To Study the Effect of Moderator of Social Skills on the Changing Between Managerial Skills and SME Performance

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ABSTRACT

SMEs growth and successful development is dependent on the continuance enhance of the entrepreneurial skills. Since entrepreneurial skills influence implementation of sustainable growth of SMEs, the entrepreneur’s success depends on the identification of crucial entrepreneurial skills for start-up business, as well as for helping the business to survive and grow in the early years. The objectives of this study are threefold (1) to study the effect of managerial skills on SME performance in Thailand, (2) to study the effect of moderator of social skills on the changing between managerial skills and SME performance and (3) to study the important of skill development of entrepreneurs’ effect on SME performance in Thailand. The conceptual framework of this study was adapted from Ibrahim and Goodwin, (1986); Benzing et al., (2009); Baron, (2000). The model is analyzed empirically by using 400 questionnaires which were collected from entrepreneurs in small and medium enterprises in Thailand. Structure Equation Model (SEM) is used to test the model.

Result of this study revealed that the vast majority of entrepreneurs were female, age between 31 – 40 years, held the Bachelors degree, most of business types are service/hotel & restaurant, most of them have age of business between 4 to 6 years, and most of them have the number of employees between 1-10 employees. Most of them have all agree level about management, finance, marketing, creativity, risk taking propensity, leadership, adaptability, collaboration, communication, social adaptability and networking.
The main findings showed that managerial skills which consisted of management, finance, marketing, creativity, risk taking propensity, leadership and adaptability have positive direct effect on SME performance. Furthermore, the findings also presented the moderator of social skills that consisted of collaboration, communication, social adaptability and networking have effect on the changing between managerial skills and SME performance. From the result of this study indicated that the low level of social skill and high level of social skills has affect on the changing between managerial skill and SME performance is mean that if the entrepreneurs have high level of managerial skills this may contribute to the high SME performance. Moreover, if the entrepreneurs have high level of managerial skills and social skills may contribute to the higher SME performance and more success in their business. Using the structural equation model (SEM), it was found that leadership skills is the most important skills which has the highest influence to managerial skill on SME performance with the value 84% from total.