



# THE MANAGEMENT SUCCESS MODEL IN THE OPERATIONS OF SMALL AND MEDIUM ENTERPRISES IN CHIANG MAI PROVINCE



Asian Development College for Community Economy and Technology, Chiang Mai Rajabhat University, Thailand.

## Key Findings

1. Small and medium- sized enterprises
2. the management success model
3. the structural equation modeling (SEM)

## Introduction

Small and medium- sized enterprises (SMEs) are the main engines of the economic growth and in this current condition with the aggressive competition there are always not only the start up but also withdrawn businesses. During the critical economic situation, some of SMEs can adapt and resolute in this event well (Mackenzie, 1991). This research is objected to study the management success model in the operations of small and medium enterprises in Chiang Mai , Thailand.

## Conceptual Framework

These results could apply the assumptions to build up and perform with SMEs in the future. The conceptual framework is shown in Figure 1.



Figure 1. The conceptual framework

## Research Methodology

This research is conducted in the mixed research methods and the data was collected as follows :

**Population and Sample :** The population of this research is the 14,348 SMEs in Chiang Mai (Commercial Office , Chiang Mai , 2014) . which registered with the Department of Business Development in Chiang Mai. Moreover, the sample size is done by the autoformat table of Krejcie and Morgan with 374 SMEs

**Research instruments :** The research instruments are the questionnaire including general information, the measuring instrument including Entrepreneurship, Strategy 7S's, balanced Scorecard ,and the management success with 7-level Likert Scale and the in-depth interview with the semi structural interviewing technique.

**Data Analysis :** Using the descriptive statistics method and the structural equation modeling method to investigate the appropriate of measuring scale by presenting such the statistics estimating models as Chi-square, Degree of freedom, CMIN, GFI, RMSEA, and NFI.

## Research Results

the structural equation modeling (SEM) It was found that the relationship of Entrepreneurship (ENT), Strategy 7S's Model (STR) and Balanced Score Card (BLA) to the management success model relied on the empirical data from the evaluation as 17.086 ,  $df = 11$ ,  $/df = 1.553$ ,  $GFI = 0.988$ ,  $CFI = 0.796$ ,  $RMSEA = 0.040$ ,  $NFI = 0.989$ . The management success model consisted of ENT in the leadership to design the entrepreneur strategy for strategic management, structure, system and shared value together BSC for the internal process, and learning and development.

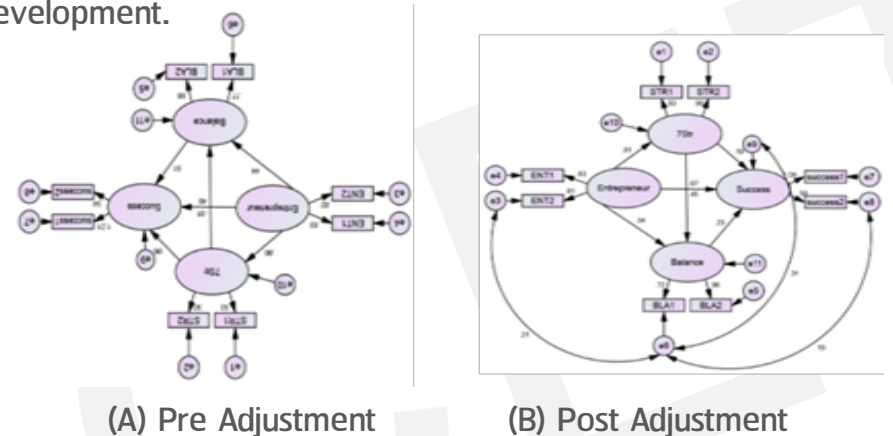


Figure 2. the Statistics of the consistency for the management success model of SMEs

## Conclusion and Recommendations

The suggestion on this research in this time is revealed that SMEs can apply the management success model for performing the organization's circumstances, and it should be concerned with such factors as well-performed leadership, the strategic decision. The sudden change of organization should be aware by enhancing the clear structure, the competitive advantage strategy in order to generate the shared value and the learning and growth.

The future study should compare the results of SMEs within other provinces in order to differentiate the operation and accidentally find the further new outcomes.

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