Determining the entrepreneurial intention among businessmen of Samut Songkhram Province of Thailand: Does organizational innovation mediates?

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Abstract---The phenomenon of entrepreneurial orientation, self-efficacy and organizational innovation has central importance in business performance, growth and organizational success in highly competitive business environment. The current research effort intended to determine the entrepreneurial intention, influenced by entrepreneurial orientation, entrepreneurial self-efficacy with mediating role of organizational innovation. The results of the study reported that entrepreneurial orientation significantly influence the organizational innovation, the entrepreneurial self-efficacy significantly influence the organizational innovation, however the insignificant relationship was reported between entrepreneurial orientation and entrepreneurial intention, and insignificant between entrepreneurial self-efficacy and entrepreneurial intention, interestingly and as argued by the study the organizational innovation
fully mediated the relationship between entrepreneurial orientation, entrepreneurial self-efficacy and entrepreneurial intention. The future studies can be conducted to assess the other entrepreneurial perspective such as entrepreneurial passion in diverse business environment.

**Keywords**—organizational self-efficacy, entrepreneurial innovation, entrepreneurial orientation, entrepreneurial intention, Samut Songkhram Thailand.

**Introduction**

The entrepreneurs play vigorous role in economic development of the country by grabbing the business opportunities and to take innovative initiatives in existing practices to provide the services. The entrepreneurs capitalize on the business opportunities, create the ventures, organize the resources, develop the manpower to execute the business operations. The entrepreneurial passion considered as an influential factor that drives the entrepreneurial activities and contribute economically. The business environments and entrepreneurial opportunities stimulate the entrepreneurial behavior that generally relates to the entrepreneurial motives. The performance of enterprises in SME sector depends upon six factors including preparation, planning, implementation, evaluation, revision and application in the perspective of Thailand, as SME performance needs to be having novel requirement including capital, personal management and structure of the firm. The SME sector strive to gain the development and increase the performance while gaining the sustainable competitive position (Na-Nan et al., 2018).

The importance of SEM sector and entrepreneurial activities can be assessed through the contribution in GDP as there was rise of 3.2% in year 2016 as compared to year 2015 in Thailand. The SEM sector and entrepreneurship plays important role in economic development as observed the significant contribution in the gross domestic product, the government plays key role in recovery of economy as governmental policies influence each sector for strengthen the economy such as financial, social and managerial perspective. It has been occurred in the literature that miscommunication, the lack of management efficiency, the poor transportation facility that causes negative influence of efficiency of management, so need to consider these factors as well in order to enhance the performance efficiency (Pathak & Ahmad, 2018). The entrepreneurial academics stress upon the passion and enthusiasm of entrepreneurs as major factors that assist in achievement of business goals. There is limited knowledge available on explaining the phenomenon of entrepreneurial intention among Thai businessmen, the current business era and emerging markets demands large-scale business activities. The business organizations strive to initiate entrepreneurial activities to gain the competitive advantages through implementation of various emerging platforms (Dolsopol, 2014).

The Thai government has focused on formulating and devising the plan for developing and preserving the Thai culture for organizational success. The local
businesses consider the local products including One Tambon One Product (OTOP) program and policies that support the SMEs in local community through value addition and brand development of Thai products to enhance the competitive position. The cultural products including souvenirs, tourism, artwork and handicraft recognized as local product of Thailand that create the jobs, generate income for local communities, increase the strength of the local community at grass root level according to the Thailand Creative and Design Center (2018). The national development based on the creative economy and play vital role in growth that considered as an important factor in development of communities that potentially create the local culture and knowledge. The literature has stated cultural capital as key element of social capital that predict the economic capital that further generates the income level and improve the life standard of Thai nation. The local knowledge based on the cultural heritage that generates the income and helps to preserve the traditional identity and play vital role in sustainability (Pholphirul, 2013).

The one of the most important traditional occupations in Thailand is salt farming that is located near sea side as local population has the knowledge that transfer generation to generation. The tradition occupation of Thailand along with gulf area such as Samut Sakhon and Samut Songkhram provinces has been an attractive topic of research. The producers of salt have now shifted to the shrimp farming or working industrial factories to generate the steadier income, however the salt farming and associated culture observed to be declined (Kitipadung & Jaiborisudhi, 2021). The financial crisis of Thailand, the province Samut Songkram played important role in recovery of the economy and significantly increased the well-being of the individuals through eco-tourism in the area. The Thai government developed the comprehensive plan to get out of financial crisis through promotional policies to make the balance between sustainable development and economic growth. The sufficiency economy and eco-tourism has been applied to Plai Phong Phang for community development and local people through financial support and government took the initiative for cultural attraction and survival (Yiamjanya, 2016).

The Samut Songkhram province in Thailand is occupied with accommodation by resorts and homestay with local workforce employed on large-scale that contributes in economic development. The local workforce come across different issues and difficulties specifically inadequate skills, knowledge and English communication in hotel and tourism industry (Wijetunge, 2016). The prior literate investigated the motivational perspective of employees at hotel operational level in Samut Songkhram province. The research article has stated that HR in hotel industry brings lot of benefits in development perspective through effective planning and control while ensuring the effective corresponding ASEAN community for tourism growth (Yaemjamuang, 2017).

The literature has argued that entrepreneurship is an important factor for economic growth and policy-makers encourage to initiate entrepreneurial activities. The entrepreneurial education fosters the business activities, so therefore it has been suggested by researchers to initiate educational and
awareness that contribute to the entrepreneurship. The literature has depicted that entrepreneurial education influence the entrepreneurial activities, however there are mixed findings and results are conclusive. The studies have argued that there is positive relationship between entrepreneurial education and entrepreneurial activities that means higher the number of business course and student, the higher the business initiatives as entrepreneurial intention predicted and influence be entrepreneurial education (Stamboulis & Barlas, 2014; Rauch & Hulsink, 2015).

The number of studies has been conducted to assess the dynamic capabilities, the research scholars understand the relation between strategic performance and dynamic capabilities in emerging markets. The innovative capability of firm enables to manage the number of capabilities and allow to manage the resources successfully to initiate innovative solutions. The role of entrepreneurial capabilities have been examined for new venture and research scholars have encouraged to conduct the studies to explain the role of entrepreneurial capabilities in business operations and contribution (Afzal et al., 2018). The previous literature less emphasized the importance of capability of firms and productivity to develop the entrepreneurial capability and effectively coordinate the actions of managers to exploit the opportunity. The entrepreneurial capabilities assist firms in facing challenges internally or externally to remain competitive. The prior literature assessed the innovation capabilities and consequences that further develop the dynamic capabilities, innovation activities, entrepreneurial capabilities, and performance (VU, 2020).

The accommodation sector around attractive resorts in the province of Samut Songkhram, Thailand has large-scale presence and employed local workforce, but it has been reported that majority of the employees are unskilled and inadequate knowledge in relevance with hotel and tourism industry. The lack of communication skills, and lack of English spoken capability restrict the discussion and face issues in hotel reservation, the lack in professional knowledge and unawareness about standardized hotel services creates number of issues in smooth execution of business operations (Wijetunge, 2016). The prior literature has stated the motivational perspective of employees at operational level for utilizing the hotel businesses in Samut Songkhram province, found that effective utilization of human resource creates the benefits for development planning especially in corresponding with ASEAN community for tourism industry. The study highlighted that behavior of employees influence the level of operations, the higher involvement, organizational commitment, understanding and uniformity in hotel operations found to be important factors that influence operational performance. The study also highlighted the attributes of career success, career growth, job security and job characteristics, while establishing the good relationship among colleagues. The study revealed significant relationship between motivation and behavior of employees that operate in hotel and tourism industry (Yaemjamuang, 2017).

The current study intends to determine the entrepreneurial intention of businessmen in the province of Samut Songkhram Thailand to develop the community, influenced by entrepreneurial orientation, entrepreneurial self-efficacy with mediating role of organizational innovation.
Literature Review

This section of the study presents the main variables of the study that believed to be explain the phenomenon of the entrepreneurial intention.

Organizational Innovation and Entrepreneurial Intention

Today's highly competitive business environment with radical changes having economic instability and global political issues alter the decision making and caused formation of new strategies. The technological advancements and innovation found to be very aggressive factor in competition through exploitation of various chances and opportunities that considered as an essential element for business success and survival. The firms strive to achieve the business goals, including financial benefits through grasping the opportunities in order to become successful, as organizational innovation believed to be risky initiatives. The key element of the success in today's business environment is innovation, the innovative initiatives largely related to risky investments and has the fear of failure due to its novelty and lack of experience or existing knowledge. The proactive approach is taken down by an entrepreneurial mindset, the aggressive business strategies have been linked to entrepreneurial mindset, the innovative and entrepreneurial capabilities has the tendency to fulfill the requirement of the customers through effective innovation (Hacioglu et al., 2012). The innovative capabilities and entrepreneurial mindset promote the higher performance and contribute in financial perspective and business innovation (Sriboonlue, 2019).

The strategic entrepreneurial mindset and awareness predict the positive performance related consequences, the literature stated that entrepreneurial awareness directly influence the business performance. The organizational innovation also reported as predictor of business performance and mediates the relationship between entrepreneurial awareness and business performance. The organizational innovation and business creativity influence the business performance that positively related and researchers have depicted that organizational innovation play significant role in competitive intensity and increase the strength of relationship between strategic entrepreneurial awareness and its consequences (Sriboonlue, 2019). By following the same line of research, the current study argues that organizational innovation significantly predicts the entrepreneurial intention. So, intends to determine the relationship between organizational innovation and entrepreneurial intention.

Entrepreneurial Orientation, Organizational Innovation and Entrepreneurial Intention

The entrepreneurial orientation is associated with firms and required to be employed for market and product innovation through opportunity exploitation and innovative capability. The research scholars have argued that organizational innovation found to be moderately risky due to innovative initiative that may receive negative impact, so therefore organizational innovation must be proactive in order to gain the long-term benefits. The entrepreneurial orientation defined as the strategy-making processes that provides the direction and basis for entrepreneurial decisions and actions. It has become vital and important
construct in the field of entrepreneurship at firms’ level, that influence the performance of the firm, increase the profitability, level of growth as well as product innovation (Moreno & Casillas, 2008).

The entrepreneurial orientation found to be significantly influential towards firm performance, as it has the tendency to scan and monitor the business environment for emerging opportunities to ensure the competitive advantage and position. The organizations monitor and assess their business environment for information seeking that enable firms to take better decisions, manage the risk and to tackle the issues and challenges from competitors. The extensive market research normally taken down by the large organizations for information seeking and decision-making that further causes performance turbulence. The market research and assessment assists in devising the entrepreneurial strategies that further develop the entrepreneurial intention among the businessmen to acquire, utilize and influence the performance related consequences (Keh et al., 2007). The acquisition of information is required for effective decision making for the entrepreneurs to enhance the performance and utilization of information to enrich the knowledge that ultimately predict the performance in SME sector (Keh et al., 2007). The prior literature explained the phenomenon of entrepreneurial intention influenced by educational institutes’ support, creativity, and entrepreneurial education significantly. The mediating role of perceived effectiveness has been observed between the creativity, educational support and education to predict the entrepreneurial intention (Keat, 2015).

The literature embarked on entrepreneurial orientation while highlighting the risk-taking, proactive and innovativeness perspective that has positive influence on the firm. It has been stated that higher the level of entrepreneurial orientation the higher the tendency to avail the opportunities and strengthen the competitive edge for the firms. The higher level of entrepreneurial orientation in firms ensure the acquisition and utilization of information as predictors, the research study has focused on the assessing the relationship and effect of entrepreneurial orientation on performance of SMEs sector directly or indirectly. The study highlighted the importance of information acquisition and information utilization in investigating the entrepreneurial orientation that further influence the firm performance. The researchers have depicted significant influence of entrepreneurial orientation on performance of the firms (Wiklund, 1999). It has been established that higher level of entrepreneurial orientation has the tendency to scan the environment and monitor the environment for grabbing the opportunities and strengthen the competitive position. The firms strive to scan and monitor the environment for information acquisition and timely decision to avail the opportunities, managing the risks, fulfilling the need of customers and challenge the competitors and gain the competitive advantages, the extensive marketing research is needed in order to gain the desired objective related to the performance. The literature also depicted that information related to customers and competitors have significant influence on marketing decision-making, so therefore there is need to collect information consistently that create the superior customer value and effect the marketing information (Keh et al., 2007).
Entrepreneurial self-efficacy, Organizational Innovation and Entrepreneurial Intention

The social learning theory posits that there is a link between self-perception of personal skills and career decision to perform specific tasks, these perceptions are known as self-efficacy. The expectation of an individual concerned with self-efficacy and developed from four sources including vicarious experience, physiological states, verbal persuasion, and performance accomplishment. The entrepreneurial education enables the students to conduct business activities through practical projects to increase the self-efficacy through accomplishments. The literature embarked on the relationship of entrepreneurial education and intention among university students along with gender, that education related to entrepreneurship and gender of the student determine the entrepreneurial intention to initiate the business activities. The research literature has highlighted the contradiction in explaining the entrepreneurial intentions and suggested to incorporate the entrepreneurial self-efficacy to explain the phenomenon of entrepreneurial intention. The study reported that entrepreneurial self-efficacy positively significantly influence the entrepreneurial intention (Nowiński et al., 2019).

The research scholars have identified the creative self-efficacy as an important and crucial factor that shapes the behavior of employees that further impact the performance. It has been mentioned in the literature that self-efficacy developed with four sources of information including performance accomplishments, vicarious experience, physiological state, and verbal persuasion. The research authors have argued that education related to entrepreneurship provide all sources that required in innovative initiatives, the entrepreneurial education provide the grounds for students to perform practical projects that increase the level of self-efficacy through tangible accomplishments (Zhao et al., 2005; Nowiński et al., 2019).

There is dire need to conduct the research on entrepreneurial self-efficacy as limited knowledge available empirically on the phenomenon of entrepreneurial intention. So therefore, the current study intends to determine the role of entrepreneurial self-efficacy in explaining the organizational innovation and entrepreneurial intention.

Mediating Role of Organizational Innovation

The present article incorporated the mediation role of organizational innovation to explain the entrepreneurial intention influenced by entrepreneurial orientation and entrepreneurial self-efficacy. The current study argues that entrepreneurial orientation influences the organizational innovation that further predict the entrepreneurial intention, the business creativity and innovation found to be influential towards development of entrepreneurial intention. The prior literature has depicted that organizational innovation mediates the relationship between strategy entrepreneurial awareness, and business performance. The organizational innovation, competitive intensity, and outstanding business creativity collectively explain the business performance, influenced by entrepreneurial awareness.
The current study argues that organizational innovation mediate between entrepreneurial self-efficacy, orientation and intention.

Research Framework
The research framework presents in figure 1, the dependent variable entrepreneurial intention is explained by the organizational innovation, entrepreneurial orientation and entrepreneurial self-efficacy. The hypothesized statements are given under based on the research framework.

H1: Organizational Innovation influence the Entrepreneurial Intention among businessmen of Samut Songkhram province of Thailand
H2: Entrepreneurial Orientation influence the Entrepreneurial Intention among businessmen of Samut Songkhram province of Thailand
H3: Entrepreneurial Orientation influence the Organizational Innovation among businessmen of Samut Songkhram province of Thailand
H4: Entrepreneurial Self-Efficacy influence the Entrepreneurial Intention among businessmen of Samut Songkhram province of Thailand
H5: Entrepreneurial Self-Efficacy influence the Organizational Innovation among businessmen of Samut Songkhram province of Thailand
H6: Organizational Innovation Mediates the relationship between Entrepreneurial Orientation and Entrepreneurial Intention
H7: Organizational Innovation Mediates the relationship between Entrepreneurial Self-Efficacy and Entrepreneurial Intention

Research Method
The research design of the study depends upon the approach of data collection, sampling technique and analysis approach. The quantitative nature of study as cross-sectionally data was collected through questionnaire and cross-sectionally. The data was collected from the province of Samut Songkhram Thailand to assess the entrepreneurial intention influenced by entrepreneurial orientation and entrepreneurial self-efficacy. The mediating role of organizational innovation was also investigated between exogenous constructs including entrepreneurial
orientation and entrepreneurial self-efficacy and endogenous construct entrepreneurial intention. The data was collected from 300 businessmen in the province of Samut Songkhram Thailand under convenience sampling technique. The responses were collected through questionnaire and measurement scales were taken from older studies.

**Measurement Scale**

The study incorporated the measurement items of each scale adopted from different relevant studies, the five items scale of entrepreneurial intention was taken from the work of (Nowiński et al., 2019). The five items of organizational innovation was taken from the research of (Sriboonlue, 2019). The self-efficacy has five items scale adopted from the prior literature of (Nowiński et al., 2019). The entrepreneurial orientation has five items and taken from the article of (Keh et al., 2007). The five-point Likert scale was used to assess each item of each scale whereas 1 denotes strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 strongly agree.

**Data analysis**

This section presents the analysis of collected responses to determine the entrepreneurial intention among businessmen of Samut Songkhram province of Thailand.

**Measurement Model Assessment**

The reliability and validity of the constructs are required to be tested, the data analysis was conducted through utilization of Smart-PLS, measurement model assessment entails the testing of reliability and validity based on collected data. The PLS-algorithm method was used for measurement model. The value for Cronbach alpha and CR must remain greater than 0.70 for acceptable reliability and average variance extracted must be greater than 0.50 for acceptability (Leguina, 2015). The table 1 presents the values for reliability and validity of the constructs.

<table>
<thead>
<tr>
<th></th>
<th>Cronbach’s alpha</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EI</td>
<td>0.884</td>
<td>0.895</td>
<td>0.681</td>
</tr>
<tr>
<td>EO</td>
<td>0.704</td>
<td>0.817</td>
<td>0.529</td>
</tr>
<tr>
<td>ESE</td>
<td>0.781</td>
<td>0.859</td>
<td>0.604</td>
</tr>
<tr>
<td>OI</td>
<td>0.701</td>
<td>0.834</td>
<td>0.627</td>
</tr>
</tbody>
</table>

Note: Entrepreneurial Intention (EI), Entrepreneurial Orientation (EO), Entrepreneurial self-efficacy (ESE), Organizational Innovation (OI)

**Discriminant Validity**

This section assesses the discriminant validity in PLS algorithm by investigating the values of HTMT, the closer the value to 1 indicates the lack of discriminant
validity, the threshold value is considered as 1 or few authors suggested it to be lower than 0.85 (Hensler, Ringle & Sarstedt, 2015). The table presents HTMT that is acceptable statistically.

Table 2

<table>
<thead>
<tr>
<th></th>
<th>EI</th>
<th>EO</th>
<th>ESE</th>
<th>OI</th>
</tr>
</thead>
<tbody>
<tr>
<td>EI</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO</td>
<td>0.733</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESE</td>
<td>0.736</td>
<td>0.679</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OI</td>
<td>0.871</td>
<td>0.774</td>
<td>0.694</td>
<td></td>
</tr>
</tbody>
</table>

Note: Entrepreneurial Intention (EI), Entrepreneurial Orientation (EO), Entrepreneurial self-efficacy (ESE), Organizational Innovation (OI)

Measurement model

![Measurement model diagram]

Fig 2: Measurement model: Note: Entrepreneurial Intention (EI), Entrepreneurial Orientation (EO), Entrepreneurial self-efficacy (ESE), Organizational Innovation (OI)

Structural Equation Model (SEM)

The hypotheses testing was conducted under SEM, the five direct and two indirect mediating hypotheses were tested and results are given in table 3 below.

Table 3

<table>
<thead>
<tr>
<th>Direct hypotheses</th>
<th>β</th>
<th>t-statistics</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>EO→EI</td>
<td>0.138</td>
<td>1.365</td>
<td>0.086</td>
</tr>
</tbody>
</table>
The hypotheses have been investigated on based on t-statistics and significance value, the t-statistics must remain higher than the 1.96 and p value should be less than 0.05 as 5% error margin. The significant of relationship between entrepreneurial orientation and organizational innovation has been found as t-statistics observed to be higher than cutoff point as 3.195 with significance value of 0.001. Hence, the hypothesis H1 is accepted on statistical grounds. The hypothesis investigated the relationship between entrepreneurial orientation and intention, and reported insignificant relationship with t-statistics as 1.365 with p value higher than 0.068, hence the relationship is insignificant. The hypothesis also investigated the relationship between entrepreneurial orientation and organizational innovation as significant based on the t-statistics as 3.706 with p value as 0.000, that shows significance of the relation. The hypothesis found to be statistically insignificant as t-statistics observed to be 1.696 with p value as 0.045 as entrepreneurial self-efficacy insignificant to entrepreneurial intention. The hypothesis also reported significant relationship between entrepreneurial self-efficacy and organizational innovation with t-statistics as 3.643 and p value as 0.000, hence it is depicted that entrepreneurial self-efficacy influence the organizational innovation.
Indirect hypotheses Testing
The table 4 presents the results of indirect hypotheses, that determine the mediating role of organizational innovation between independent variables and dependent variable.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>β</th>
<th>t-statistics</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESE → OI → EI</td>
<td>0.173</td>
<td>2.243</td>
<td>0.013</td>
</tr>
<tr>
<td>EO → OI → EI</td>
<td>0.165</td>
<td>2.279</td>
<td>0.012</td>
</tr>
</tbody>
</table>

Note: Entrepreneurial Intention (EI), Entrepreneurial Orientation (EO), Entrepreneurial self-efficacy (ESE), Organizational Innovation (OI)

The mediating role of organizational innovation is evident in both of the hypothesized relationships, the organizational innovation significantly mediated the relationship between entrepreneurial orientation and entrepreneurial intention, and between entrepreneurial self-efficacy and entrepreneurial intention. The direct relationships between entrepreneurial orientation and entrepreneurial intention were insignificant, but in the presence of organizational innovation the relationship becomes significant. The direct relationship between entrepreneurial self-efficacy and entrepreneurial intention was insignificant but organizational innovation mediated the relationship between entrepreneurial self-efficacy and entrepreneurial intention.

Conclusion
The research paper explained the phenomenon of entrepreneurial intention in perspective of SMEs in Thailand, influenced by entrepreneurial orientation and entrepreneurial self-efficacy with mediating role of organizational innovation. The study was conducted in the province Samut Songkhram Thailand to investigate the entrepreneurial intention, the study reported that entrepreneurial orientation significantly influence the organizational innovation, entrepreneurial self-efficacy influence the organizational innovation, the organizational innovation significantly influences the entrepreneurial intention. However, the entrepreneurial orientation insignificant to entrepreneurial intention, and entrepreneurial self-efficacy insignificant to entrepreneurial intention. The mediation role of organizational innovation reported as significant by establishing the association between organizational orientation and entrepreneurial intention, further the mediation effect was observed between self-efficacy and entrepreneurial intention. The findings of current research suggested to ensure the entrepreneurial awareness, orientation and practices for innovation in order to long-lasting contribution in worth of the firms that further incline the economic worth of the country.

References
Dolsopol, K. (2014). Effects of entrepreneurial intensity on firm performance of
