CHAPTER 5

CONCLUSIONS AND DISCUSSIONS

Because community based business module plays an important role in the development and sustainability of the overall national economy of Thailand, especially in an attempt to encourage economic growth and skills diversification amongst Thailand lesser developed communities in the rural areas. Recently, greater attention has been given to understanding the unique characteristics of the Thai's community businesses, since 2001 the Thai government started to promote and sponsor community business in the attempt to foster economic growth, job creation, innovation and the promotion of small enterprises.

While community business is important in terms of their contributions to the overall Gross Domestic Product, unfortunately, it is also believed that many such organizations lack efficient managerial and technical skill sets which often times results in ineffectiveness which hinders their ability to compete and gain a legitimate market standing. In order to achieve optimum productivity, competitive advantage and market viability, these community based organizations must first gain an in-depth understanding of the standard managerial modules as well as improving on its technical skills. Once those improvements has been implemented, then it is possible that optimal success and profitability can be achieved, ensuring the survival of these micro-organizations.

To help Thailand gain more competitive advantage, this study develops Knowledge Management organization model of Thai community business by investigating eight high performance community businesses in Chiang Mai, Thailand. This study uses the Knowledge Management (KM) organization framework of European Knowledge Management Forum (EKMF) as the guideline. In the KM organization model, organization dimensions are divided into four dimensions-structure, culture, systems, and KM strategy. Finally, this study attempts to propose a

model of how to manage Thai community businesses by the view of strategic management approach to gain sustainable competitive advantage.

The research process of this study is composed of five steps: 1) identifying high performance community business or organization samples; 2) establishing definition of KM organization dimensions, sub-dimensions and ranges; 3) determining assessment criteria of KM organization dimensions, sub-dimensions and ranges; 4) developing KM organization model of Thai community business through multiple methodologies via an in-depth interview with the owner or leader of these micro-organizations, participant observation, conversation with staff, and document analysis. Then, data were analysed by transcriptions, coding, and content analysis strategy, respectively; and 5) developing strategy to manage Thai community business by the view of resource-based approach.

5.1 Conclusions

The conclusions are divided into three parts. First part is the conclusion of Thai community business characteristics affecting the Thai community business KM. Second part provides patterns of Thai community business KM. The last part presents the conclusion of three models of KM organization of Thai community business.

5.1.1 Thai Community Business Characteristics Affecting the Thai Community Business KM

This study concludes that Thai community business characteristics affecting the Thai community business KM have eighteen general characteristics as follows:

1. Staffs' ages are mostly in middle-high range, which is an average of 41 years old, younger staff are rarely found.

2. Local staff. The majority of workers are Chiang Mai inhabitant.

3. Long period working duration with an organization. The average working duration is 8 years.

4. Modestly educated Staff. Most of the staff graduated from Grade 4, in primary level.

5. Staffs' residences are mostly close to the workplace.

6. Staff arrived at work by means of walking and riding bicycle or motorcycle.

7. Close family relationship within organization

8. Farming and gardening are staffs' secondary sources of income.

9. Low level of staffs' turnover rate

10. Staff respect for the owner or leader like their parents.

11. Working under family-like environment and the owner has a high level of concern for their staff.

12. Staff develop a strong connection to the organization, often resulting in a sense of belonging, pride, or even ownership.

13. Staff are seeking to continuous learn, a high intention to work.

14. Some staff have quit and rejoined the organization.

15. No strict rules but try make the work environment happy and relaxing

16. Flexibility in working day-off

17. Good cooperation and knowledge sharing

18. The owner trust and feel proud of their staff.

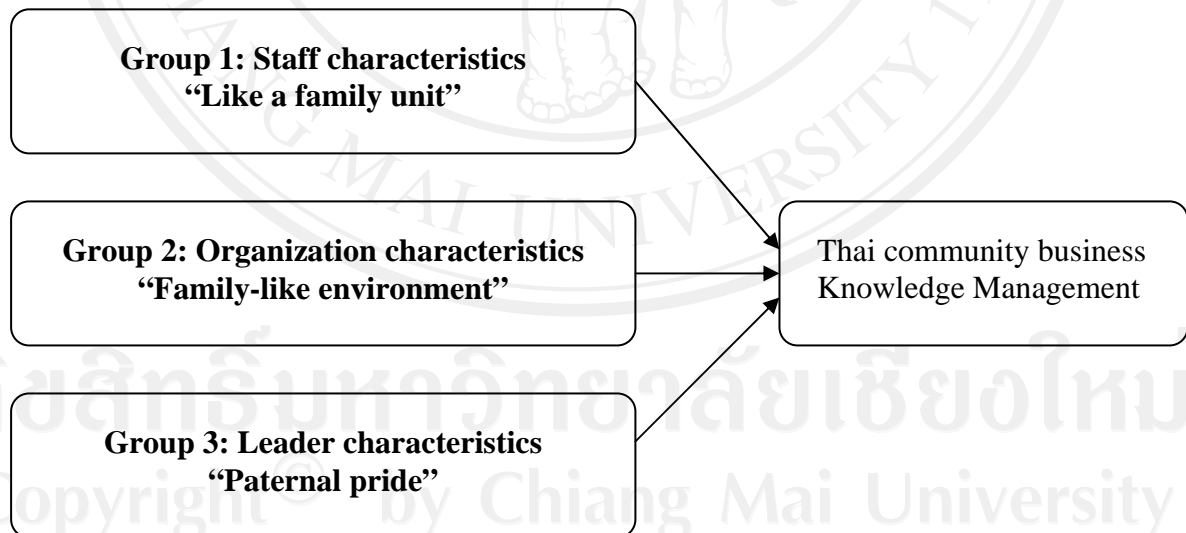The eighteen characteristics can be classified into three significant groups as follows:

Figure 5.1 Significant Characteristics of Thai community business affecting to the Thai community business KM

- Group 1 composes of characteristics No.1, 2, 3, 4, 5, 6, 7, 8
- Group 2 composes of characteristics No.9, 11, 12, 13, 15, 16, 17
- Group 3 composes of characteristics No.10, 14, 18

The discussions about those characteristics are as follows:

Table 5.1 Discussions of Thai Community Business Characteristics Affecting the Thai Community Business KM

Characteristics	Reasons
1. Staffs' ages are mostly in middle-high range, which is an average of 41 years old, younger staff are rarely found.	Most of the younger labor force often leaves to work in industrial factories, where more social interaction is apparent.
2. Local staff. The majority of workers are Chiang Mai inhabitant.	Northern workers often prefer to stay closer to their home and family where environment are more familiar- often avoid leaving the comfort and familiarities of their communities.
3. Long period working duration with an organization. The average working duration is 8 years.	Operating on a family dynamic, superior relationship to their workforce often goes hand in hand with care and loyalty.
5. Staffs' residences are mostly close to the workplace.	Close proximity to home provides the level of comfort and conveniences- save for travelling and lodging costs.
6. Staff arrive at work by means of walking and riding bicycle or motorcycle.	Family and kinship ties often play a major role in attraction these workforces. Recruitment often happens via words of mouth, or personal recommendations.
7. Close family relationship within organization	Lodging and organization base are in close proximity.
8. Farming and gardening are staffs' secondary sources of income.	Income from community businesses are often not enough to be the only source of income, often in rural areas members engage in farming and other agricultural businesses that they inherited from previous generations.

Table 5.1 (Cont.) Discussions of Thai Community Business Characteristics Affecting the Thai Community Business KM

Characteristics	Reasons
9. Low level of staffs' turnover rate	Operations are overseen using a family unit, therefore increasing high level of satisfaction in their community.
10. Staff respect for the owner like their parents.	Leaders/owners of these organizations often act as the community elders, who often offer help and insurance for the participating members.
11. Working under family-like environment	Due to its size, these community organization often promotes a sense of community and familiar ties- presence are the sense of informality amongst its superior and subordinates which increase potential output via workers satisfaction and motivations.
12. Staff develops a strong connection to the organization, often resulting in a sense of belonging, pride, or even ownership.	Trust between the leader and his/her subordinates, resulted in an ease in the day to day working environment.
13. Staff are seeking to continuous learn, a high intention to work.	The workers sense of pride in his/her organization automatically foster the higher quality product output and increase their attention to detail in their work.
14. Some staff have quit and rejoined the organization.	Avoiding retraining which can be costly and time consuming.
15. No strict rules but try to make the work environment happy and relaxing.	Often products are handcrafted which requires attention, and selective skill sets.

Table 5.1 (Cont.) Discussions of Thai Community Business Characteristics Affecting the Thai Community Business KM

Characteristics	Reasons
16. Flexibility in working day-off	The culture of the North already foster the idea of community participation in many activities, i.e. weddings, funerals etc. as well as community business being the secondary source of income, thus agricultural often takes precedence.
17. Good cooperation and knowledge sharing	Since work force comes from the same neighborhood, already sense of community exist predates their organization.
18. The owner trust and feel proud of their staff.	Resulted from the longevity in their working relationship thus often resulted in trust.

5.1.2 Resource-based Community KM Model

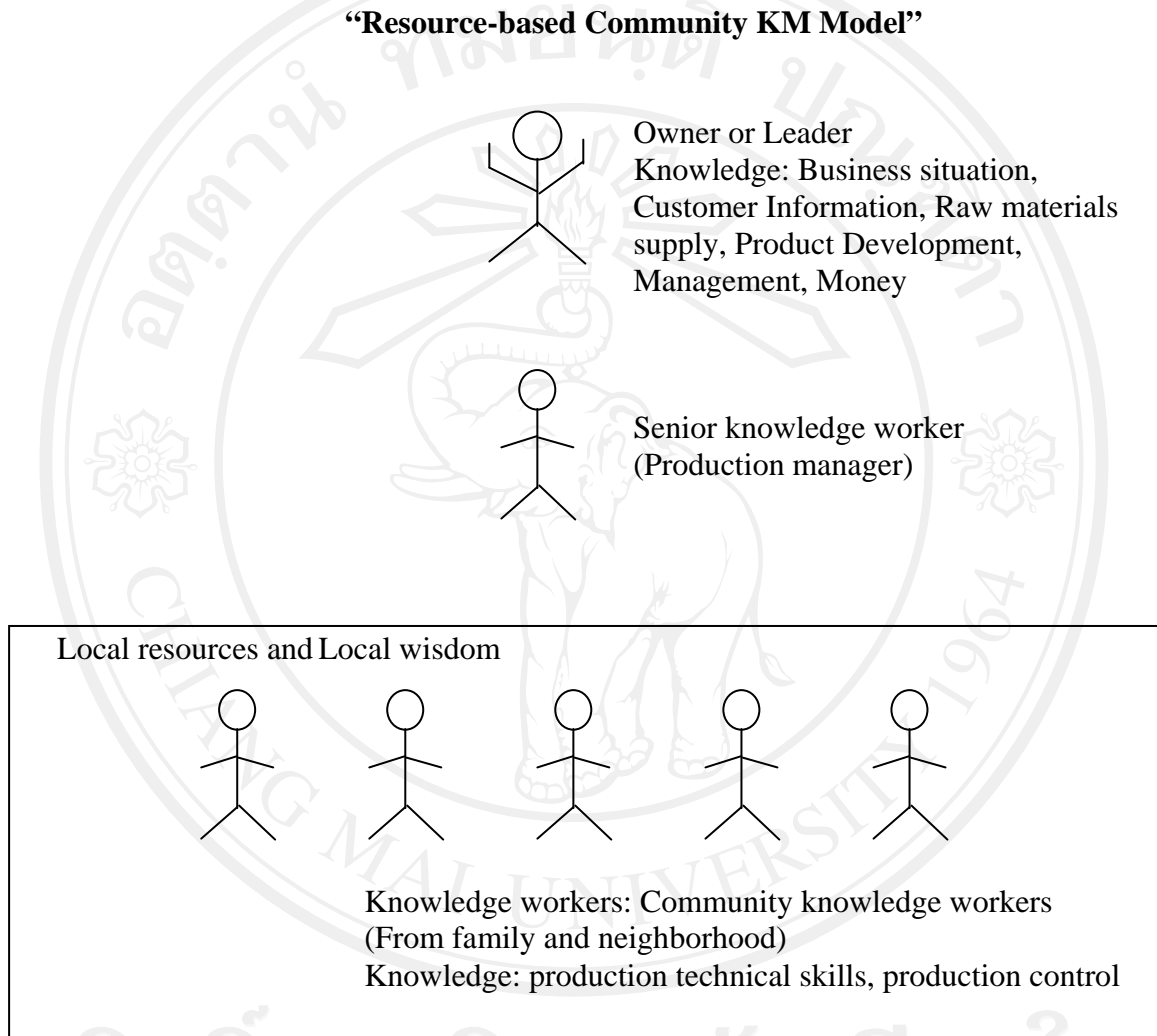The results of this study can be drawn into KM organization model of Thai community business as follows:

"Resource-based Community KM Model"

Owner or Leader
Knowledge: Business situation,
Customer Information, Raw materials
supply, Product Development,
Management, Money

Senior knowledge worker
(Production manager)

Local resources and Local wisdom

Knowledge workers: Community knowledge workers
(From family and neighborhood)
Knowledge: production technical skills, production control

Figure 5.2 Resource-based Community KM Model

This model is named "Resource-based Community KM Model" in that the resource that enables competitive advantage follows the 5 M's concept.

1. Man: good quality labor force with lower overhead and turnover rate.
2. Machine: simple, locally produced and inexpensive
3. Material: locally cultivated with lower raw material cost.
4. Management: concentration of knowledge is the sole responsibility of one individual, avoiding the hassle of cross organizational politics.
5. Money: monetary resources are provided by individual and maintain the level of sustainability, smaller budget with smaller debt incurred.

In Thailand, community business structure adapted the functional form module as its core. Functional form provides that there is a clear division between responsibilities, as concise allocation of duties among its responsible members, with the owner/leader as the director overseeing the overall operations. Owners/Leaders of these organizations are expected to be informed and concurrent with daily brief of business situation, customer information, raw material supplies, product developments as well as the responsibility of being the primary investor or funding manager. In terms of daily production responsibility which includes but not limited to production scheduling, quality control, and damage goods management, the task is allocated to the senior knowledge worker, i.e. the head of labor force that demonstrates high level of effectiveness. The owner will pass on this responsibility with the expectation that the senior worker will oversee all facets of the day to day production.

According to the results from investigate eight high performance community businesses through 4 methodologies, in-depth interview the owner or leader, participant observation, conversation with staff, and document analysis. Throughout the data collection process, the guideline of interview owner and leader were followed by interview questions *(Refer to Appendix B)* and the observation points were followed by Knowledge Management organization model of EKMF (2000). A Knowledge Management organization model is proposed as follows:

Table 5.2 Knowledge Management Organization Model of Thai Community Business

Organization Form	Structure				Culture				Systems				KM Strategy			
	Hierarchical levels (number/relevance)	Decision right	Application level	"K" roles	Proficiency (diffusion/applicability)	Commitment	Behavior	Atmosphere	Learning mechanism	Coordination mechanism	Assessment mechanism	Use of ICT (Relevance/ purpose)	Style of direction	Organization aim	KM process emphasized	Knowledge emphasized (type/source)
1. Thai Tatami	Few/ High	Centralized	Com pany	Not definite	Low/ Systemic	High	Cooperation	Ideological	Continuous shaping	Mutual adjustment	Person based	Low/ Application	Designer	Customer oriented	Sharing	Tacit/ Both
2. Baan Benjawan	Few/ High	Centralized	Com pany	Not definite	Low/ Systemic	High	Cooperation	Ideological	Continuous shaping	Mutual adjustment	Person based	Low/ Application	Designer	Customer oriented	Sharing	Tacit/ Both
3. Baan Celadon	Few/ High	Decentralized	Com pany	Defined	Middle/ Systemic	High	Cooperation	Ideological	Continuous shaping	Plan	Person based	Low/ Application	Designer	Customer Oriented	Sharing	Tacit/ Both
4. Dolls Making Centre	Few/ High	Centralized	Com pany	Not definite	Low/ Systemic	High	Cooperation	Ideological	Continuous shaping	Mutual adjustment	Person based	Low/ Application	Designer	Customer oriented	Sharing	Tacit/ Both
5. Tamnak Khon	Few/ High	Centralized	Com pany	Not definite	Low/ Systemic	High	Cooperation	Ideological	Continuous shaping	Mutual adjustment	Person based	Low/ Application	Designer	Customer oriented	Sharing	Tacit/ Both

Table 5.2 (Cont.) Knowledge Management Organization Model of Thai Community Business

Organization Form	Structure				Culture				Systems				KM Strategy			
	Hierarchical levels (number/relevance)	Decision right	Application level	"K" roles	Proficiency (diffusion/applicability)	Commitment	Behavior	Atmosphere	Learning mechanism	Coordination mechanism	Assessment mechanism	Use of ICT (Relevance/ purpose)	Style of direction	Organization aim	KM process emphasized	Knowledge emphasized (type/source)
6. Maewin group	Few/ High	Empowerment	Com pany	Not definite	Low/ Systemic	High	Cooperation	Ideological	Continuous shaping	Mutual adjust ment	Person based	Low/ Application	Designer	Customer oriented	Sharing	Tacit/ Both
7. Kang Nham group	Few/ High	Empowerment	Com pany	Not definite	Low/ Systemic	High	Cooperation	Ideological	Continuous shaping	Mutual adjust ment	Person based	Low/ Application	Designer	Customer oriented	Sharing	Tacit/ Both
8. Kumphor group	Few/ High	Centralized	Com pany	Not definite	Low/ Systemic	High	Cooperation	Ideological	Continuous shaping	Mutual adjust ment	Person based	Low/ Application	Designer	Customer oriented	Sharing	Tacit/ Both

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From the results of Table 5.2, the KM organization model of Thai community business can be classified into three models as follows:

Table 5.3 Three Models of Knowledge Management Organization of Thai Community Business

Organization Form	Structure				Culture				Systems				KM Strategy			
	Hierarchical levels (number/relevance)	Decision right	Application level	"K" roles	Proficiency (diffusion/applicability)	Commitment	Behavior	Atmosphere	Learning mechanism	Coordination mechanism	Assessment mechanism	Use of ICT (Relevance/ purpose)	Style of direction	Organization aim	KM process emphasized	Knowledge emphasized (type/source)
A Form (Agile Organization)	Few/ High	Centralized	Company	Not definite	Low/ Systemic	High	Cooperation	Ideological	Continuous shaping	Mutual adjustment	Person based	Low/ Application	Designer	Customer oriented	Sharing	Tacit/ Both
B Form (Team Work Organization)	Few/ High	Empowerment	Company	Not definite	Low/ Systemic	High	Cooperation	Ideological	Continuous shaping	Mutual adjustment	Person based	Low/ Application	Designer	Customer oriented	Sharing	Tacit/ Both
C Form (Systematic Entrepreneurship organization)	Few/ High	Decentralized	Company	Defined	Middle/ Systemic	High	Cooperation	Ideological	Continuous shaping	Plan	Person based	Low/ Application	Designer	Customer Oriented	Sharing	Tacit/ Both

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5.2 The Comparison of Thai Community Business's Knowledge Management Organization Model and Knowledge Management Organization Model of EKMF (2000)

The Similarities of Culture's Dimension

This study finds that the Thai Community Business's Knowledge Management Organization Model of A Form (Agile organization) and B Form (Team work organization) in dimension culture are consistent with Spaghetti organization and Cellular organization of Knowledge Management Organization Model of EKMF (2000) studied. The result is shown in the following table:

Organization Form	Proficiency (diffusion/applicability)	Commitment	Behavior	Atmosphere
A Form (Agile Organization)	Low/ Systemic	High	Cooperation	Ideological
B Form (Team Work Organization)	Low/ Systemic	High	Cooperation	Ideological
Spaghetti organization (EKMF, 2000)	Low/ Systemic	High	Cooperation	Ideological
Cellular organization (EKMF, 2000)	Low/ Systemic	High	Cooperation	Ideological

Table 5.4 The Similarities of Culture's Dimension (A Form, B Form, and EKMF result)

In addition, this study finds that C Form (Systematic Entrepreneurship Organization) is also consistent with Clan organization of Knowledge Management Organization Model of EKMF (2000) studied. The result is shown in the following table:

Table 5.5 The Similarities of Culture's Dimension (C Form and EKMF result)

Organization Form	Proficiency (diffusion/applicability)	Commitment	Behavior	Atmosphere
C Form **(Systematic entrepreneurship Organization)**	Middle/ Systemic	High	Cooperation	Ideological
Clan organization **(EKMF, 2000)**	Middle/ Systemic	High	Cooperation	Ideological

This study finds that the Thai community business's Knowledge Management organization model about dimension structure, systems, and KM strategy are not consistent with any Knowledge Management organization model of EKMF (2000)

5.3 Discussions about Knowledge Management Organization Model of Thai Community Business

Using the EKMF (2000)'s framework presented earlier, this study finds that KM organization characteristics which create Thai community business to gain competitive advantage are as follows:

1. Flat Organization structure. The organization structure and the communication lines between the employees and the management are short with little hierarchy. As Laforet & Tann (2006) argue that the structure of hierarchies within the firm affects the performance of the SME. A flatter structure leads to a better performing enterprise (Laforet & Tann, 2006; Heunks, 1998). Moreover, Stonehouse & Pemberton (1999) conclude that organizational structure has a high effect to KM. The more hierarchical levels exist making it harder to create a learning culture that facilitates the building knowledge, its diffusion, co-ordination and control. For this reason, flatter organizational structures tend to better assist the co-ordination and control of knowledge, and are more appropriate to effective knowledge management.

2. High dependency level of coordinators upon supervisor, this shows that community business has the characteristic that coincide with 3 criteria which are: 1) paying attention to supervisors' directive; 2) keeping up with company policy; and 3) operation must be implemented according to hierarchical level. These criteria share the necessary factors in that they must employ workforce that are willing to take direction and respect their superior and organization structures (Hicks, 1967)

3. Decision making must be decreased in accordance to the organization structure and size. Smaller organizations often have a model of a centralized decision making process which proves to be more effective whereas with larger organizations, keeping with workforce participations, the decision making would be more democratic and resulting in a decentralize decision making process which fosters a sense of workforce empowerment and increase potential workers satisfaction.

4. Staff can perform various tasks which are consistent with the conclusion of Daft (2000) "…Organic structure promotes flexibility, so roles are loosely defined-people perform various tasks and continually develop skills in new-activities."

5. High level of organizational commitment finds that staff of many of Thai community business shares these characteristics: 1) a strong belief in and acceptance of the organization's goals and value; 2) a willingness to exert considerable effort on behalf of organization; and 3) a definite desire to maintain organizational membership. Which coincide with the belief that workers have strong ties to the organization will aid significantly in acquiring success for that organization. It also shows that organizational commitment plays a major role in developing and maintaining customer relation which results in customer loyalty and profitability (Steers & Porter, 1991)

6. Good cooperation in work by mutual adjustment and high level of knowledge sharing. Due to the longevity in the relationship between the organization and its workforce, often time informal interactions between old and young staff are encouraged and knowledge sharing are volunteered.

7. Leaders are knowledgeable person. Through analysis, it is apparent that objective of community business must function with a leader who controls major facets of the operation despite the viability of its workforce. This is because SMEs

knowledge is mostly embedded in the owner. They do not pay attention of codifying or storing knowledge (Desouza & Awazu, 2006).

8. Customer focus plays a major factor in motivating and formulating organization base and its values. SMEs have a specific intention that focuses on market more than internal business improvement (McAdam & Reid, 2001).

Even though the samples of this study are eight high performance community businesses, we also find out the weak points which need to improve as follows:

1. Low level of respecting talented staff. Community business still lack incentive programs geared toward those responsible for improving work efficiency and also culture of developing skilful and knowledge workers are not being encouraged.

2. By analysis of the knowledge intensive strategy, in general it can be said that none of the eight organizations has formulate an explicit policy with regard to knowledge management. Knowledge in Thai community business is mostly in the head of employees. The organization is responsible for the extraction of significant knowledge to be in explicit form.

3. The lack of systematic performance appraisal. It is based on individual reviews or person based. This method is assessed using only individual input and opinion without any formal standards and usually performs by the leader of the organization voided from any human resources department.

5.4 Strategies to Manage Thai Community Business

From the Knowledge Management organization model of Thai community business, this study has clear implication for owner-managers, which may be germane for community businesses. The organization must have a well-strategic intent so that resources can be focused appropriately. Therefore, strategies to manage Thai community business are as follows:

5.4.1 Structure

Objective: Simple format, flexibility, speedy response and small workforce

- Promoting few hierarchical levels

- The staff must strictly obey the rules and their foreman.

- The owner is the only one who has the final authority when it comes to the financial subject or dealing with important clients. The process of production is all delegated to the foremen.

- There is no formal orders being used or given to staff.

- Staff are mostly multi-tasking.

5.4.2 Culture

Objective: Using a distinctive character trait of the Northerners to build an effective work structure within the organization and to help reinforce the staff team spirit.

- Taking good care of staff as well as paying attention to their family.

- Providing good benefits: for instance taking the staff out for lunch, planning a work trip outing.

- Building a fun-friendly work environment: such as having some music playing whilst working.

- Giving staff the flexibility about being absent, so long as it does not effects production.

- Encouraging staff to help out each other, limiting the chance of competitiveness between them.

- Giving the staff an opportunity to solve small job problem's on their own.

- Preserving a good relationship between the owner and his employee's.

- Being confident and having faith in the staff.

5.4.3 Systems

Objective: Build a proper management system that is suitable for the business.

- Honor loyal staff by rewarding and announcing their hard work.

- Giving the staff a chance in making decisions.

- Having a strategy to motivate staff to keep improving their work.

- Minimizing the problems between staff by letting members recommend people for positions within the company that are available.

5.4.4 KM Strategy

Objective: Organizing the education resources within the organization for further growth.

- The owner has the ultimate say in all aspects related to work production, and management.

- The relationship between clients and the company remains very close. The company gains work-shop experience by traveling to different places.

- The new products is mainly developed by careful consideration and viewing the production from different perspectives.

- The product's quality is number one priority.

- The owner and staff equally value the work-training.

- Actively participate and cooperate in government activities.

- Encourage the sharing of information between staff. Support the idea of work experience exchange between staff and the owner.

To help Thai community business to become Knowledge Management organization with high performance results, we believe that this model can be an alternative model for Thai community business which is a start up or in the process of growing and also this model would be appropriate to other agriculture countries as well.

5.5 Discussions about Research Process and Methodology

From the review of many previous conducted researches and literatures, it is apparent that organizations that achieved high performance status are spread across the globe, this success can be seen through Malcolm Baldrige National Quality Award (MBNQA) and European Foundation of Quality Management (EFQM). Despite their share of success there are many distinctions that set them apart. Those points of difference lies in the criteria presented stating that these models are better suitable for a larger organization. It is also shown that these organizations have been gathering data and recording its performance along with following a guideline of a working model provided by Thailand's ministry of agriculture for the intended purposes of documenting the success rate community businesses and identify high performance organization from integrating all 3 models and from the review of various related literature on competitiveness of small and medium enterprises. In addition to all the data, this study also utilized the guidance and direction from experts specializing in community business in developing the criteria used that would coincide with data provided by Stonehouse & Pemberton (1999) that states a high performance organization must ultimately exist in an environment that encourages and seeks to manage its knowledge base effectively and efficiency.

Only after the organization used for analysis be ascertained, can establishing definition of KM organization dimensions, sub-dimensions, ranges be determined. Along with the assessment criteria of KM organization dimensions, sub-dimensions and ranges which require time allotment in research process because the framework EKMF (2000) did not provide sufficient data or foundation in ascertaining those information, and the only way to collect the necessary data was through investigation of said organization.

In investigating organization it is best to use qualitative methodology because this particular method of inquiry deals with investigating human behaviour and cultural issues. From assessment, it is found that qualitative methodology can also be shown and developed into a model comparable to model using quantitative methodology as the base.

From these studies it would be most beneficial to depict and analyze the best practices. Because the important roles of best practice and knowledge management is

learning from successes and failures, sharing knowledge with other community enterprise as a form of lessons learned from the past will lead to better results now and in the future.

5.6 Discussions about Resource-based Theory

    5.6.1 The Resource-based Community KM model

The contribution of this research is the new Knowledge Management organization model, particularly in Thai community business which has never been done before. This model is named "Resource-based Community KM Model" and the discussions about this model are as follows:

The formation of private enterprises and community businesses share similarities in that they both requires individuals equipped with the necessary business knowledge and technical know-how in order to cultivate a successful business that will sustain profitability. However the similarities end there, with private enterprises, the purpose of attaining profitability is intended towards personal gains, often times the recipient are the founding members or share holders. Whereas, community based businesses, though founded by an enterprising individual, the goal is to generate income, jobs, and financial stability for the overall community.

The examination of community business's resource-based paradigm or the availabilities of labor, technology, raw materials, managements and funding are necessary to access the level of competitive advantage for any community business.

One crucial factor in achieving competitive edge for these micro-organizations are its low cost and highly effective labor force hired from within each respective communities. Low cost labor is made possible due to the overall concept of profit sharing of the community business, thus proceeds would be injected back to the community at large. This enables members to accept either fair pay or a pay cut in order to meet labor needs and in turn achieving projected goal for the community at large. Staff members are also voided of any travelling or accommodation costs since the organization are usually located within close proximity to their homes, thus eliminating any unnecessary expenses incurred for both individual members and the organization. In addition, community business usually engages in flexible or seasonal schedules which allow its members to engage in other work, thus creating the

possibility of a secondary income. Collectively, the community business can also provide health insurance or low rate loans as a form of benefits available to its members and their families. As a result, this action can foster a sense of satisfaction amongst its members thus creating a low cost, highly effective and efficient work force which in turns make the community business highly competitive to its counterpart of private enterprises.

Second factor in determining competitive advantage for the community business involves the use of technology within their production. Most of the community business engages in homemade products, and often times, machines or technologies used are also developed within the communities. As a result, eliminating the high cost and burden that comes with expensive machineries, and instead, encouraging technological wits, and creativities amongst its members. Also, these community businesses are often small starts up, and the successes of the intended projects are never guaranteed, investing in high cost machinery at start up point, will actually hinder the survival and possibly exit strategy of the organization. Using home grown machinery not only encourages a sense of communal pride and challenge creativity among its members, but would also alleviate potential debts and financial burdens in the future.

Third, the availability of raw material is also essential in gaining competitive advantage for the community business. Since the community business are homegrown and foster by the communities, often goods are the bi-product of the culture and therefore the materials often derives from the surrounding environment. As a result locally derived raw material not only saves on transpiration costs but also help foster another sector within the community.

Management for the community business remain at most simplest form, with mainly horizontal management style, all responsibilities lies with the owner or leader of the organizations, thus stream lining decision making processes, and enable the community business to maneuver on a more current pace.

Likewise, the responsibility of funding for the community business lies within the duties of its owner or leader, thus funds management is being overseen by one individual with the good intention of the community.

These 5 M's model has become a blue print for community business to gain competitive edge over many of the large organization and private SMEs. These factor are crucial in the respect that it enables these community businesses to attract and maintain labor that are more motivated and therefore effective than its competitors, i.e. Northern Industrial Estate. In a larger organization such as the Northern Industrial Estate, it is apparent that high level of turnover rate stems from family factors. They want to return home to look after home and parents, to do agricultural jobs, to give birth, to take care of children and also organization factors, such as not being satisfied with welfare or had no job advancement, respectively (Kaewjareon, 1999).

5.6.2 Resource-based Theory and Clusters

According to Porter (1998) who believes that clusters are geographic concentrations of interconnected companies and institutions. To compete in today's business, firms should be linked to other sections such as downstream channels and customers and laterally to manufacturers of complementary products. In addition, many clusters include government and other institutions- such as universities, standards-setting agencies, and trade associations that provide specialized training, education, information research, and technical support. A cluster allows each member to benefit as if it had greater scale or as if it had joined with others without sacrificing its flexibility.

From the results of this study, it is found that Thai community business compete on their know-how and hence have to use knowledge to their advantage. In addition, their success comes from the special characteristics of resources which can increase efficiencies in operation, higher rates of successful innovations, and increased levels of customer service. Thai community businesses normally do not have financial capital to spend on resources such as land, labor, and capital. They must do more for less. Fortunately Thai community business owes particular characteristics with valuable resources. It is suggested by resource-based theory that valuable, rare and costly-to-imitate resources can be sources of sustained competitive advantages.

Finally, this study finds that the success of Thai community businesses come from their firm resources' abilities such as knowledge of owner or leader, the

availabilities of labor, local technology and raw materials, and management styles rather than involved in industrial clusters.

5.7 Limitations

Because of the results of European Knowledge Management Forum (2000) does not provide any detail of their study, also definition and assessment criteria in every topic has been abandoned. For that reason, each range definition in every sub-dimension was established through referring to related theories and literature reviews. In addition, this study covers only eight high performance community businesses of handicraft and home decoration items business. This type of business has some distinctive features. Hence, our finding may not be directly applicable to all community businesses, such as trading or food manufacturing.

5.8 Further Study

1. The quantitative research of Knowledge Management organization Model of Thai community business should be studied by examining the relationship between KM strategy and firm performance.

2. Benchmarking in Thai community business should be studied.

3. Application of KM organization model for private SME should be investigated because private SME has different characteristics from community business.

4. Application of KM organization model for other kinds of community business such as food processing community business is interesting for further study.