

# **THE CAUSAL RELATIONSHIP MODELS IN BUSINESS EXECUTIVE DEVELOPMENT SMES THAT AFFECT ORGANIZATIONAL EXCELLENCE**

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## **Abstract**

This research aimed to develop a causal relationship model, in the development of SME business executives, contributing to organizational excellence in Thailand. And to verify consistency of the developed causal relationship model with empirical data. Online questionnaire. The sample was people who held a business executive position. 400 SMEs Statistics used in data analysis, including models, structural equations, were used in the analysis of causal relationships to determine the path of causal influence of variables. 1) perception of corporate safety, 2) innovation in organizational development, 3) corporate image, 4) trust, and 5) the development of SME business executives. The results of the study revealed that the developed causal relationship model was well consistent with empirical data. The forecasting coefficient of 0.96 showed that the model variables were able to explain the variance the development of SME executives by 96 percent, found that the trust aspect had the greatest influence on the development of consumer SME executives in Thailand.

**Keywords:** SME business executive development, trust, structural equation model

## **Introduction**

Business present SME plays a huge role in consumers; the number one activity of SME. It plays an important role in many economies. First of all, in terms of production, SME is an important production unit in the production of many products that large business units do not produce. SMEs therefore play a role in increasing the diversity of consumer products and are also an important part of the intermediate products of the production chain, especially in the context of Thailand, although only a small number of SMEs produce products for the purpose of. But there are many SMEs that produce intermediate products for sale to the company (Patrika Wong Anan-Non, 2014; Mohanarajan, 2016).

Small and medium enterprises are a vital component of the economy. It accounts for about 99 percent of all businesses. Therefore, small and medium

enterprises play an important role in the foundation of sustainable development. It is the main mechanism for restoring and strengthening economic progress. As well as being a mechanism for solving poverty problems. The data confirming the important role of the Thai economy is creating employment, accounting for over 77 percent of employment, including the country. Roles in creating value-added average approximately 39 of the gross domestic product value and has direct export value. Accounted for more than 29 percent Of total export value of SMEs is important to the economy.

Thailand's economy today has begun to recover. But there are still a number of businesses that need some time to normalize the economy. Such conditions keep current employment rates low in both the public and private sectors, and most graduate students find work difficult. Because work is still very limited. Compared to the number of people who graduate out, many people do not have a job. And thinking to turn into entrepreneurship in business (SMEs), together with the government has a policy to promote and push more people to become entrepreneurs, making it a good opportunity for interested people. And have an idea to run their own business into it's easier to become entrepreneurs in business (SMEs) (Shih, 2009).

Currently, the development of SME business executives that affect corporate excellence in Thailand is able to perfectly meet the security needs in line with modern consumers and there are still many opportunities because the population needs to operate the business. Increasing according to the level of prosperity of the country. And the education level of the population that is likely to rise again. Advances in the development of SME business executives that affect the excellence of organizations in Thailand according to technology and more facilities such as management through a computer system. The widespread management of various mobile phone systems and mobile devices affects the quality of life, causing consumers to recognize the importance of the development of SME business executives that affect corporate excellence in Thailand, respectively. At the same time, the SME business management has also resulted in the products in terms of both the form and the features of the consumer's use, encouraging the behavior in a fashion style that has become more popular. Make consumers nowadays to develop their businesses to be more stable (Savitree Surathamawit, 2015).

From the above reasons the researcher is therefore interested in developing a causal relationship model in the development of SME business executives that affect organizational excellence in Thailand. SME business executives who contribute to organizational excellence in Thailand and to serve as a guideline for the development of business executives. SMEs to be in line with the behavior and needs of consumers today.

## Research Objectives

- 1 . Develop a causal relationship model for the development of SME business executives that affect organizational excellence in Thailand.
2. To verify consistency of the developed causal relationship model with empirical data.

## Literature Review

1. *Perception of corporate safety*, Perceived safety refers to the level of confidence of the users of the service that the service provider or the service system is. There is security when users use the service. Which from the study of the relationship between the adoption of technology Perception of risk And the behavior trend of consumers in Bangkok's True Money Wallet application in Bangkok area of Attapong Nankayan (2 0 1 8 ) found that the perceived risk factors were 1 ) safety and 2 ) User privacy There was a statistically significant correlation with the behavior trend of True Money Wallet app usage at the level of 0.01.

2. *Innovation in organizational development*, The innovation of SME business executive development that affects organizational excellence means doing things. In new ways in which the development of business executives with innovation can create a personal space by starting something new. To introduce myself Communicate with friends Including text, images, audio and video related to business administration In addition, users can also use innovative business management to participate in activities with other users, such as writing messages, telling stories, feelings, expressing opinions, interests, posting pictures, posting video clips, chatting, talking, playing games. That can invite other users to play with Including doing other activities Through the existing supplementary applications And the results of Yap et al., (2010) research on innovation and technology adoption have shown that adoption of innovation and technology impacts service trust, ie the ability of an efficient system can help reduce costs. Consumer spending this will result in increased trust in the system even more.

3. *The image of the organization*, The innovative corporate image of the SME business executive development represents the holistic idea. Beliefs and impressions people have of brands that are created from innovative management which attitudes and actions that people have against that will be related to that image the occurrence of image to things the environment that surrounds us by the visualization of our thoughts from the five senses is seeing, hearing, smell, touch and taste. They differ from person to person (Kotler, 2003) from a study of the influence of automotive brand value perception through social media. That affects the value of electronic sharing and consumer brand engagement of

Surasit Udomthanawong (2018). The perception of brand value through management media with the innovation of SME business executive development influences the brand trust. Brand image influences brand trust and the value of electronic sharing. Brand trust influences the value of electronic sharing and brand engagement.

4. *Trust*, Trust refers to one condition of perception that a customer has gained from a long verified experience. If online customers are highly satisfied with the products and services It will have the intention to build trust with the seller that makes the customer comfortable. To share information and decide to accept the seller's offer where trust is the cornerstone of future purchasing decisions. According to Kittiya Khwanjai (2016), a study of the satisfaction of the trust that affects the loyalty of online hotel bookings among customers in Bangkok, found that trust and loyalty in online hotel booking. Of customers in Bangkok

5. *Loyalty in the development of SME business executives*, Loyalty in the area of SME development means the joy of a customer considering sponsoring a service provider or vendor as their first choice among other options. Expressed by behavior, propensity not to switch to another brand or service. Even if there are influential events or efforts to influence marketing factors. This is consistent with research by Greve (2014) found that social user interaction builds bond and relationships. And research by Lim et al. (2015) found that conversation-driven social networking expressing feelings between each other will impress the members and eventually become a long-term bond. And this good relationship will foster loyalty on social media.

## Research Methodology

This research is survey research.

Research conceptual framework

A Study of Causal Relationship Models for SME Management Development Affecting Organizational Excellence The researcher has applied the research framework of Fang Cui et al., (2018) to improve and develop SME business executives that affect organizational excellence as follows: 1 . Organizational safety awareness. 2. Innovation in organizational development 3. The image of the organization 4 . Trust and 5 . Development of business executives. SME Research results are shown in Figure 1.

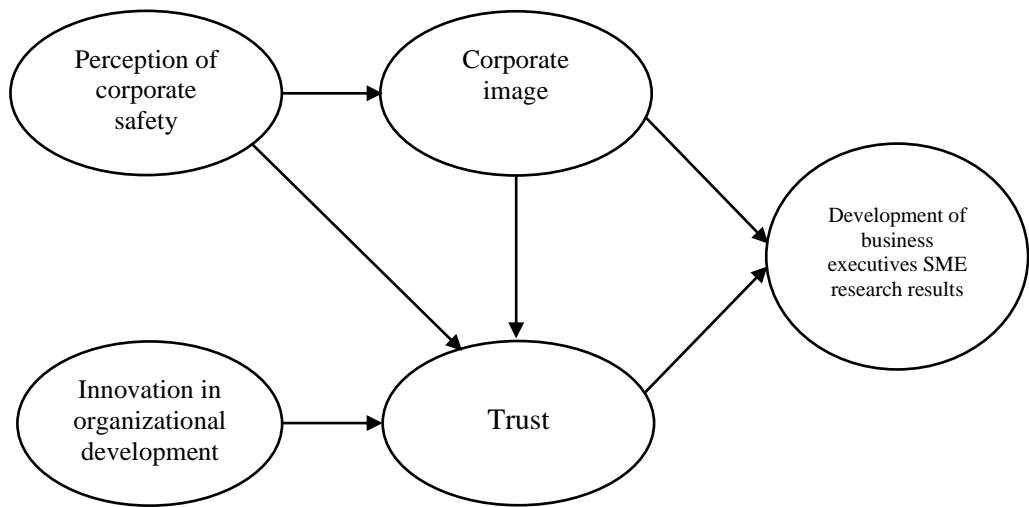


Figure 1 Research conceptual framework  
Source: Fang Cui et al., (2018)

### Population and sample

The population of this research is 258,245 people who hold SME business executives and reside in Thailand as of July 1, 2019.

The sample group of this research was 400 people who held the position of SME business executives in determining the sample of the Causal Structural-Models with Latent Variable model analysis. 1999) proposed that the sample size was appropriate. Should be in a ratio of 10-20 to 1 variable and the smallest sample acceptable; see the Holster statistic that must be greater. Therefore, the causal relationship model is assumed to be consistent with the empirical data. There were 20 observable variables in this study, requiring at least a sample of 300 subjects. And to prevent any discrepancies of information the researcher then added a sample of 400 people, obtained by Convenience Sampling.

### Tools used for data collection

Characteristics of the tools used in this research it is an online questionnaire (Online Questionnaire), number 1 issue, divided into 2 parts as follows:

Part 1 General information of respondents the nature of the questionnaire is a query about the general information of the respondent, i.e. whether you agree to provide the information to the researcher or not. Have you ever held an SME business executive position? Accommodation, gender, age, status, educational level, occupation and average monthly income. Total of 10 items

Part 2 Information on factors influencing the development of SME business executives, the questions were measured at 7 levels, divided into 5

areas: 1 . Organization safety awareness. 2 . Innovation in organizational development 3. The image of the organization 4. Trust and 5. Development of business executives. SME: 50 research results a quality qualification tool to validate content validity by offering a number of experts. 3 people check the content validity of the questionnaire and check the content validity of the language used, and then take the scores to find the consistency index of the questions. The objective of the research (Index Of Congruence or IOC) was obtained with the index of consistency of all questions between 0.67-1.00, then the confidence value was used. (Reliability) by trying out (try out) with people who have been in the position of business executive SME continuously. And lived in Thailand, who were not a sample of 30 people, and the confidence was determined by using the alpha coefficient method using the Cronbach's Alpha method, found that the whole question was 0.96 by Considering the confidence factor of 0.70 and above, indicating that the questionnaire was highly reliable (Thanin Sincharu, 2017).

### **Data collection**

The researcher collected data by online questionnaires from those who held the position of SME business executives.

Continuously And live in Thailand There are 2 screening questions: 1) Do you agree to provide information to researchers? If the respondents said they did not agree The researcher will not analyze the data and 2) Have you ever held an SME business executive position? If the respondents answered that never. The researcher will not analyze the data. Data was collected from the URL link sharing of online questionnaires through online questionnaire channels. During January 2020 to April 2020, the total data collection period was 4 months, with 430 respondents. 400 questionnaires were used for further statistical analysis.

### **Data analysis**

Inferential statistics use causal relationship analysis to determine the path of causal influence of variables. Find the size of influence And how is the direction From the concepts and theories used by the researcher For reference, consistency was tested between the hypothetical model and the empirical data, CMIN / DF statistical values less than 3.00, GFI, AGFI, CFI of 0.96 and RMSEA, SRMR less than 0.05. Kris Rung Sungnoen, 2011)

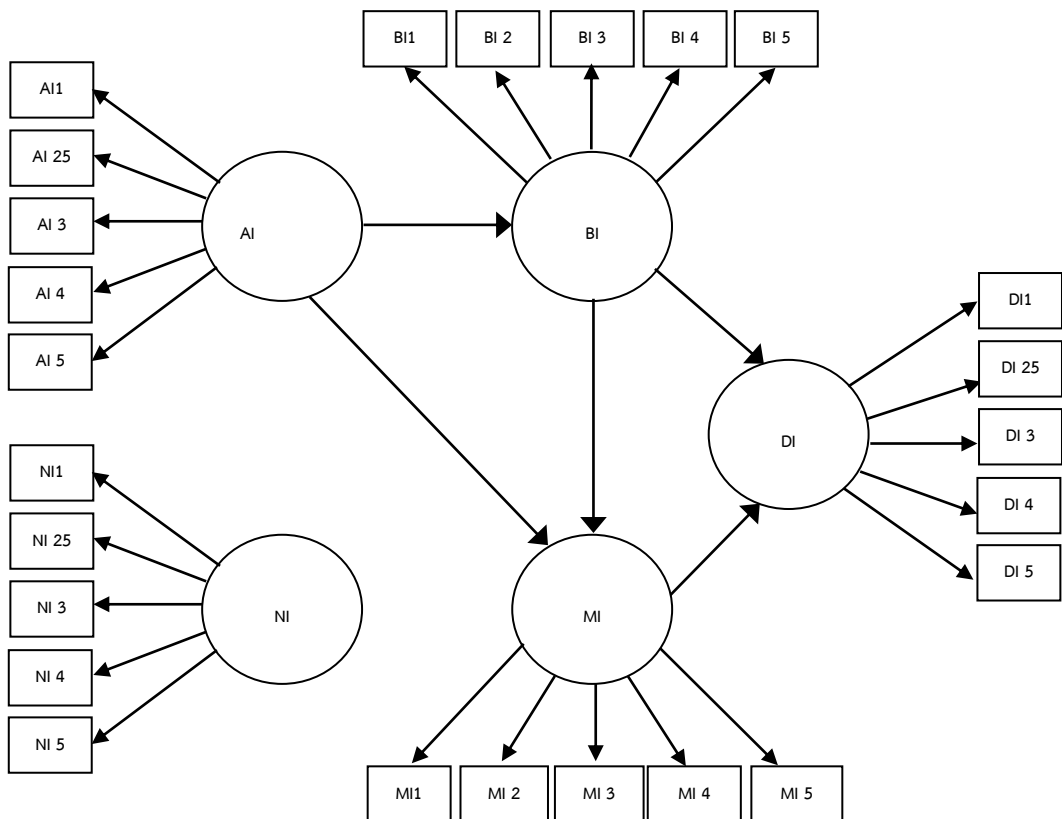
### **Results**

The researcher defines the presentation of the research results in 2 steps: 1) the development of a causal relationship model for the development of SME business executives that affect organizational excellence, and Developed causal relationship with empirical data.

Which can be summarized as follows?

1. The results of the development of a causal relationship model in the development of SME business executives that affect organizational excellence.

The research results were found that Factors affecting the development of SME business executives affecting organizational excellence consisted of 5 variables classified into 2 external latent variables, namely 1) perception of corporate safety and 2) innovation in the organization. Organizational development and the 3 internal latent variables: 1) corporate image, 2) trust, and 3) development of SME business executives. The researcher developed and drafted a model based on the concepts, theories and related research. To be used as a principle for creating and developing a causal relationship model in the development of SME business executives that affect organizational excellence as shown in Figure 2.



Note: AI stands for corporate security perception, NI stands for innovation in organizational development, BI stands for corporate image, MI stands for trust and DI stands for business executive development. SME

Figure 2 the causal relationship model in the development of SME business executives  
Those affect the excellence of the organization

**2 . The results of the verification of the consistency between the causal relationship model in the development of SME business executives that affect organizational excellence with empirical data.**

The results of the consistency verification of the causal relationship model using the linear structural equation technique to find a path of causal influence of variables by testing the consistency between the hypothesis model and the empirical data as shown in Table 1.

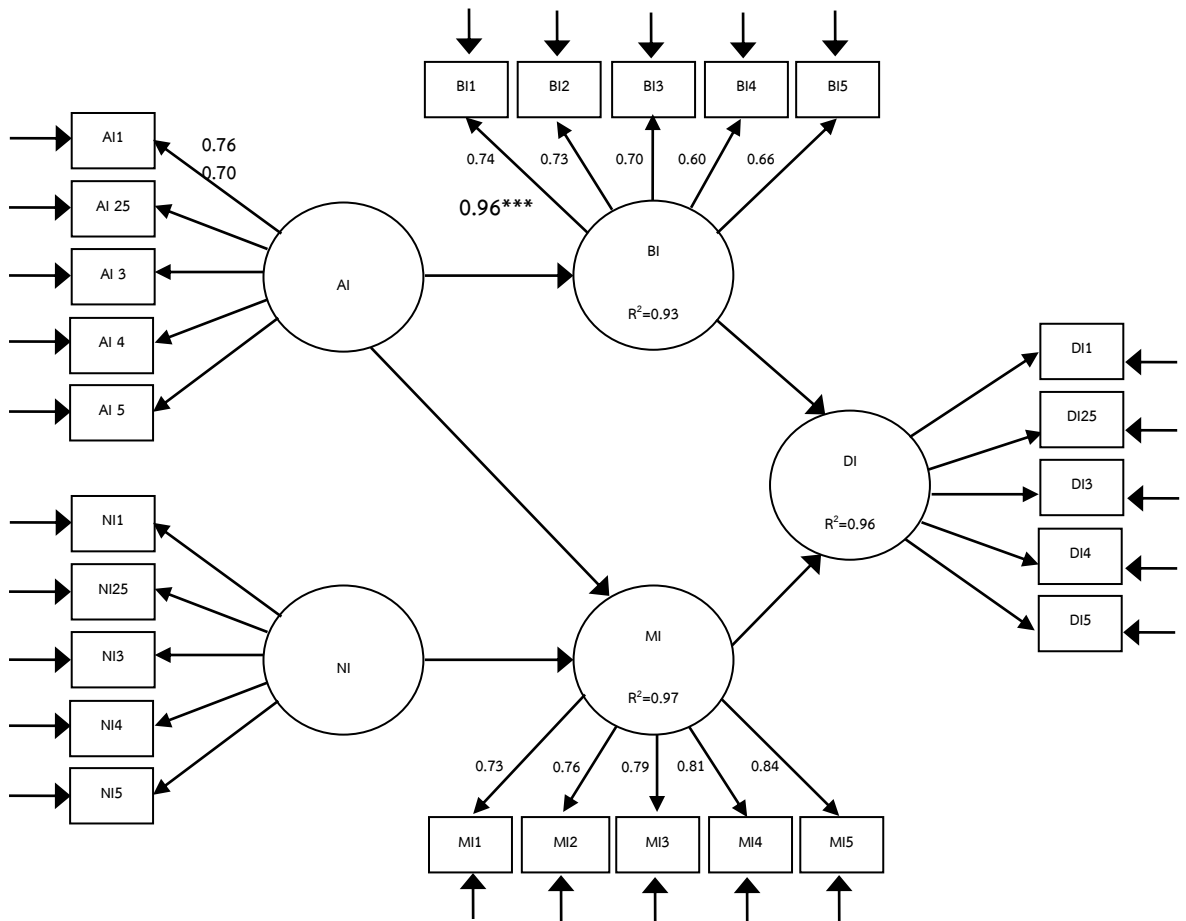
**Table 1 Indices indicate the consistency and harmonization of the causal relationship model in the development of SME business executives affecting organizational excellence with empirical data.**

| Index value    | Criteria for consideration | Statistics | Inspection results |
|----------------|----------------------------|------------|--------------------|
| 1. ค่า CMIN/df | < 3.00                     | 1.32       | Meet the criteria  |
| 2. ค่า GFI     | ≥ 0.90 (Approach 1.00)     | 0.98       | Meet the criteria  |
| 3. ค่า AGFI    | ≥ 0.90 (Approach 1.00)     | 0.93       | Meet the criteria  |
| 4. ค่า CFI     | ≥ 0.90 (Approach 1.00)     | 0.96       | Meet the criteria  |
| 5. ค่า TLI     | ≥ 0.90 (Approach 1.00)     | 0.96       | Meet the criteria  |
| 6. ค่า RMSEA   | < 0.05 (Approach 0)        | 0.03       | Meet the criteria  |
| 7. ค่า SRMR    | < 0.05 (Approach 0)        | 0.03       | Meet the criteria  |
| 8. ค่า HOELTER | > 200                      | 249        | Meet the criteria  |

From Table 1, it was found that the results of the correlation between the causal relationship model in the development of SME business executives affecting organizational excellence with the empirical data were found to be consistent and consistent with empirical data. good Based on the relative chi-square value (CMIN / df) is 1.32, the mean square root index of the numerator in standard scoring (SRMR) is 0.03 , the square root index of the estimation error (RMSEA). ) Is 0.03 , which satisfies the criterion, SRMR and RMSEA must be less than 0 .0 5 , and the GFI, AGFI, CFI and Hoelter indices at the .0 5 significance are 0.96, 0.93, 0.96 and This satisfies the criteria. GFI, AGFI, CFI must be from 0.90-1.00, therefore the model is suitable and harmonious, and the Helter value of .05 significance must be value that



Greater than or equal to 200, this indicates that the causal relationship model for the development of SME business executives affecting organizational excellence is consistent with empirical data. The statistical values from the models that are consistent with the empirical data can be shown in Figure 3.



$$\chi^2 = 316.10, \chi^2/df = 1.29, p\text{-value} = 0.001, GFI = 0.98, AGFI = 0.93, \\ CFI = 0.96, RMR = 0.03, RMSEA = 0.03, \\ HOELTER = 249$$

**Figure 3** Statistics from the causal relationship model in the development of  
SME business executives  
Those affect the excellence of the organization

## Discussion

The results of this research showed that the development of SME business executives that contributed to organizational excellence. Are most directly influenced by trust because consumers believe that the development of SME business executives affects organizational excellence. There is reliability in product quality in the SME business model with pricing standards. Have clear information or specs of glasses. Have a sustainable brand And there is always a standardized production This is the source of trust that has direct influence on SME business, in line with Kittiya Kwanjai (2016) research, which studies satisfaction, trust that affects business executives development and design. A system to reserve hotel rooms online for customers in Bangkok. The results of the study showed that Trust has a positive influence on the business executive development and design of the online hotel booking system of customers in Bangkok.

In terms of development trust, SME business executives that affect organizational excellence are most directly influenced by corporate safety perceptions, as consumers believe that Development of SME business executives that contribute to organizational excellence There is a perception of the safety of the organization. To protect personal information Safe when paying for glasses by credit card and via bank transfer. This is the source of safety awareness in the perception of corporate safety. This is in line with the research of Thanakrit Panee and Surasit Bunjoonon (2018) that studied the influence of service quality on trust, satisfaction, word of mouth and repeat service Of public taxi service users at Don Mueang Airport The study found that The perceived aspect of safety has a positive influence on trust.

## Conclusion

The research aimed to develop a causal relationship model, in the development of SME business executives, contributing to organizational excellence in Thailand. To verify consistency of the developed causal relationship model with empirical data. Online questionnaire. The forecasting coefficient of 0.96 showed that the model variables were able to explain the variance the development of SME executives by 96 percent, found that the trust aspect had the greatest influence on the development of consumer SME executives.

In the field of trust in the development of SME business executives that affect the organization's excellence, it was found that consumers believe that the development of SME business executives that affect the organization's excellence is reliable in quality. There is a standard in pricing. There is clear information or details of the SME business products with sustainable branding. And are produced in accordance with the standards Therefore, entrepreneurs

who operate SME businesses should raise awareness in building trust with target consumers.

Research should be conducted with other variables that may be relevant to the variables studied in this study, such as the effectiveness of SME management development affecting organizational excellence in order to determine the differences from those presented in the research. This time or not and the results can be used to define marketing strategies for SME businesses to meet the needs of each consumer group.

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