

ANTECEDENT FACTORS AND SUCCESS OF ENTREPRENEURS IN SEAFOOD EXPORTING INDUSTRY IN THAILAND

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ABSTRACT

Abstract—The purpose of this study was to present the conceptual framework of antecedent factors of innovative leadership, organizational agility management, innovation knowledge management and learning organization that affects the success of entrepreneurs in the seafood export industry in Thailand. The research was formulated a mixed methods research using both quantitative and qualitative research methodology in order to achieve the strengths of each method to support the quality of research better. A systematic review of the literature with scope was carried out according to the scoping review process. The researcher studied various documents, theories and concepts as well as relevant research on the seafood export industry in Thailand and theoretical concepts about the variables that affect the success of entrepreneurs consisting of Innovative leadership, Organizational agility management, Innovation knowledge management and learning organization, including the causal relationship between the variables used in the study to formulate a conceptual framework for research. The sample is entrepreneurs in the seafood export industry in Thailand, total of 460 samples using multistage sampling method. The statistical analysis used structural equation modeling (SEM) to verify the congruence between the developed structural equation model and the empirical data.

Keywords— Antecedent factors, Seafood exporting industry, Success of entrepreneurs

INTRODUCTION

The Asia-Pacific region is the world's seafood producer with a strategic location that has the most natural and aquaculture marine resources in the world. China is the world's largest exporter of processed seafood. Thailand's processed seafood industry can be divided into 2 groups: Chilled and frozen seafood industry and Canned seafood industry and cooked/seasoned. The seafood export industry in Thailand has been growing steadily despite the global economic downturn and facing problems. Entrepreneurs in the seafood industry, including fresh, chilled, frozen, canned and processed, have the potential to produce products with standard quality and accepted in the world market. Thailand currently conducts FTAs with 15 countries out of 18 countries. Thailand is the world's second largest exporter of canned and processed seafood after China and the world's No.1 exporter of canned tuna (Krungsri Research, 2022).

In the past period, Thailand's processed seafood exports were caused by the loss of competitiveness. It can be seen from the analysis using the average growth rate of export volume of processed seafood products in Thailand compared with the average growth rate of import volume of that product in the world market. In the year 2011-2019, it was found that the amount of seafood exports Thailand's processed shrimp, canned tuna and fish tend to shrink. But demand for imported processed seafood in these groups of the world continues to grow. Factors that cause Thailand to lose its competitiveness, such as higher production costs in Thailand than competitors, are caused by high wages in Thai labor. Thailand's processed seafood is also facing increasing costs due to labor shortages and the government's tightening efforts to combat illegal fishing. and measures to employ foreign workers and renovating factories according to IUU standards and the impact of trade protectionist measures on tariffs. As a result, Thailand pays higher import duties than other countries. According to Future Market Insights, from 2016 to 2026, the global ready-to-eat food market will grow at a CAGR of 7.2% per year, and products in the group of healthy food from marine fish will grow more (Kasikorn Research Center, 2022).

Thailand's international trade in October 2022, with exports worth 888,371.08 million baht, an increase of 16.44 percent from October 2021 and an increase from September 2022 by 3.16 percent. During January-October 2022, exports worth 7,523,817.40 million baht, an increase of 21.25 percent from the same period in 2021 (Department of International Trade Promotion Ministry of Commerce, 2022). Thailand's major trading partners in 2022 include China, the United States, Japan, Malaysia, the United Arab Emirates, Vietnam, Indonesia,

Australia, Singapore, India, South Korea, Taiwan, Hong Kong, the Philippines and Switzerland. The key export markets for Thailand from 2019 to 2022 are the United States, China, Japan, Vietnam, Malaysia, Australia, Indonesia, India, Singapore, Hong Kong, Cambodia, the Philippines, South Korea, the Netherlands, Germany and Myanmar, with the export value of entrepreneurs in Thailand according to the global customs tariffs during January-September, worth 7,514,445,911,875 baht. The exporting processed canned seafood in September-September 2022 worth 98,578.90 million baht. In addition, exported seafood products include fresh, chilled, frozen seafood, canned and processed seafood, fishery products, etc.

To create a successful market competitiveness of seafood exports, scholars such as Scheepers and Storm (2019) opined that it is the potential of leadership who can use new ideas and methods to improve business efficiency. They are constantly seeking knowledge and self-development to keep up with changes both within the organization and outside the organization. Awan and Jehanzeb (2022) have the opinion that having skills will lead to the success of the organization will make the personnel in the organization more trust in leaders can create cooperation in developing organizations to have market power, courage in deciding to use new methods to make a business differentiated and effective for success is an essential part of the leadership that will make an organization successful (Mai, Do, & Ho Nguyen, 2022). Like Hoang, Wilson-Evered, and Lockstone- Binney (2021) found that innovative leadership can build customer confidence through the skills and courage to transform into something constructive and beneficial to the organization. Innovative leadership can promote organizational innovation through the cooperation of human resources in the organization (Akbari, Bagheri, Imani, & Asadnezhad, 2021; Pungnirund, 2017). There were positive effects on both process and product innovation in SMEs. Knowledge sharing behavior mediated the relationship between change leadership and innovation. In particular, knowledge gathering had a strong effect on innovation that increased when versus the influence of knowledge sharing and innovation competence (Gui et al., 2021). Nguyen, Shen, and Le (2022) found that innovative leadership can bring about bold change in organizations to success.

Thailand's role in the global processed seafood market, in 2012-2019, the performance decreased by an average of 5.1% per year (CAGR). In 2019, Thailand's market share decreased by 3.7%, ranked 7th in the world, Thai entrepreneurs lost their competitiveness both in terms of production costs that are higher than competitors tax protection measures and most export products which is a product with low added value. This makes the price competition more intense. Entrepreneurs exporting seafood in other countries come to take market share from the existing trade partners of Thai entrepreneurs. This has resulted in more efficiency in exports. In addition, new Thai seafood exporters lack experience and skills in export business making it unable to bring success to the business. The researcher is therefore interested in studying the predecessors and successes of entrepreneurs in the seafood export industry in Thailand. The purpose of this study is to develop the capability of entrepreneurs in the seafood export industry in Thailand to have the potential to compete in the international market in a sustainable way.

LITERATURE & THEORY

An important part of the efficiency of seafood exports is due to the entrepreneurs' ability to apply management innovations to their business operations in terms of increasing product quality, export business process and services tailored to meet customer needs. The result will make customers satisfied, confident and trust in the business more. This is consistent with the ideas of scholars such as Safari, Saleh, and Balicevac (2022) who viewed that Bringing new concepts used in the production of goods and services, can make exports more accepted by customers and higher business efficiency. There is a strong positive correlation between the use of advanced manufacturing technology and innovation between exports and company performance. Innovation also mediates the relationship between advanced manufacturing technology and performance of export companies (Altuntas et al., 2018). As well as Dung and Giang (2021), found that management innovation can increase the market power of export businesses. Innovation has a positive and significant influence. directly affecting export efficiency (Rua, 2018). The social capital of SMEs has the greatest influence on export efficiency. Innovation and market capacity are also key drivers of export performance among SMEs as they mediate the relationship between export performance and social capital (Easmon et al., 2019). Eid, Abdelmoety, and Agag (2020) found that the use of social media affects export performance through the quality of international business contacts, understanding customer perspectives and preferences brand awareness and knowledge of competition in various international

markets. This is consistent with Rambe and Khaola (2022) who found that management innovation can make businesses more efficient in market competitiveness, and Nguyen (2022); Yang, Liu, and Liu (2022) who found that management innovation can affect business success through product quality processes and services that impress customers.

Increasing the potential of human resources in the organization makes the organization more efficient. Entrepreneurs therefore use knowledge management to increase organizational efficiency by creating knowledge acquisition, knowledge exchange, knowledge storage and knowledge application that enable the organization to meet the needs of customers from the efficiency of the organization in exporting goods. This is consistent with the ideas of Tuominen, Reijonen, Nagy, Buratti, and Laukkanen (2022) who viewed that the operational potential of human resources makes exports highly efficient with a customer-centric strategy for shipping companies. Driving creativity and growth, self-efficacy and employee empowerment is strongly associated with subordinate creativity. Learning affects organizational flexibility resulting in overall efficiency for the business (Marzouk & Jin, 2022). There is a positive effect of knowledge leadership on promoting knowledge sharing through mediating the implementation of employee learning goals in improving organizational performance (Shariq, Mukhtar, & Anwar, 2019). Strategic knowledge impacts human capital. The effectiveness of innovation is governed by the activities of strategic knowledge management (Cabrito & Dahms, 2018). Leadership has a significant positive impact on knowledge sharing. Managers need to develop strategies that focus on communicating strategies across the organization to improve their employees' innovative behavior (IWB) by conducting their role as a conduit for sharing knowledge (Haider et al., 2021). In addition, Kaushal and Nyoni (2022) found that knowledge management through knowledge sharing can create learning across the organization. As a result, personnel in the organization have higher operational efficiency which affects the success of the organization social exchanges facilitate the sharing of knowledge. Knowledge sharing is positively correlated with speed of innovation and the relationship between social exchange and the speed of innovation as a means of sharing knowledge. In addition, Asghar, Barbera, Rasool, Seitamaa-Hakkarainen, and Mohelská (2022) found that employees' willingness to share knowledge on social media was significantly positively associated with leadership. which can affect the success of the organization.

METHODS

This research has established mixed methods research by using quantitative research methods and qualitative research methods in order to obtain the strengths of each method to support the quality of the research better (Johnson & Turner, 2003). The conduct of the research started mainly from quantitative research by reviewing the literature and research results related to variables affecting the success of entrepreneurs in the seafood export industry in Thailand. The studied variables consisted of Innovative leadership, Organizational agility, Management innovation, Knowledge management and Learning organization. The researcher synthesizes the data, summarizes the definition of terminology in research, and determine indicators of variables according to the research concept. Then, the questionnaire was constructed according to the 5-level rating scale according to Likert's approach. The validity and reliability are tested of the gauge before using it to collect data. Then, the data were analyzed statistically using a structural equation modeling (SEM) technique.

For quantitative research, the population consisted of 592 seafood exporters in Thailand (Department of Business Development, Ministry of Commerce, 2022). The sample size is determined by the number of observed variables (Nunnally, Bernstein, & Berge, 1967), where the sample size must not be less than 20 times the observed variable. There were 23 observational variables in this study. The researcher therefore determined the sample size of 460 samples by selecting a multi-stage sampling method from seafood export industry entrepreneurs in Thailand.

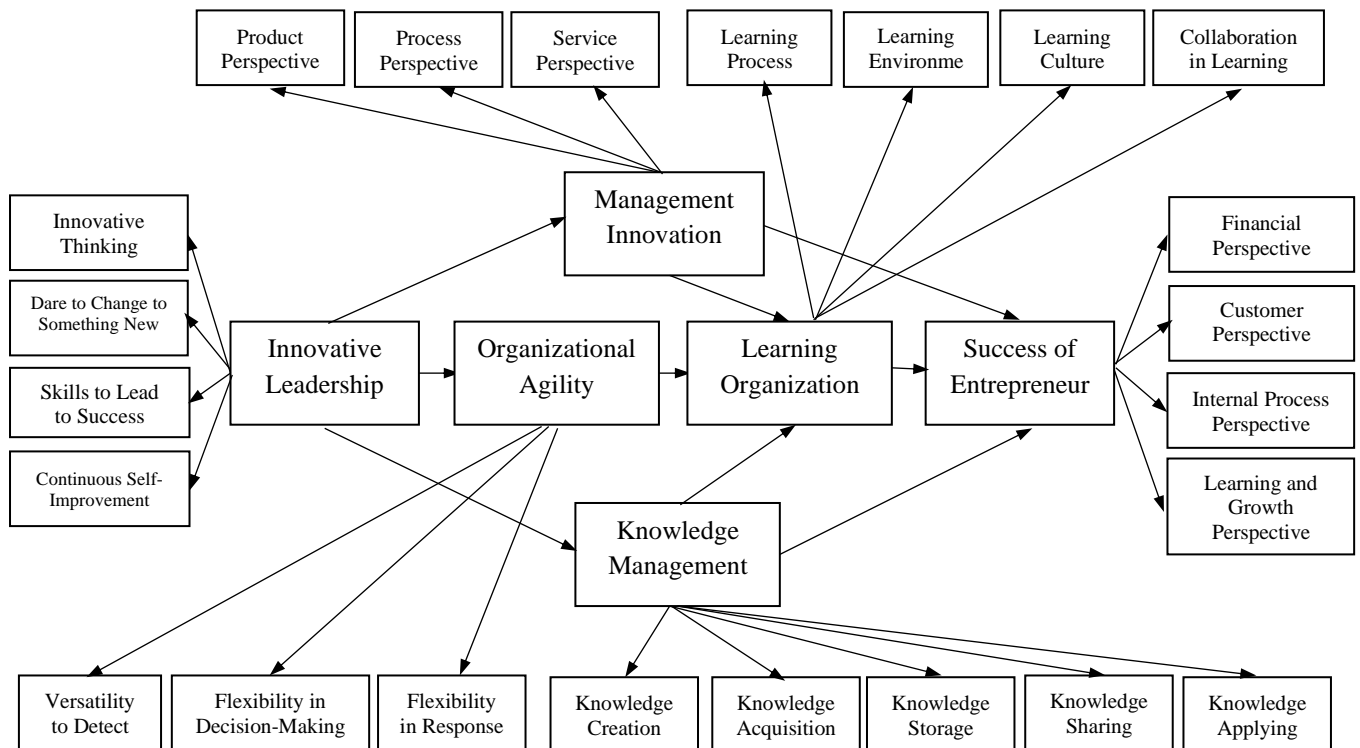
For the qualitative research, the researchers used in-depth interviews from 10 seafood export industry entrepreneurs in Thailand and 10 seafood export industry experts in Thailand, totaling 20 people by using purposive sampling method. Data analysis is done by gathering qualitative data to organize, classify, analyze, interpret, link data and draw conclusions to explain the results of the quantitative analysis with more depth and reasoning.

RESULTS

Research Conceptual Framework

From the review of all the above literature, the researcher can create a conceptual framework with 6 latent variables and 21 observable variables for use in further research as shown in Figure 1.

Figure 1
Conceptual Framework of Antecedent Factors and Success of Entrepreneurs in Seafood Exporting Industry in Thailand



CONCLUSION AND FUTURE WORK

From the analysis and synthesis of the literature, it can be concluded that the successful seafood export business in Thailand has many important antecedent factors that affect the success of entrepreneurs in seafood exporting industry in Thailand. Entrepreneurs who want to achieve global market share seek ways to enhance their business with the potential of entrepreneurial leadership that brings innovative ideas and approaches to enable businesses to meet their needs and the needs of consumers in the world market. Entrepreneurs must be able to make their business flexible in responding to customers and keeping pace with changes in the global market by using innovative management in both product quality, process and customer service in each country to have a competitive advantage. Also, entrepreneurs must be able to manage business knowledge both at the individual and team level in order to build their business into an effective learning organization in the market competition. These antecedent factors lead to the success of entrepreneurs, both income and profit from the performance customer loyalty, systematic and efficient internal business processes and personnel to learn and grow along with the business.

For further research, it should be searched in conjunction with other relevant databases to gain comprehensive insights. In addition, it should be synthesized by meta-analysis technique that uses statistical methods to synthesize multiple quantitative studies on the same problem and systematically draw conclusions in order to obtain accurate, in-depth and reliable research results. Therefore, it is a very important approach in acquiring knowledge that can be used more usefully.

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