

STRATEGIC MANAGEMENT FOR HIGH PRODUCTIVITY AND HIGH GROWTH IN SMALL AND MEDIUM ENTERPRISES

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ABSTRACT

Strategic management implementation has been accepted for increasing benefits in terms of high productivity and high growth most of the large firms, but it can be applied to implement in small business in Thailand. This is because of the fact that the driving force of economy in Thailand are small businesses. Moreover, the current National Economic and Social plan aims to promote the growth and the success of small and medium enterprises. Hence, it is both necessary and vital to study the implement of strategic management in a small and medium enterprises. The objectives of this research were to investigate the possibility of implementing strategic management for small and medium enterprises to reap the benefits of high productivity and high growth as well as to offer valuable recommendations for effective implementation. In order to search the answers for this research objectives, a mixed method of both quantitative and a qualitative research study was conducted which was done by using interview questionnaire for 400 samples and an in-depth interviewing with 12 informants. Six of them were the managers of small and medium enterprises and another six of them were academic and policy makers who involved with the work of small and medium enterprises and government policy. Contextual analysis and both primary data and secondary data from focus group and findings of many researches were used for data analysis and to sum up findings. The findings of this study revealed that the strategic management if implement effectively should be able to increase both productivity and growth in the long run. The recommendations from the focus group included to implement strategic management in small scales by the manager who possessed the five important skills: leadership skills, risk-taking skills, innovative thinking skill, high service quality skills, and people skills.

Keywords: Small Business, High Growth, High Productivity, Strategic Management

INTRODUCTION

Today, in the world of globalization, with highly competitive from both domestic and international competition, it is important to turn great strategic management into great performance both for large business corporations and small and medium business enterprises. Most of strategic management are a big complexed plan that hard to understand. However, for a small and medium firms, there is no need for a complexed plan. First, many suggestions from the findings of the research in this field state that it is vital to keep the strategy of the organization simple and concrete as well as to have resources allocation early in the planning process and more importantly, is to keep monitoring performance as the organization roll out their strategic plan (Mankins & Steele, 2010). Second, it is vital to speak the same language. In order to be high effective organization, many departments and units need to understand the same vision, same goals, and same strategic plan. Hence, marketing team, operational team, and financial team must agree on the same common ground. This could be more advantages of small and medium enterprises than large organizations. Third, it is vital to identify of the organization and how to allocate its resources. Some key actions and key of success must be delivering at the right time and the right way. In small and medium business, it is easy for everyone to focus on what is the most important things at that time. Fifth, it is vital to keep monitoring performance. Track the success on the real time is now easy with modern information technology. Again, the organization can plan and re-plan and take the flaws and big mistakes out of the plan. Finally, it is vital for small and medium enterprises to take vital leadership to implement the strategy with sufficient resources and effective management ways to implement the strategic plan. For many studies and its findings reported that strategic management and effective organization management when implementation properly has been widely accepted for increasing major benefits in terms of high productivity, high growth, and high profitability most of the large firms, but it can be applied to implement in both small and medium businesses

in Thailand. This is because of the fact that the driving force of economy in Thailand are small and medium businesses. Therefore, the researcher is interested in studying in this topic.

METHODOLOGY

Fig. 1
the Process of Research



The fact that the current National Economic and Social plan aims to promote the growth and the success of small and medium enterprises is so important for the economic growth and employment of Thailand. Hence, it is both necessary and important to conduct the research on the implement of strategic management in a small and medium enterprises. The process of this research included five steps: statement of the problems, research objectives, data collection & data analyzed, findings & conclusion, and presentation and publications. The purposes of this research were to examine and to investigate the feasibility of effectively implementing strategic management for small and medium enterprises to reap the benefits of high productivity, high growth, and high profitability as well as to offer valuable recommendations for effective implementation. To find the results for this research objectives, it is important to uses a mixed method of both quantitative and a qualitative research study. The quantitative study was conducted by using interview questionnaire for 400 samples while the qualitative study was conducted by using an in-depth interviewing with 12 informants. To gain more nonbiased information, six of them were the managers of small and medium enterprises and other six of them were academic and policy makers who involved with the work of small and medium enterprises and government policy. In additions, contextual analysis and both primary data and secondary data from focus group and findings contributing from many researches were used for data analysis and to sum up findings. A simple random sampling technique and Taro Yamane technique was performed to get a sample group that included 400 employees who were the main employees of small and medium businesses who were affected by the management and policy of the Thai government. Statistical analysis was performed by using SPSS program. A Likert five-scale questionnaire was utilized as a research tool for collecting data at Bangkok and its nearby provinces. The reliability test and validity test were performed to obtain the high level of acceptable. The independent variables of this study included all five important skills for the managers of small and medium business: risk taking skills, people skills, innovative thinking skills, high service quality skills, and people skill.

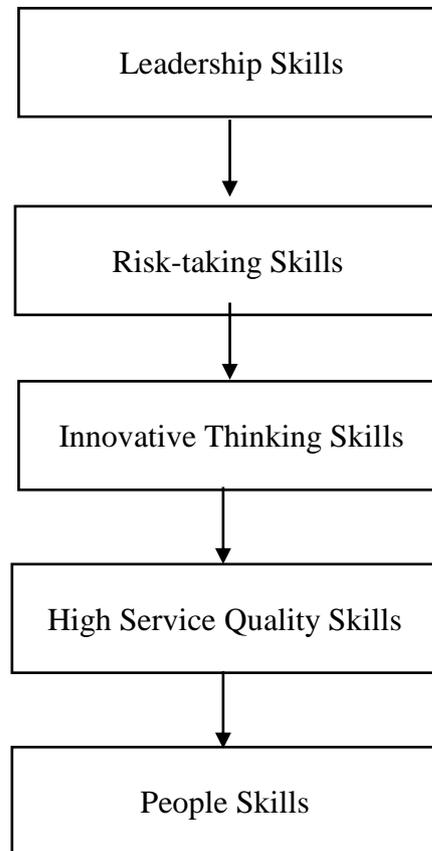
FINDINGS

Form the qualitative research technique, the findings were the important of five skill set that manager of the small and medium business organizations must have in order to implement strategic management successfully. First, being an all-around effective leadership is critical for the management of the office of computer in order lead the office effectively. Therefore, find ways to improve leadership skills and use the leadership skills on a daily basic to lead and to enhance the level of understanding of staff. Second, it is vital for small business to take risk in many occasions and different opportunities. The manager of small and medium business must have this skill polished and be able to take both careful risk and many times risk with improvised information. Third, be an innovative thinker. The manager of small and medium business must think fast and move fast. Be able to solve problems with new ways and different ways that both faster and cheaper. Develop a positive atmosphere that accept a brainstorming of new ways of generating ideas, new ways of thinking, and new ways of solving problems. Fourth, it is vital to provide regular training to both management and staff to understand about high service quality skills and be able to provide such a service to customers to their highest level of satisfaction. High level of satisfaction of service quality often increase the volumes of both regular and new customers back with friends, which ultimately means a long-term profitability. Fifth, to have a skill of people skill and communication. Why?

Satisfied employees often make customer satisfied. Therefore, the small and medium business's manager and his or her staff must always be sharpened on the people skills. It is always vital to polish people skills as well as learning to manage people the way yourself want to be treated.

Figure 1

Five important skills for manager of small and medium business



From the table 1, the findings revealed that there are five important skills that required for managers of small and medium business to be successful in implementation of strategic management plan. The respondents rated “All-around leadership skills” as the first and most important factor for managers of small and medium business to be successful in implement of strategic management plan with a mean of 4.88 and standard deviation of .9859. The respondents rated “Risk-taking skills” as the second most important factor for managers of small and medium business to be successful in implement of strategic management plan with a mean of 4.72 and standard deviation of .7853. The respondents rated “Innovative thiking skills” as the third most important factor for managers of small and medium business to be successful in implement of strategic management plan with a mean of 4.69 and standard deviation of .9150. The respondents rated “High quality skills” as the fourth most important factor for managers of small and medium business to be successful in implement of strategic management plan with a mean of 4.58 and standard deviation of .7663. The respondents rated “People and communication skills” as the fifth important factor for managers of small and medium business to be successful in implement of strategic management plan with a mean of 4.46 and standard deviation of .5434. Moreover, the respondents rated the overall important of these factors with a mean of 4.66 and standard deviation of .7992 which means these five factors are very important for managers of small and medium business to be successful in implement of strategic management plan.

Table I
LEVEL OF IMPORTANCE

<i>Factors</i>	<i>Mean</i>	<i>S.D.</i>	<i>Rank</i>
1. All-around Leadership skills	4.88	.9859	1
2. Risk-taking skills	4.72	.7853	2
3. Innovative thinking skills	4.69	.9150	3
4. High quality skills	4.58	.7663	4
5. People & communication skills	4.46	.5434	5
Overall	4.66	.7992	

SUGGESTIONS

Managers of small and medium business need to train themselves and provide the training for their employees in terms of leadership, risk taking, innovative thinking skills, and Train your co-workers with high quality and they will treat customers with the best service quality are the suggestions from this study. It is important to upgrade the ability to provide services, securing more resources for important goals of the strategic plan. Also, it is vital to developing new strategy that changes to new world market and domestic markets that works both now and in the long run. It is important to search for new key success of the management and with ability to open opportunity, connect your team with useful resources and most importantly advocate for management and staff on the issues of high productivity and high performance of the organization. To manage small and medium business effectively the manager needs a hand-on experiences and be able to comprehend its subordinates' motivation and conscious efforts to affects perceptions, opinions, and decisions. Finally, it is important to use proper the management style that encourages high performance and high ability to provide high standard of quality that can increase both job satisfaction of employees and satisfaction of customers in a sustainable way.

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