

# The Effects of Global Competitiveness and Governmental Support on the Performance of the Organic Agricultural Product Export Business in Thailand\*

*Singha Sribusayakul\*\* Phichai Tangpinyoputtikhun\*\*\**

*and Manisara Sananeumengthaisong\*\*\*\**

## **Abstract**

*The aim of this study was to examine global competitiveness and governmental support as to whether they affected the performance of organic agricultural product export business in Thailand. Data were collected from 62 Thailand organic agricultural product export business managers. A questionnaire was used as the instrument of the study. The statistics used for analyzing the collected data were t-test, F-test, correlation analysis, and multiple regression analysis. The findings were that global competitiveness had a positive and negative relation that affected the performance of the business. Therefore, the*

---

\* The research was made possible through grants from the Mahasarakham Business School, Mahasarakham University.

\*\* Student of master of business administration, Mahasarakham Business School, Mahasarakham University, Khamriang Sub-District, Kantarawichai District, Maha Sarakham 44150, THAILAND.  
E-mail: sribusayakul@gmail.com

\*\*\* Ph.D., Assistant Professor, Mahasarakham Business School, Mahasarakham University, Khamriang Sub-District, Kantarawichai District, Maha Sarakham 44150, THAILAND.  
E-mail: phichai.t@acc.msu.ac.th

\*\*\*\* Ph.D., Mahasarakham Business School, Mahasarakham University, Khamriang Sub-District, Kantarawichai District, Maha Sarakham 44150, THAILAND.  
E-mail: manisara.s@acc.msu.ac.th

*organic agricultural product export business managers have to emphasize more developing the ability to learn and understand world competition so that their organizational performance can become more efficient and effective and to bring a sustainable competitive advantage to the global market. Governmental support had a positive and negative relation that affected the performance of the business as well. Thus, governmental sectors have to, similarly, focus more on supporting the organic agricultural product export business in Thailand in many aspects, for example, with market expansion, market channels, etc., in order to improve business performance and enlarge market share at a higher level.*

**Keywords:** *Global Competitiveness, Governmental Support, Performance, Organic Product, Export Business*

**ผลกระกาบของความสามารถในการแปลงขันธ์ตับโลก  
และการสนับสนุนจากการคุ้นเคยที่มีต่อผลการดำเนินงานของ  
ธุรกิจส่งออกสินค้าเกษตรอินทรีย์ในประเทศไทย\***

**สิงห์ ศรีบุศยกุล\*\* พิชัย ตั้งกิจโภญพุฒิคุณ\*\*\* และ มนิสาร สนันธ์เอื้อเมืองไธสง\*\*\*\***

### **บทคัดย่อ**

การวิจัยครั้งนี้มีวัตถุประสงค์เพื่อทดสอบความสัมพันธ์ระหว่างความสามารถในการแปลงขันธ์ระดับโลกและการสนับสนุนจากการคุ้นเคยที่มีผลต่อผลการดำเนินงานของธุรกิจส่งออกสินค้าเกษตรอินทรีย์ในประเทศไทย โดยใช้แบบสอบถามเป็นเครื่องมือในการเก็บรวบรวมข้อมูลจากผู้บริหารธุรกิจส่งออกสินค้าเกษตรอินทรีย์ในประเทศไทย จำนวน 62 คน สถิติที่ใช้ในการวิเคราะห์ข้อมูล ได้แก่ *t-test*, *F-test*, การวิเคราะห์สหสัมพันธ์พหุคุณ และการวิเคราะห์ความถดถอยพหุคุณ ผลการวิจัยพบว่า 1) ความสามารถในการแปลงขันธ์ระดับโลกมีความสัมพันธ์ผลกระบทเชิงบวก และผลกระบทเชิงลบกับผลการดำเนินงาน ดังนั้น ผู้บริหารธุรกิจส่งออกสินค้าเกษตรอินทรีย์จะต้องมุ่งเน้นในการพัฒนาให้องค์กรมีความสามารถในการเรียนรู้และเข้าใจสภาพแวดล้อมในการแปลงขันธ์ระดับโลก เพื่อให้การดำเนินงานขององค์กรมีประสิทธิภาพ และประสิทธิผลมากยิ่งขึ้น นำมาซึ่งความได้เปรียบในการแปลงขันธ์ในตลาดโลกอย่างยั่งยืน 2) การสนับสนุนจากการคุ้นเคยที่มีความสัมพันธ์ ผลกระบทเชิงบวก และผลกระบทเชิงลบกับ

\* การวิจัยในครั้งนี้สำเร็จลุล่วงไปได้ด้วยดีจากการสนับสนุนงบประมาณการดำเนินการวิจัยจากเงินทุนคณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม

\*\* นิติศิริปริญญาโท คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม ตำแหน่งอาจารย์ ประจำกันทริชัย จังหวัดมหาสารคาม 44150

E-mail: sribusayakul@gmail.com

\*\*\* ผู้ช่วยศาสตราจารย์ คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม ตำแหน่งอาจารย์ ประจำกันทริชัย จังหวัดมหาสารคาม 44150

E-mail: phichai.t@acc.msu.ac.th

\*\*\*\* คณะการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม ตำแหน่งอาจารย์ ประจำกันทริชัย จังหวัดมหาสารคาม 44150

E-mail: manisara.s@acc.msu.ac.th

ผลการดำเนินงาน ดังนั้น หน่วยงานภาครัฐจะต้องมุ่งเน้นในการช่วยเหลือสนับสนุนองค์กรธุรกิจ ส่งออกสินค้าเกษตรอินทรีย์ในประเทศไทย ด้านการขยายตลาด ด้านช่องทางการจัดจำหน่าย เป็นต้น เพื่อให้เกิดการขยายตัวของการดำเนินธุรกิจนำมาซึ่งส่วนแบ่งทางการตลาดในระดับที่เพิ่มสูงขึ้น

**คำสำคัญ:** ความสามารถในการแข่งขันระดับโลก การสนับสนุนจากภาครัฐ ผลการดำเนินงาน สินค้าเกษตรอินทรีย์ ธุรกิจส่งออก

## 1. Introduction

The achievement of business needs is not only a basic ability of running a business and management, but entrepreneurs also need to develop dynamic abilities in order to compete against others in the global market. New knowledge is always being improved; thus, business organizations which stand on the old position or wait for the peak of development to come about cannot sustainably survive for the ages. Due to globalization and the varieties of world free trade agreements and regional trade agreements, such as that of the World Trade Organization (WTO), many countries in the world usually depend on others' resources, which create combined trade markets and then a global market (Schermerhorn, 2005: 7). This contributes to the increase of business opportunities; for example, the opening of free business competition, trading, investment, finance, and products and services that have rapidly grown and expanded throughout the world. Moreover, the progress of information technology and telecommunication systems have pushed most of the countries nowadays to absolutely compete with others in all dimensions and at various levels. Organizations have to adjust their managing strategies for international business and to support their trade in the global market. There are many ways to operate international business that entrepreneurs can choose, even if they have only recently stepped into the international business, or if they already run their business and need to change their systems (Sa-nguanwongwan, 2007: 46). Global business operations have plenty of steps involving product exports to Foreign Direct Investment (FDI). Exporting is one method that has been popular in many businesses. There are 16,526 companies registered in Thailand with the Department of International Trade Promotion, Ministry of Commerce, and that export their products to foreign countries (Department of International Trade Promotion, 2011: website) in various categories as follows: service trade, gifts and decorative items/handicrafts, minerals/fuels, textiles, garments, and fashion accessories, etc. One main category in Thailand is agricultural products, as Thailand is an agricultural country with abundant resources. Therefore, agriculture has become an ideal part of the country's industry and a core strategy of economic development that has made the agricultural food industry more intense (Ussahakul, 2004: 8). Health awareness of consumers is one factor in the business that contributes

to changes in health attitudes regarding holistic health concepts related to daily activities and life styles, especially consumption of healthy food. According to their health awareness, consumers pay more attention to buying organic agricultural products that are the safest.

Organic agriculture is a production system that sustains good conditions of the soil, the ecosystems, and no the people. It relies on ecological processes, biodiversity, and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation, and sciences to benefit the shared environment, to promote fair relationships, and to improve good quality of life for all involved (International Federation of Organic Agriculture Movement, 2011: website). Recently, 190 million hectares of cultivated organic areas have become certified worldwide. The most cultivated area is Australia, with 76.6 million hectares. And there are 108,302 hectares in Thailand (Lhorlohakan and Boonyanoppakun, 2009: 2-14). Thai organic agricultural products have a chance to grow because the overall world organic market is still smaller than 2% of the world food market (Commerce Intelligence of MOC, 2011: website). Therefore, the organic agricultural market is still considerably expending and Thai organic agriculture is changing from the early to the expansion stage. Thailand has an advantage in producing agricultural goods because it has suitable topography and climate for the production that is an essential basis to develop and obtain revenue for the country, although it must face more drastic competition in the world market (Phao-Khrueang et al., 2010: 1).

Global competitiveness is the ability of a business to establish a sustainable competitive advantage in a global product or service market and also any process or function that enables organizations to gain a competitive advantage on a global scale (Ussahawanitchakit, 2004: 50). The organizations that have high competitiveness obtain elevated productivity and also can maintain an economic growth level. There are nine factors in global competitiveness of organizations that are used for evaluation (Ussahawanitchakit, 2004: 50-51) as follows: global manager, organizational learning, productivity, currency capability, customer relationship, business network, technology sourcing, knowledge management, and entrepreneurship Orientation. To help organizations stay on the world stage and to help them become efficient

and to enhance their competitiveness, businesses have to depend on various resources and investments. As a result, governmental or related units are great institutions for promoting and providing the support to make this happen.

Governmental support is the governmental assistance which facilitates the business process industries so that they can operate efficiently (Office of Industrial Economics, 2011: website) to achieve benefits for the public and governmental mission, included public facilitated and met their demands (Office of the Council of State, 2011: website). Food sufficiency, safe food which free from contaminants and providing nourishment are rudimentary for export along with agricultural products and safety food standards year 2010-2012 of Ministry of Agriculture and Cooperatives strategy as follows: to support producer steps into the standard system according to organic agricultural development national strategy volume 1, 2008-2011 which build up organic agriculture potential to international market include the national policy in economic reorganizations for gaining competitive ability. (Office of Mahasarakham Agricultural, 2011: Copy of 2011, Mahasarakham promoting agricultural production and safety standards project). These aspects of organic agricultural product support have four components (Office of the Permanent Secretary Ministry of Commerce, 2011: 13-14) as follows: entrepreneurial development, market expansion, value building, and trade facilitation. Governmental support results in effectiveness and efficiency of operations and also affects good performance that brings about business achievement.

Performance is the consequence of operations which can tell how well the business is doing. This is shown through sales, profits, and turnover (Chaiya, 2006: 7). It shows whether the business succeeds or fails, and leads to growing confidence and survival and competitive ability against both local and global rivals. Performance is also the decision-making information for international trade, improvement, change, and business control. There are three indicators of performance measurement of the organic agricultural product export business in Thailand (Tseng et al., 2009: 687-689) as follows: competitive Performance, financial performance, and production performance (Agusand Hassan, 2011: 1652-1653).

According to the reasons mentioned above, the researcher is interested in studying the effects of global competitiveness and governmental support on the

performance of the organic agricultural product export business in Thailand. The aim of this study is to examine global competitiveness and governmental support and whether they affect the performance of business and how. This research will be useful for the organization in forming management guidelines, strategies, policies and operative planning that are in accord with government support to gain maximum benefits. The results of the study can be used as information to improve and develop organizational operations for increasing global competitiveness and organizational performance sustainably.

## 2. Literature Review, Model, and Hypotheses

In this research, global competitiveness and governmental support are defined as independent factors with the relation between them and their effects on performance. The objectives mentioned earlier can be seen in the conceptual model as follows (Figure 1).

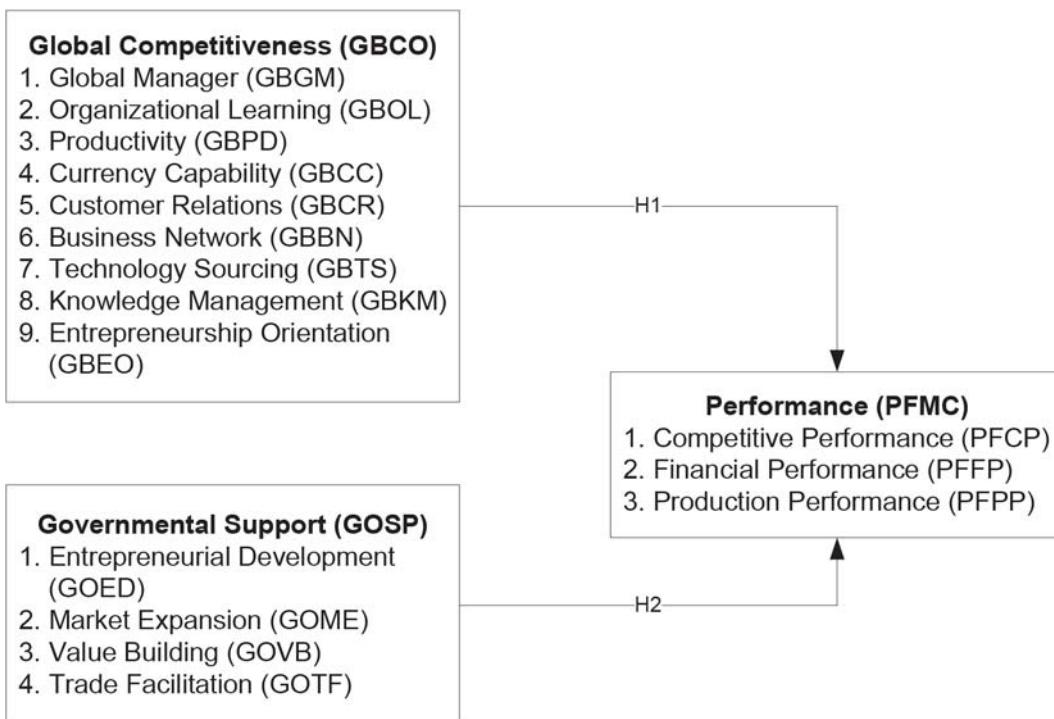


Figure 1: Model of Global Competitiveness, Governmental Support, and Performance

2.1 Global competitiveness is the ability of a business to establish a sustainable competitive advantage and market share with global product or service. According to Ussahawanitchakit (2004: 50-51), global competitiveness can be classified into nine categories:

2.1.1 The global manager is defined as the organization that has global capability with a staff who understands the world dynamic change environment and emphasizes developing staff to have global knowledge by seeking cognition and new knowledge to improve organizational operation and competitiveness with the ability to compete with international rivals.

2.1.2 Organizational learning is defined as the awareness of learning importance, new internal and external concepts and knowledge openness, past experience, and promoting staff to clearly understand the objectives and missions of the organization.

2.1.3 Productivity is defined as the productive process to continuously improve products, goods, and services to reach good quality standards, and also new productive concept integration to establish differences and to distinguish products according to global market needs.

2.1.4 Currency capability is defined as the management of exchange rate currencies by providing updated financial information, forecasts of fluctuations in exchange rates, adequate financing, and contracting foreign exchange contracts to avoid the risks from changing currency exchange rates.

2.1.5 Customer relations are defined as the focus on customers by finding out their demands and needs through communicative channels to exchange information between them and the organization. Customers and staff participate in product and service improvement to exchange information to serve customers' needs in the future.

2.1.6 Business network is defined as the collaboration between organizations through internal and external network creation, network relation maintenance, and continuous-operative network escalation to help organizations be able to operate efficiently and reach expected goals.

2.1.7 Technology sourcing is defined as pursuit of well-updated production technology and information technology to be used for increasing efficiency of organizational operation, and also promoting staff to study, discover, research, and develop in order to either build up new technology or accumulate existing technology to be more efficient.

2.1.8 Knowledge management is defined as the processes that organizations go through in order to obtain global knowledge by starting from the direction of knowledge management, adapting knowledge to the job, exchanging knowledge, and storing knowledge systematically.

2.1.9 Entrepreneurship orientation is defined as the task management that emphasizes the internal management of firm, including innovative abilities, risk taking, competitive opportunity obtaining, and quick decision making in order to achieve the success, growth, and profit of the organization.

In order to obtain efficient and effective operations for enhancing the competitiveness of organization, businesses have to use plenty of resources and investments, and governmental or related units are great institutions to promote and support making it happen.

2.2 Governmental support is the policies and missions of government, offices, or governmental units that support and promote a private organization in order to establish collaboration and networks that lead efficient and effective accumulation and competency of the organization. According to the Office of the Permanent Secretary Ministry of Commerce (2011: 13-14), governmental support in this certain business consists of four dimensions as follows:

2.2.1 Entrepreneurial development is the campaigning, training, advising in order to build cognition about organic product markets for the producer, compiler, processor, and exporter. It is an opportunity for entrepreneur to expand more distributed channels and also to coordinate assisting entrepreneurs about capital sources.

2.2.2 Market expansion is organic product market elongation by creating consumers' awareness and comprehension to consume the organic products, develop new market channels, support in-depth market information (both internal

and external information) for the entrepreneur, promote activity, promote a market for organic-adjusted products, encourage a variety of organic products, and uphold the purchase policy of governmental units and private sectors such as health centers, hospitals, etc.

2.2.3 Value building is the organic goods and product value adding by encouraging product research and development, branding, packaging, enhancing international standards that are verified by Thai organizations that are recognized internationally, and also impelling and understanding entrepreneurs to use international-standard-certified marks.

2.2.4 Trade facilitation is the tools of trade supporting an entrepreneur by taking part in the organic distribution network, and training in logistics and supply chain management.

The governmental support has effects on the effectiveness and efficiency of operations and also exhibits good performance that expresses business achievement.

2.3 Performance is defined as the organizational consequences of the all of processes and activities that express the success or failure of business, including sales, profit ability, and business growth. According to Tseng et al. (2009: 687-689) and Agus and Hassan (2001: 1652-1653), performance includes three dimensions as follows:

2.3.1 Competitive performance is defined according to the results of firm competition against rivals with measurements that include market share, new products, customer acceptance, and the amount of customers that buy the product or service.

2.3.2 Financial performance is defined according to the results of financial operations that are considered by profits, sales, and operative expenses which are the organization's goals.

2.3.3 Production performance is defined according to the results of efficient and effective production processes by measuring the amount of productive achievement and the use of materials, waste, time, and product quality.

Therefore, the organic agricultural product export businesses in Thailand, which have huge opportunities to step into the world of organic products with growth and high competition, have to realize the importance of global competitiveness and governmental support. Additionally, businesses have to focus on developing the organization to gain the ability to learn about and understand the global environment and reorganize the strategies, policies, and process methods of the organization in accord with governmental support in order to obtain a sustainable competitive advantage on a global scale.

**Hypothesis 1:** Global competitiveness has a relationship with and effects on performance.

**Hypothesis 2:** Governmental support has a relationship with and effects on performance.

### 3. Research Methodology

#### 3.1 Sample and Data Collection

The participants—166 Thai organic agricultural product export business managers—were chosen from all types of organic businesses and were considered as a sample population including 3 types of businesses in limited companies, partnerships, and individual proprietorships (Office of the Permanent Secretary Ministry of Commerce, 2011: 193-233). A questionnaire was used as the instrument. Only 62 completed questionnaires were sent back, so the response rate was 41.05%. That was sufficient according to Aaker et al. (2001), who indicated that an acceptable rate of questionnaire response should be at least 20%. With respect to the positions of the participants, 15 respondents were managing directors, 7 respondents were managing partners, 17 were business owners, and 23 respondents were managers.

**Table 1: The Respondents by Position and Type of Business**

Type of Business	Position				Total
	Managing Director	Managing Partner	Business Owner	Manager	
Limited company	15	-	8	15	38
Partnership	-	7	-	-	7
Individual proprietorship	-	-	9	8	17
<b>Total</b>	<b>15</b>	<b>7</b>	<b>17</b>	<b>23</b>	<b>62</b>

### 3.2 Questionnaire and Measurement

The global competitiveness section as the independent variable was classified into nine sub-groups of questions according to their category: 1) four questions regarding the global manager, 2) four questions on organizational learning, 3) four questions regarding productivity, 4) four questions on currency capability, 5) seven questions on customer relations, 6) four questions about the business network, 7) four questions on technology sourcing, 8) five questions on knowledge management, and 9) four questions concerning entrepreneurial orientation.

The governmental support section as the independent variable was classified into four sub-groups of questions according to their category: 1) four questions on entrepreneurial development, 2) four questions about market expansion, 3) four questions on value building, and 4) four questions on trade facilitation.

Performance as the dependent section variable was classified into three sub-groups of questions according to their category: 1) five questions on competitive performance, 2) four questions on financial performance, and 3) four questions about production performance.

### 3.3 Assessment of Research Tools

The researcher examined validity, reliability, and discrimination. Validity was verified by considering the content by an expert. Reliability was verified by alpha coefficient using Cronbach's method. The results showed that global competitiveness had a coefficient alpha between 0.721-0.926, governmental

support had a coefficient alpha between 0.866-0.928, and performance had a coefficient alpha between 0.867-0.926.

The discrimination power was analyzed as well. The results showed that global competitiveness had item-total correlation, an  $r$  between 0.431-0.851, governmental supports had an  $r$  between 0.534-0.895, and performance had an  $r$  between 0.616-0.894. According to Nunnally (1978), the acceptable rate of discrimination is more than 0.40.

### 3.4 Research Statistics

Multiple correlation analysis and multiple linear regression analysis, using the enter method, were used for examining the relation and effects of global competitiveness and governmental support on performance of organic agricultural product export businesses in Thailand, which were written into equation form as follows:

$$\begin{aligned}\textbf{Equation 1 Performance} = & \beta_{01} + \beta_1 \text{GBGM} + \beta_2 \text{GBOL} + \beta_3 \text{GBPD} + \beta_4 \text{GBCC} \\ & + \beta_5 \text{GBCR} + \beta_6 \text{GBBN} + \beta_7 \text{GBTS} + \beta_8 \text{GBKM} \\ & + \beta_9 \text{GBEO} + \varepsilon\end{aligned}$$

$$\begin{aligned}\textbf{Equation 2 Performance} = & \beta_{02} + \beta_{10} \text{GOED} + \beta_{11} \text{GOME} + \beta_{12} \text{GOVB} \\ & + \beta_{13} \text{GOTF} + \varepsilon\end{aligned}$$

## 4. Results and Discussion

**Table 2: Multiple Correlation Analysis of Global Competitiveness and Performance of the Organic Agricultural Product Export Business in Thailand**

Variables	PFMC	GBGM	GBOL	GBPD	GBCC	GBCR	GBBN	GBTs	GBKM	GBEO	VIF
$\bar{X}$	3.214	3.786	4.116	4.246	3.237	3.935	4.036	3.871	3.867	3.677	
S.D.	0.749	0.724	0.616	0.534	0.764	0.698	0.743	0.728	0.587	0.819	
PFMC		0.251*	0.294*	0.250*	0.357*	0.423*	0.431*	0.427*	0.477*	0.186*	
GBGM			0.683*	0.622*	0.408*	0.604*	0.580*	0.510*	0.584*	0.471*	2.487
GBOL				0.607*	0.164	0.514*	0.605*	0.527*	0.645*	0.408*	2.570
GBPD					0.431*	0.756*	0.596*	0.551*	0.607*	0.435*	2.945
GBCC						0.585*	0.249*	0.336*	0.226*	0.394*	1.914
GBCR							0.720*	0.718*	0.653*	0.592*	4.953
GBBN								0.747*	0.724*	0.480*	3.438
GBTs									0.738*	0.602*	3.184
GBKM										0.702*	4.174
GBEO											2.428

\* Significance at the  $p \leq 0.05$

Table 2 shows that all aspects of the independent variable had relationships with each other, which probably had multicollinearity. Thus, the researcher determined multicollinearity by using VIF and found that the VIF of global competitiveness independent variable are between 1.914-4.953 which less than 10; therefore, global competitiveness had a relationship at the non-multicollinearity level (Black, 2006: 585).

**Table 3: Multiple Regression Analysis by Using Global Competitiveness as a Dependent Variable and Performance of the Organic Agricultural Product Export Business in Thailand**

Global Competitiveness	Performance as a Whole		t	p-value
	B	Std. Error		
Constant	0.720	0.655	1.099	0.277
Global manager	-0.166	0.159	-1.039	0.303
Organizational learning	0.102	0.190	0.536	0.594
Productivity	-0.529	0.235	-2.255	0.028*
Currency capability	0.448	0.132	3.382	0.001*
Customer relation	0.230	0.233	0.987	0.328
Business network	0.074	0.182	0.405	0.687
Technology sourcing	0.069	0.179	0.384	0.703
Knowledge management	1.050	0.254	4.127	0.000*
Entrepreneurship orientation	-0.552	0.139	-3.969	0.000*

F = 5.884 p = 0.000 AdjR<sup>2</sup> = 0.419

\* Significance at the p ≤ 0.05

Table 3 shows that global competitiveness in terms of currency capability (GBCC) and knowledge management (GBKM) had a positive relation and effects on performance as a whole (PMFC) inasmuch as the exchange rate was the external factor that organizations could not forecast. If the organization could manage the fluctuations occurring in the exchange rate, it would affect organizational performance, which would lead to competitive advantage in local and international markets. Globalization has forced business competition to become highly progressive, and entire world has rapidly changed in every issue, including health care trends to all parts of the world. Thus, organic agricultural products are alternative goods that have become more popular because they are chemical free and highly safe products. The new entrants will always take part in the competition, and entrepreneurs have to compete for constrained resources. Therefore, organizations have had to develop and improve their products and services to be up-to-date and to be able to respond to customer demands and needs by doing research and engaging in development and innovation. If the organization had a knowledge management system that was obtained from

learning and experimentation, it would provide a greater chance for achievement with a sustainable competitive advantage. According to the concept of Ussahawanitchakit (2004: 51), currency capability is a key to achieving global competitiveness. Firms not only need to increase volatility, but they also need to improve market liquidity and efficiency. Exporters' international competitiveness highlights long-term government commitment to exchange-rate stability. Even if there was a currency exchange risk associated with an international transaction, firms could effectively manage the exchange rate with global market integration as has been done with the European currency. Moreover, according to the research results of Sornnork and Kaenmanee (2006: 165), the export competitiveness of Dan-Kwian earthenware was a distinctive strength within the activity and supply chain which emphasized creating superior differences in products and services. And export competitiveness also affected business achievement that would enlarge economic and marketing value at a higher level. The export competitiveness came from the accumulation of knowledge, abilities, experiences, skills, and also resources which came out in the quality and standards of products, and designs.

Global competitiveness in terms of productivity (GBPD) and entrepreneurship orientation (GBEO) had a negative relation and effects on performance as a whole (PMFC) inasmuch as the entrepreneurial orientation was the risk, decision-making ability, and innovation which it was probably not suitable for the organic agricultural products export business. Organic products are products that rely on nature so it may take a longer time in production. Due to organic production for export, producers have to follow the exporting standards that each country set them up therefore, there is the specification of the product's purpose and quality which are different with the conditions in order to respond the customer's needs. Inconsistent with the research results of Demeter (2003: 205), production strategy affected competitiveness. Firms that had these competencies and production strategies would have competitiveness over other rivals. Advanced production development, good-quality products, reasonable prices, and on-time delivery affected the firms in obtaining invariably great performance. Contrary to the concept of Ussahawanitchakit (2004: 51), competitive advantage was shown in the decision-making ability possessed by the successful entrepreneur and embodied in the organization of firm.

**Table 4: Multiple Correlation Analysis of Governmental Support and Performance of the Organic Agricultural Product Export Business in Thailand**

Variables	PFMC	GOED	GOME	GOVB	GOTF	VIF
$\bar{X}$	3.214	3.935	4.100	3.729	4.201	
S.D.	0.749	0.627	0.594	0.744	0.603	
PFMC		0.052*	0.303*	-0.160*	-0.335*	
GOED			0.559*	0.436*	0.452*	1.533
GOME				0.540*	0.613*	2.038
GOVB					0.518*	1.569
GOTF						1.765

\* Significance at the  $p \leq 0.05$

Table 4 shows that all aspects of the independent variable had relationships with each other, which probably had multicollinearity. Thus, the researcher determined multicollinearity by using VIF and found that the VIF of governmental support independent variable are between 1.533-2.038 which less than 10; therefore, governmental support had a relationship at the non-multicollinearity level (Black, 2006: 585).

**Table 5: Multiple Regression Analysis by Using Governmental Support as a Dependent Variable and Performance of the Organic Agricultural Product Export Business in Thailand**

Governmental Support	Performance as a Whole		t	p-value
	B	Std. Error		
Constant	3.293	0.760	4.330	0.000*
Entrepreneurial development	0.052	0.184	0.284	0.777
Market expansion	0.470	0.224	2.095	0.041*
Value building	-0.078	0.157	-0.497	0.621
Trade facilitation	-0.457	0.206	-2.223	0.030*

$F = 1.821$   $p = 0.137$   $AdjR^2 = 0.051$

\* Significance at the  $p \leq 0.05$

Table 5 shows that governmental support in terms of market expansion (GOME) had a positive relation and effects on performance as a whole (PMFC) inasmuch as the organic agricultural product export business in Thailand is still at an early stage and is not widespread or popular for Thai entrepreneurs to run.

Firms may have insufficient marketing information. Thus, the governmental support aspect of marketing is important for helping the firms to have a distributed channel for their products and they can obtain experiences to develop their marketing strategies for further enlarging the organization. According to the research results of Tiantong and Akarangkoon (2002: 46-48), SMEs need more knowledge to apply to their firms and need business consultants in order to provide advice on the running of business, which could be classified in four aspects, including: 1) financial management, 2) production, 3) business organizational management, and 4) marketing.

Governmental support in terms of trade facilitation (GOME) had a negative relation and effects on performance as a whole (PMFC) inasmuch as most of the governmental trade facilitations are the logistics and supply chain management promotion. Although it is good to assist with the operation of organic agricultural product export business to obtain more efficient performance, it requires enormous investment, and entrepreneurs have to invest by themselves or the support would probably have been discontinuous. The entrepreneurs have no confidence in logistics and supply chain management activity. According to the research results of Theerawatanachai (2010: Abstract), governmental support had effects on exporting ability, where the government should continuously develop the support, especially advanced support that helps to improve Thai SMEs' ability in exporting more and using the entire supporting process.

## 5. Future Research Suggestions and Usages

### 5.1 Suggestions

Further study should explore the other effects or factors relating to global competitiveness, governmental support, and performance of other businesses such as electronics, leather, or textiles, etc., in order to apply the research results to developing efficient work. Other dimensions, which encourage global competitiveness and governmental support and affect the performance of other businesses such as industrial businesses, international businesses, or listed businesses, should also be studied in order to enhance the research into the international market and make it always up-to-date. Other variables that have effects on performance such as information

management effectiveness or competitive readiness should be studied as well. Further research should change the conceptual model of global competitiveness and governmental support in order to be consistent with the competitive environment that is always changing. The collection method can be changed from using questionnaires to in-depth inquiry in order to obtain more accurate data and opinions. One of the constraints of this research was that only a small number of samples of organic agricultural product export businesses in Thailand were used.

## 5.2 Usages

The results from this research can be information for the development of global competitiveness of the organic agricultural product export business management in Thailand especially regarding the aspect of currency capability by providing updated financial information, forecasts of the fluctuation in exchange rates, adequate financing, and contracting foreign exchange contracts to avoid the risk from changes in currency exchange rates. Further the aspect of knowledge management are improved by starting from direction of knowledge management, wooing, adapting knowledge to the job, exchanging knowledge, and storing knowledge systematically to get more effective and lead a sustainable competitive advantage in the world market. On the other hand, an entrepreneur should be concerned with the aspects of productivity and entrepreneurship orientation as well, even though they have a negative relation and effects on the organic export business. The firms should improve them to affect their business positively by focusing on production strategy and natural forecast information to control the operation of organic firms.

The results can be a guideline for government to support the development of the organic agricultural product exporting business in Thailand, particularly in terms of market expansion by creating consumer awareness and comprehension regarding the consumption of organic products, developing new market channels, supporting in-depth market information (both internal and external information) for the entrepreneur, promoting activity, encouraging a variety of organic products, and upholding the purchase policy of governmental units and the private sector. Also, the aspect of trade facilitation, which is an organic distribution network, logistics

and supply chain management should be concerned because it has a negative relation and effects on an organic export business performance. The government should recreate these supports and make them reasonable and appropriate for organic firms' contextualization in order to make the performance of firms more efficient and effective.

The results can provide information for the global competitiveness and performance improvement of the organic agricultural product export businesses in Thailand by considering governmental support as well as information for entrepreneurs in order to prescribe strategies, policies, and operative plans for their organizations to gain high performance and to be able to compete with their rivals in global market.

## **6. Conclusion**

Global competitiveness has both a positive and negative relation and effects on the performance of certain businesses, for example the organic agricultural product export business. Therefore, business managers in this area have to emphasize developing the organization to have the ability of learn and understand world environmental competition in order to become more efficient and effective in their organizational performance and bring a sustainable competitive advantage to the global market.

Governmental support has a positive and negative relation as well and also effects on performance. Thus, governmental sector has to focus on supporting the organic agricultural product export business in Thailand in many dimensions, including market expansion, market channels, etc., in order to improve business performance and enlarge market share to a higher level.

## References

กรมส่งเสริมการส่งออก. (ม.ป.ป.). *Thailand's Exporters Directory: รายชื่อผู้ส่งออกไทย*. สีบคัน 8 ธันวาคม 2554 จาก [http://application.depthai.go.th/Center\\_Public/thailand\\_export\\_directory.html](http://application.depthai.go.th/Center_Public/thailand_export_directory.html)

จุฬาภรณ์ไชยา. (2549). ความสัมพันธ์ระหว่างศักยภาพการแข่งขันทางการตลาดกับผลการดำเนินงานของธุรกิจจำหน่ายคอมพิวเตอร์ในภาคตะวันออกเฉียงเหนือ. (ปริญญาในพนธ์บริหารธุรกิจมหาบัณฑิต). มหาสารคาม: มหาวิทยาลัยมหาสารคาม.

วิรชัย สงวนวงศ์วน. (2550). การจัดการและพัฒนาระบบองค์กร. กรุงเทพฯ: เพียร์สัน เอ็ดดูเคชั่น อินโดไชน่า.

ศักดิ์มนตรี อุตสาหกุล. (2547). องค์ความรู้ของยุทธศาสตร์การสร้างขีดความสามารถในการแข่งขัน. กรุงเทพฯ: อุชาการพิมพ์.

ศูนย์ปฏิบัติการข้อมูลการตลาดสินค้าเกษตรอินทรีย์. (ม.ป.ป.). ปัจจัยสนับสนุนเกษตรอินทรีย์ไทย. สีบคัน 8 ธันวาคม 2554 จาก <http://www.organic.moc.go.th/uploadfile/32/doc/ปัจจัยสนับสนุนเกษตรอินทรีย์ไทย.doc>

ศุภชัย หล่อโลหการ, และคุณนาวุฒิ บุญญาณพคุณ. (2552). ยุทธศาสตร์นวัตกรรมเกษตรอินทรีย์ไทย. กรุงเทพฯ: สำนักงานนวัตกรรมแห่งชาติ กระทรวงวิทยาศาสตร์และเทคโนโลยี.

สำนักงานเกษตรจังหวัดมหาสารคาม. (2554). สำเนาโครงการส่งเสริมการผลิตสินค้าเกษตรปลอดภัย และได้มาตรฐาน ปี 2554 จังหวัดมหาสารคาม. มหาสารคาม: สำนักงานเกษตรจังหวัดมหาสารคาม.

สำนักงานคณะกรรมการกฤษฎีกา. (ม.ป.ป.). พระราชบัญญัติการว่าด้วยหลักเกณฑ์และวิธีการบริหารกิจการบ้านเมืองที่ดี พ.ศ. 2546. สีบคัน 8 ธันวาคม 2554 จาก <http://www.vru.ac.th/goodgovru/law/08.pdf>

สำนักงานปลัดกระทรวงพาณิชย์. (2554). *Thailand Organic Mapping: เส้นทางสายอินทรีย์*. กรุงเทพฯ: สำนักงานปลัดกระทรวงพาณิชย์ กระทรวงพาณิชย์.

สำนักงานเศรษฐกิจอุตสาหกรรม. (ม.ป.ป.). การศึกษาวิเคราะห์และประเมินศักยภาพอุตสาหกรรมแฟชั่น. สีบคัน 8 ธันวาคม 2554 จาก <http://www.oie.go.th/project/cluster/8.pdf>

อนงค์นุช เทียนทอง, และทวีศักดิ์ อัคราภรณ์. (2545). ความช่วยเหลือของรัฐบาลต่อวิสาหกิจขนาดกลางและขนาดย่อมในภาคตะวันออกเฉียงเหนือไทย. *มนุษยศาสตร์สังคมศาสตร์*, 20(1) ต.ค.-ธ.ค., 41-49.

อริยา เพ่าเครื่อง และคณะ. (2553). รายงานการวิจัยฉบับสมบูรณ์การศึกษาศักยภาพและความสามารถในการแข่งขันของสินค้าเกษตรที่สำคัญของไทยในตลาดจีน. เชียงใหม่: มหาวิทยาลัยเชียงใหม่.

อรอนงค์ สอนนกอก, และสุเมร แก่นมณี. (2549). ความสามารถในการแข่งขันเพื่อการส่งออกเครื่องปั้นดินเผาด้านเกวียน. วารสารวิจัย มข. (บศ.), 6(ฉบับพิเศษ), 162-171.

Aaker, D.A., Kumar, V., & Day, G.S. (2001). *Marketing Research* (7<sup>th</sup> ed.). New York: John Wiley & Sons.

Agus, A. & Hassan, Z. (2011). Enhancing Production Performance and Customer Performance Through Total Quality Management (TQM): Strategies For Competitive Advantage. *Procedia Social and Behavioral Sciences*, 24, 1650-1662. Retrieved February 23, 2012, from ScienceDirect database.

Black, K. (2006). *Business Statistics for Contemporary Decision Making* (4<sup>th</sup> ed.). United State of America: John Wiley & Sons.

Demeter, K. (2003). Manufacturing Strategy and Competitiveness. *International Journal of Production Economics*, 81-82, 205-213. Retrieved December 14, 2011, from ScienceDirect database.

International Federation of Organic Agriculture Movement. (2008). *Definition of Organic Agriculture*. Retrieved December 8, 2011, from [http://wwwIFOAM.org/growing\\_organic/definitions/doa/index.html](http://wwwIFOAM.org/growing_organic/definitions/doa/index.html)

Nunnally, J.C. (1978). *Psychometric theory* (2<sup>nd</sup> ed.). New York: McGraw Hill.

Schermerhorn, J.R. (2005). *Management* (8<sup>th</sup> ed.). United State of America: John Wiley & Sons.

Theerawatanachai, S. (2010). *Impact of Government Support on Export Capability of Thai Small and Medium Enterprises (SMEs)*. Bangkok: Language Institute, Thammasat University.

Tseng, F., Chiu, Y., & Chen, J. (2009). Measuring business performance in the high-tech manufacturing industry: A case study of Taiwan's large-sized TFT-LCD panel companies. *Omega*, 37, 686-697. Retrieved December 12, 2011, from ScienceDirect database.

Ussahawanitchakit, P. (2004). Global Competitiveness. *Executive Journal*, 24(3), 50-53.