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LEADERSHIP OF EXECUTIVES AND MEMBERS OF SMALL AND MICRO COMMUNITY ENTERPRISES FOR SUSTAINABLE ECONOMIC COMMUNITY DEVELOPMENT

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ABSTRACT

The purpose of this research is to investigate: 1) the collective leadership of small and micro community enterprises; and 2) the collective leadership affecting the sustainable economic community development. This is quantitative research. The data was collected from 192 executive and members of small and micro community enterprise at Klonyong Sub-District, Phuthamonthon District, Nakhon Pathom Province, Thailand. The questionnaire was the research instrument. The data will be analysed with a statistical test such as percentages, means, standard deviations and hypotheses testing in multiple regression analysis. The results showed the following: 1) the collective leadership of small and micro community enterprise was high; and 2) the collective leadership has a positive effect on the community economy sustainable development. Finally, this research contributed executive and members of small and micro community enterprise practice based on collective leadership for sustainable economic community development policy.

Key words: leadership of executive, small and micro community enterprises, sustainable economic development

INTRODUCTION

After 2015, the key issue in the global development is the goal of sustainability, which has been stated in the United Nations' framework for 15 consecutive years. The essence of sustainable development is consistent with sustained economic growth, sustainable consumption, production patterns, and promotion of and participation in global development (Office of National Economic and Social Development, 2015). The concept of sustainable development is to create an understanding that recognises the limitations of natural resources. The operation should be developed in parallel with the conservation and restoration of natural resources and the environment. The creation of a balance in the dependence of humans and the environment depends on three dimensions: sustainable economic development, sustainable social development and sustainable environmental development. This concept is consistent with the "Philosophy of Sufficiency Economy" of King Bhumibol Adulyadej Rama IX of Thailand (Ministry of Natural Resources and Environment, 2015).

Community enterprises initially started from the concept of the "Philosophy of Sufficiency Economy", which focuses on the circulation of dependence and knowledge within the group more than the goal of profit-seeking. The community enterprise applies local knowledge and networking to their own resources, which are used as production inputs and results in not only economic profit but also social income (Inwang et al., 2010). According to the Promotion of Community Enterprise Act 2548, the definition of the community enterprise is the business of the community related to the products, services or other actions by the parties who are very close to each other and unite together to undertake operations to generate revenue and to strengthen self-sufficiency in families. Currently, the numbers of community enterprises and community networks who registered with the Department of Agriculture equals 80,076 groups as of May 30, 2015 (Community Enterprise Promotion Division, 2015).

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The community enterprise, the so-called “community organisation”, arises from the integration of member-owned capital in the same community, thus it could be said that the management of a community enterprise is the same as the management of an organisation which requires a “leader” in carrying out the mission as a conductor under a common purpose. In addition, the research study found that an important element in the movement towards the sustainability of the organisation is leadership (Acar, 2012). Within 10 to 15 years the paradigm of leadership has shifted from a hierarchical to a horizontal one focused on the process-orientation of the group. There have recently been a wide range of studies on leadership (Friedrich, 2016).

Klongyong Sub-District includes an ancient canal used as a route between Bangkok and Nonthaburi which is located in the lowland of the Chao-Phraya River and contacts both sides with the Nakhon Chai Si District and Suphanburi Province near the Tha-Chin River. Klongyong Sub-District is flat and many main waterways flow through it. The ground is fertile so people have settled along the main canal on both sides. In the past, the boat was the main form of transportation. Merchants and residents shipped and transported goods using several tied boats, therefore this district then was called Klongyong Sub-District. Most of the local residents are farmers, followed by lancers and government officials. One of the third missions of Klongyong Sub-District district’s policy is to support any occupations, to enhance their professional knowledge, to promote groups of farmers (Klongyong Sub-District municipality, 2016). Thus, it showed that public authorities has focused on the development of community enterprise that can be strengthened as a powerful foundation for economic development.

As stated, the community enterprise formed by the integration of the community involves an election of community leaders to be a representative for various local operations. In this study, the researchers believe that collective leadership would contribute to the development of community enterprise sustainability in three ways. The move towards the sustainable development of the community enterprise also relies on a leadership development model that is consistent with the context of the community; it would contribute to the development of sustainable enterprises in that community. The researchers noted that the community enterprise is a group of community members who work towards the same goal. Therefore, the move towards sustainable development should apply collective leadership, in which the leader and the followers take turns as the situation arise and it is not the only leader who is capable of working as a team (Phucharoen, 2016). The researchers then realised the importance of this issue so decided to study the topic of leadership of the executive and members of small and micro community enterprises for sustainable economic community development.

OBJECTIVES

The aim of this paper is:

1. to study the collective leadership of small and micro community enterprises, and
2. to study the collective leadership affecting sustainable economic community development.

LITERATURE REVIEW

The evolution of leadership originated with the “great man theory” of leadership, and stem from the trait theory that resulted in the creation of principle of management and organisation. This was followed by the era of rational management, which comprised the behavioural theory and situational leadership resulting in the creation of a vertical management and a governor. Later, in the third period, leadership was focused on teamwork and delivering the decentralisation of responsibility by focusing on quality; this resulted in the creation of a horizontal organisation, cross-functional teams, and organisational downsizing. Currently, the fourth generation focuses on team leadership, where people share their visions and have a relationship without interception of the ability of people (Chotiwan, 2013).

As stated, the researchers concluded that the pattern of collective leadership is a collective focus in which the leader is exchanged or is alternatively led by the situation; the goal is the public interest and driving the group towards common goals.

Sustainable development is the development of human resources, taking into account the limits of the world's natural resources, and to continue to develop in parallel with the conservation and restoration of natural resources and the environment for the development of the needs of people in modern times.

The main principle of sustainable development is to strike a balance between the three dimensions of the development, including:

- Dimensions of sustainable economic development; economic growth with quality, with revenue distribution that benefits the majority of people in society, especially for people on low incomes.
- Dimensions of sustainable social development; develop the knowledge, capacity and higher productivity of humans and foster social quality as well as the learning society.
- Dimensions of sustainable environment development; the use of natural resources in the ecosystem at a certain level to take the environment back to its original state and to keep emissions at a certain level that the ecosystem can absorb pollutants and break them down.

Sustainable development has to give people a better quality of life. This implies a society that shows socially equitable economic development, solid state systems that do not need to rely on external assistance, and the appreciation of natural resources. In particular, it involves the use of natural resources as a base for production to contribute to economic growth (UNU-IHDP and UNEP, 2012).

The integration of the so-called “economic community” arising from economic development based on the “Philosophy of Sufficiency Economy” from the foundation of the local economy which is considered a support of occupation promotion of the local people in the community under the concept of operations under the community enterprise. The community enterprise strategy was set during 2012–2016 under a vision of a strong community and solid economic base that aimed to enhance the learning process, people's participation, the development of management mechanism, and community participation and community learning.

The community enterprise is currently managed under the framework of community management to identify guidelines of strengthen the community. However, the problem is that the local community could not implement management development and self-reliance as well as it could because there are still problems in many areas, including group management and its members, marketing management, production and production support management, accounting, and business development towards community sustainability. The concept of sustainable development is meant to help community enterprise with the support of resources and local knowledge combined with modern knowledge to improve product quality and service standards, and access to capital and markets, as well as to leverage entrepreneurial potential towards medium-sized enterprises. The income trend for community enterprises in 2002–2012 indicated a change in the downturn in 2008 and a recovery in 2012 (Department of Community Development, 2014)

The Act of Community Enterprise Promotion Act was established because many community enterprises are gathered and engaged at the grassroots of Thai society. It is a type of business that is no larger than a small and medium enterprises or a cooperative but a business that can help the country's economy to a certain extent. The business is also experiencing the problem of bad recognised by the government or other private organisations because there is no legal support. Moreover, the government support does not match the actual demand since the data and target demand is unclear. Therefore, the government is determined to support the legislative assembly so that the community enterprise can set itself up to promote and support

sufficiency economy development, which is the basis of economic self-sufficiency. However, existing the group of the community enterprise that is not ready to enter the competition so such help should deliver to them to gain knowledge and wisdom, monetisation, dependence, capacity to manage and develop the community enterprises to a strong economy which result in a potential entrepreneur of better business units (Office of the Secretary of the Board of Community Enterprise, 2016).

From the researchers' point of view, the community enterprise was born from the need to create economic prosperity for the people at the grassroots of Thai society. From the literature review it was found that the problem of creating a successful community enterprise relied on one important factor: management within the community. The leader is still the main factor in driving the development of the community enterprise to succeed. In addition, the appearance of the community enterprise is composed of the integration of members with different human capital; therefore, the collective leadership would be the key to managing a community enterprise and moving it towards sustainable economic development.

HYPOTHESIS: Collective leadership will be positively related to the sustainable community economic development.

RESEARCH METHODOLOGY

Open-ended questionnaires were used as the research tool. They were divided into three sections: 1) general information relating to the executive and members in small and micro community enterprises; 2) questions regarding the collective leadership of executive and members in small and micro community enterprises; and 3) questions regarding sustainable community economic development. There was a total of 25 questions. The first section consisted of a checklist with one tick, the second and third sections were questions using a five-point Likert scale; 1 represented "strongly disagree" and 5 represented "strongly agree".

Content Validity along with Index of Item-Objective Congruence (IOC) was used to test the tool. The results showed that the IOC of the questionnaire was between 0.50 and 1.00, meaning that the questions were consistent with the research objectives. The reliability of the research tool was tested with Cronbach's Alpha Coefficient. The results showed that the reliability of each aspect of the questions was between 0.89 and 0.93, more than 0.70, meaning that the tool was highly reliable.

For the data collection, the population was 192, representing the executives and members in small and micro community enterprise. However, the number of questionnaires eligible for the evaluation was 180. Descriptive statistics along with percentage, means and standard deviations were used to analyse the data, and the hypothesis was tested by analysing the influence of variables by multiple regressions and stepwise techniques.

FINDINGS

This section will present the results of the relationship between the collective leadership and sustainable economic development and examine their effect on the executive and members of small and micro community enterprise using regression.

Table 1: Analysis of the result of collective leadership and the sustainable economic development

Question item	Mean	S.D.	Result
The collective leadership (X)			
Collaboration of member orientation (X1)	3.89	0.86	High
1. I consider the common interest more than my personal interest.	3.59	0.88	High
2. I listen to the opinions of others.	4.13	0.87	High

Question item	Mean	S.D.	Result
3. I aware of the democracy system in management.	3.77	0.81	High
4. I would develop a change in the group.	3.91	0.73	High
5. I am conscientious in my job.	4.05	0.77	High
Delegation to member (X2)	3.84	0.78	High
6. I give someone the freedom and authority to handle certain things on their own.	3.58	0.71	High
7. Members can select the job themselves.	4.03	0.87	High
8. I created challenging to member by authorised.	3.86	0.63	High
9. I supported learning new things.	3.67	0.73	High
10. I evaluated performance.	4.06	0.82	High
Diversity integration (X3)	3.81	0.85	High
11. I prefer to different between member.	3.75	0.91	High
12. I shared the work by ability.	3.61	0.78	High
13. I integrate diversity into guidelines of practice.	3.94	0.74	High
14. I have the approach to understand the members.	3.91	1.01	High
15. I have the principle of cooperation between members.	3.84	0.75	High
Teamwork enhancement (X4)	3.86	0.85	High
16. I consider the guidelines for shared work.	4.17	0.75	High
17. Before the job, the member can share their opinion.	3.76	0.82	High
18. I encourage cooperation in reaching a goal.	3.79	0.93	High
19. I clearly explain the objective of the job.	3.81	0.83	High
20. I would like to share the guidelines on work which is related to the goal's group.	3.77	0.83	High
Summary of collective leadership (X)	3.62	0.72	High
Sustainable economic community development)Y(
21. My group's resource is sufficient for self-sufficiency.	3.85	0.98	High
22. My group has the potential for the basis of community development	3.87	0.98	High
23. My group pursues continual improvement.	3.66	0.65	High
24. My group tends towards continual improvement tendency.	3.58	0.65	High
25. My group is the centre of resource development.	3.95	0.89	High
Summary of the sustainable economic community development)Y(3.78	0.85	High
Total	3.84	0.84	High

According to Table 1, the analysis result of the collective leadership (X), it was found that the overall opinions were at a high level ($\bar{x} = 3.84$, S.D. = 0.84). Considering each aspect, it showed that collaboration of member orientation had the highest average ($\bar{x} = 3.89$, S.D. = 0.86), followed by teamwork enhancement ($\bar{x} = 3.86$, S.D. = 0.85), and delegation to member ($\bar{x} = 3.81$, S.D. = 0.85), respectively.

The analysis result of the economy sustainable development (Y) showed that the overall opinions were at a high level ($\bar{x} = 3.78$, S.D. = 0.75).

Table 2: Regression Analysis of collective leadership and how it affects the sustainable economic development

X	B	S.E.	β	t	sig
Constant	1.236	0.221		4.167	0.000
X1	0.432	0.72	0.279	3.217	0.000
X2	-0.189	0.67	-0.281	-4.897	0.001
X3	0.324	0.68	0.266	3.984	0.000
X4	0.198	0.78	0.256	4.632	0.000
0.05 Significance R= 0.823 R square= 0.534 Adjust R square= 0.7276 Std. Error of the Estimate= 0.47832					
Multiple Regression $\hat{Y} = 1.236 + 0.432X1 - 0.189X2 + 0.324X3 + 0.198X4$					

According to Table 2, the collective leadership affecting sustainable economic development could be predicted at 72.76 percent (Adjusted R2 = 0.7276) with a 0.05 significance statistic: collaboration of member orientation ($\beta = 0.279$, $p < 0.05$), diversity integration ($\beta = 0.266$, $p < 0.05$), teamwork enhancement ($\beta = 0.256$, $p < 0.05$), delegation to member ($\beta = 0.281$, $p < 0.05$), respectively.

DISCUSSION

According to the results, the collective leadership is positively related to the sustainable economic community development; it is agreed in the study that leadership can affect organisation effectiveness (Trewatha and Newport, 1982, p. 383). This finding corresponded to the study of Sittichai Thansriskul (2010), who studied factors affecting sustainable community development in a case study of local administration organisation in Mahasarakham province and found that the three key factors affecting sustainable community development were community business management, social management, and environmental management. It noted that community business management was consistent with sustainable economic community development. In addition to the study of Yani Payapsai et al. (2015) involving an analysis of community enterprise empowerment based on sustainable development approach which showed that community enterprise empowerment based on the sustainable development of simple found that human capital is at a relatively low level. Thus, members should be supported in terms of training of skilled labour from the government and educational institutions in order to develop knowledge about planning, production and the launch of new products; the group members should also be encouraged to share knowledge to develop quality standards in manufacturing.

In addition to the study of Chantawongsri (2003) about factors affecting the success of small and micro community enterprise in Kuntarawichai district, Mahasarakham said that the factors to consider and prioritise was the management. The management is not the duty or responsibility of any one person but every member since members are allowed to choose their leader. However, members who do not participate in the chain of command can also take part

in raising an opinion or participating in the decisions and activities of the community enterprise. The successful enterprises often divide authority and responsibility clearly.

Furthermore, in terms of the factors involved in the community in regard to the involvement of members within the group or community, it is essential to consider the participation in terms of policy and goal-setting, the allocation of qualified authorities who grant decisions and ideas in order to benefit the operation as well as the participation in solving problems that arise. These are all criteria that could reflect the ability to successfully implement the guidelines of the community enterprise because the essence of the community enterprise is that local people take part in the activities, raise opinions and make decisions. Furthermore, leadership is considered another crucial factor; the factors associated with leadership is important to make the enterprise a success or failure. The leaders play a critical role in the initiation and implementation of the proposed alternatives. There is also an important part of being a leader in the planning as well as setting orderly policies.

In addition, factors associated with membership are also a key factor since all members have an important role to play in the community activities by obtaining cooperation from the local people, and those who have the patience and are able to create something meaningful. Nevertheless, all members should recognise and give priority to the operations or activities of their group. The members must keep track of the progress of the organisation and cooperation activities such as attendance, educational field trips, sharing ideas and opinions that benefit the organisation or community where they live. Finally, factors related to the information are important and necessary for community enterprise development. The group must have contact with members thoroughly and regularly. There is an exchange of information between the leaders, members and other groups, or any individual or organisation outside the community to seek and exchange new knowledge that could be applied within the group.

The findings were also consistent with the study of Srisorn (2010) into the civil society's role on the development of small and micro community enterprises; this noted that factors that affected the existence of the strong organisation was to have a good leader and the participation of the community. Moreover, it was agreed in the study of Sriviboon (2016) about the antecedent factors affecting the performance of a real estate entrepreneur, medium hotel in the area special economic zone (terrace economy) who found that situations would lead directly to the ability in competition, innovation and competitiveness as well as the result of performance.

CONCLUSIONS

The researchers believed that the present study makes several important contributions to leadership research. First, the benefit for practice is that the result in this study can set policy on the practice of small and micro community enterprise. Second, the theoretical finding is that the integration of theory from framework so the new knowledge is the relationship between the collective leadership and the sustainable economic community development. Finally, in terms of the trend towards increased research into collectivism behaviour, the leader that uses certain forms of the collective leadership behaviour may be best suited to a rapidly changing environment.

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