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ENTREPRENEUR CHARACTERISTICS AND MANAGEMENT COMPETENCY TOWARD AGRICULTURAL COOPERATIVE ORGANIZATIONAL SUCCESS IN THAILAND

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Abstract

The purpose of this study was to examine the effects of entrepreneurial characteristics and management competency on the consequence factors of operation success of Agricultural Co-operative in Thailand. Questionnaires were used as a tool and mailed to sample groups and 357 of them were returned. To analyze the data, multiple regression analysis was used. The results of the study showed the following: 1) Entrepreneur characteristics including leadership, interpersonal relations, taking risks, and goal setting affected to the successful Agricultural Co-operative organizational; 2) the diversity of management competency includes good operation systems, accounting, and financing systems, and technology management, all affected the Agricultural Co-operative organizational success, too. Therefore, enterprises should set systems to work in organizations especially accounting and financing systems, along with adopting information technology for managing an organization. In addition, managers should improve

entrepreneurial skills in leadership, interpersonal relations, and risk-taking for achievement and increased competitive advantage.

Keywords

Entrepreneurs, Management, Competency, Agricultural Co-Operative, Comprehension, Entrepreneurship

1. Introduction

Modern business organizations in many countries have achieved positive results by making changes to their economic, social, or technological approach in order to compete with other countries. However, there still are social problems rapidly growing on a global level. The current social problems are more diverse. Whether it is a matter of a lack of education, the problems of social inequality, poverty, the environment, or the disadvantage of being in a vulnerable ethnic group. It is difficult for all government agencies to be able to solve these problems because private entities tend to operate with a focus on maximizing profit.

The concept of social enterprise arises, with a focus on operations for social benefits. To solve social problems, the management concepts of business organizations have been adopted to enable social enterprise to survive on their own without having to rely on budgets from other sources of funds or donations. At the same time, it can also help solve social problems more efficiently. Social entrepreneurs are representatives who see the problem and want to make a change to a better society.

Thailand is a country whose economy has been based on agriculture for a long time. Meanwhile, Farmers in Thailand are in poverty and debt is a major problem for the population in rural Thailand. Agricultural cooperatives in Thailand are established with the objective of operating a multi-purpose business encouraging members to conduct business together and help each other and the general public by using moral principles. Good ethics based on a human foundation benefits members and offers them a good quality of life, both economically and socially, as defined in the cooperative regulations.

Benefits for members aside from members having more production factors from borrowing cooperatives at low-interest rates to have more land for their own or more arable land. The farmer will gain knowledge about using technology for production, buying plants and animals, using fertilizer in suitable quantities, using pesticide quality product preservation, and

how to meet or understand market targets and demands. As a result, cooperatives and family members have a better quality of life in terms of economy, society, education, and sanitation. Farmers will have an increased income, while debt can be reduced maintaining a sustainable environment in the future.

However, many agricultural cooperatives in Thailand are not successful in their operation. Members still have poverty because they are being exploited by capitalists. The researchers are interested in studying agricultural cooperatives can operate sustainably and grow. With past performance at an outstanding level by studying leadership factors and management capabilities. The results of the study will be an important guideline for applying and developing agricultural cooperatives in Thailand and sustainable community development which is the cornerstone of the nation.

The principal objectives of the study were as follows:

- To study the factors of leaders affecting the success of agricultural cooperative operations in Thailand.
- To study guidelines for sustainable and efficient agricultural cooperative development.

2. Literature Reviews

2.1. Entrepreneur's Characteristics

The Characteristics of entrepreneurs are skills or abilities to lead them to succeed in business. There are comply with leadership, interpersonal relations, personality, risk-taking, goal setting, and background of entrepreneurs.

Entrepreneurship education has its roots in being a traditional entrepreneur, and entrepreneurs who are successful must-have skills, abilities, and good decision making. In addition, they must be alert and look for new opportunities, and be willing to take risks all the time to arise from conducting business and trying to set a strategy for the survival and growth of the business (Nittanat Nittanakon, 2011). Therefore, starting in the business, entrepreneurs must have their preparation according to Atherton's study (2007, p.410), it has been shown that before the start of entrepreneurship. There are 5 models for the startup: the first phase is not yet aware of the establishment of the company or the beginning of operations. The second phase realizes how they feel about starting the business. The third phase is interested in the business and

beginning as an entrepreneur. The fourth phase is conducting a business survey. The final business phase is starting the business.

Watson, Hogarth-Scott, and Wilson (1998, p.219) presented an outline of the initial analysis consisting of models that were both influential external environments. And the influential internal environment but from all, there will be a link, namely the operator's self and the nature of business in which the internal environment can be divided into two related parts, namely the characteristics of the entrepreneurs themselves and the nature of the business, which will be included as an entrepreneur's behavior and vice versa the external environment also it can be divided into the structure of the business, which is related to entrepreneurs and businesses related to customers. Both of which are combined into a macroeconomic environment.

Creating an understanding of entrepreneurship in the future after the booming of the internet era can be divided into 2 concepts which are positive concepts and negative concepts. General benefits, consist of increased control, increased satisfaction, money management, and the entourage of the next generation or family (Alstete, 2003, p.225).

The study of entrepreneurship in Vietnam by Katsomol Sukkasem, Wanna Ruangprad, Boonkong Photipicha (2008, p.6-24) studied the impulse of being entrepreneurs with starting a new business in Vietnam, which is quite similar to Thailand because they are in a similar region. The research shows that entrepreneurs in Vietnam must have the urge to choose what type of business to do by looking at the support of the university, money, competitors, and independence opportunities. These characteristics are considered an important pull factor in starting a business.

Fang Zhao (2005) talks about the collaboration between innovation and entrepreneurship. By saying in one part of the literature that entrepreneurship and innovation play a part in helping each other: innovation is the source of entrepreneurship. Especially in the present day is the era that has changed dramatically. And there are businesses in new ways **that** happen all the time. Therefore, the person who wants to be an entrepreneur should be the person who follows the movement all the time. Like Chokchai Chayathanawaj (Smart Entrepreneur, August 2003, CP Books Standard: ISBN: 974-91379-5-7) stated that to start a business should learn from experience or people with experience because experience can provide business advice and ways to conduct business. Before doing every business, it should be studied in detail about that type of business in order to know the weaknesses and strengths for use in preparing for business operations.

2.2. Entrepreneur's Motivation

Entrepreneurial motivation is the process that activates and motivates the entrepreneur to exert a higher level of effort for the achievement of his/her entrepreneurial goals. The study of Gilad and Levine (1986) states that the personality traits required of entrepreneurs tend to vary as external conditions change. What all successful entrepreneurs have in common is not a certain kind of personality, but a commitment to the systematic practice of innovation. In addition, almost every situation seems to offer its inducement for innovative responses. For example, our current economy, with its declining industrial base, seems to have opened opportunities for entrepreneurial response in other, more promising sectors, such as health and education. The "Push" and "Pull" theories of entrepreneurship empirical research on entrepreneurial motivation have produced two broads. Proponents of the "push" theory argue that people are pushed into entrepreneurship by negative situational factors such as dissatisfaction with existing employment, loss of employment, and career setback. These negative events, they contend, tend to activate latent entrepreneurial talent and push individuals into business activities.

Research has typically identified social entrepreneurs as characteristically superior to conventional entrepreneurs as they are motivated by contributing to society rather than by profits (Boluk & Mottiar, 2014). The informants do have additional motivations concerning their business ventures including lifestyle motives, receiving acknowledgment, and generating profit.

Segal, et al (2005) studied and presented a new model of entrepreneurial motivation. The ability of risk tolerance, perceived feasibility, and perceived net desirability to predict intentions for self-employment. They found that tolerance for risk, perceived feasibility, and net desirability significantly predicted self-employment intentions. However, this research did not examine the role of negative motivations, or "push" factors.

Local conditions such as widespread ignorance and unscientific beliefs together with the individual's intentional mindset are contributing factors, which explain engagement in starting a social enterprise (Omoredede, 2014). The combination of local conditions and intentional mindset, in turn, triggers the individuals' passion for a cause that is facilitated by the support provided by their social network, which both seem to be important for maintaining persistence in the oftentimes challenging situation of being a social entrepreneur.

2.3. Management Competency

Management competencies are the skills, habits, motives, knowledge, and attitudes necessary to successfully manage people and contribute to business success. Management competencies are categorized as human capital which is broadly defined as the knowledge and skills that contribute to workplace productivity. Each organization has to choose the competencies that enhance its business success most effectively.

Entrepreneurship When faced with very small management issues such as business document management (Birley & Westhead, 1994, Jennings & Beaver, 1997; Lee-Gosselin & Grisé, 1990), a small entrepreneur whose owner is the manager. Do most of the duties both operations and management to the phone to receive a sales order. The production or delivering the product or service makes most of the management cause chaos and did not focus on the core business operations to be completed and successful, especially in regulations or laws of conducting business.

Complies with the use of specifications of the operator skills or competence of entrepreneur's draft of a growing literature, emphasizing the role of entrepreneurial competence (Bird, 1995; Man, 2006; Man et al., 2002; Mitchelmore and Rowley, 2010) is popular in the field of human resource development (HRD) along with vocational education and training literature. Still, there is some confusion around the world, and as such it will be labeled an 'ambiguous concept', not least because Some abilities are equivalent to skills and knowledge (Hayton and McEvoy, 2006), while others are capable. It is a modern vocabulary for competence (Bridge et al., 2009). Of course, the use of the double key of the word 'competence' exists. Initially, competence is a behavior that shows. And secondly, talent is a minimum of performance standards (Mitchelmore and Rowley, 2010).

As above literature review, this paper will be studied 3 variables; the Independent variables are Entrepreneur characteristics and Management competency. The dependent variable is Agricultural Co-Operative Organizational success.

3. Management Competency Methodology

3.1. Questionnaire Design

A questionnaire-based survey was conducted in order to collect data about managers in Agricultural Co-Operative Operation, their characteristics, and competencies. Saunders et al, (2003) told in their research that a survey was selected as the research strategy for two main reasons. First, questionnaire-based surveys have been the main tradition in research on entrepreneurial competencies. Therefore, adopting this approach makes it easier to compare between new studies and previous studies. Secondly, a survey allows the researcher to enlist many respondents, including respondents from businesses of different sizes, and in different sectors.

The questionnaire had four sections:

(1) profile of the entrepreneur (age, years of Agricultural Co-Operative Operation experience, qualifications, family history of enterprise).

(2) Entrepreneur's characteristics (leadership, interpersonal relations, personality, risk-taking, goal setting, and background).

(3) Management competencies (system work, accounting & financial systems, activity assessment, human resource management, technology management, resource requisition, logistic, operating, and marketing and service).

(4) Agricultural Co-Operative Organizational success (Revenue, Gross Profit, Net Profit, and Member's life quality)

3.2. Data Collection and Analysis

Questionnaires were distributed to a convenience sample. Convenience sampling is useful where it is otherwise difficult to elicit a sufficient level of response (Bryman and Bell, 2007). Initial attempts to elicit responses from the Agricultural Co-Operative lists only. Questionnaires were mailed directly to the Agricultural Co-operative manager. 357 usable questionnaires were collected. Data were entered into SPSS for descriptive and multiple regression analysis.

Table 1: The Agricultural Co-operative List in Thailand, 2018

| Agricultural Co-operative in Thailand as of 31 May 2018 | | | |
|--|-------------------|--------------------|-------------------|
| <i>Agricultural Co-operation by Regional</i> | <i>Population</i> | <i>Sample Size</i> | <i>Percentage</i> |
| Bangkok Metropolis | 11 | 5 | 1.40 |
| Northern | 871 | 105 | 29.40 |
| Southern | 639 | 89 | 24.93 |

| Agricultural Co-operative in Thailand as of 31 May 2018 | | | |
|--|-------------------|--------------------|-------------------|
| <i>Agricultural Co-operation by Regional</i> | <i>Population</i> | <i>Sample Size</i> | <i>Percentage</i> |
| Central | 599 | 45 | 12.61 |
| North-Eastern | 1,274 | 113 | 31.66 |
| Total | 3,357 | 357 | 100.0 |

(Source: Sahakornthai. (2019). *Pneumonia Retrieved*)

https://opendata.data.go.th/dataset/item_1561bfc9-92ea-4ddd-9fe3-1757d0351d48/

3.3. Scope of Research

The scope of this research is quantitative research using a questionnaire. The population in the research is the directors or managers of agricultural cooperatives in Thailand, as of 31 December 2020, which is a total of 3,394 active cooperatives. The sampling method was used for 357 directors or managers of agricultural cooperatives in Thailand.

The variable used in this study consisted of independent variables which are characteristics of entrepreneurial and management competency. The dependent variable is the organizational success of agricultural cooperatives.

4. Results & Discussion

From the study of factors that influence the organizational success of agriculture cooperation, the results of the data analysis are summarized. Which can be discussed as follows;

(1) Study of entrepreneur's characteristics factors that influence the organizational success of agriculture cooperation. The result shows that leadership, interpersonal relations, taking risks, and goal setting were important to the organizational success of agriculture cooperation. The high level of restriction is that the leaders make the vision of the organization to be interesting in the feelings of the employees. This is in line with the concept of Gibson and the group (Gibson, Ivancevich & Donnelly, 1997: 281). It is said that the interaction between leadership among group members in which the leader is the representative of the change is an influential person to other people in the leadership group, therefore, it involves the use of influence and interaction between people to represent a change that affects the behavior and performance of other members of the group. However, the change must also lead to the achievement of the group's goals. Leaders may be people with formal or informal positions. In

addition, we found that informal leaders have a distinctive character and are accepted by group members causing members to show a unified and unbiased behavior. Directors or managers will use leadership in operations and direct by using the interrelated process to achieve group goals. It also corresponds with Du Brin (DuBrin, 1998: 192). It is said that leaders are the organization that makes the organization progress and achieves success by having the role to play the relationship between the people is under control. A leader is a person who creates stability and assists others, in order to achieve the goals of the group.

(2) Study the level of management competencies as summarized below. Regarding the efficiency and effectiveness of organization systems, it was found that the collection of knowledge from various information is always useful in job development. This result consists of the concept of Natthasit Kerdsri and Narawat Chutiwong (2011: 196) which gives the idea of factors that influence the organization of innovation. In Thailand, the organization of innovation must be able to transform basic information into organizational knowledge, which is considered a fundamental factor in the development of new concepts. Including the need to share knowledge that has been distributed to personnel in the organization. To lead the Learning Organization is consistent with the concept of Torrance (Torrance, 1962: 154), which says that creativity is the ability of people to produce products or new things. These new things may be brought about because the collection of various knowledge gained from experience is gathered as hypotheses. The hypothesis is tested, and the results and findings are reported. (3) This research proposes management competence, which encompasses nine clusters of competencies: Development of operational systems, managing accounting and finance, activities assessment, human resource management, technology management, resource requisition, logistics, business operational skills operation, and marketing & service. If managers perceive their capabilities or competencies for entrepreneurship, they are more likely to believe that entrepreneurial opportunities exist.

Accordingly, managers in agriculture cooperation understand their strengths and weaknesses by using competencies. In addition, they can use the competencies as a framework for developing educational support for management in agriculture cooperation. In the long term, developing entrepreneurial skills among managers or directors contributes to profitability (Cushion, 1996) and growth (Gray, 1997). Thus, the beneficiaries of this research, the directors

or managers in agriculture cooperation should be trained as an entrepreneur for the pursuit of business success.

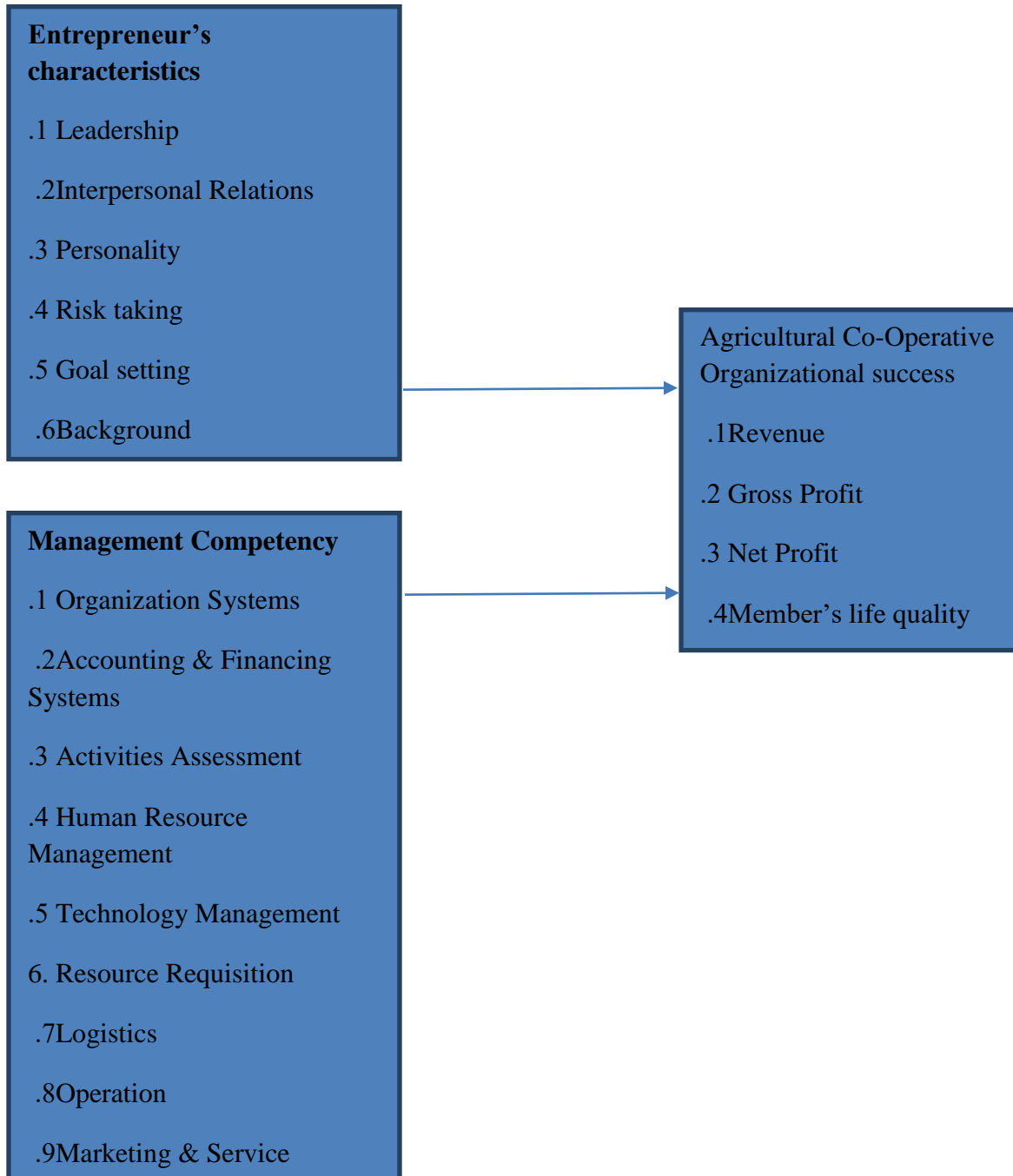


Figure 1: *The Agricultural Co-operative Success in Thailand Mode*
(Source: self-compiled)

5. Conclusion

The benefit of this research is knowing the factors affecting the success of agricultural cooperatives operation in Thailand. The results of the study can be used as a guideline in forming strategies to develop successful and sustainable management and operation of agricultural cooperatives. All sectors related to studies and operations can be used to further research both in-depth and breadth in the future

From the study of factors affecting the organizational success of Agriculture cooperatives in Thailand, the results can be used by

1. The director or manager should consider developing organizational systems, including accounting and financing systems, and technology management. Moreover, directors or managers should improve themselves concerning entrepreneurs' characteristics.

2. The organization should support and promote activities to exchange knowledge between those with more work experience and those with less to apply knowledge in the organization. For the development of innovative thinking skills and provide training for leaders to know the correct and appropriate communication

The limitation of this research is studied only a sample of agricultural Co-operation in Thailand. In the future, the researcher should study widely sampling or populations such as other types of co-operations.

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