



# Competency Level Development in Business Operations of Young Smart A-SMEs

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**Abstract** There were a large number of young generation farmers in Thailand who were an agricultural entrepreneur, and needed to develop their competency level in business operation. The aims of this research were 1) to determine the competency of Young Smart A-SMEs, 2) to make plans for developing their competency level in business operations, 3) to reinforce and develop their competency level in business operations, and 4) to study their opinions on the reinforcement and development of their competency level in business operations. This investigation was conducted as a research and development study. The sample population was 215 Young Smart A-SMEs. The data were collected by group discussions, training course procedures and a questionnaire survey. Quantitative data were analyzed using descriptive statistics and qualitative data were analyzed through content analysis. The findings were as follows: 1) Most of the Young Smart A-SMEs had bachelor degrees, IT skills and were united as 10 groups. 2) Two training course curriculums at national level were required; a curriculum on the development of packaging and label designing, and a curriculum on media technology for online marketing. Also, 38 curriculums were necessary at provincial level covering eight issues: (i) self-learning development, (ii) production resource management, (iii) production management, (iv) product value-added management, (v) product standard management, (vi) marketing and product distribution management, (vii) network group management, and (viii) coordination and communication management. 3) The training courses achieved the needs of members and adhered to the planned itineraries. 4) Young Smart A-SMEs were, on average, high satisfied of benefit (Mean = 4.16), with the training courses. Their knowledge before training was low level (Mean = 2.52) but improved to highest level (Mean = 4.49) on average after training.

**Keywords** competency level development, business operation, young smart A-SMEs

## **INTRODUCTION**

Thai farmers tended to decrease in numbers and most of them were elderly. However, many of the young generation educated at bachelor degree level switched their careers from office jobs to be an agricultural entrepreneur. They were known as “Young Smart A-SMEs” (Young Smart Agricultural Small and Medium Enterprises). These people mostly had high competency in creativity,

communication technology and social networking, so they could be easily developed to be a farmers' leader who played a great role in pushing agricultural SMEs in the future. Furthermore, most had experienced in business operations and understood the aspects of production, marketing, and farmer's uniting. They mostly had new ideas in production and marketing which differed from the outdated methods of elderly farmers. Importantly, they were motivated to succeed in business to increase production through marketing plans and to unite as one network. However, to develop their competency levels in business operations and network linking procedures, their competency should be reinforced to compete in the production management and product/packaging development. Therefore, this research on "Competency Level Development in Business Operations of Young Smart A-SMEs" was conducted to develop competency in production procedures, value added to agricultural products, marketing development, and finally, to develop network management skills.

## **OBJECTIVES**

The purposes of this research were as follows: 1) to determine personal state of Young Smart A-SMEs, 2) to make plans to develop the competency level in the business operations, 3) to reinforce and develop the competency level in business operations, and 4) to study the opinions on the reinforcement and development of their competency level in business operations.

## **METHODOLOGY**

**Research design:** This investigation was conducted as a research and development study.

**Population/sample:** The sample population was young generation farmers aged under 45 years around Thailand. The sample size was specified and 215 samples were selected by using purposive sampling methodology by an application form. The qualification prerequisites were as follows: 1) being an agricultural SME entrepreneur and a registered community enterprise member, and 2) having the intention to develop their enterprise systematically and become a professional entrepreneur in the future.

**Research instruments:** The research instruments were selected to achieve the objectives as follows:

- Studying the personal state of Young Smart A-SMEs through group discussions
- Formulating plans to develop competency levels in business operations through group discussions
- Reinforcing and developing competency levels in business operations through several method based on plan setting
- Studying opinions on the reinforcement through a questionnaire survey

**Data analysis:** Content analysis followed objectives 1-3. Descriptive statistics were used in objectives 4 to analyze mean, percentage, maximum value, minimum value, and standard deviation data.

## **RESULTS AND DISCUSSION**

### **1. Personal State of Young Smart A-SMEs**

The personal competency of Young Smart A-SMEs was identified for three issues as follows:

#### **1.1 Fundamental Personal Competency of Young Smart A-SMEs**

1) Most of the entrepreneurs had bachelor degrees to master degree level. 2) They had a continuous and stable income. They mostly had their own asset such as land and agricultural equipment. They also united to be 10 groups adhering to the region of their agricultural area. 3) They farmed several agricultural products including organic rice, mushrooms, hydroponic/local vegetables, strawberries, fruits, bamboo, bananas, seedless grapes, melons, mulberries, limes, garlic, chilies, passion fruits, avocados, organic papayas, earthworms, fish, cattle, processed food (bananas/mushrooms), and biological/organic fertilizer. 4) Farming was integrated/mixed/organic/safety adhering to Sufficiency

Economy Philosophy, and 5) the quality/standard of their products was guaranteed by GAP Standard, and organic farming standards.

### 1.2 Entrepreneurial skills

Young Smart A-SMEs had entrepreneurial skills as follows: 1) IT usage, 2) understanding the principle and guidelines on self-development, 3) understanding group procedures and methods for improving production, 4) knowledge of community enterprise operations and adherence to the Community Enterprise Reinforcement Act of 2005.

### 1.3 Management skills

Young Smart A-SMEs had management skills as follows: 1) uniting as 10 groups representing the regions of their area, 2) coordinating their network and alliances, 3) setting rotating meetings at regional level every two months, or setting meetings within their province/area, and 4) making plans to learn and exchange knowledge and new ideas with each other regularly.

To make a discussion, Young Smart A-SMEs had their own assets such as land and agricultural equipment, and united to be 10 groups adhering to the region of their agricultural area consistent with Sawatdiphab Keeratiya (2011) who stated that 81.25% of young generation farmers had their own occupied agricultural area, and 75.00% of them were a member of a farmer group. The findings of this research showed that the farmers would be more confident and feel secured if they had their own land. Being a farmer group member made them develop their competency level to compete with others, exchange their knowledge and new ideas, and properly practice based on the innovations.

## 2. Making Plans to Develop the Competency Level in the Business Operations of Young Smart A-SMEs

Young Smart A-SMEs made competency development plans for eight issues and curriculums to develop their members. The curriculums were divided into national and provincial network levels with the responsibility of academics/proficient persons in each subject. Several methods were used for knowledge transfer such as lectures and field studies.

2.1 The competency development included eight issues as follows: self-learning development, production resource management, production management, product value-added management, product standard management, marketing and product distribution management, network group management, and coordination and communication management.

2.2 Curriculums to develop the members were divided into two levels as follows:

2.2.1 Curriculums at national level: These covered the development of 1) packaging and label design, 2) media technology for online marketing.

2.2.2 Curriculums at provincial level: Young Smart A-SMEs designed these *“curriculums adhering to their members’ needs and set the training courses accordingly. The curriculums were correlated with the plans to develop the network of Young Smart A-SMEs in the eight issues mentioned previously.”*

To discuss, Young Smart A-SMEs designed the training course curriculums taken responsibility by academics/proficient persons in each subject. They used several methods for transferring the knowledge such as lecturing and field studying consistent with Pongkarunyaphat Krtisada (2007) who studied *“Need for Farmer and Proper Syllabus Design for Future Farmer in Phrae Province”* and found that young generation farmers needed proficient academics in universities who had knowledge and experience to lecture and gave them a chance to have field studies and real practice. These findings could be discussed that effective strategy to transfer knowledge for Young Smart A-SMEs should be conducted from proficient academics. Also, the method should be selected and based on Young Smart A-SMEs decision which helped the training be more effective.

Young Smart A-SMEs needed to be trained on media making for communicating with consumers and online marketing which were curriculums at national level. This finding could be discussed that Young Smart A-SMEs needed to communicate their products directly to the consumers using online media as marketing channels. Considering the findings of this study on general state of Young Smart A-SMEs, it was found that most of them had skillful use of IT consistent with Schroer (2016) who stated that Generation Y were the people who were born during 1977-1994 while

technology was progressing. It implied that Young Smart A-SMEs which were in Generation Y, tended to use IT to run their business operations. Furthermore, the researchers realized that online marketing would be used in business operations successfully if Young Smart A-SMEs communicated their marketing via IT to the young generation consumers consistent with Srisroi Mayvadee (2011) who studied “The Effect of Online Advertising on the Perception of Marketing Information of Working People”, found that technology factor affected the perception of marketing information of young generation people at 0.05 statistical significance.

### 3. Reinforcing and Developing the Competency Level in Business Operations

Young Smart A-SMEs set the training courses according to the designed curriculums as follows:

#### 3.1 Curriculums at National Level

##### 3.1.1 The Curriculum on the Development of Packaging and Label Designing

Young Smart A-SMEs produced practical packages, developing and designing 23 labels for 23 agricultural products to attract the attention of consumers. Some samples of the labels developed for the agricultural products were shown in Table 1.

##### 3.1.2 The Curriculum on Media Technology for Online Marketing

After development, the Young Smart A-SMEs accrued knowledge regarding communication with consumers and online marketing. They could develop media technology for themselves and communicate directly with consumers through online channels. This greatly increased public awareness of their products through advertising.

##### 3.1.3 Curriculums at Provincial Network Level

Young Smart A-SMEs set schedules for the training courses adhering to the 38 curriculums at provincial network level and operated their training courses as planned.

**Table 1 Output of the Training Course on Packaging Development and Original Label Designing for Agricultural Products**

Products	Before development	After development	Development details
Three-flavor dried tomato			Labels were developed to be waterproof and attractive to customers with more information regarding the products. Packages were transparent, sealed for product visibility and had longer life which added value to the products. The packages were also reusable to reduce waste.
Fresh Mangoes			The new packages were designed with a handle to make them portable and suitable as a gift/souvenir.

#### **4. Studying the Opinions on the Reinforcement and Development of their Competency Level in Business Operations**

4.1 The Outcome of benefit level evaluation Young Smart A-SMEs evaluated each development curriculum at provincial network level together with the benefit level in the eight aspects of self-learning development, production resource management, production management, product value-added management, product standard management, marketing and product distribution management, network group management, and coordination and communication management. Results showed that the average benefit level was high (Mean = 4.16). The highest benefit level was achieved in the four aspects of production resource management, production management, product value-added management, and marketing and product distribution management.

4.2 The outcome of knowledge level evaluation Young Smart A-SMEs evaluated their knowledge levels before and after development in eight aspects. Knowledge levels before development were at a low level (Mean = 2.52). After development, knowledge levels were highest in all aspects (Mean = 4.49), except for marketing and product distribution management.

These positive findings from the outcomes of benefit level and knowledge level evaluation regarding the development of the competency of Young Smart A-SMEs in business operations could be discussed that allowing members of Young Smart A-SMEs groups to design curriculums to train themselves was an effective strategy. This made them realize the benefit/advantages of the training courses. The pattern of training courses also gave them the opportunity to discuss issues with each other and exchange knowledge to increase their competency in business operations. These results were consistent with Maiese Michelle (2005) who stated that discussing with each other would reinforce the information and experience exchange, network uniting and able to enhance competency. Furthermore, to develop competency level must be covered all aspects of competency; knowledge, skills, and attribution (McClelland, D.C.,1973). This pattern of training courses could claim that competency level were developed at all aspects of competency. The aspect of knowledge were developed by curriculums at national level, and provincial network level. The aspect of skills were visibly noticed by packaging, labeling and IT media made. Lastly, the aspect of attribution could be seen from their evaluating the benefit and knowledge.

#### **CONCLUSION**

The competency level development in business operations for Young Smart A-SMEs allowed them to design the curriculums they needed for training. These were divided into national and provincial network levels. There were two curriculums at national level on the development of packaging and label designing, and the curriculum on media technology for online marketing, and 38 curriculums at provincial network level. The evaluation of benefit/advantage was generally at a high level. The evaluation of knowledge level before development was low; however, after development this was at the highest level.

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