

Situations and Management Factors of Community Enterprises in Chiang Mai: Lessons for Sustainable Development

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Abstracts

This study aimed to (1) examine the management situation and promotion of community enterprises in Chiang Mai Province, (2) analyze management levels and factors influencing organizational effectiveness, and (3) synthesize lessons and policy recommendations for sustainable grassroots development. A mixed-methods design was employed. The quantitative sample comprised 328 members from five outstanding community enterprises between 2019–2023, while the qualitative data were collected from in-depth interviews with 10 enterprise leaders and 3 agricultural extension officers.

The findings revealed that the overall management level was rated high ($\bar{X}=3.74$). Organizational management ($\bar{X}=3.98$) and personnel management ($\bar{X}=3.85$) were identified as key strengths, whereas strategic planning remained at a lower level ($\bar{X}=3.38$). Pearson's correlation analysis showed that directing had the strongest relationship with effectiveness ($r=0.637$), followed by planning ($r=0.577$) and personnel ($r=0.548$). Qualitative insights further highlighted that leadership, community cooperation, and government support were central success factors, while limitations included weak strategic planning, insufficient digital marketing, and low youth participation. This research contributes new knowledge by emphasizing the importance of integrating social capital and strategic management capacity to ensure long-term sustainability. The study recommends strengthening leadership and strategic planning, enhancing youth involvement, and fostering collaborative networks between government, private, and civil society sectors. These findings provide valuable lessons and policy implications for advancing community enterprises in Chiang Mai and other regions of Thailand toward sustainable development.

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Introduction

Community enterprises are a crucial mechanism in strengthening Thailand's grassroots economy, particularly under the 13th National Economic and Social Development Plan (2023–2027), which emphasizes local development and sustainable self-reliance (NESDC, 2022). The plan identifies two key milestones: (1) strengthening small and medium-sized enterprises and community enterprises to integrate into value chains in the industrial and service sectors, and (2) upgrading local economies through the utilization of resources, indigenous knowledge, and digital technologies to create distinctive products and services. Community enterprises therefore play not only an economic role but also serve as an important force in building social capital, preserving cultural heritage, and supporting the Sustainable Development Goals (SDGs), particularly in reducing inequality and promoting inclusive growth (Bubpamalai, 2024; Junveroad & Sabaisuk, 2024).

Nevertheless, the operations of community enterprises in Chiang Mai Province continue to face several challenges. Empirical studies reveal that although community enterprises demonstrate strength in group collaboration and resource management, they remain limited in strategic planning, digital marketing, and youth engagement (Kumsak, et al. 2025). These limitations reflect a reliance on traditional management approaches that cannot adequately respond to the rapidly changing market environment. Moreover, despite the prominent role of women as leaders and core members, a generational gap persists, as many young people migrate to urban areas. This leaves community enterprises lacking the innovative drive and continuity that younger generations could contribute (Boonyarat, et al. 2023).

Most prior studies on community enterprises in Thailand have tended to focus on their economic contributions or provide descriptive accounts of development, rather than conducting in-depth analyses of the management factors that lead to success. In particular, few studies have applied mixed-method approaches to assess both internal factors such as planning, directing, and personnel and external factors such as leadership, state support, and private sector involvement. This study, therefore, seeks to fill this gap by examining the situations and management factors of community enterprises in Chiang Mai Province, aiming to generate empirical

evidence and lessons for strengthening grassroots economies in alignment with national development strategies and global sustainability frameworks.

Research Objectives

1. To study the management situation and promotion of community enterprises in Chiang Mai Province.
2. To analyze the management levels and factors influencing the effectiveness of community enterprises.
3. To synthesize the findings as development guidelines and lessons for strengthening the sustainability of the grassroots economy.

Research Methodology

This study adopted a mixed-methods research design, combining both quantitative and qualitative approaches to ensure comprehensive and multidimensional insights. The integration of these methods enabled the research to capture management practices in community enterprises from both structural and process-oriented perspectives, thereby enhancing the robustness and validity of the findings.

The population for the quantitative phase comprised 2,476 community enterprises in Chiang Mai Province, with a total of 37,437 members. From this population, a purposive sample of 328 members was drawn from five outstanding community enterprises that had received national or provincial awards between 2019 and 2023. These enterprises were selected as they exemplify strong management practices and represent successful models of community-based development. For the qualitative phase, the key informants included 10 enterprise leaders (presidents and vice-presidents) and three agricultural extension officers directly responsible for supervising the enterprises.

Two main research instruments were employed. First, a structured questionnaire was designed to assess six critical management dimensions: planning, directing, organizing, monitoring, personnel management, and evaluation. Second, semi-structured in-depth interview guides were developed to obtain richer insights into the success factors, challenges, and institutional support mechanisms influencing enterprise management.

Data collection was conducted in two phases. For the quantitative component, questionnaires were distributed to members of the five selected enterprises to generate measurable data across the six management dimensions. For the qualitative component, semi-structured in-depth interviews were undertaken with community enterprise leaders and agricultural extension officers. These interviews captured experiential and perceptual information, thereby complementing the quantitative findings and allowing for triangulation of data sources.

The data analysis followed a twofold strategy. Quantitative data were analyzed using descriptive statistics (mean and standard deviation) to summarize key characteristics, and Pearson's correlation to test relationships between management factors and organizational effectiveness. Qualitative data were analyzed through content analysis, which involved systematic transcription, coding, thematic categorization, and interpretation. The results from both analyses were then synthesized to generate a holistic understanding of management practices in community enterprises and the institutional factors supporting their effectiveness.

Results

The researcher conducted a study on Situations and Management Factors of Community Enterprises in Chiang Mai: Lessons for Sustainable Development and summarized the findings in accordance with the research objectives as follows:

Objective 1: To examine the management situation and promotion of community enterprises in Chiang Mai Province.

The findings revealed that the management situation of community enterprises in Chiang Mai is fundamentally rooted in social capital and local cultural traditions, particularly kinship networks and member participation, which serve as crucial mechanisms in strengthening organizational resilience. These relationships foster solidarity and close collaboration, enabling enterprises to sustain their activities effectively. In addition, the government plays an important supportive role by allocating an annual budget of approximately 15–20 million baht and implementing programs to promote knowledge in production and marketing. However, such support still faces structural limitations, such as overlapping projects and a lack of integrated mechanisms across agencies, resulting in insufficient responsiveness to the real needs of communities.

At the same time, the promotion of community enterprises reflects the structural transformation of the grassroots economy. The majority of members are older adults with long-term group participation experience, which provides organizational stability but limits the innovative capacity and adaptability associated with younger generations. This challenge corresponds with the constraints in strategic planning and digital marketing, both of which remain underdeveloped and hinder value creation and market expansion for community products. Moreover, access to private-sector funding remains uneven; although low-interest credit schemes exist, the approval rate is less than 60 percent, leaving many enterprises reliant primarily on member contributions. Overall, the situation indicates that while community enterprises in Chiang Mai demonstrate strength in social capital, they continue to lack adequate readiness in strategic management, financial capacity, and youth participation factors that are vital for long-term innovation and sustainability.

Objective 2: To analyze the management levels and factors influencing the effectiveness of community enterprises. From the quantitative data collected from 328 members of outstanding community enterprises in Chiang Mai Province, it was found that the overall level of management was rated as high. However, when examined in specific dimensions, the results reflected distinct strengths and weaknesses. In particular, organizational management and personnel administration were identified as strong areas, whereas strategic planning remained a critical limitation. The research findings were summarized using mean scores and standard deviations, as presented in Table 1.

Management Dimension	Management Levels and Factors Influencing the Effectiveness of Community Enterprises		
	$\bar{X}$	S.D.	Interpretation
1. Planning	3.38	0.57	Moderate
2. Directing	3.76	0.62	High
3. Organizing	3.98	0.55	Highest
4. Monitoring	3.72	0.60	High
5. Personnel	3.85	0.58	High
6. Evaluation	3.76	0.59	High
Overall	3.74	0.58	High

Table 1 Management Levels and Factors Influencing the Effectiveness of Community Enterprises

The quantitative findings from a sample of 328 respondents revealed that the overall management level of community enterprises in Chiang Mai Province was rated as high ($\bar{X}=3.74$). This reflects the strength of community enterprises in maintaining systematic organizational management. In particular, organizing ($\bar{X}=3.98$) and personnel management ($\bar{X}=3.85$) were identified as key strengths, contributing to organizational stability and the continuity of community activities. However, the assessment of planning was rated at a level requiring improvement ($\bar{X}=3.38$), indicating the need to strengthen knowledge and skills in strategic planning, risk management, and long-term direction-setting.

At the same time, the statistical correlation analysis revealed that certain management factors had a more significant impact on the success of community enterprises than others. The details are presented in the following table.

Management Factors	Correlation Coefficient (r)	Strength of Relationship
Directing	0.637**	Highest
Planning	0.577**	High
Personnel	0.548**	High
Organizing	0.492**	Moderate
Monitoring	0.476**	Moderate

Note: $p < 0.01$

Table 2 Correlation coefficients between management factors and the effectiveness of community enterprises

The results of Pearson's correlation analysis confirmed that certain management factors were significantly associated with the effectiveness of community enterprises. In particular, directing demonstrated the strongest correlation ($r=0.637$), followed by planning ($r=0.577$) and personnel management ($r=0.548$). These findings suggest that the success of community enterprises relies heavily on strong leadership, clear strategic direction, and the continuous development of human resources. This evidence is consistent with the principles of strategic management, which emphasize the critical role of planning and leadership in achieving sustainable outcomes. Moreover, the results highlight the necessity for community enterprise management to achieve a balanced integration of internal and external factors in order to enhance organizational effectiveness across all dimensions.

Objective 3: To synthesize the findings in order to propose development guidelines and lessons for strengthening the sustainability of the grassroots economy.

The synthesis of qualitative findings from in-depth interviews with community enterprise leaders and agricultural extension officers highlighted several critical success factors. These included strong leadership, which fosters motivation and trust within the group; kinship-based social structures, which encourage close collaboration; and government support, which enhances the operational capacity of community enterprises. Nonetheless, the study also identified key limitations: the absence of long-term strategic planning, the limited adoption of digital technologies, and low levels of youth participation. These constraints represent significant obstacles to achieving long-term sustainability.

From these findings, three essential development guidelines were synthesized: (1) strengthening capacity in strategic planning and digital marketing to enhance competitiveness; (2) creating incentives and mechanisms to attract greater youth participation in community enterprises, thereby driving innovation and sustaining momentum; and (3) fostering integrated collaboration among government agencies, the private sector, and civil society to build strong and continuous support networks. These guidelines serve as important lessons not only for Chiang Mai Province but also for broader application across other regions of Thailand, thereby reinforcing grassroots economic stability and sustainable development in the future.

Discussion

The study entitled Situations and Management Factors of Community Enterprises in Chiang Mai: Lessons for Sustainable Development presents several key issues for discussion.

The findings reveal that community enterprises in Chiang Mai generally demonstrate a high level of management, particularly in organizational structure and human resource development. This corresponds with the Thai social context, where social capital and kinship systems function as essential mechanisms for fostering cooperation. As Katkaew, et al., (2024) explained, the strength of community organizations in terms of internal structures and relationships serves as a crucial factor enabling enterprises to operate continuously and with stability. However, weaknesses in strategic planning reflect limitations in setting long-term directions. This is consistent with the work of Nabhumi, et al., (2025), which indicated that many Thai

community enterprises still rely on traditional management practices and lack modern strategic skills. The absence of integration between contemporary management and marketing knowledge hinders their ability to compete in rapidly changing markets. Thus, while social capital remains a vital strength, without the development of strategic management knowledge, community enterprises remain vulnerable to increasingly complex socio-economic transformations.

The correlation analysis further indicated that directive leadership has the strongest association with management effectiveness, underscoring leadership as a key determinant of community enterprise success. Visionary leaders with strong communication abilities can build motivation and trust among members, ensuring clearer directions and efficient achievement of goals. This aligns with the research of Thepsaeng, et al., (2023), which found that strong and adaptive leadership enhances community organizations' capacity to cope with change more effectively than those lacking high-quality leadership. Similarly, Somwethee, et al., (2025) observed that leaders who foster intergenerational collaboration can reduce community age gaps, supporting continuity and innovation within enterprises. These findings reaffirm that developing local leaders with strategic and directive capacities is central to achieving sustainable management.

The identified limitations in strategic planning and digital marketing reflect new challenges for community enterprises in grassroots economies. Chaunrakthum, et al., (2024) reported that many community enterprises in Chiang Mai have yet to fully harness digital technologies, preventing them from expanding their products to broader markets, despite the province's strong potential in cultural tourism and local products. Likewise, Chotianusorn, et al., (2025) emphasized that the sustainability of Asian community enterprises depends heavily on the integration of technology and innovation into production and marketing processes. A lack of technological adaptation therefore presents a significant risk to future competitiveness. This suggests that building capacity in strategic planning and digital technology is not merely a short-term remedy, but rather a systemic investment that elevates community enterprises into national and global value chains.

An important lesson drawn from this research is that the sustainability of community enterprises relies on balancing social capital with knowledge capital. While kinship systems and member participation provide vital driving forces, the lack of youth involvement and limited access to financial resources continue to constrain

sustainable growth. As Budmata, et al., (2024) highlighted, solutions must focus on motivating younger generations to take part in community enterprises, while simultaneously fostering cooperative networks among government, private sector, and civil society. Such collaborations can expand market opportunities and resource accessibility. These findings support the propositions of Chotianusorn, et al., (2025), who argued that sustainable community development cannot rely solely on social capital but requires the integration of modern knowledge and structural collaboration. Therefore, this study provides valuable policy insights that can guide the development of community enterprises not only in Chiang Mai but also across other regions of Thailand.

New Knowledge

The findings of this research not only reflect the overall management of community enterprises but also lead to the synthesis of new knowledge that highlights the pivotal roles of social capital and strategic management. This body of knowledge thus serves as a fundamental basis for future development and sustainability.

Key Findings	New Knowledge	Policy & Development Implications
Organizational structure and human resource development are at a high level ($\bar{X}$ =3.98 and 3.85).	The strength of social capital and kinship systems provides a stable foundation for community enterprises.	Preserve and build upon existing social capital, while transforming it into sustainable strategic networks.
Strategic planning is at a low level ($\bar{X}$ =3.38).	The lack of strategic planning represents a weakness that limits competitiveness.	Provide training and capacity building for community leaders in strategic planning, risk management, and digital marketing.
Directive leadership has the highest correlation with management effectiveness (r =0.637).	Strong leadership is the core determinant of success in community enterprises.	Develop local leadership through capacity-building programs and lifelong learning initiatives.

Key Findings	New Knowledge	Policy & Development Implications
Most members are elderly, with limited involvement of younger generations.	The sustainability of community enterprises depends on intergenerational linkage.	Initiate youth-support programs, such as community startup funds and partnerships with educational institutions.
Government support is consistent, but inter-agency integration is lacking.	The success of policies depends not only on budget allocation but also on effective integration mechanisms.	Establish a “Network Governance” mechanism involving government, private sector, and civil society to avoid redundancy.

Table 3 New Knowledge

Conclusion and Suggestion

The study revealed that the overall management of community enterprises is at a high level, with notable strengths in organizational structure and human resource development. However, weaknesses remain in strategic planning and digital marketing, as well as limited involvement of younger generations. Statistical analysis indicated that directive leadership and effective decision-making are the most influential factors for organizational effectiveness. Meanwhile, qualitative data highlighted community cooperation and government support as key mechanisms, though constrained by limited policy integration.

This research synthesizes new knowledge by affirming that the sustainability of community enterprises depends on the integration of social capital with strategic management competencies. Based on these insights, the study proposes policy-oriented and practical development strategies aimed at strengthening leadership, enhancing youth participation, and fostering integrated collaborative networks to drive sustainable grassroots economic development. The recommendations are presented at three levels: policy, practice, and future research.

1. Policy Recommendations

1.1 Government agencies should formulate integrated community enterprise development policies by fostering collaboration among state agencies, the private sector, and civil society. This would reduce program redundancy and enhance the efficiency of support mechanisms.

1.2 Establish provincial-level Community Enterprise Capacity Development Centers focused on strategic planning, digital marketing, and risk management training.

1.3 Promote youth engagement policies by introducing local startup funds and school enterprise partnership programs to encourage continuous participation of younger generations in community enterprises.

2. Practical Recommendations

2.1 Community enterprise leaders should develop long-term strategic plans that encompass economic, social, and environmental dimensions, grounded in self-assessment and participatory decision-making.

2.2 Establish specialized digital marketing teams to strengthen online sales, branding, and connections with urban and international markets.

2.3 Promote intergenerational learning activities, where younger generations contribute innovation while older members share traditional knowledge, thereby fostering continuity and balanced development.

3. Recommendations for Future Research

3.1 Conduct comparative studies of community enterprises in other regions of Thailand to generate diverse findings that can be synthesized into comprehensive national policies.

3.2 Employ advanced quantitative methods, such as Structural Equation Modeling (SEM), to examine causal relationships between management factors and the success of community enterprises.

3.3 Undertake in-depth studies on the role of digital technology and innovation in community enterprise development to propose adaptive strategies for the digital economy era.

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