THE CONCEPTUAL FRAMEWORK OF THE DEVELOPMENT OF THE SIMULATION MODEL OF THE SUCCESS FACTORS INFLUENCING ECONOMIC AND SOCIAL PERFORMANCE OF SOCIAL ENTERPRISES IN THAILAND

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Abstract - The article aimed to analyze and study the concept on the factors which may influence the performance of social enterprises in Thailand in terms of economic and social aspects. The literary reviews and related research showed that the important factors which influenced the performance of enterprises were market orientation, social innovation, social capital, and organizational capabilities.

Index Terms - Market Orientation, Organizational Capabilities, Social Innovation, Social Capital

I. INTRODUCTION

Social enterprises result from an initiative to solve social problems, to develop communities and conserve the environments. Time and again, the developments are unsustainable and the problems cannot be dealt with effectively. Thus, a concept of business for society arises. Social enterprise is established to deal with social problems, communal development and environments in a sustainable way. The main purpose of the business in question is not a profit. However, it is dependent on the profits as key forces to drive business. Social enterprises in Thailand are varied depending on business situations and other conditions. The advent of social enterprises has changed the concept of business in terms of customers' satisfaction, goods brands, and confidence in customers, better services, or marketing struggles. The motivation is not, however, only a maximum profit. This type of enterprise focuses its attention on helping the poor or underprivileged. However, in the business context, help and profits may at times be in conflict. Therefore, the entrepreneurs of social enterprises have to be able to balance their stances both sides of the objective. Failing to do can cause a great trouble to the organization (Ridley-Duff, 2015:99).

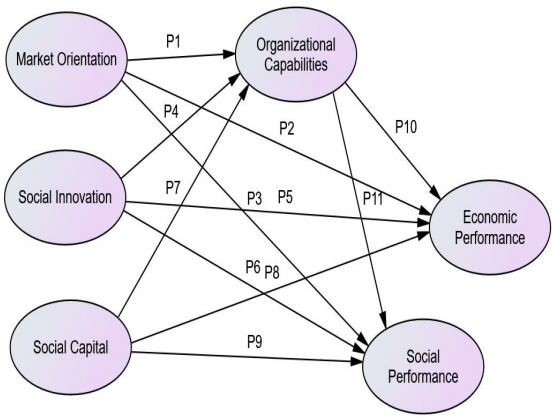
II. METHODOLOGY

In the present study, the author has revised relevant literature and related research and factors which influenced the economic and social implementation of the social enterprise. The results gained from the study of the factors concerned can be used as the guidelines for the successful enterprise. Based on the literary reviews and related research, it was found that the factors which influenced the implementation were the following.

III. FINDING

No matter what the objectives of the social enterprises are, or no matter how they originate, all countries which pass the laws or regulations for social enterprises have to take into account the key components of the enterprises. It is important to bear in mind that enterprises are to be undertaken to profit society. In other words, the underprivileged should be given opportunities, the communal incomes should be raised, employment should be available and environmental quality should be focused. Briefly, two key guidelines should be undertaken. One is for the social enterprises to be non-profit organization. The other is that there should be less dependence on the financial help from the government or other agencies. To put it other way, the organization need not rely on the public funds and donation from others.

IV. CONCEPTUAL FRAMEWORK



1. Market Orientation

In the present study three variables were determined to characterize the tactical implementation. They were

customer orientation, competitor orientation and inter-functional coordination.

P1: market orientation could directly influence the capacity of the organization. The organization with the culture orientation and marketing-based behavior was the one determined to build the values of services or goods and make them superior to its competitors (Slater, 1990:21).

P2: Market orientation had a direct influence on an economic function. Market orientation was crucial to the social enterprise as it can elevate the marketing capacity between organizations and can gain the customers' attraction (Mishra, 2010:549).

P3: market orientation can have a direct influence on the social function. Social activities are generally understood as non-profit ones. In other words, the profits gained will be returned to society (David B. Audretsch, 2002:4).

2. Social Innovation

In the present study, five variables can be observed: concepts and understandings, needs and challenges to address society, resource constraints and capabilities, process and dynamics, and actors, networks and governance.

P4: Social Innovation can have a direct influence on an organization. Development of social innovation through a new concept, a new process and attitudinal changes is a vital part to reform business (Seong No Yoon, 2016) (Yoon-joo Ma, 2012).

P5: Social innovation can have a direct influence on the implementation of economic aspect. It is necessary to change and adapt social behavior in order to determine the strategies (Agnieszka Furmanska-Maruszak, 2016:174).

P6: Social innovation can have a direct influence on social implementation. It is a newly developed concept or a traditional one with some improvement in light of quality and efficiency in accordance with needs for social enterprise (Kosi, 2013:29).

3. Social Capital

The present study establishes the variables which can be measured and used to measure social variables. In this regard, there are four variables: interaction, associational membership, high trust, reliability and reciprocity.

P7: Social capital can have a direct influence on an organization, and relations of business with different networks. It can also enhance the operation of an organization, and can help the organization to work more efficiently (Kohli and Jaworski 1990; Kohli et al. 1993).

P8: social capital can have a direct influence on economic aspect, can support and promote the implementation of an enterprise. As a result, the social enterprise can perform more effectively. Social capital can help the administration to produce profits and achieve social objectives (Rapp, 2016:1-4).

P9: Social capital can have a direct influence on social implementation. It is one of the social resources which are pervasive in every aspect of society. It is closely linked to other networks (Ghoshal, 2007:465).

4. Organizational Capabilities

In this respect, there are three observable variables: fair climate, policy and behavior officer (Lui, 2012:98)

P10: Organizational capabilities can have a direct influence on economic implementation. The concept includes the administrative system, personnel management, and organizational development in response to changes of business and society (Chandler, 1992).

P11: Organizational capabilities can have a direct influence on social aspect. Capable organizations have a good working system and clearly defined objectives for society and environments. In addition, they have more efficient working systems and determined personnel to deal with environmental and social problems (Beer, 2003:625).

There are two dependable variables concerned.

1. Economic Performance refers to a process and scope of an evaluation of enterprises, which could be developed to measure the outcome. The variables in question comprise three observed variables as follows (Spain, 2016:532)

1) Labor: it includes increased employment and incomes. It is the benefits societies are bound to gain.
2) Capital: social enterprises are responsible for increased social capital accumulation. It includes knowledge, assembly, sustainable development, group relations and networks.
3) Economy: overall benefits which are acquired by stakeholders include the following: people have more access or easy access, or the prices of goods are higher while the costs are lower.

2. Social Performance refers to recognition or acceptance by communities or society. It is the key factor which contributes to the quality administration. It comprises two observed variables as follows (Dagiliene, 2006:98)

1) Society: the components used to measure the successful implementation of social enterprises are the community's satisfaction, stronger grouping, and successful problem solution.
2) Environment: it is the physical environment which is favorable to communal life, for example infrastructure, schools, and recreation sites. It also includes reduced pollution and decreased crimes.

CONCLUSION

Based on the findings described, more valid measurement instruments or device should be developed. The developed simulation model should be used with empirical data through the technique called 'Structural Equation Model: SEM

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