# The Study of Leadership and New Direction for Developing Entrepreneurs in Thai Small and Medium Sized Enterprises

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#### Abstract

This research comprised of two phases. The first phase was designed to study the leadership of Thai SMEs entrepreneurs, and the second phase was to develop new leadership through training. In the first phase three sample sets were used. In the first sample set, the data were collected from 30 successful SMEs entrepreneurs using in-depth interview and critical incident technique (CIT). The data were analyzed to generate items of leadership scale for Thai SMEs entrepreneurs. The pilot 120-item leadership scale was tried out on the second sample set that consist of 544 SMEs entrepreneurs. Exploratory factor analysis (EFA) was used to explore the dimensions underlying the leadership scale. Confirmatory factor analysis (CFA) was used as a follow-up to determine the definite number of factors. Six factors resulting from CFA were 1) encouragement through inspirational motivation of subordinates, 2) consideration and well wishing towards others, 3) morality in business, 4) capability of strategic thinking, 5) encouragement of social consciousness, and 6) openness. The final 30-item leadership scale was validated with the third sample set that consisted of 1,064 SMEs entrepreneurs. The known-group technique was used to test the construct validity using the success of the entrepreneurs as the criterion. The results indicated that the leadership scores for all 6 factors from the highly successful SMEs entrepreneurs were statistically higher than the scores from the less successful SMEs entrepreneurs. In the second phase new direction for developing leadership of Thai SME entrepreneurs was proposed through the training course developed from Phase 1. The Training Workshop for Developing SME Entrepreneurs' Leadership was developed from theories, concepts, research findings, and various documents relevant to leadership development and designing of training course. After development, the training course was reviewed and quality was assessed by a team of experts. There were 3 stages in the training course; that was, assessment before training, leadership development by training, and evaluation after training. The course was organized into 9 modules. After the training, two meetings were held to monitor and evaluate the progress of leadership development plan, to let them share their experiences with each other, to advise them on how to solve the problems during implementing the plan, and to adapt their plan accordingly.

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#### Introduction

Since the Thai economic crisis in 1997, small and medium sized enterprises or SMEs have been considered as a promising approach to crisis solution and economic development. The government and the parties involved focus on SMEs because they cover 95% of all national enterprises. Therefore SMEs are determined as the key forces to drive the nation's economic engine (Office of Small and Medium Enterprise Promotion, 2003).

To run enterprises, especially SMEs, successfully and become excellent in both manufacturing products and providing services depends on various factors such as organizational management, work administration, and strategic planning. Leaders or entrepreneurs are also undeniable keys to the success and effectiveness of the enterprises. Many international and Thai studies have confirmed that leadership has positive effects on organizational efficiency variables such as an employee's performance and job satisfaction. Accordingly, if SME entrepreneurs have excellent leadership, they will tend to be more competent to lead their business to success, and this will be very beneficial to the national economy in the longer term.

There are many approaches to study leadership such as the trait approach, the behavioral approach, the situational approach, and the transformational approach. All of these were constructed on the basis and contexts of Western organizations. There are many doubts and debates whether these leadership theories could be applied in the Thai context appropriately. Therefore, the aim of this study was to construct a leadership scale of Thai SME entrepreneurs by capturing the main characteristics of good leadership from successful Thai SME entrepreneurs. Then the resulting leadership scale was used to study the level of leadership of Thai SME entrepreneurs. The results provided the baseline data that would be used in a further study to propose new directions that are more appropriate and practical to Thai settings in developing the leadership of Thai SME entrepreneurs.

## Research Object

## Phase 1:

- 1. To study the leadership of successful Thai SME entrepreneurs and use the resulting data to construct a leadership scale of Thai SME entrepreneurs.
  - 2. To study the leadership components of Thai SME entrepreneurs.
  - 3. To establish a new body of knowledge about the leadership of Thai SME entrepreneurs.

#### Phase 2:

4. To propose the new direction for developing the leadership of Thai SME entrepreneurs through the training course that was developed from the new knowledge of leadership found on the Phase 1 research.

#### Method

#### Phase 1

## **Participants**

The population of the study was Thai SME entrepreneurs that consisted of three types of enterprises; that are manufacturing, wholesale and retail selling, and providing service enterprises. There were three samples in this study that were selected by simple random sampling and purposive sampling. The first sample of 30 successful Thai SME entrepreneurs was randomly selected from the entrepreneurs who were considered as the successful exemplars by the Institute of Developing SMEs and those who were awarded distinguished SME prizes by the Minister of Industry. These entrepreneurs were interviewed in-depth and critical incident analysis was conducted to capture the main characteristics of good leadership. The 120 leadership scale items were generated and tried out on the later samples. The second and third samples were stratified and randomly selected by the types and regions of SMEs. The second sample of 544 entrepreneurs was factor analyzed to explore the underlying dimensions of the leadership scale. The final 30-itemed leadership scale was cross-validated with the third sample of 1,064 SME entrepreneurs.

#### **Procedures**

- 1. The first sample of 30 successful Thai SME entrepreneurs was interviewed in-depth and critical incident analysis was conducted to capture the main characteristics of these entrepreneurs' leadership. The results were used to generate 120 leadership scale items.
- 2. The initial 120-itemed leadership scale was tried out on the second sample of 544 Thai SME entrepreneurs. Exploratory and confirmatory factor analyses were used to explore and determine the underlying dimensions of the leadership scale.
- 3. The final 30-itemed leadership scale was cross-validated with the third sample of 1,064 Thai SME entrepreneurs. The leadership level was also assessed.

## **Analysis**

Descriptive statistics were used to summarize the basic data of the samples. Exploratory and confirmatory factor analyses were used to explore and determine the underlying dimensions of the leadership scale. The Cronbach alpha coefficient was used to examine the reliability of the leadership scale. The Known-group technique was used to compare the leadership scores from the highly successful SME entrepreneurs with the scores from the less successful SME entrepreneurs. A t-test for independent samples was used in these comparisons.

#### Phase 2

The leadership factors that emerged from the Phase 1 research were used as the basis for setting the way the training course was developed. Theories, concepts, research findings, and various documents related to setting activities in leadership training course were reviewed. In addition, the experts on training, course designing, and leadership development were invited to brainstorm ideas about how the course should be developed. Then, the agreed ideas were summarized into course development guidelines. After the course was developed, the experts

were invited to assess its quality and give suggestions of what should be corrected and how to improve it. The course was adjusted and improved according to the experts' suggestions.

The research instruments were classified into 3 categories: the brainstorming instrument, the course quality assessment instrument, and the course evaluation instruments. The details of the instrument are as follows:

- 1. The brainstorming instrument was the questionnaire asking the experts' opinion about the innovative approach to developing the leadership training course for Thai SME entrepreneurs. The questionnaire also showed details about the leadership factors found in the Phase 1 research and asked the experts to suggest how to develop the course to enhance these factors and what training techniques should be applied in the course. The questionnaire allowed room for the experts to share their opinion and suggestions openly.
- 2. The course quality assessment instrument was the assessment questionnaire of The Training Workshop for Developing SME Entrepreneurs' Leadership. The questionnaire was divided into two sections: the information section and the assessment section. The information section gave details about the structure of the course, the course syllabus, and the course content. The assessment section covered 4 areas of assessment that included if: 1) The course content was consistent with the course objectives, 2) The content covered and were appropriate to the enterprise executives' current administrative behaviors, 3) The approach, techniques and activities in the course were appropriate to be used to develop the executives of SMEs, 4) The evaluation and monitoring after the course were appropriate. A 5-point rating scale that ranged from "very low" (= 1) to "very high" (= 5) was used, including the open-ended question for additional opinion and suggestions.
- 3. The course evaluation instruments consisted of 3 measures: 1) The 30-itemed measure of leadership of SME entrepreneurs was developed by the author from the Phase 1 research. There were 2 forms of this measure: one for the entrepreneurs rating themselves and the other for their subordinates rating them. The items of these 2 forms were similar. The only differences were the pronouns in the items that were adjusted to the respondents accordingly. 2) The measure of attitude toward entrepreneurs' leadership was 30-itemed scale developed by the author. 3) The measure of subordinates' job satisfaction was 40-itemed scale.

## Result

#### Phase 1

- 1. The in-depth interview and critical incident analysis resulted in obtaining the main characteristics of good leadership among Thai SME entrepreneurs and these were used to construct120 leadership scale items.
- 2. Exploratory factor analysis indicated that there were 8 factors of 81 items left from poor item deletion. The shared variance accounted by these 8 factors was 45.70%.
- 3. Due to the limitations and exploratory nature of the exploratory factor analysis, the 8 factors were used as a hypothetical model in confirmatory factor analysis to determine the exact and appropriate number of factors. The hypothesized 8-factored model did not fit the data; therefore the model was modified by considering modification index as well as the content of the items. The final adjusted model had 6 factors with 30 items remaining. Though the chi-square of this model was significant at .01 indicating that the model still did not fit the data, all other fit indices surpassed the criteria ( $x^2 = 741.95$ , df = 390, p. = .00, RMSEA = 0.046, CFI = .92, IFI = .92, TLI = .91). This happened because chi-square is affected by the

sample size and tends to be significant if the sample size is large. Considering this possibility along with the other fit indices, the 6-factored model was regarded as the fitted model. These 6 factors were named by considering the content of the items in the factors. The first factor was 'to encourage inspirational motivation of subordinates' that consisted of 7 items, the factor loadings of which ranged from .55 to .67. The second factor was 'to consider and give well-wishes toward others', which consisted of 6 items, the factor loadings of which ranged from .55 to .72. The third factor was 'to have morality in doing business', which consisted of 5 items, the factor loadings of which ranged from .62 to .69. The fourth factor was 'to have capability in strategic thinking', which consisted of 4 items, the factor loadings of which ranged from .56 to .77. The fifth factor was 'to encourage social consciousness' and that consisted of 5 items, the factor loadings of which ranged from .55 to .68. The sixth factor was 'to be open' and that consisted of three items, the factor loadings of which ranged from .63 to .69.

- 4. The item analysis of the 30-items leadership scale showed that all items had satisfactory discriminatory power. The item-remainder correlation ranged from .43 to .63 and the Cronbach alpha coefficient of the whole scale was .93. The item-remainder correlation of the each factor ranged from .44 to .64 for the first, .54 to .65 for the second, .53 to .70 for the third, .72 to .76 for the fourth, .56 to .75 for the fifth, and .67 to .73 for the sixth. The Cronbach alpha coefficient was .82, .82, .84, .87, .86, and .83 respectively.
- 5. The construct validity was examined on both the second and the third samples by the known-group technique using the business success as the criterion. The result indicated that on both samples the leadership scores from all 6 factors of the high successful SME entrepreneurs were statistically significant difference at .01 and higher than the scores from the less successful SME entrepreneurs.
- 6. The overall leadership level from the third sample of 1,064 Thai SME entrepreneurs was high. ( $\overline{x} = 3.13$ ) Considering each factor, there were five factors that were at the same high level as the overall scores; these were the first, the second, the fourth, the fifth, and the sixth ( $\overline{x} = 3.02$ , 3.14, 3.02, 3.01, and 3.11 respectively). The only factor that was at a very high level was the third factor 'to have morality in doing business' ( $\overline{x} = 3.50$ ).

#### Phase 2

The result of the Phase 2 research was the new approach to developing the leadership among Thai SME entrepreneurs by a training course named "The Training Workshop for Developing SME Entrepreneurs' Leadership". The procedure of the training course development was summarized into 6 stages as follows:

## Stage 1: Literature review and brainstorming.

The course development began with a literature review. Theories, concepts, previous research findings, and documents related to course development, training, leadership development, psychological and behavioral approaches to personal development, attitude changing process, training techniques, and leadership training were reviewed and studied. In addition, the ideas and suggestions of the experts on course designing and leadership development were brainstormed. There were many concepts, techniques, and activities from the brainstorming applied to the course such as test administration, giving feedback, lecturing, video learning, projection technique, brainstorming technique, reflection technique, role modelling, case study, discussion, role playing, group relation activities, person and group level practice techniques, and challenging goal setting. The course emphasized that the participants made their leadership development plan themselves and their plans were

monitored by meetings. The participants were given advice on how to apply the knowledge from the training to their practical work settings, especially how to implement their leadership development plans. The author tried to mix and match the various techniques mentioned above in the course and focused on the participant-centered training. The participants were given opportunities to show their opinion openly, had participation in the training as much as possible, and could apply knowledge, skills and experiences gained from the course to their practical work settings. The course activities were designed to consist of 3 stages of attitude changing process: cognition, affection and behavioral intention. Besides learning by the group relation process, four stages of psychological and behavioral training techniques were applied to the course.

<u>Stage 1</u> the participation: in this stage, the participants did their activities and looked for what they wanted to learn themselves.

<u>Stage 2</u> the analysis: after doing the activities, the participants analyzed their experiences together in a group.

<u>Stage 3</u> summarization and application: the participants gathered the concepts they discover during the course and the concepts they share opinions with each other, then they summarized these concepts into their own principles that could be applied in the future.

<u>Stage 4</u> evaluation: the learning of the participants and group was evaluated by discussion and suggestion with each other. Setting learning goals by making their own leadership development plan and setting support group were used to enhance the training transfer.

## Stage 2: Constructing the conceptual framework of the leadership training.

From the literature review and after asking the experts in stage 1, the conceptual framework of the training course was constructed by summarizing the leadership behaviors of entrepreneurs, identifying the leadership characteristics to be trained, setting the content modules of the course, and determining the activities to be consistent with the training.

#### **Stage 3: Constructing the leadership training course.**

The training course was constructed for implementation through 3 days and 2 nights of workshop. After the training, 2 meetings were held to monitor the participants' leadership development plan, to let them share their experiences with each other, to advise them on how to solve the problems during implementing the plan, and to adapt their plan accordingly. The first meeting would be held one month after the training and the second would be held one month after the first. The training techniques and activities were selected on the basis for optimal changing the participants' attitude, skills, and leadership behaviors. The participants were the center of the training: having opportunities to show their opinions openly and having participation in the training as much as possible. In addition, motivation techniques were used to stimulate their interest in the importance and benefits of the training to themselves, to the group and to the society as a whole. They were also motivated to pay attention to the training, to freely ask questions, to discuss what they had learnt, and to share their experiences.

## Stage 4: The quality assessment by the experts.

11 experts were invited to form the team of experts. They were experts on course and leadership development, psychologists, behavioural scientists, executives from training department of the organizations relevant to SMEs development and SME entrepreneurs. The team examined and gave advice on the theories, the content, and the activities of the course.

## Stage 5: Adjusting and improving the leadership training course.

After the course was assessed in terms of its quality by the team of experts, it was adjusted and improved according to the team's suggestions.

## Stage 6: Writing up the complete leadership training course of SME entrepreneurs.

The complete course consisted of the principle and rationale of the course, course objectives, and procedures of developing entrepreneurs' leadership that included 3 stages:

<u>Stage 1</u>: The assessment before training. There were 3 pre-tests to be administered at this stage: 1) Leadership of the SME entrepreneurs that was assessed by both self-report and their subordinates' rating. 2) The self-report of entrepreneurs' attitude toward leadership. 3) The self-report of the job satisfaction of entrepreneurs' subordinates.

<u>Stage 2</u>: The leadership development by training. The course began with the workshop, doing the group relation activities, developing self-esteem, preparing physical and mental readiness, and explaining the important details of the course such as the methods and the modules of the course. The content of the course was divided into 9 modules as followed:

Module 1: The role model of leadership. The content of this module consisted of 5 units. 1) The meaning of leadership. 2) The importance of leadership. 3) The difference between leading and managing. 4) The characteristics and the role models of the leadership. 5) The good leadership exemplars from each business of SMEs including the appropriate leadership to the current and future socioeconomic circumstances. The trainer's activities included lecturing, asking questions, and stimulating reflection and discussion.

Module 2: Briefing the leadership of SME entrepreneurs and reporting the pre-assessment profiles. The content consisted of 2 units. 1) Briefing the 6 entrepreneurs' leadership factors: openness, considering and giving well-wishes to others, encouragement through inspirational motivation of subordinates, having morality in doing business, encouraging social consciousness and having capability in strategic thinking. 2) Reporting the pre-assessment profiles of the participants' leadership that was rated by themselves and their subordinates and the job satisfaction of the participants' subordinates. The trainer's activities were lecturing, assigning complementary activities, asking questions, stimulating discussion, giving feedback, and analyzing strength and weak points from the profiles.

Module 3: Developing the leadership factor of openness. The content consisted of 4 units.

1) The meaning and importance of self-recognition. 2) Personality test administration. 3) Being open and listening to others' opinions. 4) The nature of changing. The trainer's activities were lecturing, assigning complementary activities and practice, and administering personality test.

Module 4: Developing the leadership factor of considering and giving well-wishes toward others. The content consisted of 2 units. 1) Developing emotional intelligence. 2) The meaning and importance of considering and giving well-wishing toward others. The trainer's activities were lecturing and assigning complimentary activities, practice, and role playing.

Module 5: Developing the leadership factor of encouraging inspirational motivation of subordinates. The content consisted of 3 units. 1) The nature and importance of human in the workplace. 2) The esteem of self and others. 3) Inspirational motivation. The trainer's activities were lecturing and stimulating the participants to reflect, to imagine, to brainstorm, to do works of art, and to discuss their learning.

Module 6: Developing the leadership factor of morality in doing business. The content consisted of 4 units. 1) The meaning and importance of morality and behaving themselves for the benefits of others. 2) The important life experience about the morality or the experience with highly moral people. 3) The approach to developing morality in working with others. 4) The approach to developing morality in doing business and the actual case studies of the entrepreneurs who attached importance to morality in doing business so that they achieved career success. The trainer's activities were lecturing, asking questions, and stimulating the

participants to reflect, to make the symbolic sculptures, to share experiences with each other, to discuss case studies, and to pray for extending loving kindness to others.

Module 7: Developing the leadership factor of encouraging social consciousness. The content consisted of 3 units. 1) The relation between organization and society and the importance of good governance in doing business. 2) The approach to implanting social consciousness and paybacks to the society. 3) The approach to promoting the fine cultures in organization. The trainer's activities were lecturing, inviting special guest speakers or using video learning, assigning complimentary activities and practice, and brainstorming the ideas.

Module 8: Developing the leadership factor of having capability of strategic thinking. The content consisted of 3 units. 1) The meaning and importance of leader's vision. 2) The approach to developing vision. 3) The meaning and importance of strategic thinking including the approach to developing it. The trainer's activities were lecturing, assigning complementary activities, and giving person and group level practice.

Module 9: Summarizing, goal setting, and leadership path finding. The content consisted of 5 units. 1) Considering and determining the details of each leadership factor to be trained. 2) The importance of setting the challenging goals. 3) Considering current leadership and path finding. 4) Preparing the 2-monthed leadership development plan. 5) Finding the means of supporting leadership development. The trainer's activities were lecturing, explaining, stimulating participants' reflection, giving the tasks of painting and writing development plan, and describing and advising on the supporting group.

Stage 3: The evaluation and monitoring leadership development plan. Two meetings were held to monitor the participants' leadership development plan and to share their opinions and experience of applying their learning to the field. Each participant was advised on how to solve the problems during implementation and how to adjust their plans accordingly. There were two meetings: the first one month after the training and the second one month after the first. The post-tests were administered 2 months after the training. They included 3 measures:

1) The participants' report on leadership of SMEs entrepreneur that was rated by themselves and by their subordinates. 2) The self-report of participants' attitude toward leadership. 3) The job satisfaction of participants' subordinates. The content of the meetings consisted of 1) Reviewing each participant's leadership development plan. 2) Reporting the progress of the plan or the problems in groups. 3) Discussing and sharing opinions in groups. 4) Summarizing their suggestions of adjusting the leadership development plan. The trainer's activities were explaining, conducting and summarizing the meeting, and making the appointment for the next meeting.

The training evaluation considered the following results: 1) The self-report pre-test and post-test of the participants' leadership and attitude toward leadership. 2) The pre-test and post-test of participants' leadership rated by their 3 close subordinates and the self-report pre-test and post-test of their subordinates' job satisfaction. 3) The training outcome assessment.

#### **Discussion**

#### Phase 1

The leadership scale of Thai SME entrepreneurs was constructed on the results from the in-depth interview and critical incident analysis of the 30 successful SME entrepreneurs. The leadership scale was tried out and examined for its' quality among the second and third samples. The results indicated that the 30-items leadership scale had satisfactory reliability and validity. This scale consisted of six factors resulting from the factor analysis and named

by considering the content of the items in the factors. The six factors were detailed as follows.

The first factor was named 'to encourage inspirational motivation of subordinates' that consisted of seven items. The examples of these items were 'I encourage subordinates to be loyal to the organization', 'I encourage subordinates to keep on developing themselves', 'I let subordinates participate in the work', and 'I motivate and inspire the team'. This factor is quite close to and consistent with the inspiration motivation factor in Bass and Avolio's transformational leadership theory, (Bass & Avolio, 1994). The leader will inspire the subordinates by internally motivating and assigning the challenging work. The leader will motivate the team spirit, guide them to look beyond their own interests, and focus on the visions and missions of the organization.

The second factor was named 'to consider and give well-wishes toward others' that consisted of six items. The examples of these items were 'I am attentive to the feelings of the subordinates', 'I try to make others happy', and 'I forgive the subordinates for their mistakes'. This factor is consistent with the individualized consideration factor in Bass and Avolio's (1994) transformational leadership theory. The leader builds relationships with the subordinates by caring for the subordinates' feelings individually and making them feel self-worth. In addition, this factor has some aspects that are unique in Thai society, especially the aspects of caring feelings, being compassionate, forgiving, and building close relationships with subordinates.

The third factor was named 'to have morality in doing business' that consisted of five items. The examples of these items were 'I am meticulous to the quality of products and services', 'I keep my words', and 'I hold on to morals'. This factor is consistent with the idealized influence of a charismatic leadership factor in Bass and Avolio's (1994) transformational leadership theory. The leader is a model of high morals. He is trusted to do the right things and not to use power for his own benefit. Instead he tries to make it beneficial for everyone. In addition, some interesting aspects of this factor are the concepts of focusing on the quality of products and services and managing the organization with transparency and accountability. These concepts are consistent with the management concepts at present that stress the excellence of the product and service quality. The leaders have responsibility to assess the outcomes of key organizational performances so that they are able to drive the organization to achieve the prime targets and to be more accountable, (Nit, 2003).

The fourth factor was named 'to have the capability of strategic thinking' that consisted of four items. The examples of these items were 'I have vision', 'I can predict changes', and 'I think strategically'. This factor highlights the visionary ability that is consistent with almost current leadership notions and the idealized influence factor in Bass and Avolio's transformational leadership theory. According to the criteria of Thailand Quality Award (TQA), the first criterion emphasizes the leadership of the top leaders of the organizations. The important quality the leaders must have is the visionary ability to foresee the changing future so that they can develop appropriate strategies to achieve the desired outcomes that they envisage.

The fifth factor was named 'to encourage social consciousness' that consisted of five items. The examples of these items were 'In doing business, I hold good governance principles', 'I instil a sense of dedication to the whole workforce in the organization', and 'I instil ethics in my subordinates'. This factor highlights the social responsibility that is consistent with the idealized influence factor in Bass and Avolio's transformational leadership theory, (Bass & Avolio, 1994). The good leaders should have social responsibility, be good citizens in the organization, to lead the organization to focus more on outcomes, and to value all stakeholders and society (Nit, 2003).

The sixth factor was named 'to be open' that consisted of three items. These items were 'I am open to the opinions of others', 'I accept changes', and 'I accept my own weaknesses'. This factor highlights the social responsibility that is consistent with Bass and Avolio's transformational leadership theory (Bass, 1999). Good leaders should be open to others' opinions, be flexible in working, and understand themselves clearly (Kotler, 1996). In a changing market, leaders must have ability to adapt to the changes that might occur at any time and foresee the uncertain approaching future. Leaders need to learn how to deal with and manage the changes.

#### Phase 2

The training course in leadership development named "The Training Workshop for Developing SME Entrepreneurs' Leadership" was the result of the research. It consisted of principles and rationales, objectives, and procedures of developing entrepreneurs' leadership that included 3 stages: the assessment before training, the leadership development by training, and the evaluation and monitoring leadership development plan.

The course was designed in the form of the workshop for a period of 3 days and 2 nights, consisting of 9 modules of content. The training techniques were selected on the basis for optimal changing the participants' attitude, skills, and leadership behaviors. The examples were the leadership assessment before and after training both by the participants themselves and by their subordinates, lecture, video learning, reflection technique, role modelling, case study, discussion, role playing, person and group level practice, and challenging goal setting. The participants were assigned to make their leadership development plan themselves and 2 meetings were held to monitor their plan and to advise them on how to apply the plan and knowledge from the training to their work settings. The course was participant-centered so they were given opportunities to show their opinions openly and had participation in the training as much as possible. Many motivational techniques were used to make them pay attention to the course such as asking their opinions, discussing their learning, sharing their experiences, and participating the activities. The various and diversified training methods that were mixed and matched for the course could change the participants' attitude, skills, and leadership behaviors (Bass, 1990; Bolden, 2001; McCauley and Velsor, 2004; Yukl, 2006).

In addition, the team of experts were invited to assess the quality of the course. Most experts assessed that its training plan and the content were appropriate. Only some content needed to be improved. For the experts' rating scores, the objectives were most rated to be consistent with the content ( $\bar{x}$  =4.6). The other aspects being assessed were rated at high level. The content covered and were appropriate to the enterprise executives' current administrative behaviors were rated at high level ( $\bar{x} = 4.4$ ). The approach, techniques and activities in the course were appropriate to be used to develop the executives of SMEs  $(\overline{x} = 4.5)$ . The evaluation and monitoring after the course were appropriate at high level  $(\overline{x} = 4.5)$ . The experts concluded that the course was appropriate and could be used to train and develop entrepreneurs' leadership. The results correspond to Yukl's concept of designing the effective leadership training course (Yukl, 2006). Yukl identifies the following important factors: clear learning objectives, clear and meaningful content, appropriate sequencing of content, appropriate mix of training methods, opportunity for active practice, relevant timely feedback, appropriate follow-up activities. Learning from experiences, practicing the skills in different groups, and reflecting the learning enhance the changing process of cognition, attitude, and behavioral pattern (Johnson & Johnson. 1994: 60). The course is consistent with the findings of Bass (1990) and Avolio (1999) that state that leadership can be developed by integrating various techniques. The training outcomes evaluated in this course conform to Barling, Weber & Kelloway's (1996) research finding that the training of transformational

leadership for branch managers in Canada resulted in their subordinates' perception of their transformational leadership statistically. They also conform Dvir's (1998) finding of the transformational leadership training for leaders in Israel Defense Force that leaders in the training group had the transformational leadership that was rated both by themselves and by their subordinates higher than those in the control group.

# **Implications: From Phase 2**

### **Implications for the course practice**

- 1. Before using the model of this course, the key concepts, the theories and concepts of entrepreneurs' leadership should be studied thoroughly. In addition to studying the trainer's manual, the trainers or speakers should have a good knowledge of psychology and training, have some experience about SMEs entrepreneurs, and have appropriate ability, skills and attitude because these are the keys to the success of the training.
- 2. Before training, the trainer should study the basic profile of the participants about their work, their roles in organization, type of their organization, their training needs, their possibility of being trained all the course, and problems about the leadership in their organization.
- 3. The trainer should motivate the participants to understand the importance, benefits, and contributions of leadership development to themselves, their subordinates, their organization, and the society. In addition, the trainer should build a good training atmosphere, introduce the lessons in an interesting way, and prepare the participant's readiness both physically and mentally before each topic of training.

## **Implications for the next research**

This course could be tried out in the experiment research with a sample of SME entrepreneurs. The results would be beneficial towards adjustment and improvement in the course.

## **Summary**

## Phase 1

The six-factor leadership of Thai SME entrepreneurs is consistent to new concepts of leadership, especially the transformational leadership theory that is grounded in many empirical studies and is widely accepted. This form of leadership is high effective and suitable to the current changing and highly competitive environments. Therefore, the new body of knowledge about the leadership of Thai SME entrepreneurs that has emerged from the study of successful Thai SME entrepreneurs and the development of the scale to measure the leadership, is universal and very appropriate to Thai SMEs. The leadership scale of Thai SME entrepreneurs can be applied in many ways such as screening, selecting, and developing SME entrepreneurs. From the findings that highly successful SME entrepreneurs have higher leadership scores in all the six factors as compared to the less successful entrepreneurs, SME entrepreneur leadership should be developed and enhanced to increase all six dimensions of leadership. Hence they would be more competent leaders and tend to lead their organizations to achieve more success.

#### Phase 2

The training course in developing entrepreneurs' leadership was developed from the Phase 1 findings of the six SME entrepreneurs' leadership factors, from studying theories, concepts,

research findings relevant to leadership development, and from asking the experts' opinions. The course was assessed for its quality by the experts then it was adjusted and improved according to the experts' comments. The final training course was The Training Workshop for Developing SME Entrepreneurs' Leadership. It consisted of 3 stages: the assessment before training, the leadership development by training, and the evaluation after training. The content was divided into 9 modules. After training, the meetings were held to monitor the participants' leadership development plan, to share their experiences with each other, and to advise them on how to solve the problems during implementation and how to adjust the plan accordingly. The evaluation of the training course considered the following results: 1) The self-report pre-test and post-test of the participants' leadership and attitude toward leadership. 2) The pre-test and post-test of participants' leadership rated by their subordinates and the self-report pre-test and post-test of their subordinates' job satisfaction. 3) The training outcome assessment.

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