


**MODEL OF CHARACTERISTICS OF HIGH-PERFORMANCE ORGANIZATIONS
INFLUENCING THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN THE
CENTRAL REGION OF THAILAND**

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ARTICLE INFO	ABSTRACT
<p>Article history: Received: Jul, 12th 2024 Accepted: Sep, 13th 2024</p>	<p>Purpose: To develop a model that explores the characteristics of high-performance organizations and their impact on the performance of small and medium enterprises (SMEs) in the central region of Thailand.</p>
<p>Keywords: Characteristics of High-Performance; Small and Medium Enterprises; Central Region of Thailand; Thailand.</p> 	<p>Theoretical framework: The performance of an organization involves two variables: 1.) Financial results, including metrics such as higher returns on assets (ROA), return on equity (ROE), leverage ratio, earnings growth, and return on investment (ROI) (The Stock Exchange of Thailand, 2022). 2.) Organizational leadership and governance results, emphasizing the pivotal role of senior leaders in organizational leadership and governance, financial accountability, legal compliance, ethical conduct, social responsibility, and community support was assessed using four aspects adopted from Kajornatthapol P. and Surachai U., (2011).</p> <p>Design/methodology/approach: The study analyzed international publications on blended learning in management and business, focusing on authors, journals, and cooperation between countries. It employed a quantitative approach, using a questionnaire to gather data from SME executives in Thailand's central region (3,283 cases). Sampling used nonprobability and purposive methods, with a sample size suitable for structural equation modeling (SEM). The questionnaire comprised four parts assessing organizational characteristics, performance, respondent information, and opinions. Financial results were evaluated on a 5-level scale. Content validity was ensured through expert evaluations, and reliability was confirmed via Cronbach's alpha (0.86) and item-total correlation (>0.30). Data were analyzed using descriptive statistics, confirmatory factor analysis, and various evaluation indices. The research aims to enhance understanding of high-performance SMEs in Thailand's central region.</p> <p>Findings: The research findings indicate a growing volume of studies on high-performance organizations in the context of SMEs in Thailand's central region, with a limited number of influential authors, institutions, and journals. The model developed successfully aligns with empirical data, revealing positive impacts of organizational leadership, strategic planning, customer focus, knowledge management, workforce focus, and operations focus on SME performance. These findings underscore the importance of promoting awareness of these factors within the Thai SME sector to foster more high-performance enterprises, aligning with Thailand's development goals. The research contributes valuable insights applicable not only locally but also globally, emphasizing the significance of sustainable practices aligned with Thailand 4.0 and collaborative efforts between government and private sectors for national sustainability.</p>

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Research, Practical & Social implications: The research yields significant implications for research, practice, and society. It sets a foundation for future studies on high-performance organizations in SMEs, emphasizing leadership, strategic planning, and customer focus. Moreover, it enhances executive education by offering insights into organizational performance improvement. Practically, it guides SMEs in Thailand and beyond to optimize operations and achieve sustainable growth through the adoption of high-performance characteristics. Policymakers can leverage these findings to design initiatives supporting SME development, aligning with economic goals. Societally, the research underscores the importance of sustainability and responsible practices, advocating for knowledge management and strategic alignment with national plans. Collaboration between government, private sectors, and civil society is vital to promoting sustainable business practices and fostering inclusive growth.

Originality/value: The research demonstrates a growing number of publications in the field of management and business, particularly in co-authorship with leading countries. It highlights the significance of the Model of Characteristics of High-Performance Organizations in understanding and enhancing SME performance in Thailand's central region, contributing to the existing body of knowledge.

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MODELO DE CARACTERÍSTICAS DE ORGANIZAÇÕES DE ALTO DESEMPENHO QUE INFLUENCIAM O DESEMPENHO DE PEQUENAS E MÉDIAS EMPRESAS NA REGIÃO CENTRAL DA TAILÂNDIA

RESUMO

Objetivo: Desenvolver um modelo que explore as características das organizações de alto desempenho e seu impacto sobre o desempenho das pequenas e médias empresas (PMEs) na região central da Tailândia.

Estrutura Teórica: O desempenho de uma organização envolve duas variáveis: 1.) Resultados financeiros, incluindo métricas como maior retorno sobre os ativos (ROA), retorno sobre o patrimônio líquido (ROE), índice de alavancagem, crescimento dos lucros e retorno sobre o investimento (ROI) (The Stock Exchange of Thailand, 2022). 2.) Os resultados de liderança e governança organizacional, enfatizando o papel central dos líderes seniores na liderança e governança organizacional, responsabilidade financeira, conformidade legal, conduta ética, responsabilidade social e apoio à comunidade, foram avaliados usando quatro aspectos adotados de Kajornatthapol P. e Surachai U. (2011).

Projeto/Metodologia/Abordagem: O estudo analisou publicações internacionais sobre aprendizagem combinada em administração e negócios, concentrando-se em autores, periódicos e cooperação entre países. Foi empregada uma abordagem quantitativa, usando um questionário para coletar dados de executivos de PMEs na região central da Tailândia (3.283 casos). A amostragem usou métodos não probabilísticos e intencionais, com um tamanho de amostra adequado para a modelagem de equações estruturais (SEM). O questionário era composto de quatro partes que avaliavam as características organizacionais, o desempenho, as informações do entrevistado e as opiniões. Os resultados financeiros foram avaliados em uma escala de cinco níveis. A validade do conteúdo foi garantida por meio de avaliações de especialistas, e a confiabilidade foi confirmada pelo alfa de Cronbach (0,86) e pela correlação item-total (>0,30). Os dados foram analisados por meio de estatísticas descritivas, análise fatorial confirmatória e vários índices de avaliação. A pesquisa tem como objetivo melhorar a compreensão das PMEs de alto desempenho na região central da Tailândia.

Resultados: Os resultados da pesquisa indicam um volume crescente de estudos sobre organizações de alto desempenho no contexto de PMEs na região central da Tailândia, com um número limitado de autores, instituições e periódicos influentes. O modelo desenvolvido alinha-se com sucesso aos dados empíricos, revelando impactos positivos da liderança organizacional, do planejamento estratégico, do foco no cliente, da gestão do conhecimento, do foco na força de trabalho e do foco nas operações sobre o desempenho das PMEs. Essas descobertas ressaltam a importância de promover a conscientização desses fatores no setor de PMEs tailandesas para fomentar mais empresas de alto desempenho, alinhadas com as metas de desenvolvimento da Tailândia. A pesquisa contribui com insights valiosos aplicáveis não apenas localmente, mas também globalmente, enfatizando a importância de práticas sustentáveis alinhadas com a Tailândia 4.0 e esforços de colaboração entre os setores governamental e privado para a sustentabilidade nacional.

Implicações Sociais, Práticas e de Pesquisa: A pesquisa produz implicações significativas para a pesquisa, a prática e a sociedade. Ela estabelece uma base para estudos futuros sobre organizações de alto desempenho em PMEs, enfatizando a liderança, o planejamento estratégico e o foco no cliente. Além disso, ela aprimora a educação executiva

ao oferecer percepções sobre a melhoria do desempenho organizacional. Na prática, ele orienta as PMEs da Tailândia e de outros países a otimizar as operações e alcançar um crescimento sustentável por meio da adoção de características de alto desempenho. Os formuladores de políticas podem aproveitar essas descobertas para projetar iniciativas de apoio ao desenvolvimento das PMEs, alinhando-se às metas econômicas. Socialmente, a pesquisa ressalta a importância da sustentabilidade e das práticas responsáveis, defendendo a gestão do conhecimento e o alinhamento estratégico com os planos nacionais. A colaboração entre o governo, os setores privados e a sociedade civil é vital para promover práticas comerciais sustentáveis e fomentar o crescimento inclusivo.

Originalidade/Valor: A pesquisa demonstra um número crescente de publicações no campo de gestão e negócios, especialmente em coautoria com países líderes. Ela destaca a importância do Modelo de Características das Organizações de Alto Desempenho na compreensão e no aprimoramento do desempenho das PMEs na região central da Tailândia, contribuindo para o conjunto de conhecimentos existentes.

Palavras-chave: Características de Alto Desempenho, Pequenas e Médias Empresas, Região Central da Tailândia, Tailândia.

MODELO DE CARACTERÍSTICAS DE LAS ORGANIZACIONES DE ALTO RENDIMIENTO QUE INFLUYEN EN EL RENDIMIENTO DE LAS PEQUEÑAS Y MEDIANAS EMPRESAS DE LA REGIÓN CENTRAL DE TAILANDIA

RESUMEN

Propósito: Desarrollar un modelo que explore las características de las organizaciones de alto rendimiento y su impacto en el rendimiento de las pequeñas y medianas empresas (PYME) de la región central de Tailandia.

Marco Teórico: El rendimiento de una organización implica dos variables: 1.) Resultados financieros, que incluyen métricas como un mayor rendimiento de los activos (ROA), rendimiento de los fondos propios (ROE), ratio de apalancamiento, crecimiento de los beneficios y rendimiento de la inversión (ROI) (The Stock Exchange of Thailand, 2022). 2.) Los resultados del liderazgo y la gobernanza de la organización, que hacen hincapié en el papel fundamental de los altos directivos en el liderazgo y la gobernanza de la organización, la responsabilidad financiera, el cumplimiento legal, la conducta ética, la responsabilidad social y el apoyo a la comunidad se evaluaron utilizando cuatro aspectos adoptados de Kajornatthapol P. y Surachai U., (2011).

Diseño/Metodología/Enfoque: El estudio analizó publicaciones internacionales sobre aprendizaje combinado en gestión y negocios, centrándose en autores, revistas y cooperación entre países. Empleó un enfoque cuantitativo, utilizando un cuestionario para recopilar datos de ejecutivos de PYME de la región central de Tailandia (3.283 casos). En el muestreo se utilizaron métodos no probabilísticos e intencionados, con un tamaño de muestra adecuado para el modelado de ecuaciones estructurales (SEM). El cuestionario constaba de cuatro partes en las que se evaluaban las características organizativas, los resultados, la información del encuestado y sus opiniones. Los resultados financieros se evaluaron en una escala de 5 niveles. La validez de contenido se garantizó mediante evaluaciones de expertos, y la fiabilidad se confirmó mediante el alfa de Cronbach (0,86) y la correlación ítem-total (>0,30). Los datos se analizaron mediante estadística descriptiva, análisis factorial confirmatorio y diversos índices de evaluación. La investigación pretende mejorar la comprensión de las PYME de alto rendimiento de la región central de Tailandia.

Resultados: Los resultados de la investigación indican un volumen creciente de estudios sobre organizaciones de alto rendimiento en el contexto de las PYME de la región central de Tailandia, con un número limitado de autores, instituciones y revistas influyentes. El modelo desarrollado se ajusta con éxito a los datos empíricos, revelando impactos positivos del liderazgo organizativo, la planificación estratégica, la orientación al cliente, la gestión del conocimiento, la orientación al personal y la orientación a las operaciones en el rendimiento de las PYME. Estos resultados subrayan la importancia de promover la concienciación sobre estos factores en el sector de las PYME tailandesas para fomentar más empresas de alto rendimiento, en consonancia con los objetivos de desarrollo de Tailandia. La investigación aporta valiosas ideas aplicables no sólo a escala local, sino también mundial, destacando la importancia de las prácticas sostenibles alineadas con Tailandia 4.0 y los esfuerzos de colaboración entre los sectores público y privado para la sostenibilidad nacional.

Investigación, Implicaciones Prácticas y Sociales: El estudio tiene importantes implicaciones para la investigación, la práctica y la sociedad. Sienta las bases para futuros estudios sobre organizaciones de alto rendimiento en PYME, haciendo hincapié en el liderazgo, la planificación estratégica y la orientación al cliente. Además, mejora la formación de directivos al ofrecer ideas sobre la mejora del rendimiento organizativo. En la práctica, orienta a las PYME de Tailandia y de otros países para optimizar sus operaciones y lograr un crecimiento sostenible mediante la adopción de características de alto rendimiento. Los responsables políticos pueden aprovechar estas conclusiones para diseñar iniciativas de apoyo al desarrollo de las PYME, en consonancia con los objetivos económicos. Desde el punto de vista social, la investigación subraya la importancia de la sostenibilidad y las prácticas responsables, abogando por la gestión del conocimiento y la alineación estratégica

con los planes nacionales. La colaboración entre el gobierno, el sector privado y la sociedad civil es vital para promover prácticas empresariales sostenibles y fomentar el crecimiento integrador.

Originalidad/Valor: La investigación demuestra un número creciente de publicaciones en el ámbito de la gestión y la empresa, especialmente en coautoría con países líderes. Pone de relieve la importancia del Modelo de Características de las Organizaciones de Alto Rendimiento para comprender y mejorar el rendimiento de las PYME en la región central de Tailandia, contribuyendo al corpus de conocimientos existente.

Palabras clave: Características del Alto Rendimiento, Pequeñas y Medianas Empresas, Región Central de Tailandia, Tailandia.

1 INTRODUCTION

At present, the Thai government is committed to enhancing the country's competitiveness through the implementation of Thailand 4.0, a national agenda that requires the participation of all sectors. In order to improve the country's economic competitiveness, cooperation from various sectors, including the private sector and small and medium enterprises (SMEs), is crucial. SMEs play a key role in driving the economy and increasing the country's competitiveness (Amnuaykanjanasin, 2016). The current business landscape is highly competitive, and environmental factors are constantly evolving, prompting organizations in both the public and private sectors to adapt and enhance their competitiveness to meet challenges. Moreover, external pressures such as liberal capitalism, borderless trade, the rise of e-commerce, and rapid technological advancements like nanotechnology innovation have further amplified the need for organizations to continuously improve their operations. According to Lawler (2005), organizations must focus on four key areas to enhance the quality of their operations: 1) product and service quality, 2) cost efficiency, 3) speed to market, and 4) innovation in developing new products and services. This necessitates organizational adaptation to address future challenges. The ability of an organization to deliver valuable and high-quality products is essential for long-term success. To achieve this, organizations must adopt effective management practices, establish convenient customer and supplier access, and develop organizational capabilities that can effectively respond to challenges and lead to high performance (Miller, 2002). This is what constitutes a high-performance organization. Although there is no precise definition of a high-performance organization, the concept generally refers to modern practices, working principles, and effective management and organizational design that enable organizations to maximize employee potential and achieve high performance. Following Thailand's experience of the 1997 economic crisis, both the public and private sectors started focusing on managing organizations to achieve high performance,

enabling them to adapt, gain a competitive advantage, and become high-performance organizations (Pootrakool, 2010). Pingsuthiwong (2009) noted that the concept of the National Quality Award originated from Total Quality Management (TQM) and was influenced by the United States and Japan. The evolution of the quality management system can be divided into three phases: Phase 1 (1920-1960) focused on various management concepts and theories; Phase 2 (1960-1980) saw Japan develop the ideas further and create various tools that are now widely known; and Phase 3 (1980-1995) witnessed the United States enhancing the quality of its products and services to compete with foreign competitors, particularly Japan. American businesses became more committed to quality management (De Waal, 2007). The Office of Thailand Quality Award (2012) reported that most organizations applying for the Thailand Quality Award come from the manufacturing and public health sectors, especially the food and energy industries. In 2012-2013, the Office of Thailand Quality Award focused on disseminating and promoting the National Quality Award criteria, particularly among large industrial sectors, government agencies, and small and medium enterprises (SMEs). A pilot program for SMEs was initiated to encourage more organizations to undergo the audit process and receive the Thailand Quality Award (TQA) and the Thailand Quality Class (TQC). This allowed the private sector to support, promote, and publicize the Thailand Quality Award project, and personnel were sent as assessors to meet the increasing demand for future audits. Implementing the Thailand Quality Award criteria not only helps organizations develop and enhance their sustainable competitiveness but also contributes to the country's competitiveness in the future. Based on the aforementioned context, the researchers are intrigued by exploring a model that examines the characteristics of high-performance organizations and their influence on the performance of small and medium enterprises (SMEs)

2 RESEARCH OBJECTIVES

To develop a model that explores the characteristics of high-performance organizations and their impact on the performance of small and medium enterprises (SMEs) in the central region of Thailand.

3 EMPIRICAL REVIEW

1. Characteristics of High-Performance Organizations can be categorized into six variables, outlined as follows: 1.1) Organizational leadership: This variable pertains to the actions of top-level leaders in ensuring the organization's sustainability. It involves setting a clear vision, mission, and strategy that align with the organization's goals and effectively communicating with individuals throughout the organization. It also encompasses implementing an organizational governance system and employing methods to achieve legal, ethical, and social responsibility outcomes, as well as garner significant community support (The Berkeley Consulting Group, 1993; Linder & Brooks, 2004; Jupp & Younger, 2004; Lear, 2009; Jones, 2004; Office of Thailand Quality Award, 2012). 1.2) Strategic planning: This variable focuses on an organization's ability to develop a strategic advantage through core competencies, address challenges, establish strategic objectives, and devise action plans that adapt to changing circumstances. It also involves measuring progress towards strategic goals (The Berkeley Consulting Group, 1993; Linder & Brooks, 2004; Jupp & Younger, 2004; Holbeche, 2005; Lawler, 2005; Buytendijk, 2006; Lear, 2009). 1.3) Customer focus: This variable emphasizes the organization's engagement with customers to achieve long-term market success. It encompasses strategies for actively listening to the "voice of the customer," building strong customer relationships, and leveraging customer feedback to drive improvements and identify innovation opportunities (Miller, 2002; Linder & Brooks, 2004; Lawler, 2005; Buytendijk, 2006; Kennedy, 2010). 1.4) Measurement, analysis, and knowledge management: This variable involves the methods organizations employ to measure, analyze, review, and improve performance continually. It encompasses the utilization of accurate and reliable information systems, data, and knowledge assets across all levels and departments. This variable ensures that the organization meets information quality standards and provides necessary software and hardware resources for employees, suppliers, partners, collaborators, and customers (Miller, 2002; Holbeche, 2005; Lawler, 2005; Buytendijk, 2006; Lear, 2009; Jones, 2004; Kennedy, 2010). 1.5) Workforce focus: This variable underscores the significance of employees as the foundation for organizational excellence. It involves assessing competency needs, workforce capacity, and creating an environment that supports employee performance. This variable also encompasses strategies for engaging, managing, and developing personnel, encouraging continuous learning and growth, and fully utilizing their potential aligned with the organization's mission, strategy, and overall action plans (Miller, 2002; Jupp & Younger, 2004;

Holbeche, 2005; Lawler, 2005; Buytendijk, 2006; Lear, 2009; Jones, 2004) and 1.6) Operations focus: This variable pertains to the design, management, and improvement of work systems and processes within the organization. It emphasizes the need for a flexible organizational structure that can adapt quickly to changes. Additionally, it encompasses creating effective teamwork and decentralizing decision-making authority to empower teams in achieving shared goals, sharing responsibilities, and fostering a sense of involvement in the organization's operations. This variable aims to deliver value to customers, ensuring the organization's success and sustainability (The Berkeley Consulting Group, 1993; Miller, 2002; Jupp & Younger, 2004; Holbeche, 2005; Lawler, 2005; Jones, 2004; Kennedy, 2010). The characteristics of high-performance organizations are essential for small and medium enterprises (SMEs) in Thailand as they contribute to their success, sustainability, and competitiveness. These characteristics, including leadership, strategic planning, customer focus, measurement and analysis, workforce focus, and operations focus, enable SMEs to excel and thrive in a dynamic business environment.

2. The performance of an organization involves two variables, 2.1) Financial results, including metrics such as higher returns on assets (ROA), return on equity (ROE), leverage ratio, earnings growth, and return on investment (ROI) (The Stock Exchange of Thailand, 2022). 2.2) Organizational leadership and governance results, emphasizing the pivotal role of senior leaders in organizational leadership and governance, financial accountability, legal compliance, ethical conduct, social responsibility, and community support (as depicted in Figure 1). Understanding the theory and concept of organizational performance is crucial for comprehending and assessing an organization's effectiveness and success. Financial results, being a key variable, offer insights into the financial well-being and profitability of the organization. Metrics like higher returns on assets, return on equity, leverage ratio, earnings growth, and return on investment help gauge the organization's financial performance and its capacity to generate profits and returns for stakeholders. These financial indicators serve as benchmarks for measuring the organization's efficiency, profitability, and overall financial success.

3. Organizational leadership and governance results play a critical role in shaping an organization's performance. Effective leadership, led by senior leaders, is vital for establishing a clear vision, mission, and strategy for the organization. Strong leadership ensures the organization's sustainability and adherence to legal, ethical, and social responsibility standards. It encompasses financial accountability, ensuring effective and transparent management of

financial resources. Ethical conduct and legal compliance are essential for upholding the organization's reputation and trustworthiness. Additionally, organizational leaders are responsible for fostering a culture of social responsibility and community support, contributing to societal well-being and fostering positive stakeholder relationships. Understanding the theory and concepts related to organizational performance holds several key implications. Firstly, it provides a framework for evaluating and comparing the performance of different organizations, enabling stakeholders to make informed decisions. Investors, shareholders, and creditors rely on these theories and concepts to assess the financial viability and profitability of organizations before making investment or lending decisions. Secondly, the theory and concept of organizational performance guide organizations in goal setting, strategy development, and the implementation of effective performance management systems. By understanding the key variables that contribute to organizational performance, leaders can make informed decisions and take appropriate actions to enhance performance in areas such as financial management, leadership development, and corporate governance. (The Stock Exchange of Thailand, 2022)

Furthermore, these theories and concepts form the foundation for research and academic study in the field of organizational behavior and management. Scholars and researchers explore various aspects of organizational performance, seeking to identify factors that drive success and develop strategies for enhancing performance in diverse contexts. This knowledge contributes to the development of best practices and theoretical frameworks that can be applied by practitioners to improve organizational performance. In conclusion, the theory and concept of organizational performance, encompassing financial results and organizational leadership and governance, are essential for understanding, evaluating, and enhancing the effectiveness and success of organizations. These concepts provide valuable insights for stakeholders, guide decision-making processes, and serve as a basis for academic research and practical application in the field of organizational management (Kajornatthapol P. and Surachai.,2011).

The researchers formulated a total of six research hypotheses as follows:

Hypothesis 1: Organizational leadership positively influences the performance of small and medium enterprises in the central region of Thailand.

Hypothesis 2: Strategic planning has a positive impact on the performance of small and medium enterprises in the central region of Thailand.

Hypothesis 3: Customer focus contributes to the performance of small and medium enterprises in the central region of Thailand.

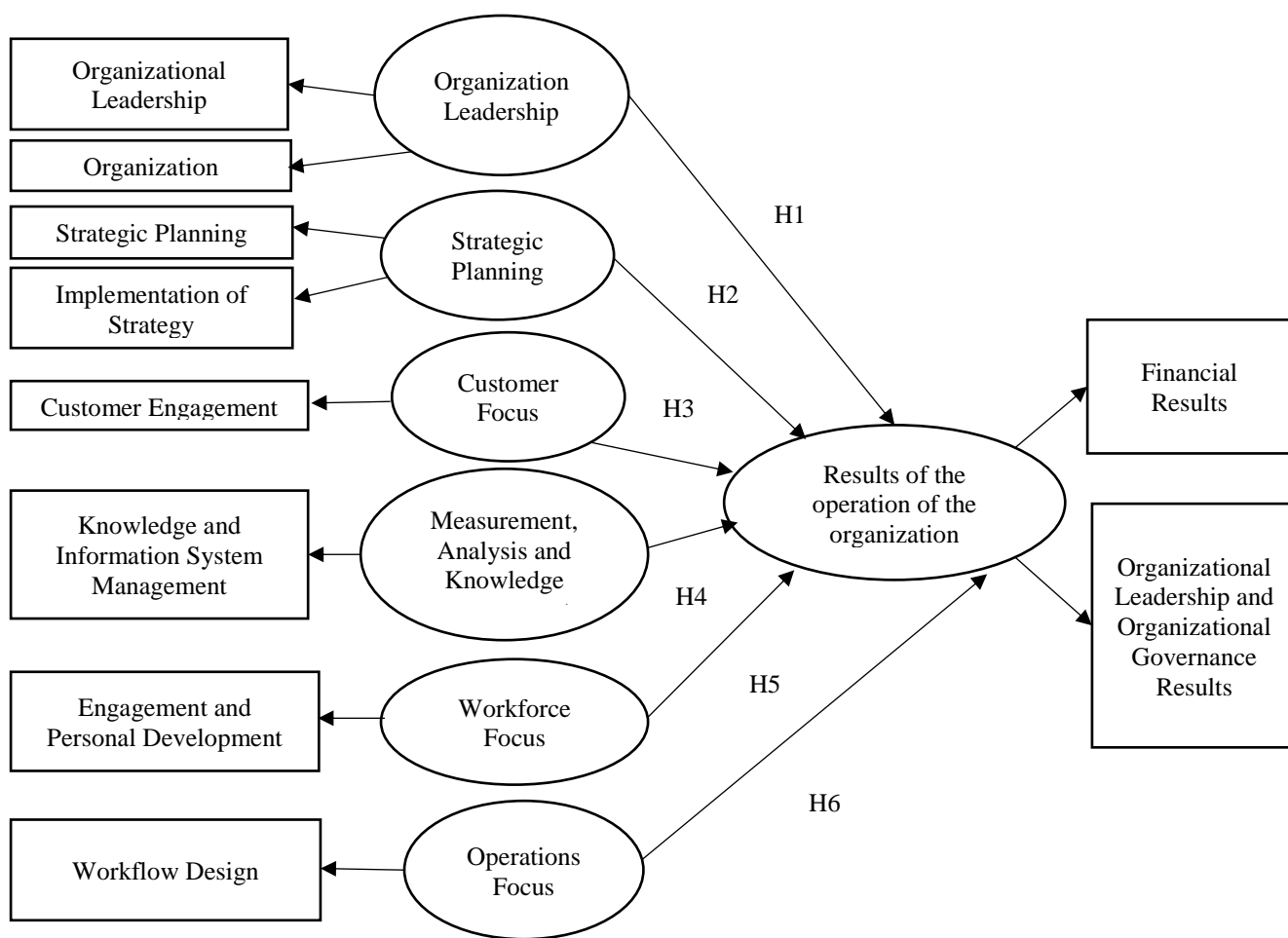
Hypothesis 4: Measurement, analysis, and knowledge management positively affect the performance of small and medium enterprises in the central region of Thailand.

Hypothesis 5: Workforce focus enhances the performance of small and medium enterprises in the central region of Thailand.

Hypothesis 6: Operational focus positively impacts the performance of small and medium enterprises in the central region of Thailand.

Figure 1

Conceptual Framework of The Study



4 METHODOLOGY

This research adopts a quantitative approach, employing a questionnaire to collect data from executives of small and medium enterprises (SMEs) in the central region of Thailand. The questionnaire was completed by executives with decision-making authority in business management, ranging from supervisors to senior management levels. The objective was to

draw conclusions that can be generalized to SMEs as a whole. The research focuses on the following key aspects:

Population and sample: The population of interest comprises executives of SMEs in the central region of Thailand, covering 22 provinces including Bangkok, Nakhon Pathom, Nonthaburi, Pathum Thani, Samut Prakan, Samut Sakhon, Samut Songkhram, Kamphaeng Phet, Nakhon Sawan, Phetchabun, Phichit, Phitsanulok, Sukhothai, Uthai Thani, Ang Thong, Ayutthaya, Chainat, Lopburi, Nakhon Nayok, Saraburi, Sing Buri, and Suphanburi. The researchers collected data from 3,283 cases, sourced from the Productivity Improvement Loan of the Small and Medium Enterprise Development Bank of Thailand. The sample size is deemed appropriate for data analysis using structural equation modeling (SEM), with a requirement of at least 20 samples per research variable. In this study, there are 10 observed variables in the model, thus necessitating a minimum of 400 participating entrepreneurs. The sample selection employed nonprobability and purposive sampling methods, as the involvement of business-related information necessitates voluntary participation.

Data collection tools: The research employed a questionnaire with four parts: Part 1 assessed the general operating conditions related to the characteristics of a high-performance organization. Part 2 focused on the actual performance of the organization. Part 3 gathered general information about the respondents, while Part 4 captured additional opinions or suggestions. A 5-level rating scale was used, with scores ranging from 5 (most consistent with actual operation) to 1 (least consistent). Financial results were evaluated using average measures, where an average score of 4.51-5.00 indicated a high level of consistency and significant improvement compared to the target, while an average score of 1.00-1.50 indicated a low level of consistency and significant deviation from the target.

Instrument quality assessment: The researchers conducted a quality inspection of the questionnaire by assessing content validity through expert evaluations and employing the objective consistency index method. Before actual use, the questionnaire's reliability was tested on a sample of 30 respondents, yielding a Cronbach's alpha coefficient of 0.86 for all latent variables, surpassing the minimum threshold of 0.50. Furthermore, the corrected item-total correlation for each question exceeded 0.30.

Data analysis: The researchers employed descriptive statistics and statistical analysis techniques to analyze the collected data. Confirmatory factor analysis (CFA) was used for multivariate analysis to assess the appropriateness and validity of the high-performance organization elements in each aspect and to verify the model's consistency with empirical data.

The evaluation indices used included chi-square, relative chi-square, comparative fit index (CFI), goodness of fit index (GFI), adjusted goodness of fit index (AGFI), root mean square error of approximation (RMSEA), and standard root mean square residual (SRMR). By employing rigorous data analysis and assessment methods, this research aims to provide valuable insights into the characteristics and performance of SMEs in the central region of Thailand, contributing to a better understanding of high-performance organizations in this context.

5 RESEARCH RESULTS

Inquiries into organizational leadership revealed that the majority have developed effective governance systems to ensure operational efficiency at all times. This alignment with actual operations ranks highest at an average level of 4.307. Furthermore, the implementation of these governance systems for organizational management is highly consistent with actual operations, scoring notably at an average level of 4.275. Executives demonstrate adeptness in communicating organizational direction to personnel across the company, a practice deemed very consistent with actual work performance (average rating: 4.245). This clarity in conveying company direction, encompassing vision, values, and missions, is also highly consistent with actual work performance (average rating: 4.187). Leadership within the company is characterized by a focus on skill development, garnering a commendable average rating of 4.012 for its contribution to fostering a conducive working atmosphere and enhancing work performance. Additionally, executives' commitment to legal compliance is viewed as highly consistent with actual work, earning a score of 3.735 on average. Demonstrating social-community responsibility is similarly perceived, with an average rating of 3.595. Moreover, executives are recognized for their ethical conduct in the workplace, which is rated as moderately consistent with actual work performance, averaging at 3.417.

In strategic planning, the translation of strategic objectives into action plans is a predominant practice. This translation garners a high level of consistency with actual operations, scoring a noteworthy 4.250 on average. Furthermore, the establishment of time frames for both short-term and long-term planning is highly consistent with actual operations, achieving a rating of 4.187 on average. Strategic objectives are meticulously crafted to yield strategic advantage, a process perceived as very consistent with actual operations, with an average rating of 4.155. Moreover, there exists a robust determination process for company strategy, which is also deemed very consistent with actual operations, averaging at 4.112. The formulation of both short-term and long-term action plans is executed with precision, aligning

closely with actual operations and earning an average rating of 4.052. Core competencies of the company are discerned with clarity, contributing to the strategic planning process and achieving an average rating of 3.932 for consistency with actual operations. Strategic objectives are strategically aligned with opportunities for innovation, demonstrating a high level of consistency with actual operations, with an average rating of 3.925. The seamless transfer of action plans into operational execution across the company further solidifies the alignment with actual operations, scoring a commendable average of 3.760. Additionally, the agility in adjusting action plans to accommodate changing situations underscores the adaptability of the strategic planning process, ultimately maintaining a high level of consistency with actual operations, with an average rating of 3.652.

In the realm of measurement, analysis, and knowledge management, a significant portion of respondents affirm the presence of robust knowledge management systems. This includes effective knowledge transfer to personnel, a practice highly consistent with actual operations, averaging at 4.287. Moreover, meticulous data management characterized by accuracy, reliability, and timeliness is prevalent, earning a notable average rating of 4.272 and further aligning with actual operations. Continuous improvement initiatives, fostering the creation of new innovations, are actively pursued, a practice deemed very consistent with actual operations, with an average rating of 4.147. Furthermore, there is a perpetual assessment of needs across various dimensions such as capabilities, skills, competencies, and manpower within the organization, all contributing to the alignment with actual operations and averaging at 4.147. The management of information for both personnel and customers, ensuring readiness for use, is emphasized, achieving a commendable average rating of 3.922 and maintaining consistency with actual operations. Additionally, the implementation of information system management (Hardware-Software) for personnel and customers further bolsters operational alignment, scoring an average of 3.725. Notably, the exchange of best practices between departments emerges as a standout practice, garnering the highest consistency with actual work performance and ranking very high with an average level of 3.635.

Regarding personnel focus, the majority of employees' potential is fully harnessed to execute their roles effectively. This utilization of potential is highly consistent with actual work performance, boasting a very high average rating of 4.275. Additionally, employees are consistently encouraged to cultivate their knowledge and skills, a practice that aligns closely with actual operations and earns a notable average rating of 4.185. Effective methods for both recruiting new personnel and retaining existing ones are in place, contributing to the overall

consistency with actual work, with an average rating of 4.157. An organizational culture fostering open communication has been established, forging stronger bonds between employees and the organization. This alignment with actual work performance scores a commendable average rating of 3.970. Furthermore, a compensation management system, inclusive of rewards and incentives, is implemented to motivate employees within the company. This system's consistency with actual work performance is exemplary, with a very high average rating of 4.065, marking it as the most consistent practice with actual work performance, ranking very high overall.

In terms of operational focus, decision-making authority predominantly rests with the team, aligning closely with actual operations and achieving a notable average rating of 4.127. Additionally, there is a concerted effort towards work system design, fostering innovations within the overall work system. This commitment to innovation is highly consistent with actual operations, with an average rating of 3.800. The organizational structure is deliberately set to be flexible, enabling swift responses to present and future changes, a practice highly consistent with actual work and scoring an average rating of 3.770. Furthermore, critical work processes are meticulously implemented in alignment with the work system and core competencies of the company, maintaining a high level of consistency with actual operations and averaging at 3.670. Effective cost control measures within the work system underscore a commitment to operational efficiency, a practice highly consistent with actual work performance and achieving an average rating of 3.667. Emphasis on teamwork is evident, further contributing to the alignment with actual work, with an average rating of 3.600. Continuous improvement of work processes is prioritized to enhance overall performance, a strategy consistently.

The research team utilized statistical analysis and Structural Equation Modeling (SEM) to examine the model of excellent organizational characteristics influencing the performance of medium and small businesses, particularly those located in the northern region of Thailand. They employed the Onyx package from the University of Virginia & Max Planck Institute for Human Development to assess the consistency of the model with empirical data. The analysis drew upon various sources, including works by Kajornatthapol and Surachai (2011), Jones (2004), Buytendijk (2006), Porte (1985), Eisenhardt and Martin (2000), Priem and Butler (2001). The analysis of the model's assimilation with empirical data, as indicated in Table 1, reveals that the results were successful and demonstrated a high level of alignment across all indices. Based on these findings, the researchers proceeded to analyze the factors influencing the performance of small and medium enterprises in the central region of Thailand in relation

to the characteristics of high-performance organizations. The analysis confirms that each factor exerts a positive influence on achieving a high-performance organization. The specific effects are as follows: 1. Organizational leadership positively impacts the performance of the organization. 2. Strategic planning has a positive effect on the organization's performance. 3. Customer focus contributes positively to the organization's performance. 4. Measurement, analysis, and knowledge management exert a positive influence on the organization's performance. 5. Workforce focus positively affects the organization's performance and 6. Operations focus has a positive effect on the performance of the organization. These findings are visually represented in Figure 2.

The hypothesis testing on the characteristics of high-performance organizations influencing the performance of small and medium enterprises in the central region of Thailand can be summarized as follows:

Hypothesis 1: Organizational leadership (X1) has a positive effect (covariance = 0.1) on organizational performance (Y1) with an impact of 1+ (covariance = 0.02).

Hypothesis 2: Strategic planning (X2) has a positive effect (covariance = 0.04) on the organization's performance (Y1) with an impact of 1+ (covariance = -0.02).

Hypothesis 3: Customer focus (X3) has a positive effect (covariance = 0.01) on the organization's performance (Y1) with an impact of 1+ (covariance = -0.02).

Hypothesis 4: Measurement, analysis, and knowledge management (X4) have a positive effect (covariance = 0.02) on organizational performance (Y1) with an impact of 1+ (covariance = -0.02).

Hypothesis 5: Workforce focus (X5) has a positive effect (covariance = 0.0) on organizational performance (Y1) with an impact of 1+ (covariance = -0.02).

Hypothesis 6: Operations focus (X6) has a positive effect (covariance = 0.29) on organizational performance (Y1) with an impact of 1+ (covariance = -0.02).

Table 1

To verify the model's concordance with empirical data and the concordance index was tested.

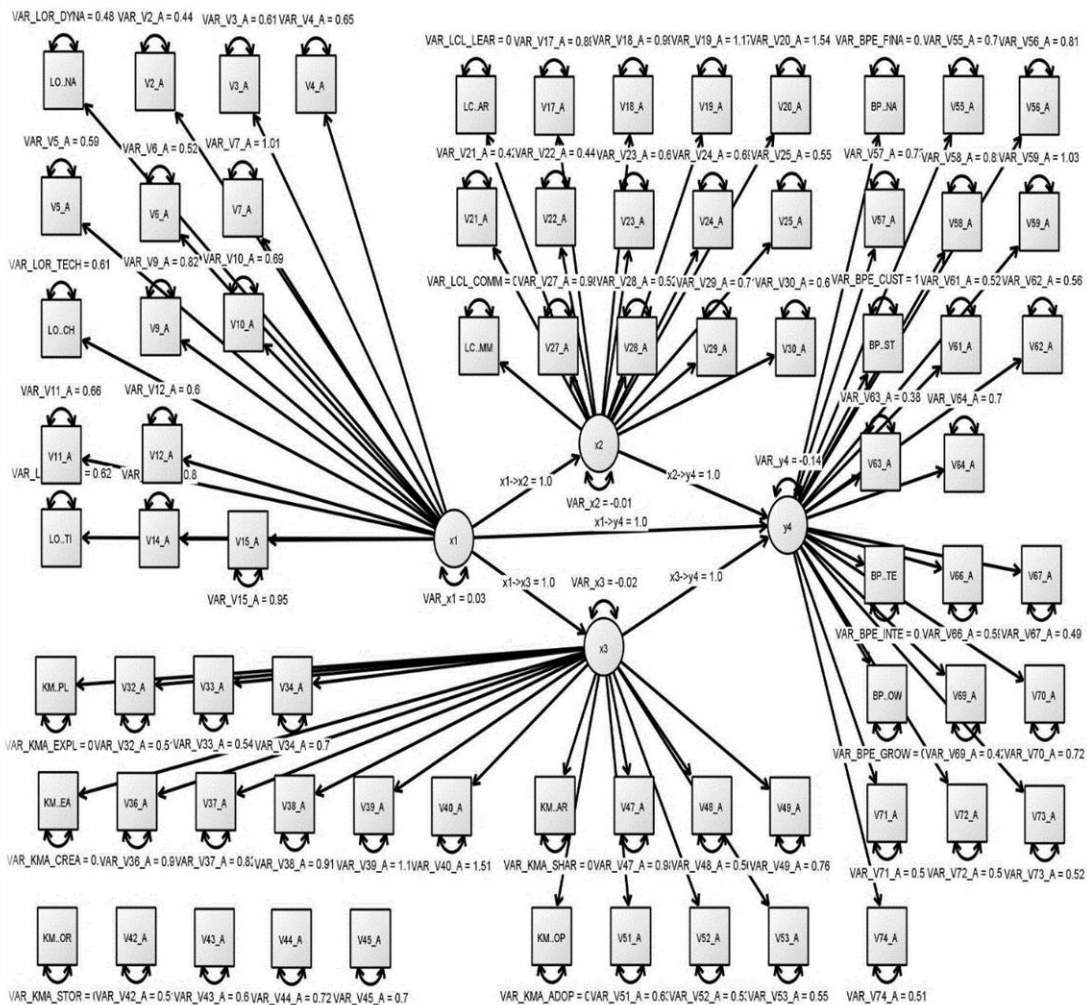
Concordance index	Criterion*		Results from the verification	
(χ^2 -test)	Insignificant ($p > 0.05$)		Significant ($p = 0.014$)	
(χ^2/df)	< 2.00 2.00 – 5.00	Well concordance Fairly concordance	1.34	Well concordance
CFI (Comparative Fit Index)	< 0.95 0.90 – 0.95	Well concordance Fairly concordance	0.97	Well concordance
GFI (Goodness of Fit Index)	< 0.95 0.90 – 0.95	Well concordance Fairly concordance	0.96	Well concordance

Concordance index	Criterion*		Results from the verification	
(χ^2 -test)	Insignificant (p>0.05)		Significant (p = 0.014)	
AGFI (Adjusted Goodness of Fit Index)	< 0.95 0.90 – 0.95	Well concordance Fairly concordance	0.98	Well concordance
RMSEA (Root Mean Square Error of Approximation)	< 0.05 0.05 – 0.08 0.08 – 0.10 > 0.10	Well concordance Fairly concordance Not really concordance Not concordance at all	0.02	Well concordance
SRMR (Standard Root Mean Square Residual)	< 0.05 < 0.08	Pass Pass	0.01 0.05	Pass Pass

* Criteria for checking the consistency of the model with the specification of the specification of Diamantopoulos and Siguaw (2000).

Figure 2

The result of the analysis of the model of high-performance organization that influences the performance of small and medium enterprises in the central region of Thailand



6 DISCUSSION

The model explaining the characteristics of high-performance organizations that influence the performance of small and medium enterprises in the central region of Thailand, enabling them to become high-performance organizations, can be discussed as follows:

1. Organizational leadership entails the actions taken by top leaders to lead the organization and ensure its sustainability. It involves setting a clear vision, mission, and strategy that are consistent and aligned throughout the organization. Effective communication of these elements to all members of the organization is crucial. Additionally, organizations should have an established governance system and employ methods that adhere to legal requirements, ethical standards, social responsibilities, and gain significant community support. This perspective aligns with the concepts proposed by De Waal and Sultan (2012), Akdemir and Erdem and Polat (2010), Khan (2010), De Waal and Frijns (2009), and De Waal (2007), emphasizing the importance of strong organizational leadership that establishes a coherent vision, mission, and strategy while effectively communicating them across the organization.

2. Strategic planning involves the organization's efforts to develop a strategy, identify core competencies, and address challenges to create strategic advantages. This includes defining strategic objectives and action plans, implementing selected strategies, adjusting them in response to changing circumstances, and monitoring progress. This perspective is consistent with the ideas presented by Holbeche (2005), Lawler (2005), Buytendijk (2006), and Lear (2009), emphasizing the presence of strategic planning in organizations. Strategy is considered a core competency that is challenging and can be adapted to meet customer needs, ultimately creating a strategic advantage for the organization.

3. Customer focus highlights the importance of organizations engaging with their customers to achieve long-term market success. This entails establishing effective strategies to listen to the "voice of the customer," building strong customer relationships, and leveraging customer insights to drive improvements and identify opportunities for innovation. This perspective aligns with the ideas put forth by Miller (2002), Linder and Brooks (2004), Lawler (2005), Buytendijk (2006), and Kennedy (2010), emphasizing the significance of building positive customer relationships, actively seeking and incorporating customer feedback to drive improvements, and identifying opportunities for innovation.

4. Measurement, analysis, and knowledge management are essential for organizations to continuously improve, foster innovation, and establish systems that provide accurate and

reliable information. According to Miller (2002), Linder and Brooks (2004), Lawler (2005), Buytendijk (2006), Kennedy (2010) and Gladys et al. (2023), organizations employ evolving methods to measure, analyze, review, and enhance performance, while also creating new innovations. It is crucial for organizations to have systems that offer precise and reliable information and data utilized across all levels and functions. This includes knowledge asset creation and management, as well as ensuring the availability of high-quality software and hardware for staff, suppliers, partners, collaborators, and customers.

5. Workforce focus emphasizes the significance of valuing employees as the foundation for building a high-performance organization. Thus, organizations must continuously encourage employees to develop their knowledge and skills, thereby enhancing the organization's potential and competitiveness. This viewpoint aligns with Miller (2002), Jupp and Younger (2004), Holbeche (2005), Lawler (2005), Buytendijk (2006), Lear (2009), Jones (2004) and Imen (2023), who assert that prioritizing employees within an organization is crucial as they form the basis for striving towards high performance. This includes the organization's ability to assess competency and workforce needs, establish an environment that fosters employee performance, and implement strategies to engage, manage, develop, and empower employees to continuously enhance their knowledge and abilities. Such efforts fully leverage their potential in alignment with the organization's mission, strategy, and overall operating plan.

6. Operations focus refers to the characteristics of high-performance organizations that influence the performance of small and medium enterprises in the central region of Thailand. These factors impact the organization's performance in terms of financial results, organizational leadership, and organizational governance. This perspective resonates with the concepts presented by Miller (2002), Jupp and Younger (2004), Holbeche (2005), Lawler (2005), Jones (2004), and Kennedy (2010), which emphasize that designing, managing, and improving work systems and processes necessitate establishing a flexible organizational structure capable of responding to rapid change. Additionally, an effective work system should foster teamwork and decentralize decision-making authority, enabling team members to work towards shared goals, assume collective responsibility, and feel engaged in the organization's operations. These efforts contribute to delivering value to customers, ensuring the organization's success and long-term sustainability.

7. Operations focus encompasses two key aspects: 7.1) Financial results, which encompass the latest year's performance indicators such as higher return on assets (ROA), return on equity (ROE), leverage ratio, earnings growth, and the rate of return on investors

(ROI). These metrics provide valuable insights into the organization's financial performance and 7.2) Organizational leadership and organizational governance, which represent essential outcomes of effective leadership and governance practices within the organization. This includes financial responsibility, compliance with laws and regulations, ethical behavior, a commitment to broad social responsibility, and substantial community support. These elements align with the guidelines set forth by the Stock Exchange of Thailand (2022), which employs award criteria to evaluate the performance of listed companies based on outstanding performance and national quality standards. These criteria consider both quantitative and qualitative factors, including financial indicators like ROA, ROE, leverage ratio, earnings growth, and the outcomes of organizational leadership. Additionally, the Stock Exchange of Thailand ensures compliance with information disclosure requirements and emphasizes the quality and reliability of financial statements, all of which contribute to the evaluation of a high-performance organization.

The characteristics of high-performance organizations play a crucial role in enhancing the performance of small and medium enterprises (SMEs). These characteristics encompass six key factors: organizational leadership, strategic planning, customer focus, knowledge management, workforce focus, and operations focus. It is imperative for the SME Promotion Department to promote awareness and understanding of these factors within the Thai SME sector. By doing so, more high-performance SMEs can be cultivated in Thailand, ultimately contributing to the country's progress towards becoming a developed nation. The research conducted has yielded valuable academic insights, leading to the development of a model that delineates the characteristics of high-performance organizations and their impact on the performance of SMEs in the central region of Thailand. This newfound knowledge holds relevance not only for businesses in similar contexts but also for SMEs worldwide. Moreover, from a social and environmental perspective, sustainable high-performance organizations are those that embrace knowledge management, strategic human resource management, and strategic management in the context of Thailand 4.0 and align with the country's strategic plan. It is crucial for government agencies and private sectors to collaborate in supporting the sustainability of the nation.

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