

Abstract

Title: 10 Billion-Fund Development Strategies of Credit Union Cooperatives Network in Phetchaburi under Philosophy of Sufficiency Economy toward Asean Economic Community (AEC)

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The Objectives of the study were to investigate (1) organizational administration and barriers to implementation of board of director in Phetchaburi Credit Union Co-op (2) monitoring of organizational performance and accomplishment evaluation (3) formulation of 10 billion-fund strategies of such co-op network under ad hoc philosophy toward AEC. The sample was drawn from 44 legitimated credit union-typed cooperatives in accordance with The Cooperative Bill 2542 B.E. situated in Phetchaburi. Sampling methodology for the study was multi-stage sampling providing 4 stages as follows: Stage 1 In homogeneous sampling based on organizational sizes, there were 7 small-size co-ops, 11 medium-size co-ops, and 26 large-size co-ops. Stage 2 In homogeneous sampling based on administrative area, there were 8 co-ops. Stage 3 In purposive sampling based on high density of the sample there were 4 areas including Mueng Phetchaburi, Ta-Yang, BanLad, and Kho-yoi. Stage 4 In purposive sampling based on 9 co-ops from 4 areas

The findings indicated that

1.) As Examined on organizational administration and barriers to implementation of board of director using focus group and document study as the data-collecting instrument showed that the credit union co-op was found from people incorporation in accordance with Saving Cooperatives Bill under certain principles emphasizing on voluntary organization. Based on its principles, co-ops in Phetchaburi was also found under the same principles especially in the spirit of gathering including sharing, serving, and caring of each other.

In term of organizational administration, the boards of directors were people whom the general assembly voted thorough open or secret ballot. Such boards of directors were in charge of chairman, secretary, treasurer, and committee under the co-op by-law such as no criminal record, no fire records or lack of loan payment record. Moreover, the boards of directors' qualifications should meet the co-op requirement and most members relied on them as well.

1.1) Organizational structure: The co-op administration composed of 3 groups: policy maker as board of director (from voted committees), operator (from co-op-hired employee), and managers as person who handled the premise and adopt organizational policies from the policy maker.

1.2) Financial management: the co-op's appointed financial manager performed deposit/withdrawal services, debt collection, provision to financial report including balance sheet, income statement, and its expenditure. Such financial statements were audited twice a year from the federal cooperative auditor

1.3) Welfare and loan services: the co-op offered members many kinds of loan services including loan services ranging from emergency loan, general loan, extra loan, project loan as well as welfare loan such as motorcycle loan, agriculture equipment loan, business support loan, quality of life loan, debt-free loan, education fund loan, fertilizer and insecticide loan

1.4) Credit management: the co-op's credit staff and committees performed debt collecting by means of noticing debtor by verbal, letter, and seizing properties in case of breaking loan agreement.

1.5) Human resource management: such department dealt with recruiting staff, providing appropriate job qualification, providing candidate assessment programs through interview and aptitude test as well as providing employee training programs and field trips for staff and members.

1.6) In accordance with the co-op by-law, person who is interested on joining membership may ensure he/ she lives in the area where the co-op is situated and joint membership is held voluntarily. Also, the membership is approved for person whose qualifications are required. Interviewing with senior members on benefits of welfare providing showed that the contribution of many kinds of welfare providing changed the members' living better. For instance, they were supported on living fund from its welfare services instead of getting loan service from other commercial institutes.

2. As examined on monitoring organizational performance and accomplishment assessment of such organization using interview, content analysis, data comparison, interpretation, and synthesis showed that the board of directors lacked of profound knowledge on the cooperatives by-law and regulation, some certain staff in credit and marketing divisions were not enough to work for. Adoption to digital media for organizational advertisement was underestimated; likewise, technology and security systems in the organization were out of date. Updated database management software that was seen as urgency of procurement issue was left behind the other projects like the construction projects as well as collaboration among the co-ops in Phetchaburi was failed as each one want to conceal the financial data.

Balanced Scorecard, a strategic performance management tool, was adopted with its 4 perspectives of implementation consisting of credit union member, internal business processes, learning and innovation and financial matter. The findings were indicated that 1) such organization was seen that it was built for credit/ loan services only. The officers ignored documentation mistakes. The executives did not encourage the collaboration on the existing co-op network and the organization failed to debt-collection procedures. 2) The officer reported that even updated database management software was in need, the committees ignored to deal with and remuneration rate was lower than other business firms. 3) Job rotation was used as human resource development but marketing and credit skill were seen as something shortage. 4) The whole credit union co-ops lacked of risk management plan, welfare improvement was not found, some kinds of welfare were not worthwhile, promotion policy for auditor was not found, and financial management was careless to do so.

3. Based on the findings above, the credit union cooperatives are recommended to develop management strategies in wider scope of management and also coping with forthcoming international competition in AEC arena. Aftermath of discussion through brainstorming among the 135 delegates from 9 areas with 15 each including board of directors, sub-committees, management, and

members revealed that the development frameworks of credit union cooperatives under ad hoc philosophy toward AEC were as follows

1. Vision: secured financial institution providing fully-ranged services with good governance for community development under Philosophy of Sufficiency Economy toward internationally-oriented cooperatives

2. Mission

Mission 1: To strengthen the organization with good governance

Mission 2: To provide fully-ranges of services for the future well-being of the members

Mission 3: To create modernized working-oriented corporate and differentiate image of organization

Mission 4: To improve new IT systems of the organization

Mission 5: To promote principles and ideology of cooperatives among the members and adopt the Philosophy of Sufficiency Economy as a guideline to develop the organization.

3. Strategic intents and Strategies

Strategic intent 1: Strengthen the organization management with good governance

Strategy 1: Strengthen the relationship among board of director, auditor, and staff

Strategy 2: Systematically change the way of keeping record to enhance management efficiency

Strategy 3: Create positive working environment and climate

Strategy 4: Provide a transparent performance appraisal system

Strategy 5: Support the organization's financial management reform and the internal audit to such new flexible and effective systems

Strategy 6: Improve work capability of boards of director, auditors, and staff

Strategy 7 Provide a campaign to increase volume of member

Strategy 8: Improve the organization structure for more transparent, agile, and effective management

Strategic intent 2: Improve service efficacy and provide the member wider ranges of services

Strategy1: Provide the members' well-being

Strategy 2: Provide the members opportunity to work together

Strategy 3: Increase respond rate to the member demand

Strategic intent 3: Build unique corporate image

Strategy 1: Keep firm relationship among other related organizations

Strategy 2: Serve as academic resource on credit union cooperatives management

Strategic intent 4: Improve IT systems

Strategy 1: Improve IT systems in the organizations

Strategy 2: Improve work capability of IT staff

Strategic intent 5: Encourage the members a way of life guideline under Philosophy of Sufficiency Economy

Strategy 1: a way of life guideline under Philosophy of Sufficiency Economy

Based on the findings above, a 10 billion-funded development of credit union cooperative network under Philosophy of Sufficiency Economy toward AEC composed of 5 missions, 22 objectives, 5 strategic intents, 16 strategies, and 34 programs