

The Management of Savings and Credit Cooperatives to Empower the Community Economic Strength in the Central Region of Thailand

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This research article aims to study and analyse the conditions of management of the Savings and Credit Cooperatives, and the major factors affecting the management of the Cooperatives, to empower the community economic strength in the central region of Thailand. This study is qualitative research, in which data is collected by document research and semi-structured in-depth interview with 90 key informants from 30 offices of the Savings and Credit Cooperatives. The research findings are as follows: (1) Based on the management of most Savings and Credit Cooperatives in Thailand's central region — lack of planning, strategic management, professionalism, and the participation of staff and members — the shared value of principles and philosophy of the Savings and Credit Cooperatives are found. Moreover, the Cooperatives pay higher attention to quantitative success, in terms of the financial stability of the Cooperatives rather than to the qualitative success on the well-being of the Cooperatives' members. (2) Factors affecting the management of the Cooperatives to empower community economic strength in Thailand's central region includes: awareness and insight into the principles and the philosophy of the cooperatives together with the participation of the Cooperatives' members; and trust and faith in the Cooperatives, good governance and transparency of the operation, including the four keys of resource management - Man, Money, Material/Equipment and Management – with Information Technology systems and government.

Key words: *Management, Savings and Credit Cooperatives, Community Economic Strength.*



Introduction

His Majesty King Bhumibol Adulyadej, King Rama IX, was kind to all groups of Thai citizens, providing the royal core mission by visiting the regions to monitor and care for the well-being of the people. Furthermore, the royal procedures and guidelines for the development of the perfect cooperative work based on self-dependence and inter-assistance aligned with the precise cooperative principles, the economic living conditions, the customs and the culture of Thai's were granted. The dominant royal development of the Cooperatives includes the Royal Cooperative Management Project, relating to cooperative villages responsible for agricultural cooperatives and urban development centres, and which can be used as models for general farmers. The initiation of the royal projects included the establishment of various types of Cooperatives in Phetchaburi province. Later, the expansion of this kind of establishment was conducted in every region of the country, and after the most stable agricultural cooperatives were developed. In addition, some parts of royal land were granted for land allocation by His Majesty, enabling local people to utilise it for farming using the cooperative procedures.

His Majesty reflected the importance of cooperative work in his royal speeches delivered to cooperative leaders on various occasions. In one such speech His Majesty noted: "The expansion of the cooperative system all over the country should be conducted since the cooperative procedures are a good base for democratic system teaching people to be aware of their shared responsibilities by selecting their representatives to administrate the cooperatives so that the insight into the shared value and benefits should be gained ..." (The Royal Guidance granted the audience for the cooperative leaders from all over the country at Dusitdalai Pavilion, on 12th May 1877 cited in Pitipanya, 2017)

With his deep consideration, His Majesty was aware of the weak points, the problems and the obstacles causing slow progress in many cooperatives. This led to His Majesty's insight into the key cooperative management to achieve the goal, requiring the attentive members' participation in the cooperative management. The creation of the members' trust and faith in the cooperative procedures will be the major foundation of the cooperative development. His Majesty also paid great emphasis on providing education and training for the board, the members and the personnel of the cooperatives. This served a purpose of providing those involved the insight into their rights and responsibilities, which will be beneficial to the progressive and sustainable cooperative development.

Based on the Cooperative Act 1999 and Cooperative Act 2010, Cooperatives can be defined as groups of people doing activities together for the benefits of the economy and the society by self-dependence and inter-assistance. The groups establishing the cooperatives must be legally registered and undertake activities aligned with the registered type of the



cooperatives. The seven types of cooperatives include agricultural cooperatives, cooperative estates, fishery cooperatives, cooperative shop, cooperative services, savings cooperatives, and credit union cooperatives. In terms of the savings cooperatives, they are a type of financial institution that includes members earning salary and wages from the same working unit or service institution or living in the same community and establishing saving cooperatives under the Cooperative Act. The purpose of a savings cooperative includes encouraging members to save money, and to support the economic and social status of the members for their well-being. The use of the philosophy, the ideology, the principles and the procedures of the cooperatives as guidelines for operation, is a key concept for operating by a group of people with inter-assistance for the benefits of the members and the community, based on the necessity of living one's life. The first cooperative in Thailand was the Cooperatives of Cooperatives' Civil Servants, Limited, which is now the Savings Cooperatives of Cooperatives' Civil Servants, Limited, established on September 1949)Cooperative Auditing Department, 2017(.

The Savings Cooperatives are, therefore, regarded as important financial institutions for the household sector due to their characteristics, which are alike to commercial banks. That is the Savings Cooperatives are responsible for being the financial middleman, dealing with matching the members with surplus finance with the members in need of capital, and encouraging savings, collecting the member's fees, and providing loans for members with a lower interest rate than the savings interest rate. The core element of running the business relies on the trust from public. In addition, the Savings Cooperatives are the financial institutions fulfilling the financial inclusion of the people unable to access the commercial banks.

Moreover, based on various cases abroad, it can be pointed out that the people's lack of trust in financial institutions and the simultaneous withdrawal of savings, may lead to a financial crisis. Presently, the overall growth or expansion rates of the cooperatives are increasing. In reference to the data on 31st December 2017, the total number of the Savings Cooperatives in Thailand is 1,471, with 3,107,188 members)Information and Communication Technology Center, 2017(. Furthermore, at the end of October 2017, the total asset is 2.6 million baht which is a 59.51% increase from the year 2016 – the highest comparing to other types of the cooperatives, and more than 70% is the loan for the cooperatives' members. In consideration of a single region, it is found that the highest number of the cooperatives is in the central region with 876 cooperatives and 1,852,108 members, and the model of the cooperatives' capital management is developed with more proactive management. This is aligned with the research of Pattravat — who analysed the overall condition of the Savings Cooperatives — revealing a three-time increase of the total financial value of the Savings Cooperatives in 10 years)from 2001-2011(from 391,674.26 million baht to 1,081,587.31 million baht, with the

tendency of surplus available for huge port investment, such as Debt Instruments, Equity Instrument, etc)Patravat, 2011(.

The higher competition and the search for yield is due to the fast-changing world today, the rapid growing technology, the idea of consumerism, and the emphasis on one's private benefit (Ploenhad, Laoprawatchai, Thongrawd, & Jernsittiparsert, 2019; Jernsittiparsert, Joemsittiprasert, & Syazali, 2019). This leads to the competition for short-term return of investment or profit dominating the principles of sustainable business operation (Haseeb, Hussain, Slusarczyk, & Jernsittiparsert, 2019; Haseeb, Hussain, Kot, Androniceanu, & Jernsittiparsert, 2019). Moreover, poor supervision pushes the Savings Cooperatives to compete with one another in the manner that risk estimation would be too low, leading to accumulated risk in the system. This includes competition to gain savings with high interest rates, to offer dividend with high interest rates or to invest in risky assets. In addition, such competition among the cooperatives regarded as one's standard reduction, may cause damage to the system and lead to its fragility. This has been evidenced continuously in the news, relating to corruption in the cooperatives that includes loss in the government lottery investment of some cooperatives, to the operation not being included in the mission by granting loans to corporates and general people. This operation violates the regulations. Furthermore, empowering the authority not specified in the operational objectives, includes: the over estimation of justifying bails or estates; the allowance of refinance for debtors to close the previous debt accounts to avoid non-performing loans or the expansion of the debt payment period to more than 10 years; the payment of commission for those finding large amount of deposits; the corruption of the administrators or the use of power or cooperative data to seek private profits and the edition of the accounts to conceal the actual state of the cooperatives, etc. This unavoidably causes major or minor damages to the members and the cooperatives responsible for providing loans, and the images, the trust and the faith of people to the Savings Cooperatives as a whole. Unsolvable questions from the general public arise concerning the stability and transparency of the Savings Cooperatives whenever the misconduct exists, and this certainly affects the trust of the cooperative system.

In reference to the above reasons, the objectives of this research are to study and analyse the conditions of the management of the Savings and Credit Cooperatives, and to study the major factors affecting the management of the Cooperatives to empower community economic strength in Thailand's central region.

Review of Literature

Savings and Credit Cooperatives

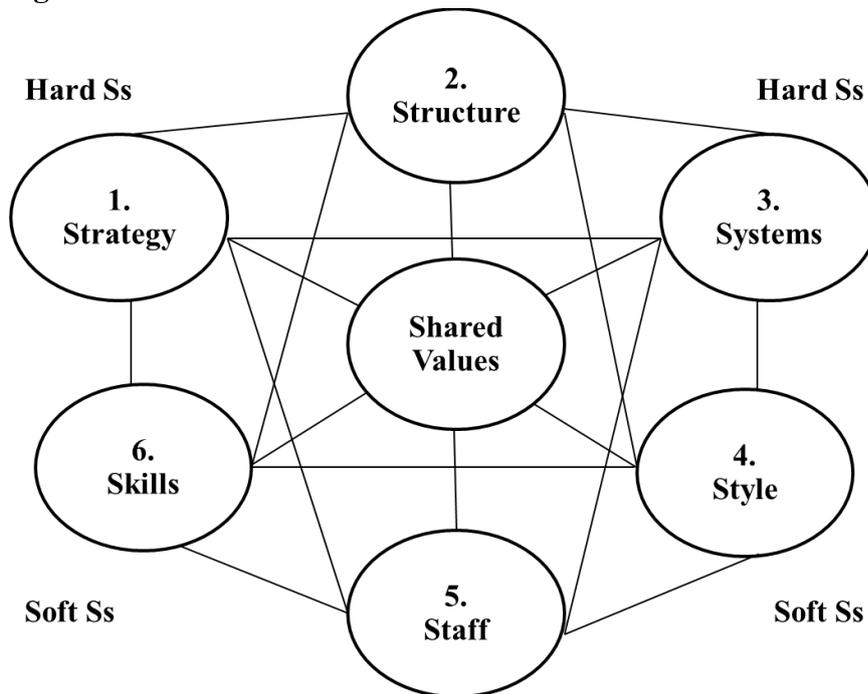
Microfinance institutions in Thailand were considered significant as the alternative financing source, such as Savings and Credit Cooperatives)SCCs(. While these institutions have been

intensified in terms of cooperative quantity and impact on entire economy. SCCs are village level cooperatives which deal directly with the local mass. They provide short-term credit and inculcate saving habits on members. They are financial organisations owned and operated, by and for members according to democratic principles for the purpose of encouraging savings, using pooled funds to extend loans to members at reasonable rates of interest and providing financial services to enable members to improve their economic and social well-being)Frank et al., 2015(. According to Zikalala, financial cooperatives are viewed as a vehicle to cultivate a culture of saving among low income earners. In short, SCCs are member-based institutions, that intermediate savings into loans. They are usually rather small, independent financial institutions. This enables the rural and urban poor population to deposit savings as well as to take loans)Distler and Schmidt, 2011 cited in Semaw, 2019(. Small loans are believed to bring significant improvement in the lives of the active poor by increasing their productive capacity. Credit enables the poor to boost their businesses, agriculture production and be able to meet household daily needs. Membership is voluntary and open to all people who are willing to take the responsibility of membership, such as payment of registration fees, buying the minimum number of shares and active economic participation. Only members can use the services of SCCs. Members control their cooperatives by attending annual general meetings and electing a board of directors. The board of directors hires a manager who will control the day-to-day operations of the society)Semaw, 2019(.

McKinsey's 7-S Framework

One framework that has been widely used to assess a firm's competitive position is the McKinsey 7-S framework. The model is based on seven internal company factors that must be aligned together for successful implementation of the strategy in the company. The McKinsey 7-S Framework is a useful tool that can be used to diagnose and solve organisational problems. It depicts an organisation as a collection of seven interconnected elements: structure, strategy, systems, staff, skills, style and shared values. Figure 1 presents a graphical representation of the model. Although all seven elements are important, they are not all easy to identify. Peters and Waterman address this by splitting them into two categories: 'hard' and 'soft')Robert, Thomas, and Julien, 1980(. The details are shown in figure 1 below.

Figure 1. The 7-S Framework



Source: modified from Robert H. et al., 2011: 18.

Figure 1 presents a graphical representation of McKinsey's 7-S model. The 7-S framework is a diagnostic model that attempts to identify the factors that are necessary for effective strategy execution. As stated above, the model is predicated on the principle that the seven factors are inter-related and must be aligned to enhance and optimise organisational performance (Porter, 1996: 61-78). The three factors of strategy, structure, and systems are known as hard Ss. Strategy reflects the plan an organisation has to achieve its objectives. This is a dynamic element, in that it changes all the time in response to outside factors like competition, demand and technological innovations. Structure represents the way in which an organisation's activities are managed. In small businesses, this might be a traditional hierarchy. In larger organisations, this is more likely to be a divisional or matrix structure, where different managers have varying areas of responsibility. Systems are the processes an organisation has in place. This includes information systems, as well as financial procedures, legal policy, risk assessment, health and safety, pay and benefits. In short, all the systems that direct organisational activity.

The remaining four factors, called the soft Ss, are staff, skills, style, and shared values. Style represents the organisational culture, usually described as 'the way things are done around here'. This also includes individual management and leadership styles. Staff describes the people in the organisation, their talents and the way they are developed. Skills reflect the competencies and capabilities of the organisation and its people. Lastly, the shared values

factor — which is at the centre point of the model — reflects the superordinate goals of the firm and provides employees with a sense of purpose.

Therefore, the analysis is based on McKinsey's 7-S Framework of the management of Savings and Credit Cooperatives in Thailand's central region and points out various changes inside and outside the cooperatives, including the existing happenings and the tendency expected to exist in the future. Moreover, the impact of such changes could be identified to find out the current conditions and the level of growth of the cooperatives from the opportunities, threats, strengths, and weaknesses of the cooperatives to supply the vision, mission, goal, key performance indicators)KPIs(and strategies of the cooperatives. In this way, the SWOT analysis is employed as a major tool to synthesise for specifying the strategic plan of the cooperatives)Akarabowon and Jareonsab, 2009(.

Research Methodology

The population and the sampling of the research

Population and samples for qualitative research were composed of three main groups of key informants in the Savings Cooperatives: members of the Cooperatives, the board of the Cooperatives, and the administrators of the management division with the total number of 90 key informants from 30 Savings Cooperatives in the central region of Thailand. The sampling technique used was purposive sampling.

The data collection of the research

The data collection of the research entitled the Management of Savings and Credit Cooperatives to Empower the Community Economic Strength in the Central Region of Thailand — which is a qualitative research — includes documentary research from books, textbooks, journals, articles, thesis, academic conference proceedings, the annual reports of the Savings and Credit Cooperatives and various research reports relating to the Savings and Credit Cooperatives. Moreover, the semi-structured in-depth interviewing of 90 key informants)period from May to November, 2018(in the field of the management of the Savings and Credit Cooperatives in Thailand's central region, including 30 groups of the Savings and Credit Cooperatives in the three provinces of Pathum Thani, Phetchaburi, and Nakorn Nayok, is conducted.

Data analysis

Data analysis includes qualitative analysis by using content analysis with analytic analysis to interpret the meaning by ordering the key words based on the number of times they are

mentioned by the informants. In addition, descriptive statistics, namely frequency and percentage, are used.

Research Results

The analysis results of the management of Savings and Credit Cooperatives in Thailand's central region, based on McKinsey's 7-S Framework, found a lack of analysis of the internal and external factors affecting the cooperative management. Moreover, the lack of strategic planning — including the specification of strategies, goals, and clear indicators — can be found together with the lack of the integration of strategies to link strategies aiming to unite the operation of organisations, divisions, and personnel in the same direction, and the lack of the stakeholders' participation in strategic planning.

Organisation Structure — especially the organisation structure of the management division — found that although the number of members and the amount of capital of each cooperative is nearly the same, the number of personnel is different, leading to difference in the expenses of the personnel's salary and welfare cost. Moreover, the structure of the management of the cooperatives includes check and balance. That is, the assessors of the activities run by Savings and Credit Cooperatives will be in charge, while there is a lack of the unit dealing with the direct supervision of Savings and Credit Cooperatives.

In this study, system comprises two types: capital management system and follow up/assessment system. The research results disclose the following points:)1(The capital management system of Savings and Credit Cooperatives in Thailand's central region includes a more proactive model of the capital management. This is highlighted in that, at the end of 2016, total assets cost 1.63 million baht, with an increase to 2.6 million baht in 2017 or the growth rate is at 59.51 percent. In the instance a lot of cooperatives own various huge capital ports, it can be pointed out that this is caused partially by the members' pressure to gain higher dividend and partially by the demand of more loans. This condition requires the board members and the management of the cooperatives to seek higher equity, while in contrast most cooperatives are unaware of risk management. This is due to the cooperatives' consumption of low risk in loss of debts. Based on the advantages of the cooperatives over other financial institutions, the debtors of the cooperatives include the personnel in the same organisation, and the cooperatives are legally allowed to take some amount of the debtors' salary to pay debts. However, the cooperatives lack the data about the total amount of debts of the debtors because most cooperatives are not the members of Credit Bureau. In addition, since other creditors are unable to access the data of the cooperatives' debts, the debtors of the cooperatives can apply for loans from other creditors without their ability to pay debt being checked. This leads to overpayment, and when the debtors cannot pay debts, they are filed for bankruptcy. The loss affects all creditors including the cooperatives.)2(The Follow

up/Assessment System of the Savings and Credit Cooperatives in Thailand's central region is focused on quantitative assessment, more than on qualitative assessment, by emphasising the figures on the accounts showing the growth of the cooperatives. Moreover, since most of the members lack the knowledge and the insight into basic accounting and financing, it is difficult for them to understand clearly the contents in the reports. Moreover, in terms of the cooperatives' performance assessment report, the neglect of the risk assessment and the analysis of each type of investment leads to inadequate data for the members to make decisions.

The management of human)staff(resource of the cooperatives includes three groups of people:)1(the members consisting of the owners, service users and supervisors of the cooperatives;)2(the board members selected as the members' representatives in the grand meeting of the cooperatives to be responsible for managing and operating various businesses of the cooperatives; and)3(the management division consisting of the manager and the officers responsible for operating the business of the cooperatives in accordance with the cooperatives' policies. These research findings identified that most of the Savings and Credit Cooperatives in Thailand's central region lack integration of organisation strategies with business operations.

Today, the model of the capital management of the Savings and Credit Cooperatives in Thailand's central region differs from the previous, with various huge capital ports including: more risk; essential skills for the management of the cooperatives are skills and knowledge concerning finance and risk management process, which will be beneficial for the members to enable them to audit/follow up the cooperatives' performance; for the board members to make decisions in investment; and for the management division to write the annual report or the accounting standard. This research found most of the personnel of the Savings and Credit Cooperatives in Thailand's central region gain inadequate knowledge concerning finance to run businesses professionally and lack the evaluation and the analysis of risk in investment in each type for the members to make decisions.

The management style of the Savings and Credit Cooperatives in Thailand's central region discussed in this study the problems and the obstacles of the administrators, finding that most of the administrators lack the insight into the principles and the philosophy of the cooperatives, the knowledge and the insight into the roles and the responsibilities assigned as nominated, and the experiences concerning the savings and cooperative management.

Finally, the principles adopted jointly by the Saving and Credit Cooperatives in Thailand's central region include cooperative values, cooperative ideology, cooperative practices, and universal cooperative principles. It can be noted that the mentioned concepts reflect the cooperative principles, namely economising and saving, being self-dependent, and being

inter-dependent. Moreover, the operation of the cooperatives is not based on profit seeking and charity assisting, but on service providing. It can, therefore, be concluded that the cooperatives' philosophy can be defined as the shared values of the cooperatives' members, believing that the cooperatives' business operation will enable all members to gain well-being, and peace in the society. The results of this study show that the Savings and Credit Cooperatives in Thailand's central region lack the knowledge and the insight into the principles and the actual philosophy of the cooperatives. Especially, the feelings of being owner of the cooperatives, the roles of members, and most members take part in using services of the cooperatives more than giving opinions, suggesting or providing ideas concerning the board's administration, assessment, follow up, and supervision of the board members. This is because members are aware that these are the supervisors' duties. Moreover, most members as shareholders perceive that the cooperative shares are a form of savings, and the share prices are stable leading to the members' neglect and lack of interest in looking after and following up the board members' operation. Members expect that in the case the cooperatives face financial problems, the members can gain the full amount of deposits. Moreover, some members apply for the cooperative's membership with the hope to apply for a loan as the priority and apply immediately when qualified.

Based on the semi-structured in-depth interview with key informants, this study identified the major factors affecting the management of the cooperatives to empower the community economic strength in Thailand's central region to include: the knowledge and the insight into the principles and the philosophy of cooperative, the members' participation, trust and faith in the cooperatives, good governance, and the transparency in operation, resource management or 4M)including man, money, material/equipment, and management(, information technology systems, and the government.

Discussion

Significant issues that are in accordance with the concepts, theories and relevant research have been found in the above research results. It should be discussed as summarised below.

The principles adopted jointly by the Saving and Credit Cooperatives in Thailand's central region include cooperative values, cooperative ideology, cooperative practices, and universal cooperative principles. It can be noted that the mentioned concepts reflect the cooperative principles, namely economising and saving, being self-dependent, and being inter-dependent. Moreover, the operation of the cooperatives is not based on profit seeking and charity assisting, but on service providing. It can, therefore, be concluded the cooperatives' philosophy can be defined as the shared values of the cooperatives' members believing that the cooperatives' business operation will enable all members to gain well-being, and peace in the society, and this is consistent with the research results of Suratanasakul, Areesoponpichet, and Chaiyupatham. This study discloses the elements creating community strength to include

the same shared values, the community's learning, the community's participation, the network of cooperation, the community's potential, the social capital and the community's administration and management)Suratanasakul et al., 2017). This finding also relates to Sabah, Laith, and Manar's statement (Sabah, Laith and Manar, 2012: 192 - 204) which foregrounds that core ability — namely gaining the shared vision, cooperation, and increasing the personnel's level of ability — affects the competitive advantages and the efficiency of the organisation. Therefore, it can be stated that the shared values play vital roles in the management of the Savings and Credit Operatives, and this study discloses the expansion of the management of most of the Savings and Credit Cooperatives in Thailand's central region in the period of 10 years or less, which can be considered from the number of members, the estate sizes, etc. Moreover, based on most of the cooperatives' annual reports, the cooperatives' financial stability can be found with no reports of loss. It can be summed up that a part of these findings is the result of the cooperatives' assistance to debtors in terms of granting new loans to these debtors with the same previous conditions or it can be called 'rollover'. These findings relate to the survey by Cooperative Promotion Department)Cooperative Promotion Department, 2014(, identifying the rollover of the members of 95 large cooperatives with a cost of assets of more than 5 billion baht. It was found that among 1.16 million members, 232,345 rollovers or 19.92 percent of the total number of members are identified. These figures reflect the actual quality of debts and the increasing household debts caused by the members' lack of financial discipline.

The above problems and obstacles indicate the members' lack of well-being while the basic cooperative philosophy focuses on making the members aware of economising and saving and being self-dependent and inter-dependent. This relates to the research findings of Pasunon and Siriwong, conducting a study entitled 'The Efficiency and Key to Success in Operating Agricultural Cooperative.' The purposes of this study were to create the theory of base, and to find out two definitions of the effective operation of agricultural cooperative including:)1(the efficiency of the members' quality of life – that is the members' better quality of life, better well-being, the reduction of debts or the availability of the way to pay debts and the limitation of additional debts; and)2(the efficiency of the management – the better the cooperatives' management system is, the more sacrifice of the staff, the more ability to be self-dependent, and the more sustainability will become, etc.)Pasunon and Siriwong, 2013(. However, the results of this study show that the Savings and Credit Cooperatives in Thailand's central region lack the knowledge and the insight into the principles and the actual philosophy of the cooperatives. Especially, the feelings of being owner of the cooperatives; the roles of members; and most members take part in using services of the cooperatives, more than giving opinions, suggesting or providing ideas concerning the board's administration, assessment, follow up, and supervision of the board members. This is because the members are aware that these are the supervisors' duties. Moreover, most members as shareholders perceive that cooperative shares are a form of

savings, and the share prices are stable leading to the members' neglect and lack of interest in looking after and following up the board members' operation. Members expect that in the instance cooperatives face financial problems, the members can gain the full amount of deposits. Moreover, some members apply for membership with the hope to apply for a loan as the priority and apply immediately when qualified. These findings are consistent with the research of the National Cooperative Development Committee)National Cooperative Development Committee, 2012(, analysing the internal context to make the Cooperative Development Plan, issue no. 3)2012 - 2016(disclosing the board's and members' lack of the insight and the correct concept concerning the ideology, the principles, and the procedures of the cooperatives including love, faith, and ownership of various business of the cooperatives leading to the inability to improve the members' well-being. These findings relate to the research results of Sirijancheon and Sripokandkul)Sirijancheon and Sripokandkul, 2017) whom conducted research entitled 'The Study of the Success of the Savings and Credit Cooperatives Group's Management for Production in Khon Kean Province', stating that the problems and the obstacles of the management of the Savings and Credit Cooperatives Group, Ban Sakeaw, Huakae Sub-district, Chonabod District, include the members' inability to express opinions – whatever proposed by the meeting or the board will be accepted by the members – leading to the risk due to the lack of the members' actual needs.

The specification of the clear management direction leads to the trust and faith of the members and the increase in competition. These findings are aligned with the research results of Pochakorn et al.)Pochakorn et al., 2018) which concluded that the progressive growth and strength of the Rubber Plantation Cooperative is due to the implementation of strategies for the good entrepreneurs' business operation. Moreover, the more the entrepreneurs can employ the strategies for the management in the cooperatives, the greater progressive growth and strength will be achieved. This leads to sustainable development, which is a core mechanism for economic rehabilitation supporting economic growth, and for the solution of poverty. Additionally, it is an important process of the development of economy and society, regarded as an essential base for pushing the sustainable growth of the Thai economy. Therefore, it can be concluded that strategies pay an important role in the management of the cooperatives. However, based on the research results, the lack of analysis of the internal and external factors affecting the cooperative management is found in most of the cooperatives in Thailand's central region. Moreover, the lack of strategic planning — including the specification of strategies, goals, and clear indicators — can be found together with the lack of the integration of strategies to link strategies aiming to unite the operation of organisations, divisions, and personnel in the same direction and the lack of the stakeholders' participation in strategic planning. The above problems and obstacles may affect the achievement of the goals established by the cooperatives as suggested in Kaplan and Norton' s research report entitled 'the Office of Strategy Management' and published in the Harvard Business Review)Kaplan and Norton, 2005(. The report highlights that most organisations face failure in

strategy management due to the fragmentation in management, leading to problems of transferring strategies to practice in the organisation and lack of systematic link in the organisation. This relates to a case in the research of Sirijancheon and Sripokangkul (2017), which disclosed that the problems and the obstacles of the success in the management of the Savings and Credit Cooperatives for production in Ban Nongchoi, Tapra, Muang, and Khonkean Province were due to a lack of analysis of the previous outcome, leading to the inability to use the data for planning and improving performance so that the needs of the members or the community could be satisfied suitably.

Today, the model of capital management of the Savings and Credit Cooperatives in Thailand's central region differs from the previous. It features various large capital ports including: more risk; essential skills needed for the management of the cooperatives are skills and knowledge concerning finance and risk management process, which will be beneficial for members enabling them to audit/follow up the cooperatives' performance; for the board members to make decisions in investment; and for the management division to write the annual report or the accounting standard. This is consistent with the research results of Sakdee, Suksan, and Tantijariyapan, which highlight that in terms of the guidelines for the development of the capability of the Savings and Credit Cooperatives Groups for Production, Uttaradit province, it is suggested that the board members' working skills should be developed continuously, such as the training of financial document arrangement and accounting (Sakdee et al, 2015). Consequentially, because such skills require the specific ability necessary for carrying on business to achieve the specified goals. However, based on the research findings, most of the personnel of the Savings and Credit Cooperatives in Thailand's central region gain inadequate knowledge concerning finance to run businesses professionally, and lack the evaluation and the analysis of risk in investment in each type for the members to make decisions. These findings are consistent with the research results of Jutatip et al. which discloses some of the problems and obstacles in the cooperatives' operation are the unreadiness and lack of potential of the cooperatives' board members and the management division, and the lack of knowledge about business operation (Jutatip et al., 2011). These are aligned with the research results of Hatchavanich and Chalapirom, revealing some of the problems and obstacles in the improvement of the cooperatives includes a lack of administrative skills of board members and the management division, and the lack of professional personnel responsible for management (Hatchavanich and Chalapirom, 2011). These findings relate to the research results of Kedprakob, highlighting that some cooperatives encounter the problems of accounting partly due to inadequate knowledge and insight into finance and accounting work, while supervisors and business auditors lack the knowledge of supervising and auditing, including following up and risk warning for the cooperatives (Kedprakob, 2011). It can, therefore, be discussed that the above problems may be the result of the members' and the board members' lack of time for the cooperatives management, due to the time consumption of their fulltime jobs, and possibility their fulltime

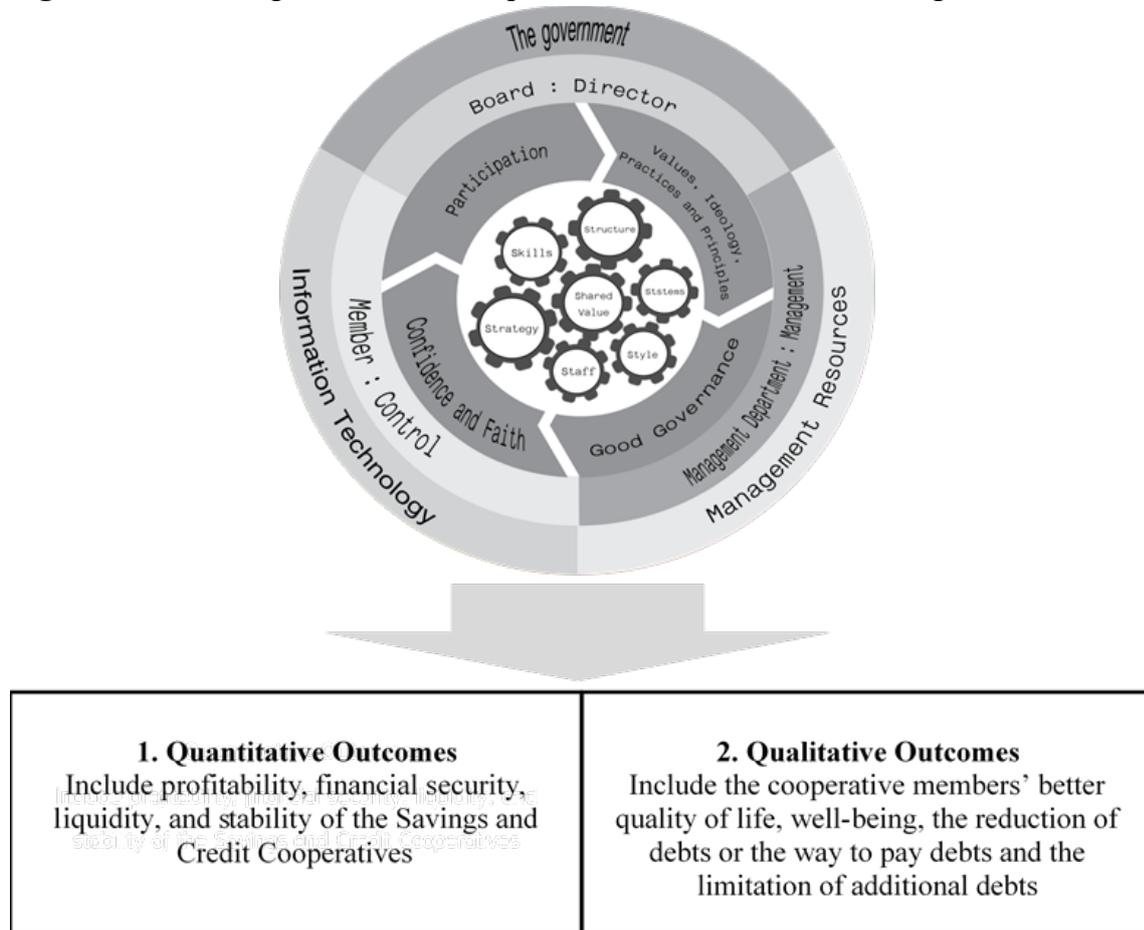


jobs may be irrelevant to knowledge of business management and risk management. Moreover, most training courses for personnel development held by the cooperatives include basic curriculum, which is inadequate for personnel development to become professional experts in cooperative careers.

Conclusion

In relation to the management style of the Savings and Credit Cooperatives to empower community economic strength in Thailand's central region, it is suggested that the cooperatives should implement the concept concerning strategic/strategy management and the balance scorecard organisation assessment as a tool or mechanism to push the cooperatives to the target goals. That is, to achieve mission and the specified vision under the philosophy, the values, the ideology, the procedure and the principles of the cooperatives, to make the members trust the cooperatives, to persuade the administrative board to stick with good governance and transparency. In this vein, all involved will take part in the management of the cooperatives as their roles or responsibilities, by supporting the management resources and developing the information technology system for the advantages in competition. Moreover, based on government policies, the cooperatives should provide freedom in decision making in business operation, with peer supervision paying attention to supporting and developing the cooperatives to empower their strength by being self-dependent and inter-dependent, based on the principles and the philosophy of the cooperatives. This mentioned style of management will empower the community economic strength in Thailand's central region in two dimensions as follows:)1(Quantitative outcomes include profitability, financial security, liquidity, and the stability of the Savings and Credit Cooperatives; and)2(Qualitative outcomes include the cooperative members' improved quality of life, well-being, the reduction of debts, the way to pay debts or the limitation of additional debts. Finally, the management style of the cooperatives to empower the community economic strength in Thailand's central region is represented in figure 2.

Figure 2. The management of the Cooperatives in Thailand’s central region



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