

The Effects of the Sufficiency Economy on Community Business Management

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ABSTRACT

The objectives of this research were: (1) to analyze the components involved in community business management and the components of the philosophy of sufficiency economy, (2) to analyze the components of the sufficiency economy philosophy which were factors affecting community business management, and (3) to investigate the characteristics of professional groups which affected community business management, i.e. the average monthly income, length of time in business, and participation for training in community business management of group members. The study focused on the professional groups in the northeast of Thailand, covering 4 provinces: Khon Kaen, Surin, Udonthani, and Chaiyaphum. Stratified random sampling and simple random sampling methods were used to obtain 230 samples. Questionnaires were administered in data collection. Quantitative data analysis was conducted using descriptive statistics to report percentages, means, and standard deviations. In addition, confirmatory factor analysis and multiple regression analysis were performed. The results of the study showed that production management, human resource management, marketing management, and financial management were crucial in community business management. Regarding the sufficiency economy philosophy, moderation, reasonableness, self-immunity, knowledge, and ethics were found to be critical components. The values of KMO, Bartlett's test of Sphericity, and chi-square distribution were statistically significant. Total Initial Eigenvalues were greater than 1 and could explain as much as 75% of variability in the data, with all factor loadings approaching 1. In terms of the application of the sufficiency economy philosophy, the self-immunity and reasonableness criteria had the greatest direct impact on community business management in production management, with coefficients of 0.490 and 0.315, respectively. It was also found that professional groups made greater use of knowledge than ethics in production management, with coefficients of 0.518 and 0.289, respectively. The groups' higher average monthly income, long period of time in business, and participation in training in community business management of group members resulted in a higher degree of success in business operations.

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บทคัดย่อ

การวิจัยเรื่อง การจัดการธุรกิจชุมชนบนพื้นฐานปรัชญาของเศรษฐกิจพอเพียง มีวัตถุประสงค์ของการศึกษา (1) เพื่อวิเคราะห์องค์ประกอบของการจัดการธุรกิจชุมชน และองค์ประกอบของปรัชญาของเศรษฐกิจพอเพียง (2) เพื่อวิเคราะห์ปัจจัยที่เป็นองค์ประกอบของปรัชญาของเศรษฐกิจพอเพียงมีผลต่อการจัดการธุรกิจชุมชน และ (3) เพื่อศึกษาคุณลักษณะของกลุ่มอาชีพที่มีผลต่อการจัดการธุรกิจชุมชน ได้แก่ รายได้ของกลุ่มอาชีพเฉลี่ยต่อเดือน ระยะเวลาการดำเนินธุรกิจของกลุ่มอาชีพ และการได้รับการอบรมการจัดการธุรกิจชุมชนของสมาชิกกลุ่มอาชีพ โดยเน้นศึกษากลุ่มอาชีพในภาคตะวันออกเฉียงเหนือ ได้แก่ จังหวัดขอนแก่น สุรินทร์ อุตรดิตถ์ และชัยภูมิ โดยสุ่มตัวอย่างแบบแบ่งชั้น (Stratified random sampling) และแบบวิธีการสุ่มตัวอย่างแบบง่าย (Simple random sampling) รวมทั้งสิ้น 230 ตัวอย่าง ใช้แบบสอบถามเป็นเครื่องมือในการเก็บรวบรวมข้อมูลจากกลุ่มตัวอย่าง ทำการวิเคราะห์ข้อมูลด้วยวิธีวิเคราะห์เชิงปริมาณ โดยใช้สถิติเชิงพรรณนาด้วยค่าร้อยละ ค่าเฉลี่ย ค่าส่วนเบี่ยงเบนมาตรฐาน ทำการวิเคราะห์องค์ประกอบเชิงยืนยัน และสมการถดถอยพหุคูณ ผลการศึกษาพบว่า การจัดการด้านการผลิต การจัดการด้านทรัพยากรมนุษย์ การจัดการด้านการตลาด และการจัดการการเงินเป็นองค์ประกอบที่สำคัญของการจัดการธุรกิจชุมชน ส่วนความพอประมาณ ความมีเหตุผล การมีภูมิคุ้มกันในตัวที่ดี ความรู้ และคุณธรรม เป็นองค์ประกอบที่สำคัญของแนวคิดปรัชญาของเศรษฐกิจพอเพียง โดยมีค่า KMO ค่า Bartlett's Test of Sphericity มีการแจกแจงโดยประมาณแบบ Chi-Square ผ่านเกณฑ์การทดสอบทางสถิติ นอกจากนี้ยังมีค่า Total Initial Eigenvalues มากกว่า 1 และสามารถอธิบายความแปรปรวนของข้อมูลได้มากที่สุดถึง 75% โดยองค์ประกอบทุกตัวมีค่า Factor Loading เข้าใกล้ 1 ในด้านการประยุกต์ใช้แนวคิดปรัชญาของเศรษฐกิจพอเพียงในเกณฑ์การมีภูมิคุ้มกันในตัวที่ดีและความมีเหตุผล มีผลกระทบทางตรงต่อการจัดการธุรกิจชุมชนด้านการผลิตมากที่สุด โดยมีค่าสัมประสิทธิ์เท่ากับ 0.490 และ 0.315 ตามลำดับ นอกจากนี้ยังพบว่า กลุ่มอาชีพใช้เงื่อนไขความรู้มาเป็นหลักในการพิจารณาการจัดการธุรกิจชุมชนด้านการผลิต มากกว่าเงื่อนไขคุณธรรม โดยมีค่าสัมประสิทธิ์เท่ากับ 0.518 และ 0.289 ตามลำดับ กลุ่มอาชีพมีรายได้เฉลี่ยต่อเดือนอยู่ในระดับสูงมากเพียงใด มีระยะเวลาดำเนินการมายาวนาน และการได้รับการอบรมของสมาชิกในแต่ละกลุ่มอาชีพเกี่ยวกับการจัดการธุรกิจชุมชน จะทำให้สามารถประสบความสำเร็จในการทำธุรกิจของกลุ่มอาชีพเพิ่มขึ้น

Introduction

In essence, community business is business that is started up with little investment capital in the early stages and which focuses on creating more local employment opportunities. Revenue from sales may not necessarily be high in the initial period, but the goal is for everyone to survive and sustain their business. If it is a small business, with flexible administration, there will be little revenue from sales in the early stage, low operating costs, and close and friendly customer service. Starting a community business is easy. It is divided into four categories according to the type of enterprise: manufacturing, retail, wholesale, or service business. Community business is vital in enabling the operator to conduct business, creating more employment, promoting the development of industry, strengthening communities and reducing social problems that threaten the nation. In order for community business to be implemented effectively, it is necessary to have a system of good management. Donkwa (2010) defines "management" in agro-business as the allocation of available limited resources for the production of goods and services to satisfy human needs, or to meet defined objectives at risk or

with uncertainty. In general, management elements include human resources, marketing, production, and finance.

To manage community business, the concept of the Sufficiency Economy, the philosophy initiated by the present King of Thailand, should be introduced to maintain a stable and sustainable economy under globalization and its changes (Ministry of the Interior, 2006). The main concept of the Sufficiency Economy is based on the development of the Middle Path and vigilance with regard to moderation, reasonableness, self-immunity, knowledge, prudence, integrity, planning, decisions, and actions (Bureau of the Royal Secretary, Online, 2014). The concept of the Sufficiency Economy philosophy was employed as the mechanism to set the goals of the National Economic and Social Development Plan No. 10 (2007-2011) and No.11 (2011-2016) because it serves as a solid and stable economic foundation for the country in the event of an international financial crisis. In other words, this means development can be performed continuously and permanently with the appropriate natural resources and environment, which is an issue in of development that is under much discussion nowadays. The Sufficiency Economy system focuses on enabling the individual to have a sustainable career suitable to his or her potential and knowledge; and to spend the acquired money adequately and economically, without having to borrow or make loans. If there is any money left, it can be divided into savings, helping others, and some may be used to pay for some other elements. Introducing the philosophy of the Sufficiency Economy for community business management requires an analysis of the composition of the management of the business community, and elements of the philosophy of the Sufficiency Economy in order to focus on the factors that are the main elements of the philosophy of the Sufficiency Economy which affects the community business management, and to study the characteristics of professional groups, including the average monthly income of these groups, their periods of operation, and the training of community members in business management, which affects the management of community business in four provinces of the Northeast of Thailand: Khon Kaen, Surin, Udonthani, and Chaiyaphum. The results of this research can be applied to the management of a large business in immunizing the domestic economy in ways as well.

Literature review

Concepts relating to the management of community business

According to Phetprasert (1996) management of the business community involves economic activities of the community which seeks to make a profit and which requires an organization or unit of which all members possess, control, or have ownership. Puntasen (2002) defines a business

community as a person or organization in the community who or which is a part an owner of an activity which involves the operation of some or all members in the form of co-production, joint venture business, and common benefits. It is derived from the needs of the community, and is consistent with the social, cultural and environmental resources of the community. The goal is to provide the community with a better life, love, and harmony by which sustainable communities are strengthened. Center for Agricultural Resource Systems Research, Chiang Mai University (2012) refers to the community business as a community comprising production activities that yield sales activities, purchase activities, and the consumption of the community. Community foundations in rural Thailand must be strong and must support the strength of the community itself, with collaboration or participation of the community in developing a business, and by establishing a community group to ensure growth, which is the basis for the development of the living conditions of people in rural areas in order for them to have a better life. It has been found that some foreign research studies have focused on the management of the business community. For example, Kean, et al. (1998) studies the impact of community features, external business environment, and competitive strategies which affect the operation of the retail business in the community. The research was conducted in 48 rural communities in 12 states of the United States. The results showed that the rate of change of the population of the community and the duration of operation of retail business within the community affect the retail business strategy, and the outside business environment is an especially good indicator of performance in the retail community business. Community features and strategies for the competitiveness of the retail business in the community are the cost leader and the prominence of business.

Raymond (1996) has studies entrepreneurial strategies for community business and economic development in the community. The results showed that the entrepreneurship strategies for community business were characterized by focusing on strategies for entrepreneurship and a clear economic development of the community with a focus on leadership in the evaluation of the results for the economic development of the community. In addition, Besser (1999) summarizes the findings of his case study on community participation and the perceptions of the achievements of small businesses in small towns in Iowa, USA, by stating that for community business to succeed, it must be supported by the community with an awareness of the wellbeing of the community and community participation for the benefit of the community itself. Likewise, Markusen (2004) focuses on the career goals of regional development and community economy. The results showed that individuals who are employees or entrepreneurs are important to the local economy, that people can learn to be a member of a professional group which promotes their success by planning and adopting a sensible policy of

identifying and determining professional objectives or goals consisting for the highly skilled. For example, to demonstrate the importance of the growing integration with other sectors support of entrepreneurship, and consideration of the community potential, all of which are important for community development. This means that the community must plan, be prepared in terms of the potential use of local and regional resources, and to focus on a career.

From the above definitions of community business, we can summarize community business as the means for economic activities of the community where individuals in the community have common aims and ideology in manufacturing, investment, management, and the sharing of benefits arising out of the operation of the business. The activities of the community business must be consistent with the society, culture, resources, and community environment which are the basis for the development of the lives of people who live in that community in order that they might have a better life and become more self-reliant.

The Philosophy of the Sufficiency Economy

The Bureau of the Royal Secretariat (Online, 2014) has publicized the philosophy of the Sufficiency Economy initiated by King Rama IX, the reigning king of Thailand, as a conceptual framework and the guiding philosophy for existence and proper behavior, on the basis of the traditional lifestyle of Thai people. It can be applied at any time, as a holistic system that changes over time focusing on disaster reliefs and escape from crises to stability and the sustainability of development. The features of the Sufficiency Economy can be applied to practice at all levels focusing on the moderation and development stage by stage. The term “sufficiency” must include the three following features simultaneously: (1) restraint which means not too little and not too much without hurting themselves and others, such as production and consumption in moderation, (2) reasonableness which means deciding about the level of self-sufficiency which is most reasonable by considering the relevant factors and taking into account the expected results from the carefully proposed action, and (3) self-immunity which means to be ready for impact and change in various aspects with regard to the possibility of circumstances that will occur in the future, both near and far. All these three features work under two conditions: (1) thorough knowledge of various related fields of study in order to integrate or incorporate them into planning and action, and (2) ethics consisting of awareness of morality, honesty, patience or perseverance, intelligence in livelihood, practices for expected results. Based on the applications of the Sufficiency Economy, sustainable and balanced development can be achieved to keep up with changes in the economy, society, environment, knowledge, and technology.

The Office of the National Economic and Social Development Board (2014) pointed out that the philosophy of the Sufficiency Economy can be applied by everyone, not only among the poor farmers, as a guiding principle in the way people lead their lives and carry out their work. Therefore, if they have enough faith, value the principles, follow them in practice, before applying them to the family, community, society, and nation. The Community sufficiency philosophy refers to people in the community joining together to serve the common good within the community and to support one another according to the principles of unity to create a network linking the community and the economy, society and community resources, and the environment, such as occupational groups, financial organizations, community welfare, maintenance of peace, cleanliness, tidiness, suitable use of local knowledge and resources to create appropriate benefits to the community, in order to build a strong community with a sense of self-sufficiency. Sufficiency in the private sector starts off with the commitment of a business to make profits on the basis of long-term profitability rather than short term, seek compensation on the basis of sharing, aim to benefit all parties appropriately, be fair as customers, partners, shareholders and employees and to gradual expand gradually, including the need to have knowledge and understanding of their business as customers, competitors, as well as to learn to study the market thoroughly, produce in the right direction, follow through, to continuously create a distinct identity and product quality, and prepare for changes that may occur with integrity, social responsibility and also taking into account the protection of the environment. It is also important to acquire knowledge and to give proper consideration to the welfare of a business's workers.

Furthermore, Wiboolsawat (Quoted in the Office of the National Economic and Social Development Board, 2007) summarized the philosophy of the Sufficiency Economy with regard to the private sector in a scholarly article, the Sufficiency Economy which does not deny demands of the market, but which serves as a guiding light that controls the market mechanism and directs the operation of market forces to make it more stable, with specific ethical conditions that will make the competition equitable and fair for the common good. Businesses intending to use the philosophy of the Sufficiency Economy will need to take into account the condition that competition should be moderate, sufficient, and tolerable with regard to their own potential, will conduct business with expertise, or use the principles to develop their own business to be more competitive, be vigilant and careful, and not to conduct business in a risky manner. If all these principles can be put into practice, the business will be prosperous, sustainable and competitive. Examples of successful large businesses that have embraced the philosophy of the Sufficiency Economy include the Thai Cement Company which is developing in quality, not overinvesting, adopting suitable market expansion, choosing appropriate

markets based on sound knowledge and understanding, and avoiding taking risky steps. At the same time, the Thai Cement Company is focusing on the development of human resources to be good, wise, and ethical in the age of globalization, ready to face new challenges and changes. Since risks come with opportunities, it is imperative for the private sector to be ready to adapt itself quickly and appropriately to the demands of the business environment. The philosophy of the Sufficiency Economy, especially the third factor of self-immunity can be applied to help monitor business operations and make progress on a sustainable basis without risks. What is interesting about this is that the philosophy of the Sufficiency Economy is universal and modern because of the principle of self-immunity which is the third factor and which involves accepting risk management.

The concept of the Sufficiency Economy refers to economic moderation or the Middle Path economy that is linked to the family, the community, the culture, and the environment. It can also be adapted to the operation of the business community in its manufacturing operations and services which are appropriate to the social and economic conditions with respect to the lifestyle of the community. This research aims to study the three factors which consist of moderation, reasonableness, and self-immunity with regard to the knowledge and ethical integrity of the business community which are necessary in order to operate with sufficiency or adequacy, reasonableness for the consideration and decision, and self-immunity to the business in the future. This will enable the business community to operate with both stability and sustainability.

Research related to the application of the concept of The Sufficiency Economy in managing a business community

Sangkaew (2008) studied the development of management models for community business towards self-reliance based on the philosophy of the Sufficiency Economy focusing on the agro-business of farmers who planted sweet tamarind for trade in Phetchabun Province. The results showed how sustainability of the agro-business could be achieved by encouraging members to reduce expenses, increase revenues, regulate household accounting, and induce members to use fertilizers, share information and activities with members and local scholars, public relations, marketing and production. Also, Sawanwong (Online, 2010) found that the philosophy of the Sufficiency Economy can be applied to the management of the business community. In terms of moderation, this means not too little and not too much without damaging themselves or others, and when compared to business operations, it includes the aims intended for beneficiaries or net profits over the long term. Using the principle of moderation in business means focusing on sales to some

targeted customers, not customers in general. As for reasonableness, business owners and operators should clearly understand their business, their competition in the market, their need to create a unique product which is different from that of their competitors. They should introduce innovation and apply market research, including a better understanding of the core competencies of the organization and the factors of success of the business, by trying to provide members with debt-free support and anxiety-free activities which will affect their work. This requires attention to detail, including making the treatment process as natural as possible, with flexibility in offering products to meet the needs of each group of customers at different times. In order to protect their community business, they should be prepared for changes, diversify their products, reduce their risks appropriately in the market, control the process of securing raw materials constantly, accumulate savings by offering to distribute the remaining funds from loans into long-term savings, with dividend policies which will accumulate money for new investments, and they should also regularly assess risk scenarios in advance. Furthermore, they should promote knowledge and good business practice with respect to all these activities in order to achieve sustainable development.

From the study of the concepts and research studies related to the management of community business based on the philosophy of the Sufficiency Economy above, no research studies have been found that are clearly based on the philosophy of the Sufficiency Economy in community business management. Markusen (2004) studied career goals in the development of regions and community economy, and found the development of the community economy to be a complex matter, involving community labor, trade opportunities, and impacts of globalization. Community labor is related to human capital which is increasingly important and has impacts on economic development. However, most economic development places little importance on human capital. In fact, communities or entrepreneurs are vital parts of the community economy, and they can become members of career groups in the community, but success depends on good planning, practical policies, and determination of the career goals. In addition, Rothaermel (2012) summarized the resource-based view (RBV) which is that a model sees resources as key to better performance by firms. If a resource exhibits VRIO attributes (Value, Rare, Imitability, and Organization), the resource enables the firm to gain and sustain competitive advantage. In the RBV model, resources are given the major role in helping firms to achieve higher organizational performance. There are two types of resources: tangible and intangible. Tangible assets are physical things, such as land, buildings, machinery, equipment and capital. Physical resources can easily be bought in the market so they confer little advantage to firms in the long run because rivals can soon acquire identical assets. By contrast, intangible assets are

everything else that has no physical presence but can still be owned by the company.

Existing research and studies have focused only on specific community business management with regard to the management of the business community, such as human resource management, marketing management, production management, and financial management. But in Thailand, some community business management research studies based on the philosophy of the Sufficiency Economy have been conducted to find factors that constitute the philosophy of the Sufficiency Economy which include moderation, reasonableness, and self-immunity under the knowledge and virtues, and the size of the impact on the management of community business in the areas of human resource management, marketing management, production management, and financial management. In addition, the research findings also showed that the features of occupational groups, including the average monthly income of the group's career, duration of business operation, operations of the group's career, and training arrangements for community members who are involved in the management of the community business. The conceptual framework for this research is shown in Figure 1 below.

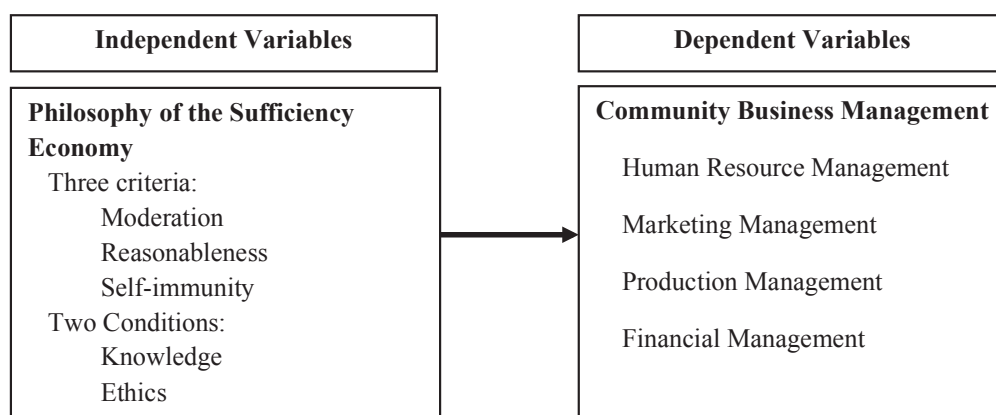


Figure 1: Research Framework

Source: Adapted from the Bureau of the Royal Secretary (Online, 2014); and Donkwa (2010)

Methodology

This research on managing community business is based on the philosophy of the Sufficiency Economy. The purpose of this study is to analyze the composition of the management of community business, elements of the philosophy of The Sufficiency Economy, and the factors in the philosophy of The Sufficiency Economy that affect the community business management, and to examine the features

of professional groups: average monthly income of the group's career, duration of business operations, and training arrangements for community business members that are involved in the management of the business community. It is a quantitative research study in the form of a survey research. Questionnaires that passed the reliability and validity test were used to collect the data from sample groups of professionals that produced 3-5 Star OTOP products in 2011, located in the north-eastern provinces of Khon Kaen, Surin, Udonthani, and Chaiyaphum. A total number of 230 samples were collected using a sampling method that relies on probability sampling and stratified random sampling by dividing the population of the Northeast into 2 groups and selecting a provincial representative team of two provinces: Lower Northeast-Surin and Chaiyaphum, Upper Northeast-Khon Kaen and Udonthani. Then, a simple random sampling was performed on a group of professionals in each province with equal chances of being chosen as a representative. Collected data was analyzed by Descriptive Statistics, Percentages, Means, and Standard Deviation. In addition, inferential statistics was used in testing the hypothesis, that is, factor analysis of community business management and The Sufficiency Economy, and multiple regressions to analyze the factors of The Sufficiency Economy that affect community business management by using the Statistical Package for Social Science program.

Results and discussion

Summary of findings

Analysis of the composition of community business management and elements of the philosophy of The Sufficiency Economy

Analysis of the major components of community business management found four components: production management, human resources management, marketing management, and financial management. Results showed the KMO of 0.788 and Bartlett's Test of Sphericity's tentative distributions by Chi-Square were 602.886 and the significance value of 0.000. Furthermore, the Total Initial Eigenvalues was equal to 3.091 which can explain the variance of the data the most, up to 77.270%. All the elements showed the factor loading closer to 1 from which it can be concluded that the four elements can be arranged in the same loop or as a component of community business management.

Analysis of the key elements of the philosophy of The Sufficiency Economy have three factors: moderation, reasonableness and good self-immunity which had the KMO of 0.666, Bartlett's Test of Sphericity's tentative distributions by Chi-Square showed the value of 201.992, and the significance value was 0.000. Furthermore, the Total Initial Eigenvalues was 2.078 which could account for the variance of data up to 69.283%. All the elements showed the Factor Loading close to 1 from which

it can be concluded that the three elements: moderation, reasonableness and self-immunity can be arranged in the same loop, or as elements of the Three Loops in the concept of The Sufficiency Economy.

Analysis of the key elements of the concept of The Sufficiency Economy with respect to the two conditions: knowledge and ethical integrity showed the KMO value of 0.500, the Bartlett's Test of Sphericity's tentative distributions by Chi-Square was 153.507, and the significance value was 0.000. Also, the Total Initial Eigenvalues was equal to 1.701 which could explain the variance of the data up to 85.026%. All the elements with the Factor Loading close to 1 from which it can be concluded that the two elements: knowledge and ethics can be arranged in the same factor or as two conditions of the concept of The Sufficiency Economy.

Analysis of the elements of the philosophy of The Sufficiency Economy affecting the community business management

Research also has testing normality of variables and multicollinearity of the independent variables. The test results are shown in Tables 1 and 2. The distribution test, including nine variables, takes into account the values of skewness and kurtosis. The criteria for skewness is that it does not exceed ± 3 and the criteria for kurtosis is that it does not exceed ± 10 (Kline, 2011). The criteria for the validation of multicollinearity takes into account the tolerance > 0.2 and the variance inflation factor (VIF) < 10 . The test results for the multicollinearity of the independent variables revealed that tolerance should at least be equal in value to .317 but not less than 0.2 and the VIF should have a maximum of 3.151 but not more than 10, if there is no significant correlation between the independent variables. The independent variables do not have a problem with multicollinearity, so they can be used to analyze the multiple regression model.

Table 1 Testing the normality of variables by Skewness and Kurtosis.

Variables	Skewness	Kurtosis
Moderation	-.363	.080
Reasonableness	-.444	-.215
Self-immunity	-.289	.015
Knowledge	-.537	-.039
Ethics	-.788	.715

Table 1 Testing the normality of variables by Skewness and Kurtosis. (con.)

Variables	Skewness	Kurtosis
Production Management	-.618	.292
Human Resource Management	-.273	-.408
Marketing Management	-.306	-.048
Financial Management	-.171	-.028

Table 2 Multicollinearity testing of the independent variables.

Independent variables	Tolerance	VIF
Moderation	.646	1.549
Reasonableness	.365	2.739
Self-immunity	.465	2.150
Knowledge	.317	3.151
Ethics	.422	2.372

Findings from the multiple regression concluded that community business management in the production management with regard to the application of the philosophy of The Sufficiency Economy was affected by the aspect of self-immunity most directly, then followed by the aspect of reasonableness with a coefficient value equal to 0.490 and 0.315, respectively. It was also found that professional groups used more knowledge for the production management than ethical integrity in the community business with a coefficient value equal to 0.518 and 0.289, respectively.

In terms of human resource management in community business, it was found that the application of self-immunity in the philosophy of The Sufficiency Economy also had the most direct effect on the management of human resources, followed by reasonableness with the coefficient values of 0.430 and 0.293 respectively, and that professional groups used more knowledge for the human resources management than ethical integrity in the community business with the coefficient values equal to 0.453 and 0.231, respectively.

With regard to marketing in community business management, it was found that the application of self-immunity in the philosophy of The Sufficiency Economy showed the most direct effect on the management of marketing of the professional groups, followed by reasonableness with the coefficient values of 0.472 and 0.308 respectively. The professional groups used more knowledge for the marketing management than ethical integrity in the community business with the coefficient values equal to 0.543 and 0.199, respectively.

In financial management, it was found that the application of self-immunity in the philosophy of The Sufficiency Economy had the most direct effect on financial management of the community business, followed by reasonableness with the coefficient values of 0.376 and 0.363 respectively. The professional groups used more knowledge in conducting the financial management than ethical integrity in the community business with the coefficient vales equal to 0.497 and 0.176, respectively. The research results are summarized in Tables 3, Figure 2, and 3.

Table 3 The results of the multiple regression analysis of the sufficiency economy philosophy and community business management.

Community business management	Sufficiency economy philosophy	Coefficient (Beta)	t	Sig.
Production	1. Moderation	.066	1.228	.221
	2. Reasonableness	.315	5.309	.000
	3. Self-immunity	.490	8.266	.000
	R ² = 0.538 Adj R ² = 0.534 F = 132.419 Sig. = .000			
	1. Knowledge	.518	8.399	.000
	2. Ethics	.289	4.684	.000
	R ² = 0.561 Adj R ² = 0.557 F = 144.913 Sig. = .000			
Human resources	1. Moderation	.021	.359	.720
	2. Reasonableness	.293	4.477	.000
	3. Self-immunity	.430	6.566	.000
	R ² = 0.435 Adj R ² = 0.430 F = 87.410 Sig. = .000			
	1. Knowledge	.453	6.305	.000
	2. Ethics	.231	3.213	.002
	R ² = 0.404 Adj R ² = 0.399 F = 77.018 Sig. = .000			
Marketing	1. Moderation	.016	.289	.773
	2. Reasonableness	.308	5.033	.000
	3. Self-immunity	.472	7.717	.000
	R ² = 0.507 Adj R ² = 0.503 F = 116.736 Sig. = .000			
	1. Knowledge	.543	8.144	.000
	2. Ethics	.199	2.977	.003
	R ² = 0.486 Adj R ² = 0.481 F = 107.174 Sig. = .000			

Table 3 The results of the multiple regression analysis of the sufficiency economy philosophy and community business management. (con.)

Community business management	Sufficiency economy philosophy	Coefficient (Beta)	t	Sig.
Finance	1. Moderation	-.037	-.632	.528
	2. Reasonableness	.363	5.608	.000
	3. Self-immunity	.376	5.806	.000
$R^2 = 0.449$ Adj $R^2 = 0.445$ $F = 92.673$ Sig. = .000				
	1. Knowledge	.497	6.902	.000
	2. Ethics	.176	2.439	.015
$R^2 = 0.400$ Adj $R^2 = 0.395$ $F = 75.782$ Sig. = .000				

Source: from calculation.

** $p < 0.01$

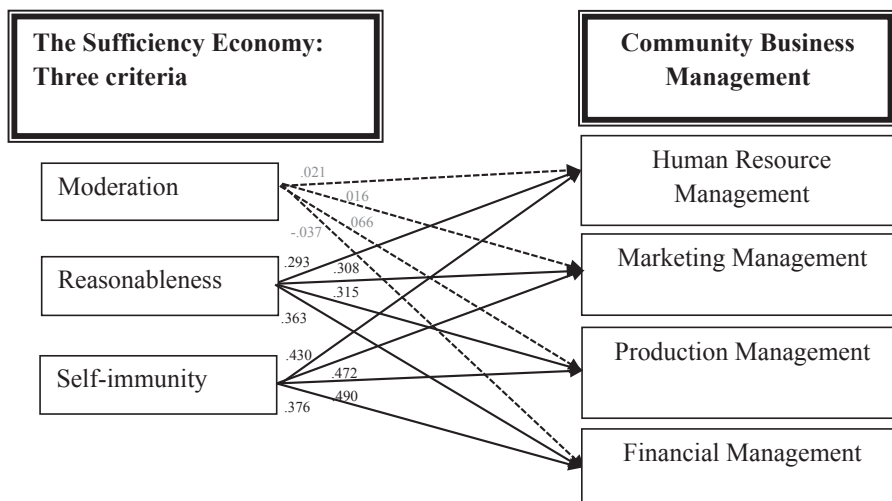


Figure 2: Results of three criteria of the Philosophy the Sufficiency Economy for community business management

—————▶ means the direct effect

-----▶ means the direct effect but no statistical significance at 0.05 level

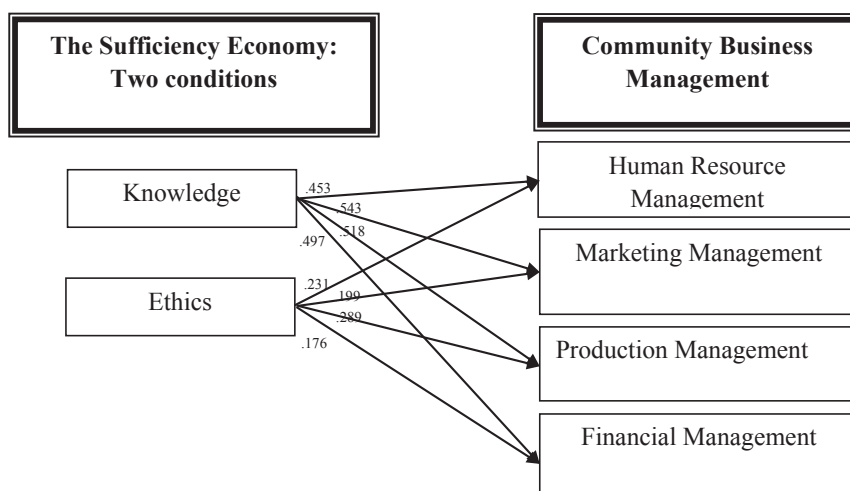


Figure 3: Results of two conditions of Philosophy the Sufficiency Economy for community business management

————> means the direct effect

.....> means the direct effect but no statistical significance at 0.05 level

Overall, it can be concluded that the professional groups adopted the concept of self-immunity in the philosophy of The Sufficiency Economy more than reasonableness in the management of the community business in terms of production, human resource management, marketing management, and financial management by using knowledge as the main criterion for determining the management of community business in every way more than ethical integrity.

Characterization of occupational groups in terms of average monthly income, duration of business operation, training in community business affecting the management of the community business community

Concerning the average monthly income of a professional group, it was found that the groups with an average income per month from 668 – 1,000 US dollars and 1,001 to 1,334 US dollars showed clear steps in the production process, considerations of production costs, pre-production planning, including notes on the activities of production more than the groups with lower average monthly incomes, i.e., from 333 US dollars per month and 333 – 667 US dollars. In terms of the duration of business operations, it was found that the groups that were engaged in the profession for a period of 5-9 years and for 10 years or more were more involved in the management of the production, human

resources, marketing, and finance than the groups which were engaged in the profession for a duration of less than 5 years.

As for training in community business management, it was found that members of the professional groups who had trained in the community business management used their management skills in production and in pre-production planning, and they used clear steps in the process, and produced quality products. In human resource management, the professional group members brought their knowledge gained from the training for use in actual practice. With regard to financial management, they prepared a budget of estimated profits and losses, including the regular preparation of their accounts better than those who had not received training.

Discussion

An analysis of the elements of the philosophy of The Sufficiency Economy which affects the business management community indicated that in the overall results of the study, the professional groups in community business had adopted the philosophy of The Sufficiency Economy more in terms of self-immunity than reasonableness in the management of the community business in terms of production, human resource marketing, and finance. But the amounts of self-immunity and reasonableness in the introduction and justification used in managing the business community was not sufficient. The establishment of professional groups in the beginning was intended to support a supplementary career which has now become the main focus of much more income, and some professional groups that do business in the community had only one entrepreneur or investor to manage every aspect of the business, including employment people in the community to produce for marketing.

As a result, knowledge is used more in the management of every community business rather than ethical integrity because of focusing too much on income for the professional groups. Moreover, members of the professional group also had the need to consume based on the current capitalist economy whose aim is to have a better quality of life as enjoyed by other people in urban communities. However, there are many research studies that have explored the applications of The Sufficiency Economy philosophy, but they did not investigate the specific influence or impact of the Three Loops Criteria under Two Conditions, such as the two following features.

First, Wiboolsawat (Quoted in The Office of the National Economic and Social Development Board, 2007) summarized in a scholarly article about the sufficiency of the private sector regarding the applications of the philosophy of The Sufficiency Economy which operate in the private sector,

stating that people often had misconceptions about the philosophy of The Sufficiency Economy which did not correspond to the modern profit and competition-oriented market system. In fact, the philosophy of The Sufficiency Economy does not deny the need for a market system, but serves as a guiding and controlling principle for the operation of the market system in order to make it more stable and sustainable. In particular, the condition of ethical integrity will make competition fair and equal benefiting all the parties concerned; businesses that apply the philosophy of The Sufficiency Economy will have to be aware of moderation in competition, consider their own potential, confine themselves to the business that they specialize in, and use knowledge to make themselves more competitive. At the same time, they must not operate business that are too risky for them to be able to compete in and to maintain progress on a sustainable basis.

Second, Sawanwong (Online, 2010) found that the concept of moderation means not too little and not too much without hurting themselves and others, and with the purpose of benefit or profit over the long term rather than the short term. The application of the principle of moderation in business will mainly focus on the production for some targeted customers over the production for sales in general; the application of the principle of reasonableness will allow us to understand our customers, markets, competitors, and ourselves; the application of the concept of self-immunity will prepare us for the changes appropriately by diversifying products and markets to reduce risks from the luxury products to products for mass consumption.

Recommendations

The results of the research showed that management of the production, human resources, marketing, and finance are critical components of community business management. Therefore, the relevant government agencies, such as the Community Development Department, the Office of Small and Medium Enterprises Promotion, the Department of Industrial Promotion or other agencies involved should continue to support the budget for training workshops for professional groups in the community which should focus, in particular, on the production of new knowledge, management of human resources, marketing, and finance by professional speakers or trainers who have actual experience in community business management, from both public and private sectors, using various techniques to convey to the community and the groups of professional people concerned in order for them to understand and put into actual use in managing community business by seeking more business opportunities. In addition, the government of Thailand should have a clear focus on developing professional groups resulting from the merger of the community

only. At present, the government has extended assistance to cover a group of small and medium-sized enterprises. However, professional groups with a capitalist ownership alone, but employing people in the community to establish a career in production, but state assistance will make the development of a professional group resulting from the merging of the people in the community which will not be in accordance with the objective of strengthening the economic foundations of local communities.

Since the three loops of The Sufficiency Economy are Moderation, Reasonableness, and Self-immunity which function under two conditions: Knowledge and Ethics, the professional groups in the community should study and understand more clearly and fully in order to put these principles into practice and ultimately to achieve self-reliance, self-sufficiency, sustainability, and balance in utilizing the cultural, intellectual, and local resources for community business management through community involvement, participation, and cooperation. They should make sacrifices for each other and share profits and experience to promote and support the younger generations within the community. They should also allocate income or excess profits back to the community in various ways, such as fund for education or assisting senior citizens in the community. However, community business management must be managed with knowledge and ethical integrity without affecting the natural resources of the community.

The results of the study indicate that the philosophy of The Sufficiency Economy with regard to Moderation is not very clear to the community business management because professional groups within the community are more interested in the procurement of raw materials used in production without any advance planning, or they produce in excessive amounts, not complying with the requirements of the market. The establishment of professional groups at the start is, in fact, only intended to support people in a supplementary career, but now it has become the main focus of income.

However, management of community business has applied the principles of Reasonableness and Self-immunity in the decision-making process on all sides, in particular, in production management and marketing management. Therefore, the concerned governmental agencies, such as the Department of Community Development, the Department of Small and Medium-sized Enterprises, the Department of Industrial Promotion, or other agencies involved should organize various training workshops on supply chain management, on planning, purchasing raw materials, and making inventories of raw materials and finished goods because the results of the study show that the training workshops have resulted in the professional groups of the community gaining more knowledge, skills, and experience leading to improved business management that will provide a good living for its members.

In addition to the philosophy of sufficiency economy affected the community business management, there were other factors that affected the business community, such as the socioeconomic development of the community, the level of participation in decision-making in business management or the leadership skills of a community leader. Therefore, such other factors that affect the business community should be considered in a further study.

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