

# Attitude of Small Business Entrepreneurs in Muak Lek Municipality, Muak Lek District, Saraburi Province Towards Management Skills

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## **ABSTRACT**

The purpose of this quantitative research was to study 1) the attitude of small business entrepreneurs in Muak Lek Municipality towards management skills and 2) the different personal factors of small business entrepreneurs effecting the attitudes towards management skills. The sample were 127 small business entrepreneurs in Muak Lek Municipality. The statistics for data analysis were frequencies, percentages, means, standard deviations, t-test, one-way ANOVA and Scheffe' method test was conducted. The analysis showed that most respondents were female, age 20-39 years old, business owners more than 10 years, 1-3 employees. Most respondents had high levels of all management skills. Personal differences of entrepreneurs in age, educational background, and business experience did not cause significant differences in attitude towards management skills statistically. But, difference in gender caused significant difference in attitude on accounting/financial and operational skills at the .05 level. In addition, significant differences at the 0.05 level in accounting/financial skill were found between entrepreneurs who were sole proprietors and those who owned company limited. Finally, significant differences in accounting/financial skill were also found between businesses with 1-3 employees and those with more than 3 employees.

**KEYWORDS:** Management skills, Small business Entrepreneur, Saraburi Province

## **Introduction**

Changes in the structure of Thailand's economy from an agricultural to an industrial economy have resulted in more small and medium-sized businesses today. Small and medium businesses have become an important part of the Thai economy, and play an important role in national development. They also help to

stimulate growth in the country's overall economy. New entrepreneurs in these enterprises encounter many problems and obstacles. Some entrepreneurs are unable to solve these problems, and eventually have to close down their businesses. Small and medium businesses are considered an important component of the domestic economy that play an important role in

sustainable development, are a main mechanism for restoring and strengthening economic progress, and are also a mechanism for solving poverty, including creating employment. In addition, government policy encourages more people to become entrepreneurs. It is a good opportunity for those who may be interested and have an idea of how to operate their own businesses, so that they may more easily become entrepreneurs in small and medium businesses.

The rapid growth of large retailers in Thailand has required small businesses to have strategies to survive under competition, and to grow their businesses. Small businesses need to adapt, while improving their conceptual frameworks and visions, in order to keep up with changing economic conditions. Entrepreneurs are absolutely required to be knowledgeable and experienced in business planning as well as other management skills which many small entrepreneurs still lack. These cause business operations to fail due to a lack of knowledge and skills to transfer from one generation to another.

### **Problem Discussion**

The researcher was interested in studying the attitude of small business entrepreneurs towards management skills. Current employment conditions make it harder to find work because the number of graduates at different levels is greater than the needs of the labor market that causing the unemployed to become an entrepreneur (Muak Lek Municipally, 2018). This were done in order to find effective guidelines for operating businesses in the current economic environment that is highly competitive. The finding should be helped new entrepreneurs to adjust their attitude towards management skills in order to run

a stable, sustainable and effective business. It also helps to support the government's local economic stimulus measures to promote new entrepreneurs in the community that can run their business efficiently. The results of the study may be used to help small business entrepreneurs develop and improve so that they become more efficient and effective.

### **Purposes**

The purpose of this study was to study the attitude of small business entrepreneurs towards management skills, and to study the differences in personal factors resulting in the attitude of small business entrepreneurs. This study was guided by the following research objectives:

1. To study the attitude of small business entrepreneurs towards management skills.
2. To study the different personal factors causing the attitude of small business entrepreneurs towards management skills.

### **Theoretical and Related Literature *Entrepreneurs***

Buntawan Wingworn (2013). stated that entrepreneurs are inspirational people who seek opportunities to establish businesses and apply creative methods to improve their operations on an ongoing basis. In addition, Chaiyuth Lertpanich (2013) stated that entrepreneurs are people who look for success, are responsible, accept risk, have confidence in themselves, are quick to respond, flexible and patient, have good relationships, knowledge and experience. In addition, Vivian Agarwal (2016) states that an entrepreneur is somebody who operates a business, taking risks and reaping the rewards that come

with owning a business, and an entrepreneur is a through leader with often the expertise and knowledge of an innovator. Therefore, it can be concluded that an entrepreneur is defined as a person who founded or owns and operates a business for profit and satisfaction and bears the risks that may arise from its operations.

### ***Management Skills***

According to Katz's concept (referred in Una Issahak, 2012) management skills means being able to work fluently, swiftly, accurately, and with expertise in practice in a manner that is trusted and accepted by general public. Management skills also means the ability to manage according to an organization's mission quickly and accurately by using human and other available resources through a systematic management process. Chaiset Promsiri (2008) says that management skills mean the ability of managers to perform tasks that are done by others. While Pairao Khanapool (2011) says that management has four functions: planning, organizing, leading/influencing, and controlling, in which the executive will perform tasks effectively. Good management skills also must include 1) technical skills, which means an ability to apply knowledge and expertise in the workplace; this may include specific skills such as finance, accounting, marketing, human resources, law, and computer; 2) human skills, which mean skills used in working with people such as communication or coordination; and 3) conceptual skills, which means an ability to look at the organization as a whole and the direction of organization development, analyze internal and external factors that affect the organization, and make changes

that will affect the organization. In addition, Siriwan Serirat (referred in Natthawut Wiset, 2012) divides management processes into 1) planning as a means to achieve goals; 2) organizing as a process of determining systems and roles of the organization; 3) staffing as a selection, of various positions to suit the organization's structure; 4) leading as the command and motivation of people; and 5) controlling as a measure of performance and improvement of work to ensure that operations are in control according to objectives and plans.

Alison Doyle (2019) described that most management skills are related to six fundamental functions: planning, organizing, coordinating, directing, leadership, and oversight. Planning is important because manager has to understand what resources are, develop time tables and budgets, and assign tasks of responsibility.

### ***Characteristics of Small Business Entrepreneurs***

Pranee Tanprayoon (2012, pp. 9) describes the characteristics of entrepreneurs who establish small or medium-sized businesses as consisting of 14 components, which are 1) commitment; 2) innovation and marketing capability; 3) human relations and communications; 4) networking; 5) quality of products or services; 6) business opportunities and productivity; 7) optimism; 8) management; 9) leadership; 10) skills and expertise; 11) accountability; 12) work systems; 13) health; and 14) business ethics. However, Sittichai Thammasaneh (2012) states that small businesses are responsible for administrative tasks, operational planning, acquiring and contacting customers, raw material procurement, resource allocation, and production control, as well as sales

activities and public relations. Therefore, small business entrepreneurs need to have skills and expertise to manage all these duties for the success and survival of the business. Jetsada Burintaworakul (2014) states that small business entrepreneurs should have skills in five-areas; communication, branding, sales, strategy, and finance. Timothy Sykes (2017) state that there were five-characteristics; bravery, self-motivation, transparency, enthusiasm, and accountability that no small-business owner can be successful without these traits. Anastacia Mamabolo and Tumo Kele (2017) that states that entrepreneurs require financial management, human resource management, start-up, social and interpersonal, leadership, personality, marketing, technical and business management skills.

### ***Related Literature***

Sittichai Thammasaneh (2012) found that females are more capable of being entrepreneurs than males. Entrepreneurs have management skills, but may lack capabilities of marketing, communication, and computer usage. The study of Wanwisa Chokpromanan and Natthawut Wiset (2012) found that the skills needed for small business entrepreneurs in Nonthaburi were a high level of marketing skills, technology skills, and financial skills. By comparing personal factors with management skills, it was found that different genders had different opinions about financial management skills. People of different age groups had different opinions about marketing skills, technology skills, and financial skills. And people of different educational levels had different opinions about technology skills. Pawat

Thanasarnsaenlan (2015) found that entrepreneurs being in different age ranges were differently skillful in business management.

### **Conceptual Framework**

The literature reviews above caused the researcher to be interested in studying the attitude of small business entrepreneurs in Muak Lek Municipality, Muak Lek District, Saraburi Province towards management skills. From the theories and results of related researches, the researcher summarized management skills that made small business entrepreneurs had different attitude. And, the personal factors that cause the different attitude of small business entrepreneurs towards management skills are different. Then, the research chose to study management skills and factors which made a significant difference from and namely four-management skills are planning skill, accounting/financial skills, marketing skill, and operation skills. There are six-personal factors which are gender, age, educational background, years operation, business model, and number of people in their business.

### **Methodology**

The population used in this study is the small business entrepreneurs in Muak Lek Municipality, Muak Lek District, Saraburi Province, or a total of 633 establishments (Muak Lek Municipality, 2018). The sample size can be obtained by using Yamane's formula to calculate the size of the population (Yamane 1973, referred in Natthawut Wiset, 2012), which yields a sample size of 245 establishments. The questionnaire consisted of two parts. Personal information was collected with closed-end questions, while information about management skills used a five-point

Likert scale. An Item Objective Congruency Index (IOC) was employed to validate the questions. Items with an IOC index higher than 0.50 were accepted and used in the questionnaire. The period of data collection was between October and December 2018. The researcher collected data by distributing 250 questionnaires to small business entrepreneurs operating in the Muak Lek Municipality by accidental sampling, and received 127 completed questionnaires, which equivalent to 51.8%. Their reliability was analyzed by Cronbach's alpha, and showed a confidence value of 0.91. However, Kansiri Janjaroen (2009) explained the sample size determination that if population is in hundreds, sample size should be 15-30%. This study has population 633 establishments, so sample size should be 95-190 establishments. Therefore, completed questionnaires of 127 are acceptable which do not collect addition information and do not exclude the questions that appear in the questionnaire. Data from the questionnaires was used only for this study. Information was considered confidential, and did not cause damage to

respondents either directly or indirectly. This eliminated the need to collect additional information, and did not invalidate the questions that appeared in the questionnaire.

The personal factors were summarized with descriptive statistics, such as raw frequencies and percentages. The management skills were summarized using means and standard deviations. Other statistical analysis included a *t*-Test, One-way ANOVA, and Scheffe' Method Test, which was utilized to determine differences in pair-wise comparisons of the means of respondent sub-groups.

## Results

### *Personal Factors*

The personal characteristics of respondents are reported below in Table 1. The largest group of respondents were female (56.7%), aged between 20-39 years old (59.1%) who graduated with Bachelor degrees (50.4%). Their businesses had been operating more than 10 years (37.0%), most of them were sole proprietorships (66.1%), and they had 1-3 people working for their businesses (59.8%).

**Table 1** Personal Factors of Respondents

Factors		Frequency (127)	Percentage
Gender	Male	55	43.3
	Female	72	56.7
Age	Less than 20 years old	2	1.6
	20 – 39 years old	75	59.1
	40 – 59 years old	44	34.6
	More than 60 years old	6	4.7
Educational Background	Lower than High School	8	6.3
	Secondary School	14	11.0
	High School	20	15.7
	Diploma/Higher Vocational	13	10.2
	Bachelor Degree	64	50.4

	Higher than Bachelor Degree	8	6.3
Years Operation	Less than 1 year	10	7.9
	1 – 3 years	37	29.1
	4 – 6 years	19	15.0
	7 – 10 years	14	11.0
	More than 10 years	47	37.0
Business Model	Sole Proprietorship	84	66.1
	Partnership	32	25.2
	Company	11	8.7
Number of People in their Business	1 – 3 people	76	59.8
	4 – 6 people	41	32.3
	More than 7 people	10	7.9

### **Management Skills**

When management skills were considered, evidence was found that the attitude towards management skills of small business entrepreneurs in Muak Lek Municipality were at a high level in all

skills. The average score for operational skills was the highest, followed by marketing skills, planning skills, and accounting and financial skills respectively, as shown in Table 2.

**Table 2** Attitude of Small Business Entrepreneurs on Management Skills

Management Skills	Mean	S.D.	Level of Significance
Planning	3.58	0.63	High
Accounting and Financial	3.48	0.60	High
Marketing	3.61	0.65	High
Operation	3.69	0.64	High

### **Personal Factors and Management Skills**

The study found that neither age, educational background, nor years of operation did not different the attitude of small business entrepreneurs towards management skills. Therefore, the study

found that gender had a statistically significant different on accounting/financial and operational management skills at the 0.05 level, as shown in Table 3 below.

**Table 3** Comparison of Management Skills by Gender

Management Skills	Male (55)		Female (72)		t	p
	Mean	S.D.	Mean	S.D.		
Planning	3.53	0.612	3.62	0.660	1.374	0.243
Accounting and Financial	3.32	0.457	3.60	0.674	9.593*	0.002
Marketing	3.49	0.578	3.70	0.702	3.055	0.083
Operation	3.57	0.527	3.78	0.709	6.699*	0.011

\* Statistically significant level of 0.05.

The study found that years of operation had a statistically significant different at the 0.05 level on accounting and financial skills as shown in Table 4. When these differences were analyzed

using Scheffe' Method, no significant relationship was found between small business entrepreneurs' levels of experience and their accounting and financial management skills.

**Table 4** Comparison of Management Skills by Years Operation

Years Operation		SS	df	MS	F	P
Planning	Between Group	2.066	4	0.516	1.275	0.284
	Within Group	49.423	122	0.405		
	Total	51.489	126			
Accounting and Financial	Between Group	4.015	4	1.004	2.904*	0.024
	Within Group	42.027	122	0.344		
	Total	46.042	126			
Marketing	Between Group	3.738	4	0.934	2.245	0.068
	Within Group	50.791	122	0.416		
	Total	54.529	126			
Operation	Between Group	3.320	4	0.830	2.070	0.089
	Within Group	48.908	122	0.401		
	Total	52.228	126			

\* Statistically significant level of 0.05.

The study found that type of business model had a statistically significant different at the 0.05 level on the level of accounting/financial and operational skills as shown in Table 5. When these differences were analyzed using Scheffe' Method, a statistically significant relationship at the 0.05 level

was found between the accounting/financial management skills of sole proprietorship businesses and companies. While small business entrepreneurs with different business model had no result in different level of operation skill, as show in Table 6.

**Table 5** Comparison of Management skills by Business Model

Business Model		SS	df	MS	F	P
Planning	Between Group	0.820	2	0.410	1.004	0.369
	Within Group	40.668	124	0.409		
	Total	51.489	126			
Accounting and Financial	Between Group	2.429	2	1.214	3.453*	0.035
	Within Group	43.613	124	0.352		
	Total	46.042	126			
Marketing	Between	0.030	2	0.015	0.034	0.967

	Group					
	Within Group	54.499	124	0.440		
	Total	54.529	126			
Operation	Between	3.293	2	1.647	4.172*	0.018
	Group					
	Within Group	48.935	124	0.395		
	Total	52.228	126			

\* Statistically significant level of 0.05.

**Table 6** Scheffe's Post Hoc Test of Relationships between Business Model and Accounting /Financial Skills

Business Model		Mean	Sole Proprietorship	Partnership	Company
Accounting and Financial	Sole Proprietorship	3.55	-	0.12	0.48*
	Partnership	3.43		-	-0.35
	Company	3.07			-

\* Statistically significant level of 0.05.

The study found that the number of people working in the business had a statistically significant relationship at the 0.05 level with accounting/financial and operational skills, as shown in Table 7. These differences were analyzed using Scheffe' Post Hoc Test. Statistically significant differences at the 0.05 level

were found in accounting/financial skills between small businesses with 1-3 employees and those with 4-6 employees. Similar statistical differences were noted in operational skills as well between businesses with 1-3 employees, and those with more than 3 staff members, as shown in Table 8.

**Table 7** Comparison of Management Skills by Number of People in their Business

Number of People in their Business		SS	df	MS	F	P
Planning	Between	0.297	2	0.148	0.360	0.699
	Group					
	Within Group	51.192	124	0.413		
	Total	51.489	126			
Accounting and Financial	Between	4.248	2	2.124	6.302*	0.002
	Group					
	Within Group	41.794	124	0.337		
	Total	46.042	126			
Marketing	Between	0.876	2	0.438	1.013	0.366
	Group					
	Within Group	53.652	124	0.433		
	Total	54.529	126			
Operation	Between	4.752	2	2.376	6.206*	0.003
	Group					
	Within Group	47.476	124	0.383		
	Total	52.228	126			

\* Statistically significant level of 0.05.



**Table 8** Scheffe's Post Hoc Test of Relationships between Number of People in their Business and Accounting/Financial and Operation Skills

Number of People in their Business		Mean	1-3 people	4-6 people	More than 7 people
Accounting and Financial	1-3 people	3.62	-	0.30*	0.54
	4-6 people	3.32		-	0.24
	More than 7 people	3.08			-
Operation	1-3 people	3.85	-	0.34*	0.53*
	4-6 people	3.50		-	0.18
	More than 7 people	3.32			-

\* Statistically significant level of 0.05.

### Discussion

The results of the study found that most of small business entrepreneurs in Muak Lek Municipality were female, aged between 20-39 years old, and had graduated with a Bachelor Degree. Their businesses were sole proprietorships that had been in operation for more than 10 years, with 1-3 employees. Their self-reported management skills were rated at a high level in all aspects, which is in harmony with the findings of Sittichai Thammasaneh (2012), who stated that small business entrepreneurs need to have skills and expertise to manage a wide range of duties for the success and survival of the business.

Small business entrepreneurs of different genders had attitude different levels of accounting/financial and operational management skills. This is similar to the results of Sittichai Thammasaneh (2012), who also found that female entrepreneurs were more talented than male entrepreneurs. Natthawut Wiset (2012) also found that entrepreneurs of different gender had different levels of accounting and financial skills.

Small business entrepreneurs of different ages had no attitude different levels of the management skills. This is

different from the research of Wanvisa Chokprim-anan and Wirote Jetsadaluk (2015), who found that entrepreneurs of different age had different levels of management skills. In addition, Natthawut Wiset (2012) found that that entrepreneurs of different ages had different levels of financial and technology skills. Pawat Thanasarnseanlan (2015) also discovered that entrepreneurs of different ages have different levels of management expertise.

There were no differences attitude in management skills were found between small business entrepreneurs with different educational backgrounds. This finding is different from that of Wanvisa Chikprom-anan and Wirote Jetsadaluk (2015), who found that entrepreneurs of different educational backgrounds had different levels of management skills. Natthawut Wiset (2012) also found that entrepreneurs with different educational background had differences in their technology skills.

A statistically significant relationship was found between how long a business had been in operation and entrepreneurs' accounting/financial management skills. This finding differed from that of Sittichai Thammasaneh (2012), who stated that years of operation

is not related to the ability to be an entrepreneur.

Small business entrepreneurs who were sole proprietors had more different attitude of accounting and financial skills than entrepreneurs who ran companies at the 0.05 level of statistical significance. This finding is consistent with that of Pairao Khanapool (2011), who found that good managers must have financial and accounting ability. Therefore, entrepreneurs who are sole proprietors need more expertise in their workplaces than entrepreneurs who own companies, which must hold a meeting to consider and make decisions on resolutions.

Small business entrepreneurs with 1-3 employees working in their businesses had more attitude of accounting and financial skills than entrepreneurs who had 4-6 employees in their businesses. This means that entrepreneurs, who have few employees, must take care of the accounting on their own, which gives them an opportunity to show their accounting and financial skills. Entrepreneurs who have more than 3 employees in their business can hire an accountant to do this work on their behalf.

Small business entrepreneurs who have 1-3 employees in their businesses have higher attitude levels of operational skills than entrepreneurs who have more

than 3 employees in their businesses. This finding is in agreement with Chaiset Primsri (2008), who indicated that managers must have people skills, or the ability to work with, persuade, motivate, and communicate effectively with others. The concept of Siriwan Seerirat (referred to in Natthawut Wiset, 2012) suggests that command, incentive and control are management processes that lead to the achievement of goals. Therefore, businesses with a small number of employees makes command or communication easier than those with many workers. Entrepreneurs can practice their operational skills through teaching or demonstration more easily.

### **Recommendations and Future Direction**

This study is specially for small business entrepreneurs in Muak Lek Municipality only and the results are limited. Therefore, population should be expanded in the next study such as the district or provincial levels for a broad overview. Data collection was quantitative, so qualitative data should be collected such as in-deep interview or focus groups, which giving insights into the development attitude of small business entrepreneur towards management skills to be able to operate their business more efficiently.

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