

# Guidelines to Developing Competency of Entrepreneur's SMEs for Enhance Competitiveness in ASEAN Context in Su-Ngai Kolok Naratiwat Province, Thailand

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## Abstract

In this research, study about 1) to study the need to develop the competency of entrepreneur' SMEs. 2) to evaluate and develop the competency of entrepreneur' SMEs. 3) to create Model of competency of entrepreneur' SMEs. 4) to set guidelines to developing competency of entrepreneur' SMEs for enhance competitiveness in ASEAN context in Su-ngaiKolok district, Naratiwat province. This research is quantitative and qualitative research. The sample in this study was 400 entrepreneurs in Su-ngaiKolok district, Naratiwat province. In addition, entrepreneurs government and academic were interview. The research tools used were questionnaires and interviews. The evaluate competency of entrepreneur' SMEs found that competency of entrepreneur' SMEs have high level of competency (average 4.13) and the highest level of entrepreneurs' SMEs competency were self-concept. (average 4.47). Model of competency of entrepreneur' SMEs were leadership, technology, ethics and law, determination, systematic planning, problem solving, creative, risk management. Furthermore, guidelines to developing competency of entrepreneur' SMEs for enhance competitiveness in ASEAN context in Su-ngaiKolok district, Naratiwat province found that 1) Related parties should be exchange the problems to be guideline for improve policies and strategic. 2) The government should create cooperation with financial institutions to support funding for entrepreneur' SMEs. 3) Related parties should be improve skills to making decision and solving problem. 4) Government should collect the statistical data to be accurate and up to date. 5) Education institutions are able to use information as examples in the case of studies. 6) Education institutions should be training the operation other than professional knowledge.

**Keywords**— developing competency, entrepreneur' SMEs

## I. INTRODUCTION

When, Trade liberalization within the ASEAN Economic Community, entrepreneur at Thai-Malaysian border will not compete in trade at specific areas.<sup>3</sup> Southern provinces must consider the inevitable impact on business operations from economic liberalization within the ASEAN Economic Community. Therefore,

the ASEAN Framework Agreement on Trade in services will affect border trade operators in tourism, computing, telecommunications, health, logistics and other service sectors. As a result, entrepreneurs for ASEAN Economic (AEC) countries that have liberalize trade in services in ASEAN under the ASEAN Framework Agreement on Service (AFAS) need to adapt. [1]

Although, the value of border trade between Thailand and Malaysia, it has the highest value compared to Thailand's border trade. However, the unrest in the 3 southern provinces (Yala, Pattani and Narthiawat provinces), they have causing the production to contract. Entrepreneurs lack the confidence in investing and continuous business liquidation causing high unemployment problems causing poverty problems of people in the area, which the guidelines for the development of the trading system and the economy of the three southern provinces to survive, must focus on the development of people's quality investment economy revitalization and links with foreign countries by developing the competence of entrepreneurs in the 3 southern provinces that will lead to the ability to compete in trade in order to be able to compete sustainably under stressful conditions and economic variability for readiness to support the entry into the ASEAN Economic Community [2]

Therefore, to provide international trade with the potential to be able to support a competitive advantage, it is necessary to develop the potential of entrepreneurs with changes. and have competitive advantages under the ASEAN Economic Community. Therefore, it is necessary to conduct research on Guidelines for developing the competence of SMEs entrepreneurs to increase their competitiveness in the ASEAN context of Narathiwat Province The results of such research will make Thai-Malaysian border trade operators su-ngai Kolok district, Narathiwat Province have potential and more readiness which will make the business more competitive This will increase the economic value of Narathiwat Province. resulting in a sustainable reduction in the unrest in the southern border areas.

## II. METHODOLOGY

### Population and Sampling

The population in this study was 1,913 entrepreneurs in Su-ngaiKolok district, Naratiwat province that registration in Office of Business Registration Service, Su-ngaiKolok district, Naratiwat province. The sample was

400 entrepreneurs in Su-ngaiKolok district, Naratiwat province by using Taro Yamane, 1973. In additional 500 entrepreneurs, government officer, lecturer, and bank officer used for interview.

### Instrument

The instrument in this research as follow:

1. The data were collected by using face-to-face structured questionnaire. The questionnaire consisted of second parts. The first part dealt with demographic of the entrepreneurs. The second part included questions of needs of entrepreneurs. The respondents were asked to self-asses their needs on a five-point Likert scale (1- lowest capacity to 5 – highest capacity). Content validity of these questionnaire items was evaluated by lecturers from Rajabhat Nakhon Si Thammarat and Rajamangala University of Technology Srivijaya. A pilot test was conducted to assess how well the instrument captured the constructs it was supposed to measure and to test the comprehension of the questionnaire items. The reliability of the measurements in this study was 0.79, which was acceptable based on the Cronbach's alpha.
2. The performance assessment form used for assessment the entrepreneurs. The performance assessment form consisted of second parts. The first part dealt with demographic of the entrepreneurs. The second part included capacity of entrepreneurs such as motive, traits, self-concept, knowledge, and skill.
3. The interview form also used for this study to interview the entrepreneurs, lecturer, government officer that concern with entrepreneurs, and banking officer.

## III.RESULT

The demographic character of business was most of the respondents were female 55.25% , aged 41-50 years 40.50%, the type of business is retail business 46.50, the size of business (employee less than 50) 96.72%, period of business between 5-10 years 33.50%. The needs to improve the competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province showed in Table 1

**Table 1: Means and Standard Deviations of The needs to improve the competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province**

Needs to improve the competency of entrepreneur's SMEs	$\bar{x}$	S.D.	Need level
Marketing	4.28	0.67	High
Purchasing	4.19	0.59	High
Accounting	3.99	0.83	High
International Law	3.84	0.85	High
Human resource management	3.96	0.79	High
Management	4.09	0.70	High
Total	4.06	0.53	High

Table1 showed that needs to improve the competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province, had high of needs to improve the competency (4.06), In addition, it is also revealed that needs to improve the competency of entrepreneur's SMEs had high of marketing (4.28), followed by the purchasing (4.19). The international law was at the lowest of needs to needs to improve the competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province.

The comparison of needs to improve the competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province with the demographic character of entrepreneur showed at Table 2.

**Table 2: comparison of needs to improve the competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province with the age of entrepreneur**

Variable	SS	df	MS	F	Sig
Marketing	32.29	4	8.07	21.98	0.00*
Purchasing	9.45	4	2.36	7.11	0.00*
Accounting	39.10	4	9.76	16.57	0.00*
International Law	13.86	4	3.47	4.97	0.01*
Human resource management	2.16	4	0.34	0.86	0.49
Management	21.27	4	5.32	12.18	0.00*
Total	12.60	4	3.15	12.38	0.00*

The table 2 showed compares needs to improve the competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province with the age of entrepreneur t the statistically significant level of 0.05. The study revealed that there were difference between marketing, purchasing, accounting, international law and management at the significant level of 0.05. Moreover, There were no difference between age with the human resource management at the significant level of 0.05.

**Table 3: comparison of needs to improve the competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province with the period of business**

Variable	SS	df	MS	F	Sig
Marketing	3.83	3	1.28	2.91	0.03*
Purchasing	1.57	3	0.52	1.49	0.22*
Accounting	7.52	3	2.51	3.75	0.01*
International Law	2.98	3	0.99	1.38	0.25
Human resource management	18.76	3	6.25	10.70	0.00*
Management	4.93	3	1.65	3.37	0.12
Total	2.75	3	0.92	3.29	0.21*

The table 3 showed compares needs to improve the competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province with the period of business at the statistically significant level of 0.05. The study revealed that there were difference between marketing, purchasing, accounting, and human resource management at the significant level of 0.05. Moreover, There were no difference between period of business with the international law and management at the significant level of 0.05.

**Table 4: comparison of needs to improve the competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province with the type of business**

Variable	SS	df	MS	F	Sig
Marketing	3.72	3	1.24	2.82	0.04*
Purchasing	0.89	3	0.30	0.84	0.47
Accounting	8.16	3	2.72	4.08	0.01*

International Law	2.24	3	0.75	1.03	0.38
Human resource management	11.19	3	3.72	6.18	0.00*
Management	13.15	3	4.38	9.62	0.00*
Total	4.30	3	1.43	5.22	0.00*

The table 4 showed compares needs to improve the competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province with the type of business at the statistically significant level of 0.05. The study revealed that there were difference between marketing, accounting, human resource management and management at the significant level of 0.05. Moreover, There were no difference between type of business with the purchasing and international law at the significant level of 0.05.

The assessment competency of entrepreneur' SMEs showed at the table 5

**Table 5: Means and Standard Deviations of assessment competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province**

competency of entrepreneur' SMEs	$\bar{x}$	S.D.	competency
Motive	4.23	0.43	High
Traits	4.22	0.50	High
Self-concept	4.47	0.54	High
knowledge	3.72	0.89	High
Skill	4.01	0.68	High
Total	4.13	0.50	High

Table 5 showed that, assessment competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province had high of competency (4.13), In addition, it is also revealed that competency of entrepreneur's SMEs had high of self-concept (4.47), followed by motive(4.23). The knowledge was at the lowest of competency of entrepreneur's SMEs (3.72) in Su-ngaiKolok district, Naratiwat province. The summarizes the results of an in-depth interview on the opinions of the core competencies of entrepreneur's SMES to support the ASEAN community as follow:

- The knowledge of technological and machinery.
- The knowledge of product for answer the customer' questions.
- Understanding of their own business.
- The knowledge and competence in quality control of their products and services.
- The ability in a team working and accept the opinions of others.
- Self- improvement.
- Self-assessment and compare with competitors.
- Creative in products and services.
- Have good human relations
- Morality and ethics

The guidelines to developing competency of entrepreneur' SMEs for enhance competitiveness in ASEAN context in Su-ngaiKolok district, Naratiwat province found that

- 1) related parties should be exchange the problems to be guideline for improve policies and strategic.
  - 2) the government should create cooperation with financial institutions to support funding for entrepreneur' SMEs.
  - 3) related parties should be improve skills to making decision and solving problem.
  - 4) government should collect the statistical data to be accurate and up to date.
  - 5) Education institutions are able to use information as examples in the case of studies.
  - 6) Education institutions should be training the operation other than professional knowledge.
- The Model of competency of entrepreneur's SMEs showed at the pictures 1.



**Pictures 1: competency of entrepreneur's SMEs**

## IV. DISCUSSION AND CONCLUSION

### *Discussion*

The study found that the entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province have the need of accounting, international law, human resource management and management to improve the competency at the high level. This result has related with the study of the office of small and medium enterprise promotion [3], found that the community entrepreneurs need to accelerate their competency in marketing, management, and supply chain

The study found the need of marketing for entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province that have the highest level. This result has related with the study of Jia-Sheng Lee [4], the study found that entrepreneurs should focus on marketing capabilities to create competitive advantages.

In addition, competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province in terms of traits at the high level. This study is consistent with the study of Usanee Chittapalo [5], found that entrepreneurs should be traits and observant people to create a competitive advantage.

Also, competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province in terms of knowledge at the high level, this study is consistent with the research of Chakriya Suddee [6], conducted research on Factors for Success of Pharmacy Operators in Bangkok found that knowledge competence is one of the factors that enable entrepreneurs to succeed.

### *Conclusion*

In conclusion, guidelines to developing competency of entrepreneur's SMEs for enhance competitiveness in ASEAN context in Su-ngaiKolok district, Naratiwat province, Thailand government should enhance the competency of entrepreneur's SMEs in Su-ngaiKolok district, Naratiwat province by using the marketing, purchasing, management, knowledge and skill to create a competitive advantage.

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