

# The Conceptual Framework: Multi-Group of Leader Resource Base Participation toward Value Added for Pracharat Tongchom Market in Thailand

<sup>[1]</sup>Somsri Chaiwat, <sup>[2]</sup>Netpradit Napawan

<sup>[1]</sup>Ph.D Candidate, <sup>[2]</sup>Ph.D. program

*Faculty of Management Sciences, Lampang Rajabhat University, Thailand.,*

**Abstract:** *The purpose of this literature were 1) to study the expectations and level of satisfaction of Leader, Resource Base, Participation, and Value Added of Pracharat Tongchom Market in Thailand, 2) to study Effect of Leader, Resource Base and Participation toward Value Added in Pracharat Tongchom Market in Thailand. The research was developed from data compilation based on the related literature review. The research tools were questionnaires. The sampling group was 500 entrepreneurs in Pracharat Tongchom Market from 17 provinces in the north region of Thailand. It was Multi Stage Random Sampling technique, data analysis with descriptive statistics to find percentage, average, standard deviation and inferential statistics with structural equation model.*

**Index Terms:** *Leader, Resource Base, Participation, Value Added.*

## I.INTRODUCTION

Connecting all parts of the world, a world without borders is called globalization which affects environment, population, economy, society, and culture enormously as well as spreads broadly. Thailand is also effected by globalization. Thailand is a country that has economic and social system which is connected and depend on foreign countries: causing Thai society exposed to external competition and threats. At the same time, the country is also being faced with various obstacles that arise from within [1]. In this era of globalization it is accepted that there are certain important factors that enable organizations to sustain and compete which are creativity and innovation that adds value by using existing resources of an organization [2]-[4]. An individual creativity is the starting point of creating an innovation [5]. And creativity is a key factor which enables the survival and growth of an organization [6]. Thailand has established a visionary 20-Year National Strategy Framework (2017-2036), allowing Thailand to have stability, prosperity, sustainability as a developed country. By following the development of the philosophy of self-sufficiency economy Thailand has established a strategy: to create fairness and reduce social disparity, to create opportunities for everyone in the society to be able to access resources, source of occupational funds, raise income levels and drive the economy, strengthening economic strategy and sustainability. It is to set the foundation of Thailand 4.0 model for caring all Thai people to move forward without leaving anyone behind [7].

“Pracharat Tongchom Market” is a concept aiming public sector, private sector and government sector to work together to drive the economy, unite together with specific goals, and understand the work process as well as develop integration at all levels. In order to be able to act correctly and accurately at the central, provincial and national levels. To generate income, create jobs for people in the community, and strengthen the sustainability of local economy. Hence, the government has a policy to promote domestic marketing by setting goal of having a community market in every corner in the region to help the farmers, agricultural product producers, community enterprises, and SMEs that

produce handicraft products as well as OTOP products to be able have a direct place to sell their products to people. Department of Internal Trade, Ministry of Commerce has therefore implemented a project of community market for local businesses under the name of “Pracharat Tongchom Market” to develop or upgrade the existing market that sell agricultural products, handicrafts, arts, OTOPs and consumer products of the communities that were produced by farmers, community enterprise, SMES, and people in the community or nearby areas. To promote to be “Pracharat Tongchom Market” where there are a beautiful landscape, sell products in a fair and accountable way such as showing price tag, having a precision scales, and good quality products. Along with preservation of arts and culture, holds the identity as well as the way of life of the community. The “Pracharat Tongchom Market” will be an alternative way to create jobs and generate income for people in the community. Nevertheless, it will also be a place whether for either local people or visitors must stop by to see and spend some money, experience the uniqueness of local culture and lifestyle of the villagers. These help generate income along with preserving tradition, arts and culture of the community [8].

The Department of Internal Trade, Ministry of Commerce, assigned the Office of Commercial Affairs to survey and set up the Pracharat Tongchom Markets. According to the standard set: there are considerably number of Pracharat Tongchom Markets that were unable to successfully pass the standards due to lack of differentiation from other markets. Office of Commercial Affairs tried to focus on the targeted number of new markets as was specified in the project outcome, instead of continuously develop board and entrepreneurs. Moreover, lacking of monitoring the project’s performance [9]. One of the major difficulties in establishing the Pracharat Tongchom Markets was building the links in the economic system. For instant, “Upstream” was a production and cultivation; “Midstream” was a privatization, an innovation, and creating a value-added; “Downstream” was marketing that create an alternative choice for consumers, middlemen, and large enterprises as well as being as the “alternative markets” for manufacturers. There are numbers of the projects with the name of “Pracharat” appeared the results shown that the purpose could not be achieved. The operation was also deviated from the original intention that requires large enterprises help small enterprises and the citizen. On the other hand, a low-income citizen was used as a means of transferring benefits to large enterprises such as a case of Thai government’s Welfare Smart Card Project [10]. The accountability of budget management in Pracharat Market Project was one of the problem describing that money itself does not be used in the highest potential for full development [11] there was a problem in board members on managing the market [12].

In reference with a review of research papers on community businesses, found that the majority of scholars focused on the factors related to the performance and the competitive advantage, including [13]-[15] as well as the studies of leadership and participation factors [16], [17]. Without studying other various factors that are linked to creating a value-addition to products and services which are resulted to a lack of clarity. In term of Resources-Based View: RBV Theory, mostly shown either domestic or international research papers applied this theory to support the studies only in the overall view. In addition, there is no research papers with in-depth study on how factors of the Pracharat Tongchom Market as a community businesses operation related to creating value-added for the products and services to the community businesses. Especially in managing the community businesses of the Pracharat Tongchom Market showed in a small number, therefore, it was the background of this research titled multi-group of leader resource base participation toward value added for Pracharat Tongchom Market. The research findings can be applied as a guideline to increase the value-added of products and services for Pracharat Tongchom Market toward local economic development in order to create stability, prosperity, sustainability economic system for the country.

## II. RESEARCH OBJECTIVE

A. To study the expectations and level of satisfaction of Leader, Resource Base, Participation, and Value Added of Pracharat Tongchom Market in Thailand.

B. To study Effect of Leader, Resource Base and Participation toward Value Added in Pracharat Tongchom Market in Thailand.

## III. SCOPE OF RESEARCH

This research consists of the entrepreneurs from Pracharat Tongchom Markets in Thailand used as an analysis unit, with 4 scopes of the study as follows:

### A. Content

Focus on the important effect scale of the multi-group of leader resource base participation toward value added for Pracharat Tongchom Markets.

### B. Population and Sample

Population were the entrepreneurs from Pracharat Tongchom Markets in Thailand. Sample was a number of 500 entrepreneurs from Pracharat Tongchom Markets in Northern region of Thailand by Multi Stage Random Sampling.

### C. Area

The entrepreneurs from 51 Pracharat Tongchom Markets in the north region of Thailand.

### D. Timing

This research has taken a year from October 2018 to August 2019.

## IV. LITERATURE REVIEW

### The context of Pracharat Tongchom Market

“Pracharat Tongchom Markets” is an alternative way to create jobs and generate income for people in the community. Nevertheless, it will also be a place for either local people as well as for visitors to stop by to see and spend some money, experience the uniqueness of local culture and lifestyle of the villagers. These will help generate income along with preserving tradition, arts and culture of the community. Under the operation of all sectors related to Pracharat framework to strengthen the local economy sustainability, the Department of Internal Trade has proposed and acknowledge the local market development for community businesses project in the cabinet meeting on 30 September 2015, meeting titled “Tongchom Market” where it targeted 231 markets nationwide within 3 years timeframe (2016-2018). The local markets were a mechanism to expand the marketing channels for farmers, community enterprises, cooperative, and SMEs entrepreneurs. In addition, to solve agricultural products, generate income for the community, and link to tourism which will lead to the economic stimulation driven by domestic consumption and local economy. In the fiscal year of 2018, Department of Internal Trade has set up 214 local markets across the country which are local markets for local businesses. Supporting the government’s policy on stimulating the economy as well as solving the economy problems. Solving the problem of poverty and helping SMEs, cooperatives, community enterprises, agricultural institution, and low income families through these local markets by using its mechanisms as a marketing channel for farmers and target group together with improving OTOP products and connecting tourism in each province to strengthen the local economy that will lay to the foundation for the future of the country [8].

Researchers have extracted related variables as a result from related conceptual review, theories, and literatures which can be identified into 4 main variables were 1. Leader 2. Resource base 3. Participation and 4. Value-added.

### **A. Leader**

Leader is a person who was assigned by the group members on duty to control or coordinate any activities involve with the mission of the group [19]. Leader is a person who has been elected or appointed to lead the group and effect toward the activities processes in the group to accomplish the group's goals as well as to serve as the leader of the group [20]. Additionally, leader is also a person who makes the organization move forward and succeed. By acting in a role of making a relationship between people who are supervisors or a person who creates the stability and helps people to achieve the group's goals [21]. Leader is also a person who was assigned or be selected or appointed and being accepted by the group members to have an effect and a role over other group members. Be able to motivate, induce, as well as guide the group members to work together to be able to successfully achieve all the group's mission [22]. The concepts of many scholars and researchers have mentioned about the qualities of a good leader should consist of motivation, intelligence, self-confidence, knowledge, emotional intelligence, background and experiences, physical features, moral and human relations in order to cover the characteristics that the leader should have in all dimensions. Besides the leader's qualities mention above, the skills and abilities that leader in every organization should have to build credibility and confidence in managing the organization under good governance and achieving the organization's goals [16], [23].

### **B. Resource Base**

Resource base of the organization is an important factor to enhance organizational competency which can be derived by having resource base from an accumulation of personnel skills and knowledge which an organization must be able to access and develop in all aspects [24], [25]. It is the ability to combine between human resource capability and work operation. Whereby an organization has to apply the available resources to meet the needs of all parties quickly, in a timely manner as well as with good quality [26]. It is, therefore, not the unchanged capability, but must be the capability that can adjust and response appropriately with the changing environment [27]. Paying attention to the available resource base in the organization is consistent to the concept of Resource-Based View Theory. The theory discussed an importance of the resources and capabilities in the organization. It is a contemporary theory that combines in-depth information about the acquisition of competitive advantage and the existence of an organization under the good administration of the leader [24], [25], [27], [28]. Resource base is the factor that an organization has already have it. The organization is the owner and able to command or control those factors included asset, knowledge, the ability, and the operational process in the organization. The organization can use those factors to develop organizational strategies and effectively and efficiently implement it into practice. Nevertheless, resources that have the characteristics of value, rareness, and inimitable or assets in same meaning are an asset that an organization has been possessing either tangible or intangible. And the ability of the organization that can benefit the business operation such as physical resources, human resource, financial resource, and knowledge resource [29]-[31].

### **C. Participation**

Participation causes a good result toward driving an organization or networking because it has high impact in psychology. In other words, the participants are proud to be a part of administration, their opinions are being heard and implemented for networking development. Most importantly, the participants will have an ownership feeling in that work and that feeling is the best network driven power. The famous and well-known scholars, Cohen, John and Uphoff [17] mentioned that the participation in organizational development means that the cooperation in the organization under any conditions or circumstances which needs to achieve the goal of recent development and classified the

participation into 4 stages: participation in decision making, participation in implementation, participation in benefits, and participation in evaluation. In accordance with, Fonaroff, [32] has given the meaning of participation that it is the community participation process which consists the steps as follows: planning, implementing, using services of the project, and participation in benefits. Whitaker [33] has given the meaning of the participation as, the participation of organizational members consist of 4 dimensions: participation in decision making, participation in scarifying for development, participation in competition, and participation in performance evaluation. Dale [34] has given the meaning of participation as the collaboration of people with intention and voluntary without being forced which includes participation in decision making, participation in implementation, participation in project monitoring and evaluation, as well as the participation in receiving development benefits.

#### **D. Value Added**

Value added is adding more value to the products. Value added creation is a marketing tool that will result in product, distribution, advertising, and marketing promotion development. This creates an impact on higher prices, moreover, product value added will make consumers feel more benefited by value added creation which means put an effort in developing various products to be more valuable in customers' eyes [35].

Nilson, Solomon, Björck, & Akerström [36] have given the meaning of value added as developing the product to meet the highest customer satisfaction and exceed customer expectation. Moreover, the value added may occurred from adding other things than what the consumer expects to receive. De Chematony, Riley and Harris [37] have given the meaning of value added as the development of product to meet the highest satisfaction of consumers and exceed their expectation by adding new things in the products. The academician, Smith & Colgate [38] have presented a framework for delivering value added to the consumer that the basic needs that consumer want will be met by value added creation through value of product and service in 4 main aspects: functional value that responds to different types of work appropriately. There are an efficiency, effectiveness and quality in the capacity. Internal demand value which relates as a sign for example, group value, social status, beliefs. Impressive experience value gain from consumption, use of service, be aware of story that is an emotional response to thoughts. And worthiness value which toward the selection of usage, warranty, environmental impact, as well as related risks. Furthermore, the scholars and researchers mentioned the conceptual framework of delivering value added to consumers whereby it relates to the concept of Smith & Colgate, Freeman [39] said that creating good value will occur when there is the same opinion of stakeholders on the important issues. And creating different experiences of products from the competitors can create psychological value for buyers. This will increase a good experience of using the products and services.

### **V.THE METHODOLOGY AND MODEL**

The methodology of this research is mixed-methods research divided into 2 categories are:

A. Quantitative research steps are scale development, questionnaire distribution, descriptive statistical processing, and inference statistics according to structural equation model (SEM) and use AMOS program to summarize and discuss the results. As well as providing additional recommendation from research data where it was obtained from questionnaires which has closed- question style. Then, applied qualitative research to compare with the results of quantitative research to find the familiarity or differences in which aspects.

B. Qualitative Research has applied the semi-structure in-depth interview where it was formed from the reviewed literatures to cover the research in term of perceiving value, service quality satisfaction, trustworthiness, loyalty. The researchers has been completed the data integrity check with Triangulation

approach of Denzin [18]. Finally, the results obtained from structural equation analysis were discussed, summarized and provided additional recommendations from the research.

From the literature review, it can be summarized as the conceptual framework and research hypothesis as follows:

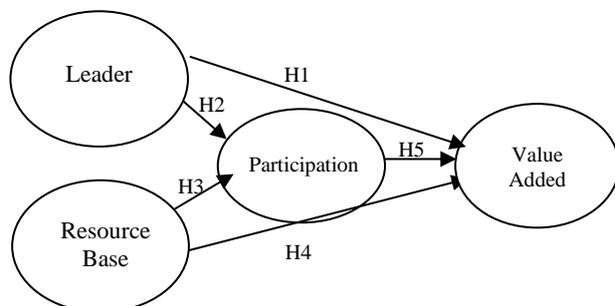


Figure 1: The Conceptual Frame Work

#### Hypothesis

- H1: Leader effects value added.
- H2: Leader effects participation.
- H3: Resource base effects participation.
- H4: Resource base effects value added.
- H5: Participation effects value added.

## VI. SUMMARY AND CONCLUSIONS

Thailand is a country enrich with resources that has a high value for tourism. There are an abundance of natural resources, arts, culture, and long history. Self-identity in different regions of Thailand have been attracting tourists to Thailand. Therefore, this tourism industry helps to generate income tremendously for the country. It strengthen economics and social prosperity in the country [40]. Many tourist attractions in Thailand have a long source history and there are lots of interesting cultural heritage. It is also a key factor of the development and promotion of tourism in the country. These have been inheriting and accumulating as pride and attracting many tourists. Under the government's policy on creating the creative economy for strengthening the competitive advantage of enterprises as well as create the social enterprises that can produce and sell. By creating value added to the products and services together with applying knowledge, innovation, the diversity of natural resources, culture and lifestyle to develop Thailand and increase value in economy, then forward it to social value until finally establishing as a creative economy [41]. Be focus on leaders who play an important roles in encouraging to have the participation among group members, using resource base of the organization to develop and increase value added creation for products and services of the organization. Together with supporting the community integration to build a community market for selling local products. The government sector should give priority to these business groups as well as promote and develop the groups to increase the competitiveness. Since these business groups are a large foundation of the country, therefore increasing the potential of the communities by promoting the strengths within the community in term of culture, lifestyle, and local wisdom to the manufacturing and service sectors. Building their own identity and expanding more market opportunities are one of the way to increase the potential of the communities under the implementation of Pracharat Tongchom Market approach to develop local economy to the stability, prosperity, and sustainability economic system of the country.

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