



A Study on Compensation Management Challenges in Thailand's Public Sector to Attract and Retain High Performance Personnel

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Abstract- Since compensation is an essential tool used by organizations to reward employee performance, it also plays an important key role in attracting and retaining high-performance personnel. Effective compensation management is therefore essential to support high performance at both personnel and organizational levels, particularly within the public sector, which is responsible for public interest. However, the Thai public sector has faced considerable criticism from the public regarding its inefficiency, often attributed to an unmotivating and misaligned compensation system. This ineffective system has obstructed the ability to attract and retain high-performance personnel. As a result of this, it is vital to study trends and propose appropriate approaches for managing compensation in the Thai public sector. This academic article aims to study the challenges in public sector compensation management in Thailand through the lens of compensation principles along with Vroom's Expectancy Theory and to suggest approaches for attracting and retaining high-performance personnel. The findings indicate that the main challenges include limited government budget, perceived inequities in the compensation system, and compensation schemes that fail to attract high-performance personnel. Suggested approaches include recruiting high-performance personnel, promoting equity for ability-individualized compensation, and managing compensation systems that enhance personnel's quality of life. If Thailand's public sector can effectively reform its compensation management to align with both established principles and these identified challenges, it will be better positioned to attract and retain high-performance personnel, reduce turnover, and enhance overall organizational effectiveness.

Keywords: Compensation Management, High Performance Personnel, Public Servant, Human Resource Management, Thai Public Sector.

I. Introduction

Compensation management is a key process that plays an essential role in enhancing high performance among both personnel and organizations as part of human resource management. In the Thai public sector, compensation management has been used to support the development of a high-performance civil service, with the goal of consistently attracting and retaining talented and ethical individuals into government service in relevance with the current societal context. Meanwhile, despite trying to reform the compensation system, the Thai public sector continues to face public criticism regarding its lack of efficiency in public service delivery. This reflects the government's lower ability to attract and retain high-performance personnel within the bureaucracy. Moreover, the civil servants faced judgment by the public regarding the fact that the civil servants served power to protect their job security rather than serving the public interest as they ideally should be (The101.world, 2024). This reflection is a negative image of public servants, particularly among new generations. Today's talented new generations that have high performance tend to view government work as a last resort, as the Thai public sector has compensation management and an uncompetitive compensation system that fails to attract and retain high-performance personnel. Since in the current workforce, the first and foremost is an income that provides both financial stability and long-term prosperity.

These issues highlight how the current compensation system in the Thai public sector lacks both attractiveness and relevance to the job description of public sector work, which requires continuous responsiveness to public interest. As a result, many young and talented individuals are



either uninterested in entering the public sector or, if they do, are not attracted to perform effectively. This also contributes to high turnover among high-performance personnel. Meanwhile, many private-sector organizations have become highly attractive to the new generation, with several ranking among the top companies people want to work for (WorkVenture, 2024). This suggests that private organizations are outperforming the public sector in attracting and retaining high-performance personnel due to better compensation packages, modern benefits that match today's lifestyles, and more flexible working conditions. These factors give the private sector a competitive edge in retaining high-performance personnel. If such individuals possess strong financial literacy, they are more likely to achieve goals of stability and prosperity.

According to the above, compensation management in the Thai public sector is facing critical challenges in identifying appropriate approaches to attract and retain high-performance personnel. That appropriate approaches It's important to attract and retain these personnel who have abilities to represent the society it serves. Because high-performance personnel can improve the quality of public services by ensuring that they reflect and satisfy the specific public interest (OECD, 2023). Therefore, this academic article aims to study the challenges in Thai public sector compensation management through the lens of compensation management principles along with Vroom's Expectancy Theory. So that it is possible to see appropriate approaches to compensation management and better understand that compensation is an important factor in motivating personnel. It also aims to suggest practical approaches for improving compensation systems in the Thai public sector to better attract and retain high-performance personnel. The article will discuss key principles of compensation management, the current state of compensation in the public sector, the main challenges, and suggested approaches to address them effectively.

II. Literature review/Study site

Human Resource Management (HRM) is the process of bringing personnel and organizations together so that both can achieve their goals. It is an essential part of management that focuses on handling the human workforce within an organization. The core aim of HRM is to make the most of people's potential by fostering a work environment where they feel valued and motivated to contribute their best (Rakeshet al., 2021). In this case, compensation is a crucial aspect of human resource management that plays a significant role in motivating personnel to work toward shared organizational goals. According to Vroom's Expectancy Theory, expectancy theory explains how individuals decide to engage in certain work behaviors based on their expectations of outcomes. As mentioned above, motivation arises when a person believes that putting in a certain amount of effort will lead to good performance, and that this performance will result in valued rewards. The more confident an individual is that their effort will lead to meaningful results and the more they value those results the stronger their motivation will be (Regis, 2008). In other words, an individual's performance is influenced by different sources of motivation, which are often tied to their expectations of rewards. Compensation, such as salary and benefits, acts as a psychological driver that shapes an employee's level of engagement and effort toward achieving desired outcomes. If an organization provides rewards that align with personnel expectations, it can enhance their commitment and confidence in performing their duties. Furthermore, personnel must have a clear understanding and belief that they will receive the promised compensation to ensure it to effectively drive their performance (Institute for Manufacturing, 2025).

This highlights the importance of an appropriately designed compensation system that serves as an approach tool for encouraging personnel to stay motivated and productive. Ultimately, compensation management is not just about financial incentives. It is a key factor in fostering a positive work environment and ensuring that personnel feel motivated. Organizations must carefully structure their compensation approaches to align with personnel expectations, thereby creating a compensation that is attractive and driven to achieve success. Especially, not only is compensation still an essential tool used by organizations to reward personnel performance, but it is also used to attract and retain personnel for continuous collaboration within the organization (Department of Older Persons, 2025). At the same time, for compensation management, there needs to be awareness of organizational expenses that must be managed appropriately within the available budget for effective human resources management. Moreover, managing compensation for the current workforce is not a simple task. It's a challenging process that involves many different factors. Organizations need to understand the lifestyle differences, economic situations, and legal rules that vary from country to



country. Leads to they must find a way to meet the needs and expectations of their personnel while staying within their financial limits and reaching their overall goals (Remotely.works, 2025). However, Compensation can take both monetary and non-monetary forms. Monetary compensation typically includes salaries, wages, and bonuses, which are offered in return for personnel responsibilities and job performance. On the other hand, compensation can also come in other forms, either monetary or non-monetary, such as welfare and benefits. These types of compensation are provided to support employee well-being through additional benefits, such as organizational vehicles, medical reimbursement, travel allowances, and holiday gifts for staff (Sasin Management Consulting, 2025). Compensation plays an important role in both society and organizations because it serves as a form of reward that encourages personnel to perform their duties effectively, contributing to the achievement of organizational goals. Furthermore, it helps build employee engagement and strengthen their attachment to the organization (Bloom, 2004). which in turn supports personnel retention and long-term engagement. However, effective compensation management must be based on essential principles that help guide equity and appropriate compensation structures. These principles aim to encourage employee engagement, inspire performance, and support the retention of high-performance personnel. Well, the following passages will discuss the key principles of compensation management that provide a foundation for developing effective compensation systems within organizations.

2.1 Adequacy

In determining compensation for personnel, organizations must acknowledge the adequacy of income to support a decent standard of living and to provide for their families. This serves as the basic standard for setting fair compensation for employees. Appropriate and sufficient compensation must consider not only the needs of the employees themselves but also the needs of their families. This approach helps ensure stability and sustainability within the organization (International Labour Organization, 2025).

2.2 Equity

In determining compensation for personnel, organizations must consider equity in pay that reflects the level of job responsibility, is aligned with market compensation rates, and takes into consideration the personnel competencies, experience, and qualifications. Both internal and external equity should be considered, as well as individual abilities. Because an inappropriate compensation gap can lead to dissatisfaction and lower personnel motivation. Therefore, it is important to ensure that compensation is allocated equitably and appropriately to help reduce issues related to unfairness (Salary.com, 2023). In this regard, the compensation for a job should reflect its value and importance within the organization. Jobs with higher responsibilities, more complex tasks, or specialized skills should be compensated at a higher level than less demanding roles (Slm.mba, 2024).

2.3 Balance

In determining compensation for personnel, organizations must consider the balance between compensation and job responsibilities, the balance between monetary and non-monetary compensation, and the balance between compensation and the cost of living for personnel.

2.4 Security

In determining compensation for personnel, organizations must also recognize the importance of job security for personnel. If the job description involves risks to health and safety, the organization should consider offering higher compensation rates or providing additional benefits to support personnel in performing their duties as needed, such as health insurance and life insurance. Creating a supportive work environment is essential for maintaining job security (Worldjurisprudence, 2024) and helps encourage personnel motivation, which contributes to greater intention and commitment to achieving the organization's goals.

2.5 Incentive

In determining compensation for personnel, organizations must allocate compensation in a way that motivates personnel to perform better, continuously develop themselves, and work towards achieving the organization's goals. Compensation management that incorporates motivational principles



reflects an appreciation of personnel performance. This, in turn, inspires personnel to strive for future success and drives them to achieve higher performance outcomes (Fastercapital, 2025).

2.6 Control

In determining compensation for personnel, organizations must place importance on allocating compensation that aligns with the available budget or the organization's ability to pay. This approach helps control operational costs, enabling further development and progress (Office of the Civil Service Commission, 2025). Moreover, it supports the organization's capacity to operate sustainably without affecting its financial liquidity (GeekforGeeks, 2024).

According to the above, the principles of compensation management in organizations are a fundamental concept that is commonly used according to international standards. Although the Thai public sector has used these principles in its compensation management practices, it is still necessary to review and revise its compensation management approaches to ensure they are appropriately aligned and competitive. This includes enhancing the capacity to allocate compensation for public sector personnel at levels that are comparable to or close to those offered in the private sector. Doing so would allow the Thai public sector to attract and retain high-performance personnel who are essential to the organization's long-term success. Traditionally, compensation in the public sector has been managed based on years of service, cost of living, and job security (Llorens, 2008). In addition, motivating public sector personnel through Vroom's Expectancy Theory, which relates to providing rewards, remains an important factor in helping the Thai public sector attract and retain personnel. This can be done by creating clear expectations, valence or value of performance, and offering rewards that align with personnel efforts. Personnel who work hard often expect rewards that reflect their actual abilities and performance. (Fang, 2023) If the public sector does not recognize or respond to these expectations, it can lead to a decrease in motivation and make it more difficult to attract and retain high-performance personnel. In this case, high-performance personnel have become a critical factor in driving the public sector toward greater efficiency and effectiveness in addressing public interest. Because of these high-performance personnel often seek new challenges and are engaged in self-development for the purpose of staying up to date with the current context. Therefore, it is crucial for the public sector to find effective approaches to attract and retain high-performance personnel. Compensation management is one of the key processes to support this effort, helping the Thai public sector to better adapt compensation management to current circumstances and new challenges.

III. The State of Compensation Management in the Thai Public Sector

The current structure of compensation management in the Thai public sector has been revised from the former public servant rank-based system as Classification or C11 to become a broad banding system, in accordance with the Civil Service Act B.E. 2551 (2008). It is about the principal law that sets out the criteria and guidelines for human resource management of civil servants in the Thai public sector. The objective is to ensure that the public administration system operates with efficiency, transparency, and adherence to the principles of good governance. However, under this revised system, each position type has its own salary scale, and all positions are categorized into four main groups: General, Professional, Managerial, and Executive. Each group is further divided into a range of levels, from entry level to senior level. This development in the position classification and compensation system was introduced in response to the limitations of the previous structure, which failed to align compensation with the actual value of work. The former public servant rank-based compensation management system had too many job levels, which led to overlapping responsibilities between levels and a pay system that rewarded length of service more than performance. As a result, compensation under the public servant rank-based model did not reflect the value of work accurately, and it lacked the ability to attract and retain high-performance personnel. Moreover, compensation in the Thai public sector has traditionally been less competitive compared to the private sector (Office of the Bangkok Metropolitan Administration Civil Service Commission, 2022). This has prompted the government to improve its compensation management system to support the development of a high-performance civil service. The goal is to promote strong job performance, attract and retain high-performance personnel and ethical personnel, including compensation is aligned with job responsibilities, and taxpayers receive better public services from high-performance personnel, including the public sector ability to pay more in line with labor market rates and current living



conditions. By the way, the Thai public sector's compensation management system includes details regarding salary structure, welfare, and benefits, as outlined below.

3.1 Compensation Management Structure Systems

Based on the improvements in the compensation management system discussed earlier, the compensation structure for personnel in the Thai public sector can be seen to consist of four main components (Stabundamrong, 2025). First is the base salary, which is the core form of compensation. It is provided in return for personnel work and is meant to reflect their actual performance and responsibilities. Second is the perquisite, which refers to position-based allowances. These are given to roles with specific job responsibilities, such as those that involve high risk, complexity, or strong demand in the labor market. Third is welfare and benefits, which are designed to support job security and the overall well-being of public sector personnel. This includes things like medical care, gratuity payments, and pensions. Finally, the performance bonus serves as a reward for both individual and team achievements. It is used to recognize those who successfully contribute to the organization's goals. In summary, these four main components reflect a shift toward a more balanced and responsive compensation system in the compensation management in the Thai public sector, that trying to not only ensure equity and competitiveness but also support attraction and retention of high-performance personnel.

3.2 Welfare and Benefits for Public Sector Personnel in Thailand

Public sector personnel in Thailand are provided with various forms of welfare and benefits to promote their well-being and ensure job security. These benefits are designed to support both personnel and their families in different aspects of life and work. The following are particulars of welfare support available to the Thai public sector personnel (Land Development Department, 2024).

Medical Welfare

Thai public sector personnel, including their families, are entitled to receive medical services. They can claim reimbursement for medical expenses incurred at both public and private hospitals.

Leave and Holidays

Thai public sector personnel are eligible for various types of leave, such as sick leave, maternity leave, personal leave, religious leave, and leave to accompany their spouse. When combined with official public holidays, they may have up to 30 days off per year.

Educational Support for Children

Thai public sector personnel receive financial support for their children's education, applicable to the first to third child, from age 3 up to 25 years old. For private educational institutions, they receive a subsidy covering half of the tuition fees, while for public institutions, full tuition support is provided.

Welfare for Work in Special Areas

Thai public sector personnel assigned to work in special or remote areas are granted additional compensation. This may include work phones, special bonuses, or assigned vehicles to support their job duties.

Royal Decorations

Thai public sector personnel who demonstrate outstanding service may be granted royal decorations by His Majesty the King as a mark of honor and recognition.

Retirement Pension and Gratuity

For retirement, Thai public sector personnel are entitled to pension and gratuity payments from the government pension fund. The amount is calculated based on their income level and years of service.

Additional Benefits

Thai public sector personnel are also provided with additional benefits to support their work and enhance motivation and productivity. These may include housing allowances, travel expenses, and overtime pay. The following table summarizes the components of compensation management in the Thai public sector.



Table 1: Components of the Compensation Management System in the Thai Public Sector

Compensation Component	Description	Details of Inclusion
1. Base Salary	Reflecting the responsibilities and performance of personnel.	Calculated according to position and rank, intended to reward personnel
2. Perquisites (Position-Based Allowances)	Additional financial benefits for positions with high complexity, risk, or labor market rates.	For hazardous duties or technical/scarc skill-based roles.
3. Welfare and Benefits	Designed to enhance job security, well-being, and family support.	Includes: • Medical Welfare: Reimbursement at public/private hospitals for personnel and dependents. • Leave and Holidays: Various leave types (sick, maternity, personal, religious). • Educational Support: Tuition support for up to three children aged 3–25 years. • Area Allowances: Additional compensation for assignments in special areas (e.g., phones, bonuses, vehicles). • Royal Decorations for awards conferred for outstanding service as recognition of merit. • Retirement Pension, Post-retirement income calculated based on years of service and salary. • Additional benefits(e.g., housing allowance, travel expenses, and overtime pay).
4. Performance Bonus	Incentive-based rewards are provided to personnel or organizations for achieving goals	Granted based on performance evaluation, aimed at motivating performance and recognizing excellence.

Although the Thai public sector has made efforts to improve and develop its compensation management system, it still faces challenges in attracting and retaining high-performing personnel. This is because the current job market in Thailand is highly competitive, offering more career options that better meet the income expectations of the new generation. Specifically, compensation has become a crucial factor. While public sector jobs offer retirement pensions, when compared to the private sector, it's clear that private organizations are more competitive in offering attractive compensation packages to their employees (Starfishlabz,2023). As a result, the private sector is more capable of attracting and retaining high-performance personnel.

At the same time,the Thai public sector has been working to raise compensation to levels comparable with the private sector. This includes increasing the starting salaries for new civil servants based on their educational qualifications and providing financial compensation for existing civil servants. The primary goal of these changes is to improve the quality of life of public servants by ensuring their income is in line with rising living costs, reducing inequality, and attracting high-performance personnel to join and remain in public organizations instead of moving to the private sector (ThaiPBS, 2025).However, increasing salaries alone is not enough to ensure the Thai public sector's compensation system can effectively attract and retain high-performance personnel. There are other situational factors that need to be considered in the overall compensation approaches. Therefore, it is essential to analyze public sector compensation management using key compensation management principles and Vroom'sExpectancy Theory. This analysis will help identify the challenges and guide the development of compensation approaches that align with the current context, allowing the Thai public sector to continuously attract and retain high-performance personnel. The following section presents an analysis based on these principles.

3.3 Analysis of Thai Public Sector Compensation Management through Organizational Compensation Principles and Expectancy Theory.

From the study of the current situation of compensation management in the Thai public sector, this indicates that the system does not fully align with the key principles of compensation management in



organizations. The administration of compensation remains relatively ineffective. In terms of the principles of adequacy, balance, and control, the compensation provided to the Thai public sector personnel is still insufficient for a reasonable standard of living or to support a family. This is due to the country's ongoing economic problems, which have led to high living costs while wages remain low, making it difficult for workers to save money (Tounchaaim, 2023). As a result, compensation is not well balanced with personnel financial responsibilities. Moreover, the government's budget is limited and heavily allocated to personnel expenditures, especially retirement pensions, an ongoing issue for the Thai public sector (Mgonline, 2022). This limits the amount of budget available to improve compensation and makes it difficult to offer competitive compensation to attract high-performance personnel, especially compared to the private sector. It also reflects that current compensation is being managed under insufficient and poorly allocated budgetary controls.

Considering the principle of equity, even though the Thai public sector follows the principle of "equal pay for equal work," the current system allocates compensation based on job characteristics and overall responsibilities. This results in unfair compensation for high-performance personnel. These individuals often feel that their pay does not reflect their performance or abilities. When compensation does not reflect the abilities of personnel, it gradually reduces their expectations and motivation to perform in the public sector following Vroom's Expectancy Theory. As mentioned, motivating personnel is influenced by their expectations. When expectations are present, personnel are likely to make a certain level of effort, which can lead to the achievement of goals and performance that the organization aims for (Jahan, 2015). At the same time, public sector personnel who meet or exceed performance expectations naturally hope to be compensated equitably. However, in practice, many of them do not receive adequate recognition through their pay (Ansell & Gash, 2007).

Turning next to in terms of the principle of security, the Thai public sector still offers greater job stability compared to the private sector. Even though salaries are lower, the government provides comprehensive welfare benefits that support long-term job security for public sector personnel. Some of these benefits also extend to family members (the 101.world, 2024). This indicates that the public sector has managed to align well with the principle of security. However, when it comes to the principle of incentives, the Thai public sector's current compensation system still fails to attract high-performance personnel. This is mainly because public sector pay cannot compete with the private sector in the labor market (Akatjaeng, 2012). As a result, the compensation structure is not strong enough to attract and retain high-performance personnel. Therefore, providing other forms of incentives during employment is essential.

Furthermore, when considered through expectancy theory. The current state of compensation management in the Thai public sector has led to low expectancy among personnel. That is, public sector personnel may no longer believe that their efforts will lead to meaningful changes in their economic status, which reduces their motivation to fully engage in their work. This is mainly due to a compensation system that does not appropriately compensate high-performance personnel. As a result, those with strong performance do not feel adequately rewarded for their efforts, leading to a decline in motivation and a reduced commitment to maintaining high performance. This situation may also negatively affect the organization's ability to attract and retain high-performance personnel in the Thai public sector. Since personnel have fundamental needs that require responses from the organization, such as competitive compensation and benefits, as well as equity in pay. These forms of rewards, as defined by the organization, give personnel a clear purpose in their work, motivating them to achieve the goals that lead to the rewards they expect (Office of the Civil Service Commission, 2010). Therefore, placing importance on compensation management for public sector personnel in Thailand is a way to respond to these needs. It helps strengthen motivation, leading to higher performance, and still also supports the retention of high-performing personnel within the organization. This is an issue that the Thai public sector should align its compensation management with. In conclusion, it's clear that the Thai public sector's compensation system faces significant challenges. The Thai public sector must review and reconsider its current practices for the purpose of finding new approaches that better attract and retain high-performance personnel. Public sector personnel are motivated to achieve organizational goals with the expectation of equitable compensation (Ririvega, 2013), and they can become an essential driving force for the future of the public sector. The following table summarizes the analysis of compensation management in the Thai public sector based on compensation principles and Vroom's Expectancy Theory.



Table 2: Analysis of Thai Public Sector Compensation Management through Compensation Principles and Expectancy Theory.

Compensation Principle	Current State in the Thai Public Sector	Implications / Issues	Connection to Expectancy Theory
Adequacy	Salaries are often insufficient to cover living costs or support family needs due to economic challenges and stagnant wage growth.	Personnel may experience financial stress, affecting job satisfaction and motivation.	Low expectancy. Consequently, personnel do not believe their efforts will improve their economic well-being.
Balance	Compensation does not align well with work responsibilities or living expenses.	Creates imbalance between living costs and reward, leading to perceived unfairness.	A weak link between effort and outcome lowers both expectancy and motivation.
Control	The budget is heavily allocated to pensions, limiting flexibility to improve compensation for current personnel.	Reduces the public sector's ability to offer competitive pay and adjust to labor market demands.	Diminished instrumentality. Consequently, effort is not seen to lead to improved compensation.
Equity	Equal pay for similar roles regardless of performance or individual abilities.	Personnel feel undervalued, which may lead to dissatisfaction or resignation.	Lack of perceived instrumentality. Consequently, there is no clear link between performance and reward.
Security	Strong job stability and extensive welfare support, including for family members.	Enhances retention and engagement but may not motivate high performance personnel.	Supportive valence rewards are valued, but low expectancy and instrumentality weaken overall motivation.
Incentives	Few performance-based incentive compensation systems lack competitiveness compared to the private sector.	Fails to attract or retain high-performance personnel discourages initiative and ambition.	Weak instrumentality. Consequently, effort and performance are not appropriately rewarded.

IV. Challenges in Compensation Management in the Thai Public Sector

In analyzing the current state of compensation management in the Thai public sector through the lens of compensation management principles and expectancy theory discussed earlier, it becomes clear that there are several challenges that hinder the sector's ability to attract and retain high-performance personnel. These challenges prevent organizations from retaining long-term engagement with high-performance personnel. The key issues are outlined as follows:

4.1 Limitations of the Government Budget

Although the Thai public sector operates on a large scale, it places a significant burden on fiscal space. This is due to a growing trend in budget allocation for public sector personnel, which currently consumes nearly half of the total budget, approximately 42%. Despite such spending, the sector still lacks efficiency in delivering public services. This budget structure also limits the government's capacity to allocate resources for social welfare (The101.world, 2022). A closer look into the personnel budget reveals that a large portion is increasingly used to fund pensions for retired public sector personnel. The budget for pensions has grown at an average annual rate of 10.82% and continues to rise faster than salary increases for current personnel (ThaiPublica, 2023). This budget management pattern highlights the inadequacy of the current compensation control practices, which are not aligned with the government's ability to pay. As a result, it poses challenges in the field of fiscal limitations. This is because the way compensation is managed in the Thai public sector consumes a disproportionate share of fiscal space and lacks appropriate prioritization. This makes it difficult to increase monetary compensation. Consequently, the Thai public sector struggles to offer competitive compensation when compared to the private sector.

4.2 Inequity in the Compensation System

Although based on the Thai public sector's compensation, it follows the principle of "equal pay for equal work," meaning that personnel with similar responsibilities are entitled to similar compensation. While this principle may seem equitable on the surface, it can bring about inequities. Since, when personnel within the same organization hold similar responsibilities, they often receive equal or nearly



equal pay regardless of differences in their performance. This approach can create a sense of unfairness among high-performance personnel, they may perceive that their enhanced performance is inadequately recognized. This reflects a broader issue within the Thai public sector compensation system, which does not account for individual abilities and performance. The lack of differentiation in pay based on performance reflects unfairness for those who have high performance in their roles.

4.3 Compensation that Fails to Attract High-Performance Personnel

The compensation system in the Thai public sector still fails to attract high-performance personnel. This is mainly because public sector jobs offer lower pay compared to the private sector. As a result, 44.81% of government employees report that their income is insufficient for daily living expenses and that they are unable to save (NIDA Poll, 2024). This situation is worsened by the broader economic challenges in Thailand, where slow economic growth and a lack of liquidity have increased public vulnerability and financial insecurity (BBC, 2024). If high-performance personnel are financially literate and capable of managing their personal finances well, they may not prioritize the long-term job security or benefits offered by the public sector. Instead, they are more likely to leave for private sector jobs that offer higher pay and more efficient, performance-driven work environments.

These private organizations are often better equipped to attract and retain high-performance personnel. Therefore, the Thai public sector needs to reduce the gap in pay between the public and private sectors by offering non-monetary benefits, such as meaningful or interesting work, to keep employees motivated (Rainey, 1983; Francois, 2000).

As discussed above, if compensation management in the Thai public sector is not improved to attract and retain high-performance personnel, it may lead to long-term negative impacts on the performance of the Thai public sector. For example, the budget allocated for public sector compensation is expected to continue rising, especially in terms of personnel expenses related to pensions (Thaipublica, 2023), which may affect long-term fiscal stability. Without improvements, the government may also face increasing public debt, which can make public compensation management inconsistent with financial control principles. Moreover, if the compensation system does not emphasize equity based on individual capabilities, it may lead to feelings of unfairness among high-performance personnel. These individuals may choose to leave for workplaces that better recognize and reward their skills. In addition, if the public sector cannot offer competitive compensation compared to the private sector, high-performance personnel may resign in search of better opportunities. This could result in a shortage of capable public servants who are essential for effectively serving the public interest. For the purposes of the Thai public sector attracting and retaining high-performance personnel, it is necessary to establish a compensation management approach that addresses current challenges to prevent the resignation rate of high-performance personnel from increasing and to maintain effective performance. However, this approach should also align with compensation principles in organizations and reflect the realities of the existing context. Additionally, it must create motivation by strengthening personnel expectations regarding rewards to expectancy theory. For achieving effective compensation management to attract and retain high-performance personnel and encourage efficient public interest performance.

V. Approaches to Compensation Management in the Thai Public Sector To Attract and Retain High-Performance Personnel

Based on the previously mentioned challenges in compensation management in the Thai public sector, it the cause of the Thai public sector having to address these challenges as a foundation for developing a more effective compensation system. This development should align with internationally recognized principles of compensation management while also considering the current context of Thailand. Resulting in the goal is to attract and retain high-performance personnel, ensuring that talented individuals are drawn to work with public organizations. Such a shift would enhance the operational efficiency of the Thai public sector and better equip it to meet public interest. However, the following are proposed approaches to improving compensation management in the Thai public sector.

5.1 Recruitment and Selection of High-Performance Personnel

The source of the potential of high-performance public sector personnel plays a crucial role in enabling the Thai public sector to operate more efficiently in response to public interest. Therefore,



having such personnel is essential. The core issue is not that Thailand lacks talented individuals, but rather that there are not enough high-performance personnel within the public sector to drive the development of new ideas or effective solutions to public problems. One significant factor is the current public compensation system, which struggles to attract and retain high-performance personnel in the long term. While offering immediately high compensation is difficult due to government budget constraints, efforts should instead focus on improving human resource management, beginning with workforce planning, which is the first step in effective human resource management. This process should involve evaluating whether the organization has the right number of personnel, identifying positions that are vacant or under-resourced, and aligning workforce needs with the organization's strategic direction. Clearly, data-driven workforce planning will help ensure that recruitment efforts target individuals who meet the organization's actual needs. If the Thai public sector enhances its workforce planning by accurately identifying personnel requirements based on necessity, it will be able to recruit high-performance personnel under a limited budget. This will increase the number of high-performance public sector personnel without wasting resources on poorly planned recruitment or allocating compensation to personnel who may not be aligned with the organization's objectives.

5.2 Promoting Equity for Individualized Abilities Compensation Allocation

For compensation management in the Thai public sector, the Thai public sector should consider more equitable compensation practices for high-performance personnel, particularly in recognizing individual abilities. Since the traditional compensation system emphasizes equal pay for similar job responsibilities, regardless of differences in individual performance. While this may seem equitable from a broad perspective, it overlooks the individual abilities' fairness aspect. As a result, high-performance personnel may feel underappreciated and dissatisfied with their work, leading to difficulties in attracting and retaining high-performance personnel. Compensation should reflect not only job roles but also the contributions and abilities of each person. Those who perform better should receive higher compensation than their peers who do not perform at the same level. Such a system would boost morale and serve as an incentive for individuals' abilities to remain in the public sector.

5.3 Compensation Allocation That Supports Stability and Improves Quality of Life

In the current workforce, the Thai public sector should prioritize compensation management that emphasizes the well-being of its public sector personnel to encourage a healthy and supportive work environment, both physically and mentally. As public sector work is often routine, involves long hours, and demands constant responsiveness to public interest. Moreover, in times of public crises, personnel are expected to respond immediately, which can lead to stress, pressure, and an imbalance between work and personal life. However, compensation management should not be limited to salaries and welfare benefits but should also address overall public sector personnel well-being. The public sector must go beyond physical health support and consider mental health and work-life balance as well. These factors are essential to ensuring job satisfaction and are increasingly important to today's workforce. When personnel can maintain a healthy personal-professional balance and are not overly stressed, they are more likely to perform effectively. This leads to enhancing the public sector's ability to attract and retain high-performance personnel in a sustainable way.

However, these approaches aim to enhance all three components of Vroom's Expectancy Theory expectancy, instrumentality, and valence by fostering a work environment where abilities are valued, performance is rewarded, and rewards are genuinely valued. This theoretical alignment helps explain how approaches to compensation design can directly influence motivation and performance for personnel in the public sector. Furthermore, this shows that these approaches do not depend only on raising salaries, which is often difficult due to government budget limits. Instead, they focus on improving the overall system, using core principles of human resource management and compensation management principles, including expectancy as a foundation. This offers a more realistic and effective way forward, where appropriate planning, equity for individual abilities, and attention to quality of life can be powerful tools to motivate and retain high-performance personnel. These approaches also call for a new way of thinking about equity, not as giving everyone the same, but as recognizing and rewarding each person's contributions and abilities. All things considered, if the Thai public sector moves toward a more relevant and aware approach to the current situations,



with thoughtful and human-centered compensation, it must also make efforts to study and understand the relationship between work processes and the needs of personnel involved in those processes to build expectancy and encourage motivation. This understanding is essential to ensure smooth and effective collaboration between personnel and the organization. It will be in a much stronger position to keep high-performance personnel, improve how it operates, and fulfill its responsibility to serve the public in a more effective and sustainable way.

VI. Conclusion

Compensation management plays a crucial role as a tool to motivate personnel to work effectively and efficiently. It also helps attract and retain high-performance personnel who can continuously contribute to the organization. An interesting issue, however, is that the Thai public sector, both in the past and continuing into the present, has faced ongoing difficulties in attracting and retaining enough high-performance personnel to drive the civil service in a way that effectively responds to public interest or develops new ideas and methods that are essential for solving public issues. As a result of this inability to attract and retain such personnel, public criticism has emerged. The public often views the Thai public sector as lacking in efficiency and perceives public sector personnel as underperforming or lacking competence. However, one of the key approaches for the Thai public sector to better attract and retain high-performance personnel is through compensation. Because compensation is the first thing that workers expect to receive in return for their work.

An analysis based on compensation management principles and expectancy theory shows that the current compensation system in the Thai public sector is still insufficient in attracting and retaining high-performance personnel. Due to several challenges contributing to this, including limitations in the government budget, where the allocation of compensation often lacks prioritization. This makes it difficult to offer competitive salaries comparable to the private sector. Another challenge lies in the equity of compensation allocation. The Thai public sector tends to prioritize internal equity, focusing on equal pay for similar responsibilities rather than individual fairness. This results in high-performance personnel feeling that the compensation system is unfair and unsatisfying. Finally, there is the challenge of offering compensation that fails to truly motivate talented individuals, since the public sector cannot compete with the private sector in terms of financial incentives. If high-performance individuals do not rely solely on public-sector benefits and have good personal financial planning, they may be more inclined to pursue careers that offer higher financial rewards elsewhere. Therefore, to ensure that the Thai public sector successfully attracts and retains high-performance personnel, it is essential to identify and address the challenges in the current compensation system.

The proposed solutions include the recruitment and selection of high-performance personnel. Given the budget constraints, it is not feasible to immediately raise salaries to match those in the private sector. Thus, improving the workforce planning process from the beginning will enable the Thai public sector to manage compensation more appropriately and in line with control principles. This approach will help the sector bring in talented individuals from the outset. Additionally, the Thai public sector should promote equity in compensation allocation. High-performance personnel should be compensated at a higher level than those who do not perform at the same level. This would contribute to job satisfaction and motivate public sector personnel to perform better. Moreover, The Thai public sector should also focus on compensation management that enhances personnel quality of life. A supportive work environment, both physically and mentally, requires more than just monetary compensation to attract and retain personnel. In today's high-pressure and competitive work environment, when the Thai public sector places greater emphasis on improving the well-being of its workforce, it will be able to retain high-performance personnel who value work-life balance more than financial rewards individuals. This will lead to increased job satisfaction, stronger work performance, and a long-term engagement with the organization.

In short, to move forward the Thai public sector must use a human-centered approach in compensation management in the public sector, one that combines financial incentives, psychological motivators, and quality of life considerations. this approach will facilitates not only help attract and retain high-performance personnel but also encourage public trust in public service as a viable and fulfilling career path. In current situations where the public sector must adapt to rapid societal change, compensation should no longer be seen as a fixed cost but as an investment in the state's most valuable assetsits people.



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