is not necessarily the case. The concept of the learning organization, however, is an 'organization-wide' or 'system-wide' concept (Brown and Harvey 2006, p. 404).

Nevertheless, as indicated earlier, internal benchmarking may be regarded as a 'driving mechanism' for an organization's movement towards becoming a learning organization.

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