

The CEO Ambassador Challenges of the Internal Management of External Affairs

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THE FUNDAMENTALS

THE MINISTRY OF FOREIGN AFFAIRS OF THAILAND CELEBRATED THE 131ST Anniversary of its establishment in April 2006. The diplomatic history of the country, however, dates back to the seventh century, to the Nan-Chao Period. At that time, envoys were dispatched to neighboring countries, and treaties of friendship were signed. History shows no evidence of Thailand existing in isolation, but always keeping her doors open to the outside world.

Despite the changes of time and context, the imperatives of Thai foreign policy remain unaltered, i.e. to safeguard national sovereignty and territorial integrity, to protect and promote the interests of the nation and its people, to maintain goodwill and friendly international relations, and to play an active role in the international community.

The conduct of Thai foreign policy has yielded favorable results thus far. Today, Thailand has emerged as one of the significant players in the region. Her constructive role has been recognized regionally and internationally. Every year, the country receives higher rankings from global rating agencies. It is of the utmost importance that Thailand enjoys stable and cordial relationships with all its neighboring countries. The situation along our long borders also remains stable and peaceful, facilitating frequent people-to-people contacts.

The Thai Foreign Office is fairly small in terms of its personnel. Currently, there are 1,608 staff working for the Ministry, 990 of whom

are career diplomats and the other 618 are supporting staff. As for the gender ratio, 685 are men and 923 are women. Currently, we have 14 outstanding women ambassadors and expect the number to increase in the near future. Almost 30% of the staff (1,065) serve abroad, while the rest perform the 'back office' roles at headquarters, mainly because we run very lean embassies and consulates abroad. We recruit, every year, well-qualified and energetic young people to the Thai Foreign Service. And since 1991, we have granted scholarships to 226 students, more than half of whom have already graduated and returned to work for the Ministry while the rest continue their studies abroad. This younger generation of diplomats will soon change the 'human resources landscape' of the Ministry.

The Ministry is expanding its coverage worldwide and currently has 90 posts in 62 countries. These missions play crucial roles in making our presence felt in every region and cultivating our relationships with counterparts around the world.

RATIONALE FOR REFORM

If everything seems to be on the right track as mentioned above, why do we need reform?

This is because the world never stops, and the essence of foreign affairs is the ability both to keep one's own country relevant to, and for it to benefit from, the changing world. The Foreign Ministry cannot be on the defensive, but must effectively anticipate and respond to change, particularly in the current situation in which globalization has propelled change at breathtaking speed.

Globalization is the force that drives the world today. The Thai Government likes to think of globalization as characterized by free flows in relation to four areas: people; goods and services; capital; technology and knowledge. This view has allowed Thailand to take action and put into place the requisite infrastructure as well as rules and regulations that help us deal with globalization. Foreign policy and Foreign Service reform are instrumental in these efforts to deal with globalization.

The Ministry of Foreign Affairs is a learning organization. Constant change is in our culture. We adapt our management style from the private sector. We learn from the best practices of the foreign services of other countries. We go through the trial-and-error process and constantly fine

tune. Like us, foreign ministries worldwide are on the move towards reform and restructuring; even the great powers like the United States of America and the United Kingdom are no exception. We are enthusiastic to learn more about the American ‘Transformational Diplomacy’ and the English ‘Active Diplomacy’.

As a foundation, the Ministry indicated its vision and mission as the guidelines for its work and reform. The vision is:

To become the leading organization in promoting Thailand’s role and position in the international arena with a view to enhancing the country’s honor, dignity, political stability, prosperity, social development, and to exploit the opportunities from globalization for the benefit of the Thai society.

The mission is to effectively and efficiently conduct the Ministry’s pivotal roles, i.e.

... Diplomatic representation; Negotiation; Provision of policy; Strategic and legal advice; Professional diplomatic development and training; Consular service; Conduct of Public diplomacy; Protocol service and; Conduct of International Development Cooperation in both bilateral and multilateral levels.

INTERNAL MANAGEMENT OF EXTERNAL RELATIONS

Globalization and the change in the international strategic landscape result in the necessity to conduct foreign policy in different ways. International affairs involve multi-dimensional issues which are invariably intertwined. The conduct of foreign policy hence needs a thorough understanding of this complexity and an integrated approach to deal with.

Moreover, a globalized society like ours is highly sensitive to the repercussions of international affairs which now, as never before, can have an immediate impact on all walks of life. More agencies, governmental and non-governmental, are involved in the conduct of foreign policy. They are not ‘affairs’ to be handled by the Foreign Ministry alone anymore. Nonetheless, the Foreign Ministry continues to provide the main input into foreign-policy decisions and is the chief executor of foreign policy. And despite the increasing number of actors in Thai foreign affairs, there is only one foreign policy for all to adhere to in conducting their international businesses.

'*Internal Management of External Relations*' is therefore vital in these circumstances. In the past, the structure of the Thai bureaucracy was mainly based on a clear division of responsibilities. Agencies worked according to their specialization and the issues ran vertically within the organization concerned, not cutting across ministries. This structure is, however, irrelevant to the increasingly complicated and interrelated international issues which one agency, alone, cannot handle in a comprehensive way. Integration is therefore a key factor for success.

In March 2002, the Thai Government initiated the so-called '*CEO scheme*', adapting a business model to its bureaucratic system. The ultimate goal is to increase Thailand's competitiveness amidst the tide of globalization and push forward the country's strategies in a more integrated and efficient way.

During the initial period, six embassies were chosen to run a pilot project, namely Brussels, Tokyo, Beijing, New Delhi, Washington D.C., and Vientiane. The six Ambassadors were required to present to the Prime Minister their visions and strategies towards the respective countries based on a SWOT Analysis. An academic team was invited to evaluate the effectiveness of the CEO scheme and provide useful advice. Later in October 2003, the CEO scheme was extended to all of Thailand's missions worldwide.

CEO or Chief Executive Officer in this case is the Ambassador. The emphasis is on leadership and teamwork, as well as shared vision, mission and strategies. Management skills, responsibility, and accountability are also vital. 60 Ambassadors—equipped with authority, teams, and resources—perform as assistants to the Prime Minister in carrying out government policies overseas.

The role of the diplomat has changed in accordance with the change in the conduct of foreign policy. He/she is required to perform strategic and managerial roles, in addition to his/her traditional core competencies of representation and negotiation. In most cases, the diplomat is the door-knocker or pathfinder who utilizes his/her professionalism in establishing a close relationship with foreign countries and easy access to foreign counterparts, paving the way for further cooperation.

Representatives of the agencies attached to the embassies or consulates-general abroad serve on the '*Executive Board of Thailand*' working as a team under the authority and direction of the '*CEO Ambassador*'. A board meeting is held almost every week for strategic planning, problem solving, and information sharing. The team needs to collectively formulate a

strategic framework and an annual plan of action. Through this process, agencies are able to compare notes on their activities and avoid duplication of their work plans. A number of key performance indicators (KPIs) are set as benchmarks for team achievement.

In 2003, the Prime Minister himself chaired a series of six of the so-called 'revamp' meetings to restructure Thailand's overseas missions and ensure that CEO Ambassadors are supported by good teams. The bilateral strategy of Thailand towards each country determines the priorities given, thereby indicating the quality and quantity of personnel needed for each mission.

As human and financial resources remain scarce, all agencies have been encouraged to think out of the box in making '*maximum coverage with minimum resources*'. New methods applied include sending mobile units, outsourcing, opening one-man offices, hiring more professional local staff, and appointing roving ambassadors.

Under the CEO scheme, overseas missions need to focus on *strategic-based budgeting* to ensure that the activities of each agency complement, not duplicate, one another in moving forward the overall strategic framework. Currently, a '*strategic fund*' has been set up to equip the overseas missions with an operational budget for team activities under the leadership of the CEO Ambassador, in addition to the annual budget of each agency. The pilot project of this strategic fund will run through the fiscal year 2007 with close supervision and evaluation.

In addition to the above, related rules and regulations have been issued or amended in line with the CEO scheme and to support the leadership role of the CEO Ambassador.

In sum, the efficiencies of the four dimensions of the management of foreign affairs become more focused and have been upgraded under the CEO scheme, i.e. strategy, personnel, budget, as well as rules and regulations, in order to facilitate the success of the scheme.

The Foreign Ministry at Headquarters performs a '*back office*' role by providing 'Team Thailand' with full support. Integration of work overseas cannot be fully realized unless there is a unity at Headquarters. This task is much more difficult.

As mentioned earlier, the structure of the Thai bureaucracy in former days was based on the clear division of responsibilities according to the specialization of each agency. Bureaucrats got used to this system and enjoyed full authority in their responsible fields. Most of their

representatives abroad have always followed the instruction of their Headquarters. Strategies have mainly been formulated by the inside-out approach. Now, the authority of these agencies is being challenged. There have been calls for more proactive roles for local representatives and a better balance between inside-out and outside-in approaches.

To strengthen unity at Headquarters, the *National Committee on Foreign Affairs Strategy*, chaired by the Prime Minister of Thailand, was established in 2004. The Committee, with the Foreign Ministry in the driver's seat, oversees and pushes forward the greater unity and efficiency in the conduct of foreign affairs as well as the integration of bilateral strategy and human and financial resources.

In addition, a streamlined ICT network was introduced to facilitate frequent and speedy contacts between the Ministry and overseas missions. The MFA web portal, e-library and e-submission were also launched to beef up the Ministry's efficiency and capacity to perform a leading role in foreign affairs as well as a coordinating and supporting role for the CEO scheme.

THE WAY FORWARD

After four years of implementation, the CEO scheme is now well established. However, reform is neither easy nor quick. Change is being carried out not only on the structural level, but also on the attitudinal level. And attitudes are notoriously hard to change.

The fact that the CEO scheme is a top-down process, which has received the full attention and participation from the Prime Minister, has generated enthusiasm and cooperation from all agencies concerned. Nonetheless, such a reform process needs to be sustainable and that requires proper management change and the positive attitude of all people involved. It will certainly need more time, but the Ministry is confident that we are taking the right path.

There are several *challenges* that we discovered during our reform journey. Key performance indicators are a case in point. Most of the outcomes of the conduct of foreign affairs cannot be quantified in numbers. Most of the issues take time to yield fruitful results. Our work is abstract, but we really can make a difference. We have been successful in maintaining cordial ties and peaceful borders with our neighboring countries, but how can we measure this 'comfort level' between us and

our neighbors? How can we evaluate the image that one country has of us, even though our missions overseas have been successful in making Thailand and so-called ‘Thai-ness’ increasingly well known by our friends around the world?

Accepting evaluation by KPIs imposed on us by others is not only impractical, but also dilutes the real thrust of our profession. The Ministry is now attempting to establish *a set of our own KPIs* by learning from our past experiences and best practices of other countries.

In addition, we will soon begin to use an *Inspector-General system* to promote good governance in the conduct of foreign affairs. This will also help upgrade the productivity and cost-effectiveness of the Ministry’s work.

Last but not least, *creating the right work culture and human resources development* are at the heart of our reform process. The Ministry is now reviewing its human resources strategy to ensure that the staff is well taken care of from recruitment to retirement. A merit-based system needs to be in place.

The development and training of our human resources at all levels need to be strengthened. The diplomat must not only have his/her leadership and be visionary, but need to be competitive in world-class diplomacy. This year the Prince Devawongse Varopakarn Institute of Foreign Affairs will be established for this purpose. Apart from in-house training, the Institute will also provide training for personnel from other agencies to create a better understanding of foreign affairs and promote a more constructive participation from all involved. We would like to invite the foreign affairs institute and the diplomatic academy of every country to be our partners.