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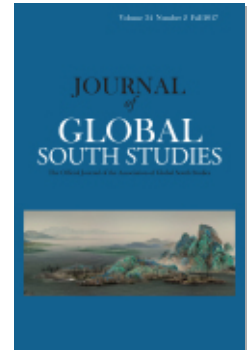
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OTOP LEADERS IN CHIANG MAI PROVINCE OF THAILAND

KANCHANA SURA

The objectives of this study are to analyze the managerial potential of “One Tumbon, One Product” (OTOP) leaders based on the sufficiency economy philosophy, to study the managerial potential of OTOp leaders, and to suggest guidelines to enhance the managerial potential of these leaders based on the sufficiency economy philosophy. Quantitative research was used to evaluate the managerial potential based on the sufficiency economy of OTOp leaders in Chiang Mai. The population consisted of leaders of 124 groups from 25 Chiang Mai districts who had registered with the Department of Community Development to join OTOp projects. The sample was selected from leaders of OTOp business groups divided in accordance with types of products. This study finds that most leaders, sponsored and assisted by many other organizations, were enthusiastic about using this opportunity to better themselves but were initially unaware of and unconcerned with the sufficiency economy in their work. Furthermore, the potential of most OTOp leaders in production, human resources, and financial, organizational, and marketing management, based on the sufficiency economy philosophy, was greatly augmented by attending the development project. On completion, the study recommended that OTOp leaders should apply the sufficiency economy in their management approach and should also conduct their work based on the middle path.

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INTRODUCTION

“One Tambon, One Product” (OTOP) has been an important policy in the overall economic planning in Thailand (“Tambon” is the Thai word for sub-district). This approach was initiated in Japan in 1999,¹ but the Thai government adopted the idea following then Prime Minister Thaksin’s official visit to Japan during that year.² The main concept of OTOp emphasizes creating income by directing each Tambon to make one particular product from its local resources. Thailand has been trying to tackle the problem of poverty by concentrating on the rural rather than the suburban districts. In 2000, the rural population in the country accounted for 93 percent of the total number of people, 68 percent of whom were classified as “poor.”³ As a result, the Royal Thai Government tried to help poor people living in rural agricultural regions with a set of programs and policies at the grassroots level, among them the OTOp policy, which emphasizes self-reliance and encourages each Tambon to make marketable products by drawing from its local talents and using its own identity as well as local materials, thus helping poor people in the community to have a sufficient income, alleviating the problems associated with poor people having to migrate to cities for work while reducing the overall level of rural poverty.

OTOP is Thailand’s community-based, private-sector and market-oriented policy that is consistent with the philosophy of economic self-sufficiency espoused by His Majesty King Bhumibol Adulyadej as early as 1974. At the heart of this philosophy is human development toward the general well-being of the people with an emphasis on self-reliance, self-protection, reason, knowledge, and morality.⁴ Inherent in the philosophy are three basic principles that Thailand should pursue: (a) independence in the economic sector whenever its resource base makes it reasonable to do so, (b) development of policies that are family-centered and community-based, and (c) projects aimed at the grassroots level and involving local people as leaders and participants.⁵ Ultimately, it is hoped that such policy will lead to a more resilient, balanced, and sustainable development. The OTOp enterprises are designed in accordance with such principles and policy orientation.

Chiang Mai, a province in northern Thailand, has played a leading role in implementing the OTOp policy. Its local entrepreneurs have participated in the OTOp projects; by 2014, 1,181 of them had registered.⁶ OTOp community businesses in Chiang Mai have raised the income of local participants on an

annual basis. For example, in 2012, Chiang Mai generated 5,100 million Baht of income from the OTOP projects, and the number increased to 6,500 million Baht the following year.⁷ It should be noted, however, that not all the OTOP projects in Chiang Mai have relied on local resources for their products, resulting in a diluted local identity.⁸ To address these problems, it is essential to develop human resources in creating and sustaining businesses, a task that both community and business leaders should play an important role to fulfill. Doing so is consistent with Prasopchoke Mongsawad's emphasis on improving human resources to ensure self-help, aside from making economic gains.⁹

This study is intended to examine the OTOP leaders in Chiang Mai province in Thailand including their management approach and the impact of their operations by evaluating their merits and flaws against the "economic sufficiency" principles in order to provide some guidelines for other OTOP leaders whose role in Thai economic development is pivotal in the process of massive globalization. Further, the study assesses the impacts and effectiveness of development projects, consisting of workshops, or seminars, applying the sufficiency economy concept in management for OTOP leaders over a period of two months.

The aim of the development project is to provide to OTOP leaders knowledge concerning the sufficiency economy concept, exchanging information, opinions, and guidelines with them in order to enable them to apply this concept in their management. The program also offers an inspection tour of community business groups that have succeeded in applying the sufficiency economy concept in management. The program is conducted by experts from the Department of Community Development, the Sufficiency Economy Learning Center, by lecturers specializing in management from universities, and by community business groups that have succeeded in applying the sufficiency economy concept in their management activities.

CONCEPTS AND THEORIES

I. The Principle of "One Tambon, One Product" and Business Operations

Needless to say, the fundamental factors in business operations and management include input, process, and output, along with production, human resources, marketing, and financial management.¹⁰ The principles of OTOP

business operations envisage four main types of activities, namely production, marketing, finance, and human resources, and are thereby similar to the concepts of business operations as a whole. As human resource management is one of the main ingredients of OTOP business operation, the level of the latter's success depends on the qualities and capabilities of the individuals involved. Therefore, it is necessary for the firms to develop human resources in order to manage their work efficiently. Doing so is essential in realizing one of the fundamental concepts of OTOP, which places a great deal of emphasis on developing human capital.¹¹ Although any business naturally needs to be concerned with profits, the OTOP undertakings do not, and should not, aim exclusively at profit maximization. Instead, they should involve giving, sharing, and helping members of communities.

II. The Principle of Economic Sufficiency and Business Management

The rapid pace of globalization has had profound influences on economic development across the world. Businesses have been compelled to make adjustments and to improve their operations in order to maximize their gains, including those outside of the financial realm. One of the important improvements that most businesses have to make is in the area of management, including the management of production, marketing, human resources, and finance. In addition, corporations also have to exercise social responsibility in order to achieve long-term economic growth through providing their employees with learning opportunities as well as transparent financial accounting.¹²

Furthermore, it is also necessary to apply the concept of economic sufficiency in business operations by increasing ethical behavior and social responsibility. Some Thai scholars, such as Wiruchanipawan, have observed that business organizations are able to better deal with the challenges of rapid globalization if they are socially responsible and abide by the code of ethics and moral conduct. There are eight principles enshrined in the theory of sufficiency economy management.¹³ They are as follows:

- 1) Moderation: individuals and communities should practice moderation in their production and consumption in order to achieve sustainability. An example of this at a personal level would be emphasizing the freedom to carry on a

simple, minimal production and consumption way of life without succumbing to rampant materialism and consumerism. At the community level, a progressive sufficiency economy involves encouraging cooperation with other communities and organizations throughout the country, including large businesses, banks, and research centers, thus facilitating the exchange of knowledge, ideas, and experience, and achieving the goal of sustainability.

2) Rationality: decisions made by individuals and communities with regard to sustainable living should be made in a careful and rational way by taking into consideration all the relevant factors and possible outcomes.

3) Self-protection: members of the community must constantly search for the latest information and knowledge for self-protection and self-preservation and anticipate the impact of various changes while maintaining the flexibility and adaptability to stay strong and sustainable.

4) Self-reliance: members of a community must support their local economy by focusing on their own ability to provide products and services to, rather than leaning on, others or relying on resources outside of the community. An example of self-reliance at an individual level is that members are willing and able, with good intentions for the community and the nation as a whole, to compromise and maximize individual contributions for the sake of the public good. In addition, local communities should be willing and able to help one another, thus forming a strong and interconnected network. They should wisely utilize natural resources while finding ways to add more value to the existing resources. If something is left from family consumption, production for commercial purposes should be considered. Each family in the community should follow the principles of moderation and self-reliance in consumption by generating food supplies such as rice, fish, poultry, fruits, and vegetables within the communities.

5) Human resource development: there should be policies and programs designed to enhance the quality of the people so that they act both intelligently and ethically. Doing so involves educating individuals about world affairs and cultivating their inner virtues and sense of morality so that they have a desire to do good deeds on a regular basis for the benefit of the public, accept the duty of being a responsible member of society, and behave with honesty, determination, patience, discretion, frugality, empathy, generosity, and unity.

6) Group integration: Both individuals and communities should take responsibility for conducting various commercial activities, including integrated farming, handicrafts, processing food, business and commerce, and local

community tourism, all of which should be done with the importance of organic integration in mind. Doing so will raise the income level of both individuals, organizations, and communities as a whole. This will lead to a better economy and social stability for the country in general. Needless to say, there is a correlation between economic growth, improvement in income distribution, and social well-being.

7) Networking: People and the community join hands to create a systematic network that connects for the sole benefit of the community in areas such as knowledge sharing and business management.

8) Balanced and sustainable development: It is essential for individuals and communities to develop holistically with a proper balance between rapid globalization and preservation of local traditions, including a dynamic production structure using effectively the existing capital in society to provide the maximum benefit without destroying natural resources, the environment, local culture, or way of life.

If we compare the concepts of the sufficiency economy and corporate social responsibility, which many businesses apply and use in their operations, both are similar in that they emphasize doing business based on morality and ethics, the essential ingredients of which are integrity, moderation, deliberation, and a long-term vision. This means that a business's operation today should not aim only at profit maximization, but should realistically protect itself from adversities by adapting to ensure survival. As a result, things that can help business continue in the long term will depend on how well the business operates and satisfies its customers. If a business can operate on the basis of morality, it will create the necessary trust and confidence in its customers. Acting in this way, sufficiency economy management ensures business survival because it emphasizes management with moderation, self-reliance, participation, and morality, all of which will assist the organization to follow the basic principles of management to endure its sustainability.

III. Human Resource Development and the Concept of Leadership

Human resource is one of the most important factors that determines the level of success of a company or an organization. Human resource development

should not only develop the knowledge and abilities of employees, but also cultivate their sense of ethics, a practice consistent with the concept of “sufficiency economy,” which aims to strengthen access to capital, improve capital holdings, and rethink the focus on human development beyond productivity to account for society, morality, politics, and culture.¹⁴ As leaders in a local community can play a key role in creating trust and confidence among people, it is crucial to cultivate both their minds and knowledge. Honest, responsible, devoted, and efficient leaders of an organization are indispensable to its success.

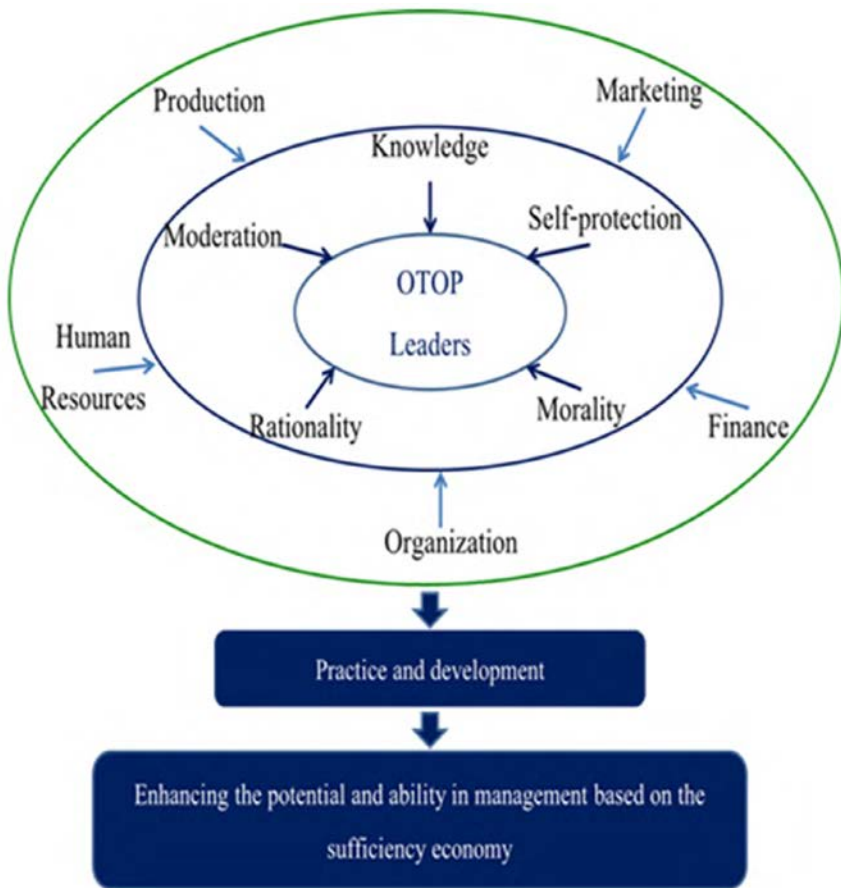


Figure 1: The conceptual framework of enhancing the potential of OTOP leaders in management, based on the sufficiency economy theory.

Effective leaders should possess integrity, compassion, and confidence, have a strong sense of responsibility, and an ability to tolerate others' errors as well as the ambiguity of certain situations. They should also be able to remain calm when faced with challenges, while putting their analytical minds to work and enthusiastically shouldering their responsibilities.¹⁵ Fostering these qualities in leaders as part of human resources development has a wide impact on both an organization and the society as a whole.

The conceptual framework for this study summarizing the aforementioned concepts and principles concerning OTOP is displayed in Figure 1.

As stated previously, the activities of business operations consist of production, marketing, finance, human resources, and organization. If OTOP leaders put the concept of the "sufficiency economy" to practice by following the principles of moderation, rationality, self-protection, knowledge, and morality in their business operations, they can enhance the potential of management so that their businesses will not only survive, but also prosper.

OBJECTIVES AND RESEARCH METHODOLOGY

This study aims to analyze the managerial potential of OTOP leaders based on the sufficiency economy theory and to suggest ways to enhance such potentials.

1. Scope of the Study

Quantitative and qualitative research are used to evaluate the managerial potential of OTOP leaders in Chiang Mai in the areas of organizational management, human resource management, production management, financial management, and marketing management. The eight principles of "sufficiency economy" are used to evaluate their managerial potential, namely, moderation, rationality, self-protection, self-reliance, promotion of knowledge and morality, group integration, networking and balance, and sustainable development.

2. Population and Samples

The population researched are leaders of 124 OTOP groups from 25 districts in Chiang Mai who have registered with the Department of Community Development to join OTOP projects. The samples were selected by first announcing

the information of the development project to 124 OTOP groups in 25 districts in Chiang Mai, and by having OTOP business groups apply for their project of interest. The participatory OTOP business groups are divided according to the types of products: 1) fresh food and processed food, 2) alcoholic and non-alcoholic beverages, 3) clothes and garments, 4) utensils and decorative items, and 5) herbs. Eight OTOP groups in Chiang Mai expressed their interest in joining the development project, including the chairman, vice chairman, treasurer, and secretary from each group, totaling thirty-two persons. Participants were from these groups: Methanaree Handicraft, Mahaphonlaitong, Artificial Art from Sawdust, Sanmahaphon Organic Herb, Phapai Herb, Promotional Career Development, Brown Rice, and Woven Clothes. All eight groups were registered in the One Tambon, One Product project under the Department of Community Development in Chiang Mai.

3. Research Instruments and Data Analysis

The research instruments were as follows:

- 1) SWOT (Strengths, Weakness, Opportunity, and Threats) analysis was used to evaluate the management potential of the leaders in the areas of production, marketing, finance, human resource, and organization.
- 2) Evaluation and interviewing were also used in order to assess the production management of OTOP leaders. The areas examined included the ratio between the size of production and the number of laborers, the availability of utilizable resources in the community, the production plan, the production of goods based on their potential, the creation of a network among groups in similar fields doing the same business, the level of environmental consciousness, information transfer, and the maintenance of products in keeping with their appropriate styles and patterns. To evaluate organizational management of OTOP leaders, the overall style of business operation, degree of improvement, and the division of labor based on individuals' capabilities and skills were examined. As for human resource management of OTOP leaders, the study looked at whether they assigned the people to work in accordance with their abilities; if they used local laborers and hired them in a timely manner; if they provided opportunities for improvement, and if they ensured equal pay for equal work while emphasizing the importance of team work.

To investigate the marketing management of OTOP leaders, the study focused on their selection of distribution channels and keeping them within Chiang Mai, their ability to ensure easy access to customers, to assess customers' needs and degree of satisfaction, and their success in training other members how to present products, establish marketing networks with other groups engaging in similar businesses. To evaluate the financial management of OTOP leaders, the study looked at their financial plans and strategies, especially if they used project budgets as working capital, if they kept their financial accounting transparent and provided appropriate financial reporting to their members, and whether they trained other members on how to keep accounting records and analyze costs and benefits while motivating group members to minimize expenditure by deducting some of their income in order to save the group funds.

OTOP leaders were allowed to evaluate their management potential based on the "sufficiency economy" principles before and after participating in the development project. The evaluation was classified into five levels in accordance to the Likert Type Scale from 5 to 1, 4.51–5.00 being the highest; 3.51–4.00 as high; 2.51–3.50 as moderate; 1.51–2.50 as low, and any number under 1.50 as the lowest.¹⁶ Descriptive analysis such as the mean was used to analyze and explain the potential of management in all five aforementioned areas. According to sufficiency economy theory, all of these five areas of management are evaluated on the following characteristics: moderation, rationality, patience, self-reliance, promoting knowledge and fostering morality, group formation, networking, and enduring balanced and sustainable development.

RESEARCH FINDINGS

It was found that the strengths of most leaders were attributable to their determination and attention to their work, in addition to their devotion and willingness to help members of their communities. They were also enthusiastic about striving for self-improvement. Their weaknesses, however, lay in the fact that they were unaware and unconcerned about the principles of a sufficiency economy. For example, they were greedy in producing as many goods as possible in order to maximize profits without paying attention to the burden on the community or the environmental impact. They were also inattentive to record keeping. Unable to calculate production costs in a scientific manner,

some businesses suffered losses. While most OTOP leaders supported and promoted knowledge and course training provided by the government, they also found the government assistance to be a double-edged sword because, with new knowledge, they ended up producing higher quality products that were difficult to sell. As a result, some OTOP leaders occasionally misunderstood or overlooked the sufficiency economy principles when conducting their businesses.

Figure 2 shows that the potential of OTOP leaders in production management was greatly increased after participating in the development project. Leaders could raise their potential in production management to a higher level, and use their resources to make better products. For example, leaders from the Metthanaree Handicraft group used the left-over materials from production to make cloth dolls, and the Mahaphonlaitong group used them to make doormats. Utilizing local materials, leaders from the Sunmahaphon Organic Herb group grew many more herbs and reduced the purchase of herbs from the outside. Concerning balance and sustainable development, every group was able to manufacture its products without damaging the environment. For example, the Metthanaree Handicraft group used the natural color from turmeric to dye cloth.

Figure 3 shows that the potential of OTOP leaders in organizational management after attending the development project reached a higher level. For example, leaders of the Thungpee Woven Cloth group, the Mettanaree Handicraft group, and the Phapai Herb group could put the right man into the right

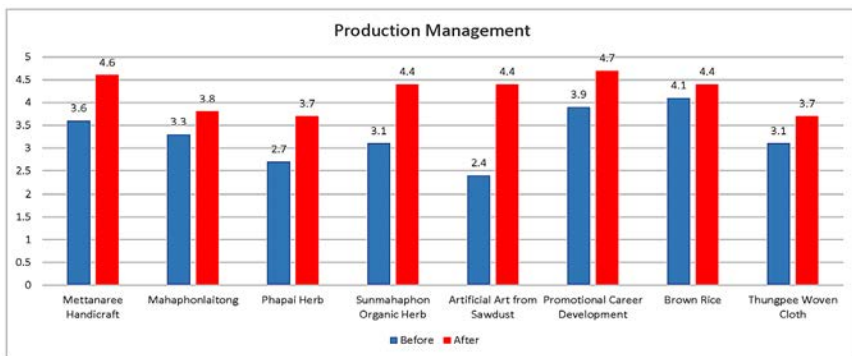


Figure 2: The potential of OTOP leaders in production management based on the sufficiency economy principle before and after attending the development project.

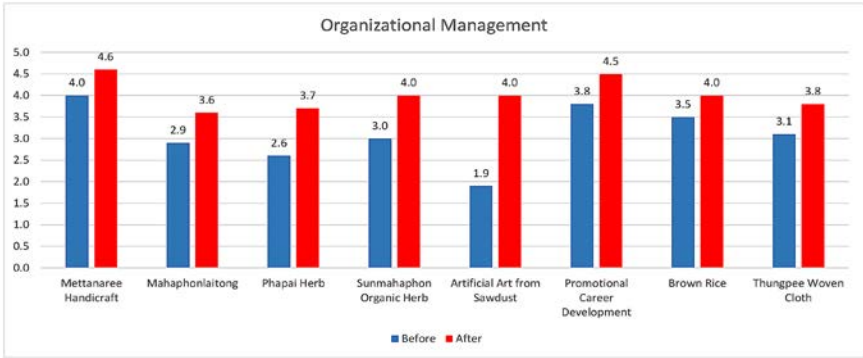


Figure 3: The potential of OTOPI leaders in organizational management based on the sufficiency economy before and after attending the development project.

job. They distributed duties and responsibilities efficiently to all members, and decentralized authority among them.

Figure 4 shows that the potential of OTOPI leaders in human resource management was greatly increased by taking part in the development project, as they were able to raise their potential in human resource management to higher levels. For example, the Promotional Career Development group could raise its potential in human resource management (with 4.5 score) to a greater extent than the other groups in terms of putting the right person into the right job, distributing duties and responsibilities to all members, decentralizing authority among all members, and paying much more attention to reviewing their

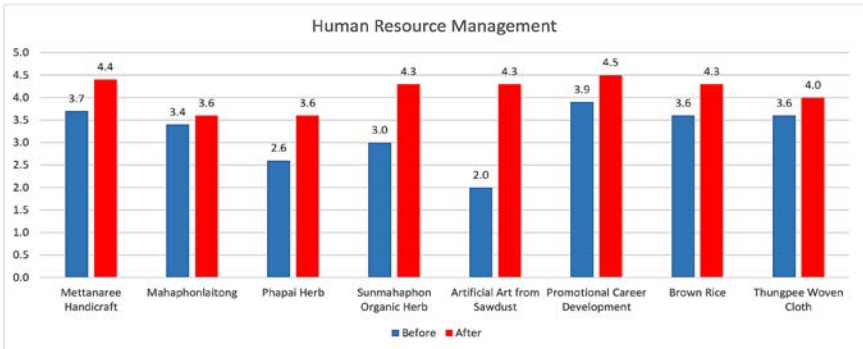


Figure 4: The potential of OTOPI leaders in human resource management based on the sufficiency economy before and after attending the development project.

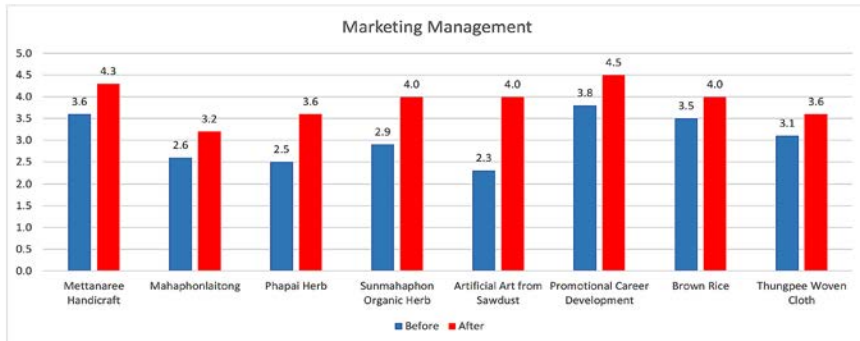


Figure 5: The potential of OTOP leaders in marketing management based on the sufficiency economy before and after attending the development project.

work. In addition, they were able to better identify their strengths and weakness in the areas of raising and retaining knowledge. They started to teach the younger generation to make local products and to retain their local wisdom.

Figure 5 demonstrates that the potential of OTOP leaders in marketing management after attending the development project increased, with leaders of the Promotional Career Development group having the highest potential in marketing management with a 4.5 score. They applied the sufficiency economy principles to their management by reducing the channels of distribution, sold their products only in Chiang Mai, and created networks with other entrepreneurs running similar businesses. The potential of leaders from the Mahaphonlaitong group after attending the development project was still at a moderate level with a 3.2 score. They were lacking in the area of “moderation” in that they could not reduce the number of channels of distribution to sell only in the area where the target group of customers lived. However, they could train their members to present products to other people at local fairs.

Figure 6 demonstrates that the potential of OTOP leaders in financial management was greatly increased after attending the development project. Leaders raised their potential in financial management to high and higher levels. Specifically, leaders from the Promotional Career Development group could raise their potential to the highest level (with a score of 4.6). For example, they kept regular accounting records and were able to analyze the costs and benefits. In addition, they provided the opportunity for members to inspect

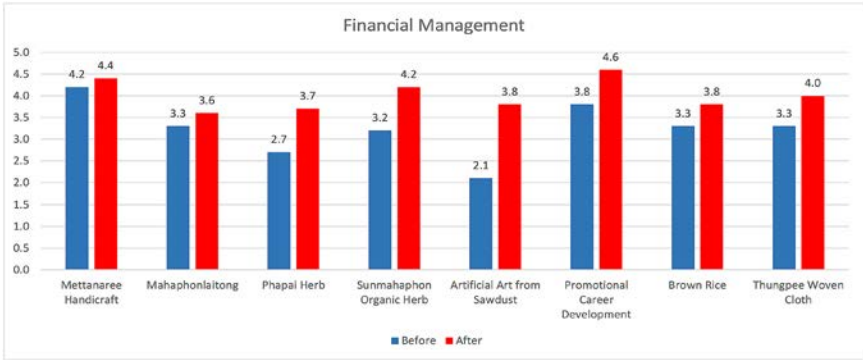


Figure 6: The potential of OTO leaders in financial management based on the sufficiency economy before and after attending the development project.

the group’s finances. They also abided by rules of transparency by reporting their group’s financial status every six months.

Figure 7 demonstrates that the Sunmahaphon Organic Herb group’s use of moderation in production management had the highest level with 4.6 score, whereas the Mettanaree Handicraft group had the highest score for rationality, self-protection and networking. For example, the leaders of the Metthanaree Handicraft group produced only products they had expertise in. They estimated

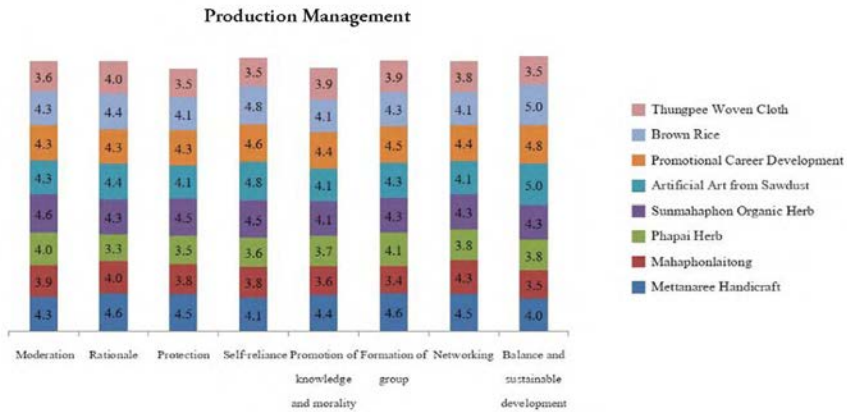


Figure 7: The potential of practical use of knowledge in production management for each component classified by group.





Figure 8: The potential of practical use of knowledge in organizational management for each component classified by group.

the appropriate number of goods to produce each month. They also used the resources of their own communities, and reduced the purchase of materials from outside of community.

Figure 8 shows that of the OTOP leaders, the Mettanaree Handicraft group could raise their potentials in organizational management to the highest level in rationality and self-reliance as well as in balanced and sustainable development. For example, the leaders clearly stipulated division of responsibilities among the group members. They put the right man in the right job, and followed the principle of equal pay for equal work. They were more moderate and rational in that they decentralized authority. They did not do everything themselves, as is usually the case; but allowed other members to be involved in the work.

Figure 9 shows that most OTOP leaders had average or higher levels of practical use of knowledge in human resource management. Those of the Artificial Art from Sawdust group had applied the theory of self-reliance, manifesting a high level of self-reliance. For example, they hired local instead of external labor. They looked for the laborers they required in advance, particularly during the farming season.

Figure 10 shows that most OTOP leaders had an average of high to higher levels of practical use of knowledge in marketing management. Those from the

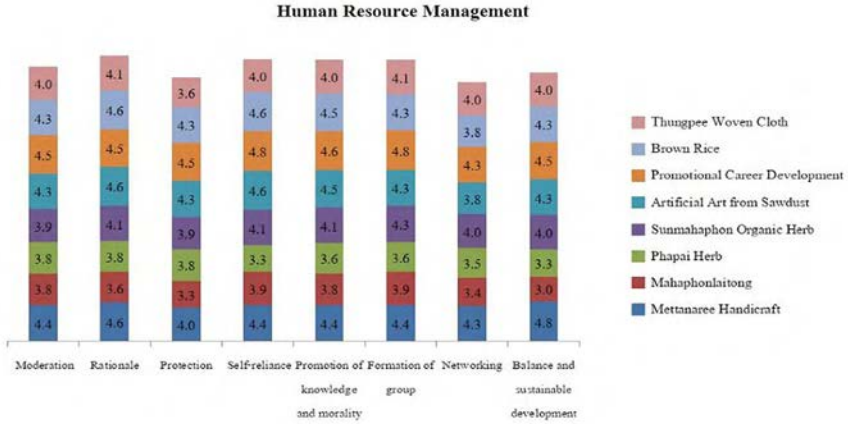


Figure 9: The potential of practical use of knowledge in human resource management for each component classified by group.

Promotional Career Development group had the highest level of practical use of knowledge in marketing; they were moderate (with a 4.6 score). They sold their products only in Chiang Mai localities, and did not enlarge their channel of distribution to other places. They were more self-reliant, depending on local resources and local workers. They tried to build marketing networks with other



Figure 10: The potential of practical use of knowledge in marketing management for each component classified by group.



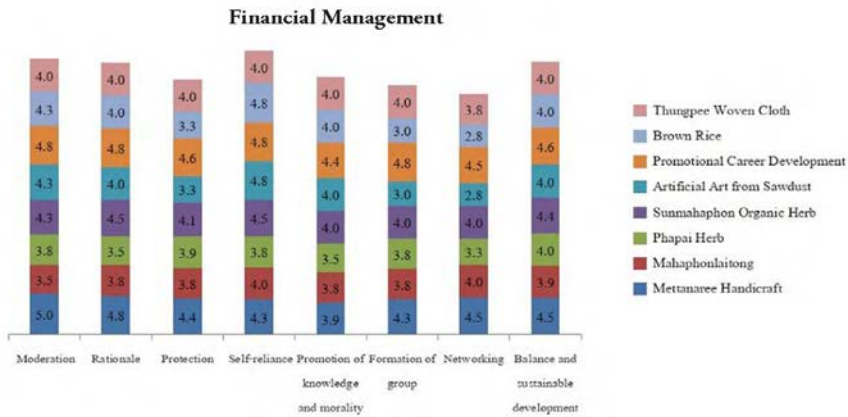


Figure 11: The potential of practical use of knowledge in financial management for each component classified by group.

community business groups, to exchange knowledge, resources and raw materials with entrepreneurs engaged in the same business.

Figure 11 shows that most OTOP leaders could raise their potential in financial management to higher levels. For example, leaders of the Mettanaree Handicraft group had the highest level of potential for self-protection (with a 5.0 score). They had a financial plan and kept a regular accounting record. The leaders of the Promotional Career Development group and those from the Artificial Art from Sawdust group had the highest level of self-reliance (each with a 4.8 score). They depended on themselves, had their own savings fund, and used those funds as working capital.

CONCLUSION

The study of the management potential of OTOP leaders in Chiang Mai Province in Thailand based on the sufficiency economy principle is quite revealing. Before attending the development project, most of these leaders were strongly motivated and willing to make sacrifices where their work was concerned. However, they were also shown to be overzealous in trying to produce far more than was consistent with their capabilities. Most were aided by the government with both research and support funds. Their management potential

based on the sufficiency economy principle for OTOP leaders was classified into three levels: low, moderate, and high. Low potential in management meant an average score of less than 2.51, with leaders showing lack of moderation in production management and using more raw materials than they really needed, while at the same time having no knowledge of how to profitably use the left-over materials from production, and spending a lot of money without even having a financial plan. It is consistent with the views of Anuchart Phungsumlee and Orathai Ardaum that the potential of a community is indicated by the ability to develop skills and knowledge concerning the management of people in the community in doing their work.¹⁷ Similarly, Joonlasak Channarong points out that successful communities require business leaders with abilities and skills in such management activities as production, organization, marketing, and finance.¹⁸ Moderate potential in management was indicated by average scores of between 2.51 and 3.50, indicating that such leaders tended to be thoughtless, failing to make production plans, but producing goods according to customers' orders. In addition, many leaders did not carry out networking with other entrepreneurs. The high to highest potential level of OTOP leaders in management had average scores of between 3.51 and 5.00. Most of them were able to pass the criteria set up by the Department of Community Development that would enable them to receive the awards at four-star and five-star levels. Aside from being moderate, most of these leaders made products in accordance with their abilities, and also used local materials in their production systems.

The potential of OTOP leaders in management after attending the development project increased dramatically. Most of them participated in the development project through training, participatory action research, and exchanging opinions with researchers, experts, and committee members who were involved in project operations. Many of these OTOP leaders increased their potential from low to high. For example, they made production plans and developed strategies for division of labor and for personnel substitution when needed. They were also more moderate in choosing to work within their capabilities. The study indicates that, with proper coaching and training, OTOP leaders were able to adapt and protect themselves in order to survive the changes of globalization. This is consistent with Wiruchanipawan's conclusions that the basic principles of management in a sufficiency economy are self-reliance, moderation, and conscientiousness.¹⁹ Herbert Hick and Ray Gullet believe that

leadership qualities, such as having a long-term vision and the ability to manage well with attention to morality and moderation, have vital influences on community development.²⁰

Apichai Phantasen reminds us that in a sufficiency economy, the businesses that can operate and survive economic crises are those with good management practices, highlighting the seven essential concepts: self-reliance, confidence, honesty, perseverance, patience, moderation, and a sense of shame as a result of wrongdoing.²¹ Supawadee Khoonthongjun points out that the principles of operating businesses in a sufficiency economy should include: honesty in dealing with customers, economization in using local materials, refusal to take advantage of customers, and recognition of the need for social responsibility.²²

The OPOT leaders who participated in this study have demonstrated a number of essential qualities that are consistent with those articulated by the aforementioned scholars. They made careful production plans and specific and contingency job assignments, and they manifested an ability to select work well within their capacities. Meanwhile, they also abided by moral standards such as honesty, moderation, and social responsibility in their business operations. Specifically, the OTOP leaders in Chiang Mai applied the sufficiency economy concepts to their management by being moderate in using the available materials within their communities to produce goods, and by ensuring quality control. In addition, they were transparent in presenting the balance sheets to their members with clear accounts of financial gains and losses.

SUGGESTIONS AND RECOMMENDATIONS

As leaders play vital roles in the success of their businesses and organizations, it is essential for them to apply the key concepts and principles inherent in the sufficiency economy theory to their specific business operations. While this study is indicative of the strengths and weaknesses of the OTOP leaders in Chiang Mai in the ways that they ran their businesses, further study is necessary, especially on factors that could motivate entrepreneurs of small and medium enterprises to put the sufficiency economy into practice. At the same time, Chiang Mai province's positive development experience associated with OTOP is transferable to other developing regions in Thailand and beyond. The results of this study can be recommended to OTOP leaders, the government, and related organizations, as well as to other stakeholders. The research findings help to

shed light on the weaknesses of broader issues of management as measured against the sufficiency economy theory, as well as the possibility of improvement after targeted training. In other words, other OTOP groups can also benefit from efforts to raise their awareness of efficient and effective management approaches. The government and other related agencies should formulate new policies designed to encourage and enable OTOP leaders to compete with one another in improving their business operations and reward the ones with the highest achievements. OTOP leaders should, furthermore, foster a deep understanding of the sufficiency economy concepts among other members in their communities, especially among the younger generation in order to improve not only their local production, but also the overall well-being of their communities.

NOTES

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