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## **Factors Influencing the Effectiveness of a Thai-owned Family Business: A Case of Vanachai Group.**

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### **Abstract**

This study is survey-based, using the structured questionnaire as the primary research instrument for data collection, analysis, and interpretation leading to a proposed recommendation for organization development. Research objectives: 1. to determine the factors influencing the effectiveness of a Thai-owned family business and the correlation among the independent variable, and 2. to propose recommendations for organizational development of the business based on the findings. The research site, population, and sample are a local Thai privately-owned company, full-time employees of 1,300 (N), and actual respondents of 348 (n) selected by simple random sampling and voluntary basis. The research findings showed that adaptability (Beta=.255, Sig<.000, Rank1), team collaboration (Beta=.239, Sig.<.000, Rank 2) and communication (Beta=.130, Sig<.022, Rank3) as the independent variables that significantly influenced the business' effectiveness The proposed recommendations for organization development comprise individual, team, and organization levels.

Keywords: family-business, Thai family-business, survey-based research, organization effectiveness, organization development

### **Introduction**

For the past decade, communication technologies have improved rapidly, which provide people with more information on what is happening worldwide. Before the advent of the Internet, it would take days, if not weeks, for news from the other side of the world to be known; nowadays, it only takes minutes, if not seconds. With the spread of information,

many new elements and factors that influence different types of business' effectiveness, including the family business can be discovered.

Globally, depending on the definition, around 70 to 90 percent of all organizations are family businesses. Therefore, regardless of the definition used around the globe, it can be concluded that family business is a dominant form of business.

### **Company Background**

Vanachai group started in 1943 as a sawmill. In 1966 Vanachai group changed their business from a sawmill into a plywood factory. In 1989 they changed their direction from plywood producer to wood-based panel producer starting with particleboard. Later in 1989, the Vanachai group started another factory for medium-density fiberboard. In 1994 Vanachai group started their resin plant with the idea of complete self-sustainable. In 1995, Vanachais was listed and traded on the stock exchange as VNG. In 1998, Vanachai started another wood-based panel plant in Surathani. In 2008, the group started another plant in Saraburi. In 2019 to complete the idea of a self-sustainable business, the group started their energy business unit with solar energy and biomass energy. Also, in 2019, the group started their retail business unit, Woodsmith. In 2020, the group began their first Oriented Strand Board (OSB) producing line.

### **Current Situation**

For having such a long history dating back to 1943, the Vanachai group has never undertaken a study on the elements/factors that influence their firm effectiveness and how its past successes contributed to today's overall business achievement. To develop and sustain the business, researching these factors that influence their effectiveness can provide an insight into the next steps for creating a guideline for the organization's development.

### **Statement of the Problem**

Organizational effectiveness is a key to the organization's success; however, not knowing the factors or elements that influence the organization's effectiveness is like walking blindly. Therefore, finding these factors is critical for guiding the organization toward its long-term development for organizational effectiveness.

### **Research Objectives**

1. To determine the factors influencing the effectiveness of the family-owned business and the correlation among the independent variables.

2. To propose recommendations for organizational development of the group based on the findings.

### **Research Questions**

1. What factors influence the effectiveness of the family-owned business and the correlation among the independent variables?
2. What recommendations could be proposed for organizational development of the group based on the findings?

## **Literature Review**

### **Related Studies on Organization Effectiveness**

There are many ways to measure the organization's effectiveness. Because of this, the factors influencing the organization's effectiveness may vary due to the measurements and the variables/factors that contributed to the organizational effectiveness. Upon reviewing the literature, eight scholarly works were directly related to this study

According to various scholarly works by different organization experts; namely, Kiani and Kahnoog (2013); Burton and Obel (2018); Sparrow and Cooper (2014); Luo, et al., (2018); Foss, et al., (2014); Barbour, et al., (2018); Worley and Lawler, (2010), and Bercovitz and Feldman (2011), there are eight related factors that commonly contribute to the emergence of organization effectiveness: organization structure, organization design, managerial leadership, power distribution, communication, adaptability, idea generation, and team collaboration.

First, as Kiani and Kahnoog (2013) revealed, organizational effectiveness is related to an organizational structure whereby the manager must observe as having a direct effect on organizational effectiveness. Because organizational structure will defy the workflow within the organization.

Second, as Burton and Obel (2018) articulated, the organization design produces organizational effectiveness when there is the presence of fitness between the organization structure and coordination.

Third, as Luo, et al. (2018) elaborated, when the organization reaches its optimal growth in terms of hierarchy, it needs to begin transitioning by growing its managerial leadership and distributing the power to its employees for sustainable organizational effectiveness.

Fourth, Foss, et al. (2014) suggested that the organization undergo power distribution from centralization to decentralization to unleash the opportunities for innovation and creativity, whereby the intervention must be driven by organization design.

Fifth, Barbour, et al. (2018) undertook a study on organizational communication. The findings revealed that it was undeniable that organizational effectiveness is the result of collective communication, meaning the organization uses communication as an ongoing intervention.

Sixth, Worley and Lawler (2010) suggested that organizational effectiveness results from agility and organizational design, requiring the organization to activate adaptability as the ability and competency to pursue organizational change for its long-term success and sustainability.

Seventh, De Guerre, et al. (2012) undertook a study on the theory of IDEA, which is an acronym for innovation, design, engagement, and action. The study suggested that an innovative way of changing or transforming the organization was through idea generation, leading to an organization's transformation and effectiveness.

Eighth, Bercovitz and Feldman (2011) suggested that team collaboration is an organizational mechanism, enabling the organization to embrace positive relationships and diversity based on geography. When the coordination increases, it is likely to strengthen the ability to pursue team and organization effectiveness.

Table 1 below summarizes related factors that contributed to the organization's effectiveness.

**Table 1***Related Organizational Studies on Organization Effectiveness*

<b>Related Variables</b>	<b>Title</b>	<b>Author</b>	<b>Key Findings</b>
Organization Effectiveness	Organizational Structure and Organizational Effectiveness	Kiani and Kahnnoog (2013, pg 1077)	There is a relationship between organizational structure and organizational effectiveness. Therefore, managers must recognize each organizational structure to raise effectiveness.
Organization Design	The science of organizational design: fit between structure and coordination.	Burton and Obel (2018)	Describe how the organization design affect the organization.
Managerial Leadership and Power Distribution	Transitioning from a hierarchical product organization to an open platform organization: a Chinese case study	Luo, et al. (2018)	Describe how changing and transforming the organization could be a challenge. The article also states that more hierarchical organizations have transformed into small self-managing groups.
Power distribution	Organizational design correlates entrepreneurship: The roles of decentralization and formalization for opportunity discovery and realization.	Foss, et al., (2014)	Decentralization enables differentiation and formalization to slim down work processes. This study also provides intel on how to measure 'Decentralize.'

<b>Related Variables</b>	<b>Title</b>	<b>Author</b>	<b>Key Findings</b>
Communication	Organizational Communication Design Logics: A Theory of Communicative Intervention and Collective Communication Design	Barbour, et al., (2018)	This study shows the importance of communication and teaches a collaborative communication design theory. Also, explains the difference between communication as design and collective communication design.
Adaptability	Agility and Organization Design: A Diagnostic Framework	WorLey and Lawler (2010)	This study provides the elements and features of an agile organization design and its implementation.
Theory of Idea	IDEA: A Collaborative Organizational Design Process Integrating Innovation, Design, Engagement, and Action	De Guerre, et al. (2012)	An innovative way of changing/transforming organization IDEA (innovation, design, engagement, and action)
Team Collaboration	The mechanisms of collaboration in inventive teams: Composition, social networks, and geography	Bercovitz and Feldman, (2011)	Teams with higher coordination challenges tend to decrease their effectiveness. However, diversity among team members can improve effectiveness.

These eight factors serve as collective organization systems that contribute to the overall organizational effectiveness.

## 7s McKinsey Model

Organization practitioners and consultants commonly employ the 7s McKinsey Model as a baseline to understand the organization systems whereby these seven organization systems define organizational effectiveness. The 7s elements affect organization effectiveness when each part is in good balance. Each aspect serves the organization as a dimension for intervention for organization development. (Channon and Caldart, 2015)

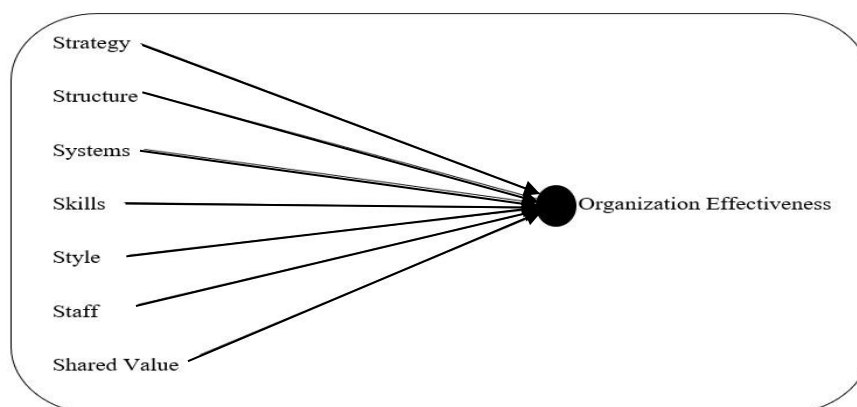
The applications of the 7s McKinsey vary depending on the needs and purpose. For example, some organization practitioners employ the 7s McKinsey for conducting an organization diagnosis, while some use this 7s McKinsey Model to represent a whole-system organization. However, in McKinsey's 7s Model, these seven elements are not described as the elements directly improving the overall organization effectiveness per se. Instead, all elements were described as needing to have total alignment with each other to influence the organization's effectiveness.

As shown in Figure 1, the researcher conceptualized the diagram, illustrating that all 7s elements in McKinsey are independent of one another. Nevertheless, each interdependently influences the overall organizational effectiveness.

Strategy is concerned with setting the direction for the organization members to understand where the organization is headed and how they can support it

**Figure 1**

### *7s McKinsey Framework*



Source: Conceptualized by the researcher



The structure is concerned with lines of authority and a decision tree for the organization members to realize the span of control and level of decision.

Systems are concerned with how things work within the organization, including procedures and policies requiring organizational members to conform.

Skills are concerned with a specific set of knowledge and skills essential for the job based on the organization's strategy, structure, types of products, and services.

Style is concerned with how organizational members work together to get things done, including how the supervisor and subordinates, including customers, interact to maintain a good relationship for the results they expect.

Staff is concerned with the types of organization members the company hires, including how the organization manages and develops its employees.

Shared values are concerned with the principles, beliefs, and assumptions that the organizational members embrace as they contribute to their efforts and commitment across sector stakeholders: employees, employers, customers, and society.

### **Competing Value Framework**

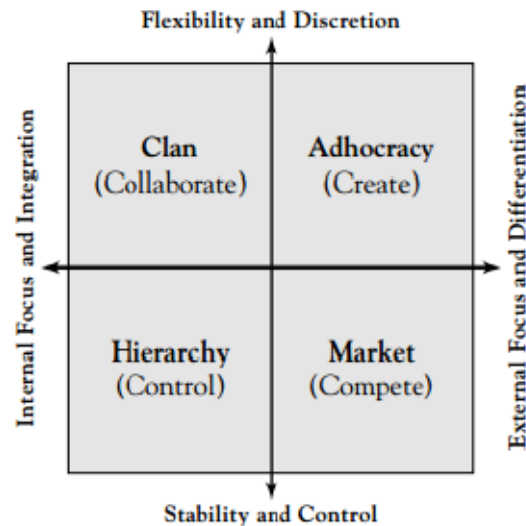
Cameron and Quinn's (2011) work, titled completing value framework, focused on organizational culture, whereby the framework comprises four quadrants whereby all four quadrants intercept with X and Y axes. Each ending X and Y produce a different result: flexibility and discretion, Stability and Control, Internal Focus and Integration, and External Focus and Differentiation.

For Four Quadrants, each quadrant represents a specific state of organizational culture, ranging from Clan (Collaborative), Advocacy (Create), Hierarchy (Control), and Market (Compete).

Given the work of Cameron and Quinn (2011), the substance in the framework serves as a diagnostic process and tool to understand the cultural systems that define how things are done within the internal organization systems and practices, namely, flexibility and adaptability. The relevance of this theoretical foundation looks into the internal capability that transpires the organization's ability to master its flexibility, power distribution, and adaptability to change.

**Figure 2**

*Competing Values Framework*



Source: Cameron, K. S., and Quinn, R. E. (2011). Diagnosing and changing organizational culture: Based on the competing values framework. John Wiley and Sons

**Lean Business Model**

There is growing popularity in the use of LEAN as a business model to improve organizational efficiency and effectiveness. In the lean business model, five principles are articulated: identifying value, mapping value stream, creating flow, establishing pull, and continuous improvement. These five principles functionally help the organization identify the value to generate stronger selling points (Balocco, et al., 2019).

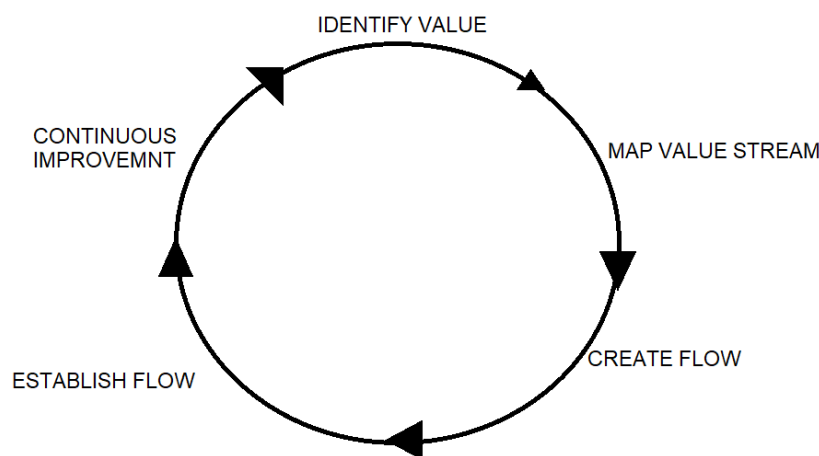
One of the applications of LEAN as a business model is value stream mapping (VSM). The VSM aims to identify the steps to create the value and eliminate the unnecessary step while creating a flow that creates and generates the specified value, then establishes a pull system that drives the system to continue and continuously improves the previous process, which will enhance the organization (Balocco et al., 2019).

As illustrated in Figure 3, the LEAN Business model is articulated as a cyclic model whereby the starting point serves as an ending point, and every ending point leads to a new beginning. It is a continuous process widely used to improve internal work practices to ensure efficiency and effectiveness. The organization members must focus on what value improves the overall organization and customer satisfaction.

In terms of the core value of the Lean Business Model, it is continuous improvement-driven, requiring many interdependent factors to generate value and organizational effectiveness and sustainability, such as managerial leadership, communication, and team collaboration.

**Figure 3**

*LEAN Business Model*



Source: (Balocco et al., 2019)

### Summary of All Related Organizational Studies

Based on the literature reviews of different organizational studies underlying the organization's effectiveness, the researcher conceptualized all related theories to produce a summary of the theoretical framework in the table as follows:

**Table 2**

*Summary of all selected theoretical frameworks*

Related Organizational Studies	Drivers to Organization Effectiveness		
	Structure/System	Process	People/Culture
Organization Structure (Kiani and Kahnnoog,2013),	Organization Structure		Manager responsibility

Related Organizational Studies	Drivers to Organization Effectiveness		
	Structure/System	Process	People/Culture
Organization Design (Burton and Obel, 2018)			Coordination
Managerial Leadership and Power Distribution (Luo, et al.,2018) and (Foss, et al., 2014)	Decentralization		
Communication (Barbour et al., 2018)		Organization Design	Collaborative Communication
Adaptability (WorLey and Lawler, 2010)		Organization Design	Agility
Theory of Idea (De Guerre, et al.,2012)		Organization Design	Idea engagement and action
Team Collaboration (Bercovitz and Feldman, 2011)	Diverse Geography		Coordination and Diversity
7s McKinsey Model (Channon and Caldart, 2015)	Strategy, Structure, Systems		Skills, Style, Staff and Shared Value
Competing Values Framework (Cameron and Quinn., 2011).	Control, Create	Compete	Collaborate
LEAN Business Model (Balocco et al., 2019)	Identify value, Map Value, Create Flow Establish Flow	Continuous improvement	Mindset

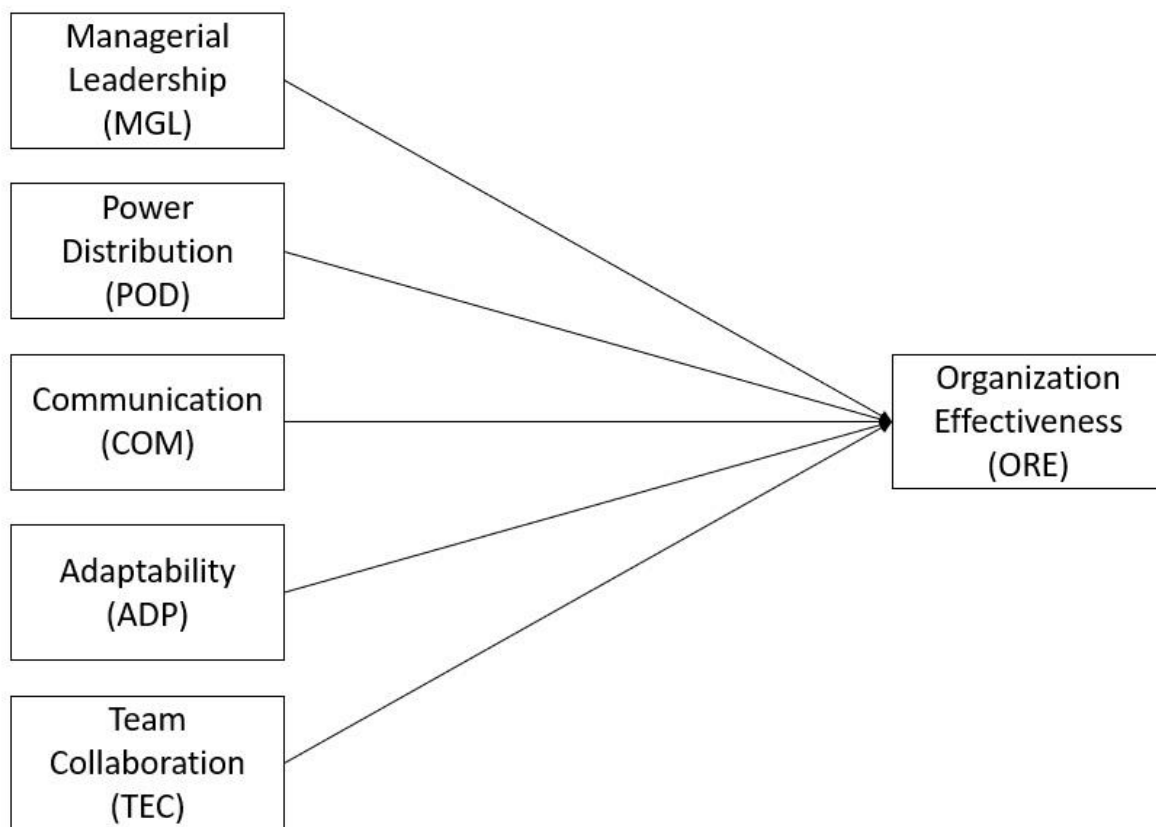
As shown in Table 2 above, all related theories of organization studies have articulated their commonalities regarding what drives the organization's effectiveness. The drivers of organization effectiveness comprise three categories: structure/system, process, and people/culture. Furthermore, these commonalities were observed across different organization studies, articulating the underlying factors driving and sustaining organizational effectiveness.

## Conceptual Framework

The researcher developed the conceptual framework drawn from the literature review. The Organization Effectiveness (ORE) is the dependent variable in this conceptual framework. In this research, the organization's effectiveness was measured by five other independent variables, which are managerial leadership (MGL), power distribution (POD), communication (COM), adaptability (ADP), and team collaboration (TEC).

**Figure 4**

*Conceptual Framework*



The selection of independent variables is drawn from the literature reviews of eight scholarly works which were found to have supported the study, consisting of Kiani and Kahnog (2013); Burton and Obel (2018); Luo, et al., (2018); Foss, et al., (2014); Barbour, et al., (2018); Worley and Lawler, (2010), and Bercovitz and Feldman (2011).

## **Research Hypotheses**

From the Conceptual Framework, these are the six hypotheses:

1) H1o: Managerial Leadership has no significant influence on Organization Effectiveness.

H1a: Managerial Leadership has a significant influence on Organization Effectiveness.

2) H2o: Power Distribution has no significant influence on Organization Effectiveness.

H2a: Power Distribution has a significant influence on Organization Effectiveness.

3) H3o: Communication has no significant influence on Organization Effectiveness.

H3a: Communication has a significant influence on Organization Effectiveness.

4) H4o: Adaptability has no significant influence on Organization Effectiveness.

H4a: Adaptability has a significant influence on Organization Effectiveness.

5) H5o: Team Collaboration has no significant influence on Organization Effectiveness.

H5a: Team Collaboration has a significant influence on Organization Effectiveness

## **Research Methodology**

In this survey-based study, the researcher used the quantitative method using a structured questionnaire as the primary instrument for data collection, analysis, and interpretation, leading to the recommendation for organization development for the participating company/organization.

## **Procedural Map**

As shown in table 3, the procedural map is arranged in the order of the research question, research variables, data collection method, data analysis method, and output.

**Table 3***Procedural Map*

Research Question	Variable	Data Collection Method	Data Analysis Method	Output
1) What factors influence the organization's effectiveness and the correlation among the independent variables?	Dependent Variable: 1) Organization effectiveness  Independent Variables: 1) Managerial Leadership 2) Power Distribution 3) Communication 4) Adaptability 5) Team Collaboration	Structured questionnaire	Descriptive Statistics  Multiple-Linear regression	- Mean - S.D - Beta - P-value (Sig.) - Adjusted R square.
2) What recommendations could be proposed for organizational development of the group based on the findings?	Dependent Variable: Organization effectiveness.  Independent Variables: 1) Managerial Leadership 2) Power Distribution 3) Communication 4) Adaptability 5) Team Collaboration	N/A	N/A	Proposed recommendations based on the findings

## Research Instrument

### *Structured Questionnaire*

The questionnaires are distributed to the employees and management where the first part consists of demographic data and the second part is about the research variable. Questions/Statements pertaining to the research variables are answered using the 5-point Likert scale from strongly agree to disagree.

**Table 4**

### *Likert Scale Point Reference*

Ranking	Descriptions
5 points	Strongly agree
4 points	Agree
3 points	Neutral
2 points	Disagree
1 point	Strongly disagree

### *Index of Item Objective Congruence (IOC)*

The Index of Item-Objective Congruence (IOC) was used to determine its validity of the questionnaire. Three specialists were asked to examine whether there was a congruence between research objectives and the questionnaire questions. The acceptable rate of IOC must be greater than or equal to 0.66. The criteria for IOC are as follows

- +1 for Congruent
- 0 for Questionable
- 1 for Incongruent

### *Research Sample*

The target respondents for this research are the employees and the organization's management. This study referred to Krejcie and Morgan's (1970) sample table. As shown below, the minimum sample size of 297 (n) was suggested based on the total available population of 1300. The sampling method is simple random, and voluntary basis.



**Figure 5**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	26	140	103	340	181	1000	276	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384
Note: "N" is Population Size "S" is Sample Size.									

Source: Krejcie and Morgan's (1970)

### *Actual Respondents/Sample*

The actual respondents who completed the online survey were 348 people, higher than the target sample of 297 as per Krejcie and Morgan's (1970) sample table. The total percentage of the actual response rate was 117%.

**Table 5**

### *Respondents data*

Respondents	Number
Top Management	10
Manager and Employees	348
Totals	358

### **Data Analysis**

The method for data analysis is as follows.

### ***Quantitative data analysis***

1. Descriptive analysis
  - a) Demographic Data
  - b) Data analysis of mean and standard deviation for each survey question
2. Inferential analyses
  - a) Multiple Linear Regression for finding which factors influence organizational effectiveness.

## **Results and Discussions**

The demographic data summarizes the respondents' gender-age-workplace-work - work year. The data analysis presents the results of quantitative data. The discussion part discusses the findings of the research.

### **Demographic Profile**

#### ***Demographic Data of Respondents***

##### **Gender**

**Table 6**

#### ***Respondents' Gender***

		Frequency	Percent
Valid	Male	236	65.9
	Female	87	24.3
	Not given	32	8.9
	Total	355	99.2
Missing	System	3	.8
Total		358	100.0

Table 6 shows that most respondents are male, representing 236 males out of 358 respondents or 66.5 percent of the total respondents.

## Age Groups

**Table 7**

### *Respondents' Age Groups*

		Frequency	Percent
Valid	Under25	28	7.8
	26-35	189	52.8
	36-45	102	28.5
	46-55	29	8.1
	Above56	7	2.0
	Total	355	99.2
Missing	System	3	.8
Total		358	100.0

Table 7 shows that most respondents' are in the age groups between 26-and 35, consisting of 189 people or 52.8 percent of the total respondents.

## Work Location

**Table 8**

### *Respondents' Work Location*

		Frequency	Percent
Valid	Office	58	16.2
	Factory	297	83.0
	Total	355	99.2
Missing	System	3	.8
Total		358	100.0

Table 8 shows that most respondents are from the factory, consisting of 297 people or 83 percent of the total respondents.

## Work Position

**Table 9**

*Respondents' Work Position*

		Frequency	Percent
Valid	Top Management	10	2.8
	Manager	42	11.7
	Employees	303	84.6
	Total	355	99.2
Missing	System	3	.8
Total		358	100.0

Table 9 shows that most respondents are regular employees, consisting of 303 people or 84.6 percent.

## Work Experience

**Table 10**

*Respondents' Work Experience*

		Frequency	Percent
Valid	Under5Years	205	57.3
	5-10Years	109	30.4
	11-15Years	15	4.2
	Above15Years	26	7.3
	Total	355	99.2
Missing	System	3	.8
Total		358	100.0

Table 10 shows that most respondents have less than five years of work experience, consisting of 205 people or 57.3 percent of the total respondents.

**Table 11**

*Managerial Leadership Descriptive Analysis*

Questions on Managerial Leadership	N	Mean	Standard Deviation
Q1 The company provides ample guidance to help the employees understand how they can support the business goals.	358	4.13	0.698
Q2 The company gives the employees a chance to understand how they can improve further with constructive feedback.	358	3.46	1.236
Q3 The company positively encourages the employees to focus on what is most important, both work and non-work-related issues.	358	4.03	0.679
Valid N, Total Mean, Standard Deviation	358	3.873	0.871

Table 11 shows that Managerial Leadership questions have average, between 3.4 – 4.2, which is around being neutral to agree and a little into strongly agree, which can reflect that the current Managerial Leadership is within an acceptable range (1-3).

**Table 12**

*Power Distribution Descriptive Analysis*

Questions on Power Distribution	N	Mean	Standard Deviation
Q4 The organization provides a written job description that clearly outlines roles and responsibilities.	358	4.07	0.674
Q5 The company employs a rewards system that is systematically realistic.	358	3.97	0.748

Questions on Power Distribution	N	Mean	Standard Deviation
Q6 The company employs an improvement action plan to enable the underperforming employees to get back on track.	358	3.97	0.712
Valid N, Total Mean, Standard Deviation	358	4.003	0.711

Table12 shows that Power Distribution questions have average between 3.9 – 4.1, while the total mean is very close to 4.0; therefore, with an average of around 4.0, the respondents agree with the organization's current power distribution.

**Table 13**

*Communication Descriptive Analysis*

Questions on Communication	N	Mean	Standard Deviation
Q7 The company shares essential information to help the employees become more aware of the business, product, and customer issues.	358	3.73	0.715
Q8 The company communicates essential information timely while maximizing different communication technologies to reach out to all employees (e.g., emails, intranet, and virtual meeting)	358	3.99	0.655
Q9 The company masterfully manages information to ensure the right recipient of information receives it.	358	3.84	0.716
Valid N, Total Mean, Standard Deviation	358	3.853	0.695

Table13 shows that the Communication questions have average around 3.7 – 3.9, which means it is between neutral and agree responses. Therefore, the organization's communication is within the acceptable range (3-5) by the respondent's standard.

**Table 14***Adaptability Descriptive analysis*

Questions on Adaptability	N	Mean	Standard Deviation
Q10 The company encourages the employees to be open to changes.	358	3.92	0.770
Q11 The company positively encourages the employees to try new things or do something differently.	358	3.94	0.766
Q12 The company promotes the ready-to-change habit as a way to grow the company's innovation.	358	3.94	0.680
Valid N, Total Mean, Standard Deviation	358	3.933	0.739

Table14 shows that the Adaptability questions have average around 3.9 –4.0, meaning that most respondents think that the current adaptability is currently agreeable by their standard.

**Table 15***Team Collaboration Descriptive Analysis*

Questions on Team Collaboration	N	Mean	Standard Deviation
Q13 The company morally supports the employees to help them cope with business issues with confidence.	358	4.04	0.749
Q14 The company emphasizes the team-player spirit when working together to get things done.	358	3.69	0.772
Q15 The company encourages the employees to ensure team participation in a problem-solving situation.	358	3.96	0.707
Valid N, Total Mean, Standard Deviation	358	3.897	0.743

Table15 shows that the average of Team Collaboration questions is between 3.6 – 4.1, which is between neutral and strongly agree. Therefore, it can be concluded that most

respondents perceived that the Team Collaboration of the Organization is acceptable by their standards.

**Table 16**

*Organization Effectiveness Descriptive Analysis*

Questions on Organization Effectiveness	N	Mean	Standard Deviation
Q16 The Organization openly informs the employees about the importance of revenue growth as one of the priorities for the business.	358	3.89	0.701
Q17 The Organization highly values employee engagement, ensuring that no one is left behind at work.	358	3.90	0.716
Q18 The Organization emphasizes customer experience, which the employees are also expected to master accordingly.	358	4.04	0.721
Valid N, Total Mean, Standard Deviation	358	3.943	0.713

Table16 shows that the average of Organization Effectiveness questions is around 3.9 – 4.1, which means the Organization Effectiveness of the Organization is perceived to be from neutral to strongly agreed by the respondents.

**Multiple Linear Regression (MLR)**

*Result of Multiple Linear Regression*

**Table19**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.429 <sup>a</sup>	0.184	0.173	0.477659559006379
a. Predictors: (Constant), MGL, POD, COM, ADP, TEC				



Table 19 shows that the independent variables can explain 17.3% of the dependent variable; this result indicates that Managerial Leadership, Power Distribution, Communication, Adaptability, and Team Collaboration only influence about 17.3% of the Organization's Effectiveness. Other factors can explain the other 82.7%.

**Table20**

*Coefficients of All IV*

<b>Coefficients<sup>a</sup></b>					
INDEPENDEN T VARIABLES	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.930	0.153		6.092	0.000
MGL	0.012	0.045	0.013	0.262	0.794
POD	-0.027	0.059	-0.027	-0.456	0.648
<b>COM</b>	<b>0.144</b>	<b>0.063</b>	<b>0.136</b>	<b>2.307</b>	<b>0.022</b>
<b>ADP</b>	<b>0.209</b>	<b>0.057</b>	<b>0.217</b>	<b>3.691</b>	<b>0.000</b>
<b>TEC</b>	<b>0.197</b>	<b>0.055</b>	<b>0.201</b>	<b>3.590</b>	<b>0.000</b>
a. Dependent Variable: ORE					

\*. Sig. at <0.05

From the data in Table 20, the researcher rejected 3 of the Hypotheses of the research, which are H3o, H4o, and H5o, and accepted the H3a, H4a, and H5a, meaning Communication, Adaptability, and Team Collaboration significantly influence Organization Effectiveness.

### ***Repeat Multiple Linear Regression on Rejected Null Hypothesis***

**Table 21**

*Summary of Repeat Multiple Linear Regression on Rejected Null Hypotheses.*

<b>Model Summary</b>									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.428 <sup>a</sup>	0.184	0.177	0.47928	0.172	36.761	2	355	0.000

a. Predictors: (Constant), ADP, TEC

The adjusted R Square reflects how much the independent variables can explain the dependent variable. In this case, Communication, Adaptability, and Team Collaboration can explain 17.7% of Organization Effectiveness.

**Table 22**

*Coefficients of Significant Variables*

INDEPENDENT VARIABLES	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.933	0.1310		7.12	0.000
COM	0.137	0.0603	0.130	2.28	0.023
ADP	0.204	0.0538	0.212	3.80	<0.001
TEC	0.137	0.0544	0.198	3.57	<0.001

Table 22 shows that every increase or decrease of ADP by one score will increase or decrease ORE by 0.212 scores accordingly. Also, every increase or decrease of TEC by one score will increase or decrease ORE by 0.198 scores accordingly. Lastly, every increase or decrease of COM by one score will increase or decrease ORE by 0.130 scores accordingly.

### ***Multiple Linear Regression Summary***

From the result of Multiple Linear Regression, two of the five null hypotheses have been rejected: Adaptability and Team Collaboration.

**Table 23**

#### *Summary of Multiple Linear Regression*

<b>Research Hypothesis</b>	<b>Beta</b>	<b>P-Value</b>	<b>Accept/Reject</b>	<b>Rank</b>
<b>1.</b> Managerial Leadership has a significant influence on Organization Effectiveness.	0.013	0.794	Accepted H1o	
<b>2.</b> Power Distribution has a significant influence on Organization Effectiveness.	0.027	0.648	Accepted H2o	
<b>3.</b> Communication has a significant influence on Organization Effectiveness.	0.136	0.022	Rejected H3o Accepted H3a	3rd
<b>4.</b> Adaptability has a significant influence on Organization Effectiveness.	0.217	< 0.001	Rejected H4o Accepted H4a	1st
<b>5.</b> Team Collaboration has a significant influence on Organization Effectiveness.	0.201	< 0.001	Rejected H5o Accepted H5a	2nd

### **Summary, Conclusion, Discussion, and Recommendations Summary of the Data**

#### ***Demographic Data***

The demographic data show that 65.9% of the respondents are male. Moreover, 83% of the respondent are also working at the factory. These two data sets show the typical standard of the factory worker. Also, 57.3% of respondents have five years or less of work experience with the organization. Lastly, the age of respondents between 26-35 years old accounts for 52.8%.

### ***Factors influencing Organization Effectiveness and Correlation among Independent Variables, and Discussions***

From the descriptive statistics perspective, the analyzed data showed that the average means were within 3.5 to 4.2, which means that employees perceived that the current organizational effectiveness is slightly above average or strongly agree range.

From the Multiple Linear Regression perspective, the analyzed data showed that Adaptability, Team Collaboration, and Communication significantly influenced organization effectiveness. According to the Summary of all selected theoretical frameworks in Table 2, the drivers of organization effectiveness were drawn from the people/culture and process. These implied that ranges of possible organizational development based on related literature reviews included coordination (Burton and Obel, 2018; Bercovitz and Feldman, 2011), collaborative communication (Barbour et al., 2018), idea engagement ((De Guerre et al., 2012) and action, organization design, and continuous improvement as the primary drivers for organization development efforts leading to organizational effectiveness.

There are many articles and researches that mention adaptability as a key factor in enhancing organization effectiveness. As described by Aghina, et al.(2019) that agile organization are customer-centric which focus more on the result rather than the process. This match with how the organization effectiveness is view in general – result. While adaptability help organization heading to its desired result in customer-centric view, team collaboration and communication help organizations moving toward the desired result. Imagine the whole organization as a ship where its adaptability is the helm that guiding the ship into the desired destination, and its team collaboration and communication can be view as the rower or the engine of the ship. If the engine is not working properly then the ship will be late or not be at the destination at all. As concluded by Robson, P. J., and Tourish, D. (2005) that mulfunctional internal communication will lead to the decrease in organization effectiveness. And team collaboration will be diminished by the consequence of these internal communication as well (Croker, et al., 2009).

### ***Recommendation***

Based on the analyzed data, the following is a set of recommendations for the organization's development based on the top three highest variables reflecting organization effectiveness.

#### ***Adaptability:***

For the Individual level:

Provide training and resource to the employees that will allow them to exercise their creativity and encourage them to tackle the problem from different angles and be ready for change.

For Team level:

Encourage team members to share past experiences and find new perspectives from their colleagues.

For Organization level:

Promote an organizational culture that rewards Change and Adaptability.

### ***Team Collaboration:***

For the Individual level:

Provide training on communication skills; it cannot be denied that communication is a starting point of collaboration.

For Team level:

Create a standard team collaboration process; once the common method is followed, the collaboration will be seamless.

For Organization level:

Encourage employees to use resources and tools for collaboration that the organization provides

### ***Communication:***

For the Individuals level:

Provide training and resource on improving employees' communication skill.

For Team level:

Encourage the team leader to use Appreciative Inquiry (AI) to help subordinates feel empowered to communicate.

For Organization level:

Create an online platform for employees and staff to communicate.

Although, the remaining factors, such as Managerial Leadership and Power Distribution, do not significantly contribute to the organization's effectiveness based on the MLR results. however, as suggested by Luo, et al. (2018), the organization will need to improve on Managerial Leadership and Power Distribution for the organization to continue growing. Also improving Power Distribution will help with innovation in the organization. Therefore, the researcher provided a recommendation for improving these factors as follows.

***Power Distribution:***

For the Individuals level:

State clear job descriptions to allow individuals to understand the scope of their power in the position.

For Team level:

Encourage work delegation from the team leaders to subordinates.

For Organization level:

A clearly defined organizational structure of the whole Vanachai Group, including all the sub-company that illustrates the chain of command, for employees to gain visual understanding.

***Managerial Leadership:***

For the Individuals level:

Provide training on leadership and improving employees' self-awareness and self-confidence.

For Team level:

Team leaders encourage and enable employees to be able to inspire and lead others in need.

For Organization level:

Top management continues inspiring organization members by emphasizing the organization's mission and vision to create a sense of unity and collective awareness and understanding toward necessary actions to support growth.

***Future Study***

Based on the result of the Multiple Linear Regression, the factors, Managerial Leadership, Power Distribution, Communication, Adaptability, and Team Collaboration, that used in this research can only explain 17.3% of the organization's effectiveness. Therefore, 82.7% of the organization's effectiveness is not yet explored in this research. Considering how extensive the topic of organizational effectiveness is, the factors influencing it must be many more. For example, from the Competing Values Framework by Cameron and Quinn (2011), in this research, researchers only explore the internal factor of this framework; it could expand to the external factor such as resource acquisition base location.

A future study can also be done on the other business organization and use it in comparison with the results of this study to confirm which factors contribute to the Organization Effectiveness of the Thai-Owned Family Business.

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