Inside Out with Knowledge Management toward Internal Communication
Facilitating Transformational Change Efficiency

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Abstract
This study is designed to focus on analyzing how to facilitate transformational change toward knowledge management and internal communication, in the form of internal marketing. It employed a case study approach (as a privatization) wherein a qualitative data collection was conducted. It used interviews to identify key issues from the perspective of those employed in the case study organization as well as the documentary methods. With special reference to Thailand, the case of the privatization of the Provincial Electricity Authority (PEA) was examined as a transformational change. The findings of the research will provide a comprehensive insight into the concept of privatization in a state-owned enterprise (SOE) in the context of internal marketing. As such the results cannot be generalized to other organizational environments because they have different complexity systems. On the other hand, the research should provide significant insights into how knowledge management in the direction of internal communication can facilitate a privatization process in a state-owned enterprise in Thailand. It is anticipated that it will present these notions in positive light, thus encouraging more widespread application to assure successful outcomes in similar projects.

Keywords: Privatization, Internal Marketing, Internal communication, Knowledge Management, Transformational Change

Paper type- Research paper

1. Introduction
Transformational change is one of significant changes as it is about given organizations an opportunity for the future change in both work systems and social systems and proactively designing the coming organization and system (Burnes, 2004; Burnes, 2005; Lather et al., 2021). It is about a procedure designed to create significant change in the culture and work processes of an organization, including state-owned enterprises (SOEs) (Burnes, 2004; Underwood et al. 2021). In order to improve in SOEs, some governments consider privatization to develop capacities, manage resources efficiency, and solve investment problems (Basu, 1994; Cunha and
Cooper, 2002; Kulshreshtha, 2008). However, it is difficult to handle a transformation effective with the purpose of providing better resources management to the organizations and services to the population. Hence, it requires experiences from change agents and suitable plans, strategies, analyses, methods, techniques, and tools which are well-suited to cope with each state-owned enterprise (SOE) (Nwankwo, 1996; Potts, 1999; Conklin and Hunter, 2001). Therefore, the notions of knowledge management toward internal communication in the forms of internal marketing should be adopted to make an effective achievement of a transformational change, such as privatization.

In terms of dealing with change, it is essential to bear in mind that a transformation change, like privatization has a relatively traditional culture which change agents should transform these complexity SOEs (or organizations) systems into the competitive market (Clutterbuck et al., 1991; Parker, 1995; Kahn and Minnich, 2005). It expands them through enhancing operation, productivity, service, and revenue (Parker, 1999; Conklin and Hunter, 2001; McAdam et al., 2003). However, if the transformational change, such as privatization is not completed properly, then the outcomes can be conflicting (Potts, 1999; Conklin and Hunter, 2001). Moreover, change agents need to engage with stakeholders, especially employees, get understanding and commitment to change. They need to line up with the employees and culture to the strategies and need the whole-system design appropriately. These days, the business environment and the marketplace have been changing precipitously and significantly, the transformed organizations need to respond to changing technologies, customer demand, or regulation. The whole system should be designed appropriately.

Transformational changes are about dealing with complexity environments and turbulent situations, like viable systems. Change agents should be able to understand cognitive, organizing, and behavioral domains of organizations and their how these link with organizational survival because they are about making to entirely reform businesses strategy and procedures, often consequential in a transfer in corporate culture. However, during most transformational change, such as privatization, most change agents forget to realize at the key features of their organizations (Nwankwo, 1996; Potts, 1999; Underwood et al., 2021). Instead, they just focus on benefits, finance, regulation, and the desired format in a manner similar to other privatized SOEs (Potts, 1999; Jelic et al., 2003; Stephen and Backhaus, 2003). This reveals flaws in the privatization process and the crucial factors that impact on employees and others who will be directly affected in a period of drastic change (Nwankwo, 1996; Potts, 1999; Heiman and Solomon, 2004). Hence, most transformed organizations, including privatized SOEs have had and faced problems with employees and the general public ever since it has started, for instance when the idea of privatization evolved in Britain during the Thatcher government of the early 1980s (Clutterbuck et al., 1991; Nwankwo, 1996; Potts, 1999), it had been in turbulent situations and faced with several problems, particularly with the employees. Failure of most transformational change will necessarily be revealed in due course, since it will be reflected toward the complexity systems of organizations. Hence, some possible outcomes include invisible organization collapse, poverty increase, financial and economic crisis, corruption increase, and unfairness, job security to most employees of the organizations (Lodhia and Burritt,
Therefore, it should be interesting to employ the forms of internal marketing to deal with transformational change, such as privatization.

In terms of dealing with employees as an inside-out approach, internal marketing should be suitable as it means the mixture of dealing with employees as internal customers and spotlighting on marketing strategies, techniques, and tactics to reach an appropriate solution (Wilson, 1995; Papasolomou, 2006). Moreover, there are two key components of internal marketing which should be emphasized on, these are knowledge management and internal communication which might be able to facilitate most organizational during a transformational change. These should help change agents get a consciousness of an in that way pay closer concentration to the resources and activities connected with most organizational transformation truly (Piercy, 1995; Papasolomou, 2006). Moreover, this also should be a motivation for most employees of transformed organizations to adopt ‘E’ behaviors – traits that energize, enable, and empower the individual (Piercy, 1995; Papasolomou, 2006). Consequently, the study is aimed to emphasize on how to facilitate a transformational change toward knowledge management along with internal communication by selecting a privatization of PEA as the illustration. Accordingly, the research was paying attention on the perspective of employees who are subjected to a transformational change, like a privatization and who often have slightly understanding why change is taking place and always be scare or afraid of changes or often react negatively both visible or invisible reaction.

2. Research Question

As the study is objectively aimed to analyze the importance of knowledge management along with internal communication within the internal marketing’s concept, it raises the major question as following ‘In what forms of knowledge management and internal communication should be applied to facilitate the privatization process more efficiently?’ Because the researchers realized that the development of knowledge management as well as internal communication within most transformed organizations, such as state-owned enterprises should be the effective and efficacy tools to assist change agents and people involved. It should help to make most processes go more effective.

3. Literature review

Transformational change means a process to improve organizations to be able to compete with other competitors in the market as well as to deal with business environment, including some privatization (Sawagvudcharee & Young, 2012). It involves beliefs, attitudes, cultural values of individual organizational stakeholders (Coghlan, 1994). In order to manage an organizational transformation change, there are significant core issues should be highlighted; (1) understanding of organizations’ situation and environment, (2) adopting suitable strategies where they can match with each hierarchical level of organizations, and (3) taking up stakeholders to play a part in a proper manner (Chapman, 2002; Sawagvudcharee, Buber, & Young, 2006). Most transformational changes and their processes have been happened in response to, or in expectancy of, main transform in an organization’s environment of technology or/and finance or/and innovation improvement. Most of these changes often are connected with important modification of the firm’s business plan or strategy, which in turn may have need of modification
internal structure/hierarchy and procedures and its corporate culture to prop up a new plan or direction (Sawagvudcharree, 2014).

3.1 Transformational Change as Privatization

Most of privatizations have been implemented in the form of a transformation change. Because most of them aim to reshape the organizations and often get into the four stages of transformational change: (1) shock, (2) anger, (3) acceptance, and (4) commitment with variety reactions of stakeholders, particularly employees. It is one of popular approaches that many organizations, including governments have employed to improve their organizations to match with business environmental change. In terms of privatization, aims to provide services more professionally to meet customers’ need rather than state-owned or public bureaucracies (Burnes et al., 2004). It is more complex than most people realize as change agents have to deal with; 1) individual, (2) group, and (3) organization processes; where the transformational change allows them to deal with. These can occur in any viable system within a complex organization, including privatized SOEs (Yolles, 2010). This can lead many privatized organizations to deal with problems, mistakes and will sooner have impacts on a whole system of the organizations (Burnes, 2004; Kahn and Minnich, 2005). Hence, apart from these, the notion of internal marketing should be able to provide an opportunity to assist change agents for handling a transformational change, such as privatization, efficiency. Because it can encourage the people involved to pay more consideration to the employee as well as can help to motivate employees to ‘Love’ their organization (Piercy, 1995; Papasolomou, 2006).

3.2 Dealing with Transformational Change toward Internal Marketing

Internal marketing aims to deal with internal customers to promoting an organization’s vision, objectives, culture, and mission, brands, products, services, and other terms of marketing perspectives within the organization (Spitzer & Swidler, 2003; Bruin et al., 2021). Most organizations usually emphasize on the external customers rather than the internal customers as they think that the external customers purchase products and services, but the internal customers receive the salary. In facts, the internal customers are very important to efficient work processes and operations of most organizations to distribution quality products and services to the outside customers. Thus, marketing to these internal customers is an essential feature to the effectiveness of an organization. Basically, it is a vital part of organizations’ marketing notion by providing proper communicating information to employees as there are different and many kinds of information where it needs to be managed and shared with employees in different hierarchy levels (Bruin et al., 2021). It is also important to coordinate the hard work of employees to strengthen the performance of most organizations. It is about how to ensure that all employees understand the organization’s direction, products, and services properly as the organization realizes that the employees feel very involved in the business and have higher morale. Therefore, this study is designed to emphasize on the approach of knowledge management and internal communication as they should be able to assist change agents of transformational change, such as privatized organizations, deal with factors, impacts, and influences.
3.2.1 Understanding Knowledge Management
Knowledge management means a process of the collection of methods where it relates to creating, sharing, using and managing the knowledge and information of an organization (Yolles, 2000). Most studies have defined it as a process involves human knowledge which is very important for most organizations where they have been in rapid change and in turbulent business environments. Yolles (2000, pp. 1203) mentioned that “In complex spatial situations, chaos occurs when unexpected variety is seen that has not logical or relational basis for a viewer.” This makes knowledge management becomes important in dealing with unexpected variety turbulent situations, like a transformational change (such as privatization). Moreover, the notion of knowledge management has been increasingly an important approach for organizational survival as most organizations have been in technology-based competitive advantages which they require a good capacity to retain, develop, organize, and utilize their employees’ capabilities. Therefore, it should be interesting to employ the concept of knowledge management to approach a transformational change along with the notion of internal communication, in forms of internal marketing.

3.2.2 Internal Communication
Internal communication means a process of sharing information within an organization efficiently and effectiveness. Dunmore (2002) described that internal communication is about how to apply pressure on the inside culture and behavior of employees as good internal communication can ensure simplicity for all employees. It also helps to create good relationships with stakeholders, especially during a transformational change (such as privatization) (Kinicki et al., 1992; Keene, 2000; Burns, 2004). Moreover, an effective internal communication can also help to decrease conflicts as it can develop directness among stakeholders. Friedl & Vercic (2011) mentioned that in terms of internal communication has two main roles; (1) on both sides of provision of information and (2) creating of a sense of community within an organization. Furthermore, internal communication can also let people involved in transformational change be engaged as it is one of the more popular paradigms in explaining the way organizations try to collaborate with their stakeholders. According to Gallup’s State of the Global Workplace report (2016) conducted in 142 countries in the Year 2016 found that only 13 percentage of questioned employees’ state that they feel engaged at their workplace. Therefore, internal communication should be able to help to understand employee needs and satisfy their wants by understanding their attitudes, beliefs, cultural values, and knowledge and leading to midpoint of coordination.

4. The Provincial Electricity Authority (PEA)
The Provincial Electricity Authority (PEA) was started to supply electricity and utilities to the royal family’s households (PEA, 2009). After that, it was transited to be governed by the Ministry of Interior under the 1960 Act by Royal Decree (PEA, 2003). Then, it was responsible for seventy-three provinces in Thailand’s four regions, excludes Bangkok, Nonthaburi, and Samut Prakarn (PEA, 2009). These regions are: (1) the northern, northeastern, central, and the southern regions (PEA, 2009). Now, it is one of a number of cost-effective SOEs of Thailand but in recent years, the organization had been privatized in order to integrate into a market economy and better improvement for competing with global business and economic. However, the SOE
has been transformed from time to time due to the change of power between political parties and business environment factors, such as technology (Sawagvudcharee, Buber, & Young, 2006; Sawagvudcharee & Young, 2012). Importantly, the Thai government and change agents have failed to address the worries, fears, and concerns of Thai people, particularly the SOE employees and the general public’s fears and insecurities (Sawagvudcharee, Buber, & Young, 2006; Sawagvudcharee & Young, 2012). In as much as uncertainties, anxieties and insecurity are significant factors to the organization due to the deleterious significances on revenues, profits, production, and performance of the organization.

5. Methodology
This study is based on a qualitative research by employing a case study approach as it can help the researchers to have a clear understanding of the real situation. The data collection was undertaken during the Year 2005-2020 by using both the qualitative interviews and documentary method. A pilot testing was employed from inside and outside the organization by designing semi-structured interviews. This participant was selected as they could locate unrelated questions that required editing. It also helped to evaluate an estimated time that should be required for each interview. In terms of using semi-structure interviews help the researchers drawing on key terms from the related literature. It can encourage the interviewees to provide more explanation, exploration, and description of what have been happening in their own words, feeling, attitude, and belief without exerting bias and undue force. The main interviews of this study were conducted with the support of forty people from the four levels of positional hierarchy, across the PEA’s geographical operations. They were conducted in a setting of research ethics where a codification of scientific morality is taken place in practice. A guarantee given of the anonymity, and confidentiality of any information were sticky applied with asking for the interviewees’ permission, such as audio recordings.

Moreover, the documentary methods were also employed to help the researchers collected data from variety sources and the same data analysis was applied. Once the data was collected, then the analysis was implemented by involving thematic coding with three stages; open, axial and selective coding.

6. Findings and Discussion
Nowadays, most organizations realize that change is critical to existence. It can bring great outcomes and benefits, such as greater customer responsiveness, enhanced capabilities, better performance in terms of cost-efficiency and revenue, higher return on capital, and improved organizational health and security, and a higher sense of purpose, when organizations accelerate change but it is never easy. This includes transformational change. Most people have realized that if some organizations have been slow-moving at keeping rapidity with modern technology processes, or innovation improvement or changing market demands, or it is faced and struggles with significant internal problems and difficulty of managing resources, transformation change is significant for them, for example privatized SOEs. The study has found that transformational change should help the organization produce fear, doubt insecurity in employees, and needs to be very well managed as the change agents have to implement major strategic and cultural changes.
6.1 Handling Transformational Change Effectively with Knowledge Management
Dealing with change, such as transformational change is not something the organization should go through lightly as it is disruptive as the study has found from PEA. The Internal or external scenarios usually flash change, requiring the transformed organization to pivot thoroughly to keep getting profitable and related in its market, according to the study. Although it is often positive, it can slowly or rapidly create panic, frightening, uncertainty, and lack of confidence among the employees. Hence, these need to be very well-organized, managed and planned to ensure its accomplishment. For that reason, the change agents must realize that people are the most sensitive and significant barrier to transformational change as they need to change their work behavior, work performance, and culture and be in turbulent situations and working environment, according to the study has found. Therefore, the change agents should be able to handle and manage them properly. Knowledge management should be able to help them to have well-managed and be suitable for dealing with transformational change as then it increases in scale and complexity, the change agents and the leaders have faced more significant impact to make sure that the employees and culture sides of change should get as much as attention as the process, operations, financial and technology sides. Figure 1 shows the model of knowledge management to be an approach in dealing with transformational change.

![Figure 1 The Model of Knowledge Management Dealing with Transformational Change](image)

According to
Figure 1 presents the knowledge management model which should be one of appropriate approaches to help the change agents manage transformational change, such as privatized organizations (or SOEs). This also should help change agents to understand, handle and stakeholders when each organization has to get into a change situation or turbulent business environment. Most transformation organization improvement in the performance of operations require to improve their understanding of themselves and their behavior, resulting in increased likelihood of sustainability, especially under conditions of uncertainty. Furthermore, sustainability is the capacity of most organizations these days to make positive net contributions to its own viability (ability to durably survive over time) & the development of its immediate environment, according to the study has found.

According to the study, has found that most related people should realize that when the organization has been into transformational change, it takes time. On the other hand, there are some actions they can pay attention and put energy to speed it up, such as establishing a strategic and planned change office, build a well-defined, comprehensive strategy, bring into line across the organization, supply skill training and coaching, and engage individual in the change process. These can help them to ensure on how to select a different group people for the change leadership team to represent all areas of the business functions. This team will support for change implementation in their individual areas as most progresses are obviously not possible without change, and those who cannot change minds or perspectives cannot change anything despite the fact that it takes time. Moreover, the change agents should recognize that they should continue emphasize the employees' motivation and engagement for the transformational change and include them in all phases of change discussions, consultants and planed so no one feels should left behind or be kept in a cold dark room.

6.2 Gain Alignment across with internal communication effectively

According to the study, when the transformational change was occurred, it has altered everything. It can be compared to a Rubik’s Cube which means that the change agents can focus on dealing the change with one side of the transformed organization to a solid color, but other sides are still chaotic and the cube is still confusion. Most employees are afraid of being in a change situation because they are worries about their job security, living expenses and family or because they are afraid they will not have the skills, performance to do their job when the change occurs. Consequently, if the change agents can provide appropriate internal communication for different levels and individual, it can help them to drive a change, such as transformational change, like the privatized organization. Figure 2 represents a model to assist the change agents to drive internal communication through the privatized organization as the illustration is PEA.
Figure 2: Driven of Internal Communication through an Organization Transformational Change

Figure 2 presents the driven model of internal communication through a transformed organization, such as the PEA privatization because transformative change should impact on the employees personally and other stakeholders as well. It is important to get them involved to garner their support and motivate them. Conversely, the change agents require suitable techniques to gain insight into each group and individual properly and different. Hence, the
model should be useful for them as the earlier they can get them involved in formulating the transformation strategy, they will receive the better outcomes. According to the study has found, the change agents realized that when the enterprise-wide transformational change has started, variety things become geometrically more multifaceted and be in turbulent insecure systems. Moving to shared knowledge, services, statuses, or implementing Agile should make perfect as it is not only time consuming but it is extremely challenging for all stakeholders. The change should have massive change to the procedures, the employees, and typically finance and technology. Once they take these leaps, they cannot change their mind and go back to the old way, and transformation cannot be done incrementally. Therefore, the change agents should understand the difference between installation and implementation to increase the likelihood of success, such as on time, on budget, all technological objectives met, all business objectives met, and all human objectives met.

7. Conclusion
This study aims to gain insights into the notion of knowledge management and internal communication which should be able to facilitate transformational change, such as privatization. It was designed to employ the qualitative method by using the interview and the documentary methods to collect data and applied the thematic coding for analyzing data. These days, transformation is hard for most organizations to avoid as they want to change the way to drive the business and want to compete with other competitors in the business environment. It brings transformation is more challenging for two main reasons; (1) unknown future state, and (2) facing many errors as new information is gathered and be determined throughout testing as Yolles described (Yolles, 2010). These should make any transformational change impossible to manage. Consequently, knowledge management and the effective internal communication should be able to help the change agents to understand and handle transformational change, (as the PEA’s illustration) better because the actual transformational change process literally must emerge as they go, not an overarching change plan or strategy. Hence, they should be able to operate in the unknown, scary, and unpredictable situations where stress space rocket and emotions run high properly (Dunmore, 2002; Papasolomou, 2006; Sawagvudcharee, et al., 2020). The employees’ new mindsets and behaviors are expecting to be the requirement as well as the intended return of investment (Sawagvudcharee, 2014). The transformed organization system often require the employees can share information across strongly held boundaries or put the needs of the organization over their own grass agendas. Therefore, the change agents should be able to identify the significant gaps, such as behavior gap, between the present state and the upcoming state.

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