

# THE INFLUENCE OF CAUSAL FACTORS OF TOURISM ORGANIZATIONAL EFFECTIVENESS IN NORTHERN THAILAND

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## Abstract

Tourism organizations are an important part in driving tourism and tourism industry more importance in the international. The effectiveness of an organization affects the competitiveness. The research objectives were to study: 1) the level of organizational culture, employee engagement, motivations, well-being and the tourism organization's effectiveness in northern Thailand; 2) influence of organizational culture, employee engagement, motivations and well-being on the effectiveness of tourism organizations in northern Thailand; and 3) the guidelines for enhancing the effectiveness of tourism organizations in northern Thailand. The research sample for the quantitative research part were 320 employees of tourism organizations in Chiang Mai. Data were collected with the use of a questionnaire and analyzed with a structural equation model. As for the qualitative research component, in-depth interviews were conducted with 16 key informants. The findings showed that: 1) the effectiveness of tourism organizations in northern Thailand was rated at the highest level; 2) organizational culture, motivations, engagement, and well-being had an effect on the organizational effectiveness, of which motivation had the highest direct influence; and 3) the guidelines for enhancing the effectiveness of tourism organizations in northern Thailand consisted of: (1) enhancing the performance of the tourism organizations' employees leading to the increase in staff productivity; (2) creating social engagement among employees and their colleagues and the organization; (3) building motivation in a form of salary that is suitable with employees' knowledge, abilities and responsibilities; (4) establishing well-being for employees in terms of working safety; and (5) creating a flexible culture which was and focused on employees' participation within the organization. The research findings represented important information for entrepreneurs and related parties as they can be applied in establishing effectiveness for tourism organizations, and enabling them to have higher competitiveness.

**Keywords:** Organizational Culture/ Motivations/ Well-being/ Effectiveness of Tourism Organizations

## Introduction

Thailand has many tourist attractions. Especially the north, where there are beautiful places, ancient arts and cultures, and ancient places that are revered by the people. Diverse natural conditions, beautiful, mentally valuable history, unique arts and cultures stand out from the area. Chiang Mai is therefore a tourist destination for both Thai and foreign tourists. Each year there are many tourists visiting, in 2018, there were 2,650,835 tourists, 1,837,775 Thai tourists and 813,081 foreign tourists (Chiang Mai Tourism Office, 2018). Chiang Mai's continued expansion of tourism has resulted in employment in both tourism and related businesses to cater to both Thai and foreign tourists, resulting in high competition in the tourism business. Organizational effectiveness is needed to help increase competitiveness, organizational effectiveness reflected

in many dimensions such as employee loyalty to the organization, employees performing goals at minimal cost (Chen et al., 2006). Customers are loyal to an organization's products or services (Zack et al., 2009). Employees can generate higher productivity or productivity, affecting business profitability (Vosloban, 2012).

Organizational effectiveness has many factors that are supporting factors or factors that influence organizational effectiveness. An important factor affecting organizational effectiveness is organizational culture, as organizational culture helps personnel adapt, learn, collaborate and adapt to the environment both inside and outside the organization, thereby influencing individuals in the organization (Kosfeld & von Siemens, 2011). The strengthening of the organizational culture leads to strong adaptability (Chadegania & Jari, 2016). Therefore, organizational culture is an important factor that affects organizational effectiveness. Beyond that, employee engagement is one of the factors that affect organizational effectiveness. Since engagement with an organization is an inspiring process to excite employees' feelings in order to drive the organization towards a commonly challenging goal, it demonstrates the power that employees have to focus on the work they are responsible for and are ready to do whatever it takes to influence the success of the organization (Halbesleben & Wheeler, 2008). Employee engagement is an important factor driving organizational development; employee engagement can be expressed through absorption, vigor and dedication, behaviors expressing a high level of vitality and calmness (Gera, Sharma & Saini, 2019). The resulting engagement of employees will reassure employees. And if employee engagement levels are low, employee motivation is also low (Pillay, 2018). In addition to that, motivation is one of the factors that affect organizational effectiveness, motivation is the driver of enthusiasm for work when it gets what it wants, and motivation is correlated with satisfaction and effectiveness of personnel performance (Khan et al., 2012). Motivation is the driving force for personnel to work towards the goals set by the organization. Employee motivation creates increased organizational effectiveness (Peter, Taiwo & Utomi, 2016). Wellbeing is a factor that influences organizational effectiveness, as well-being is the well-being of employees within the organization and the wellbeing of employees is important in stimulating the performance of employees to be effective within the organization (Harshitha & Senthil, 2021). And Kamau et al. (2015) stated that job well-being increases employee productivity, also affecting organizational effectiveness.

Therefore, the researchers were interested in studying "The Influence of Causal Factors of Tourism Organizational Effectiveness in Northern Thailand" under the study factors, including Organizational Culture, Bonding, Motivation and Well-Being to present guidelines for improving the organizational effectiveness of travel agencies in Northern Thailand to meet the standards, quality, acceptance of tourists, leading to the success of the organization. The results of the study will be empirical data that supports travel agency operators to use the information available to make policy decisions to shape the direction of business management in the future.

## **Research Objectives**

1. Study the levels of Organizational Culture, Bonding, Motivation, Well-Being, and The Effectiveness of Tourism Organizations in Northern Thailand.
2. Study the influence of Organizational Culture, Bonding, Motivation, and Well-Being on the Effectiveness of Tourism Organizations in Northern Thailand.
3. Presented guidelines for increasing the effectiveness of Tourism Organizations in northern Thailand.

## **Research Hypothesis**

1. Organizational Culture, Bonding, Motivation, and Well-Being affect the effectiveness of Tourism Organizations in Northern Thailand.
2. Organizational Culture, Bonding and Motivation affect Well-Being.
3. Organizational Culture and Bonding Affect Motivation
4. Organizational Culture affects Bonding.

## **Research Scope**

This research study defines a mixed method, i.e., quantitative research to determine the influence of factors affecting the effectiveness of tourism organizations in Northern Thailand and qualitative research to obtain guidelines for increasing efficiencies of tourism organizations in northern Thailand.

## **Research Methodology**

### **Quantitative Research**

Examples include the employees of Chiang Mai travel agencies who meet the criteria. 320 people, obtained from randomized stratified proportional sampling. The research tool is a questionnaire of 80 items on organizational culture, bonding, motivation, well-being, and the effectiveness of tourism organizations the 5-level estimation, the individual IOC values are .60-1.00, and the confidence of the whole questionnaire is .893. Collected data with employees of 22 Chiang Mai travel agencies, totaling 320 people. Analyze data using descriptive statistics and structural equation models.

### **Qualitative Research**

The main contributors were 16 people with knowledge and understanding of Chiang Mai tourism. Tools are structured interviews, open-ended questions. Used in-depth interviews with key contributors individually, analyze content, organize primary and secondary issues to summarize them as a way to increase the effectiveness of Tourism Organizations in northern Thailand.

**Conclusions**

Present research results according to research objectives, as follows:

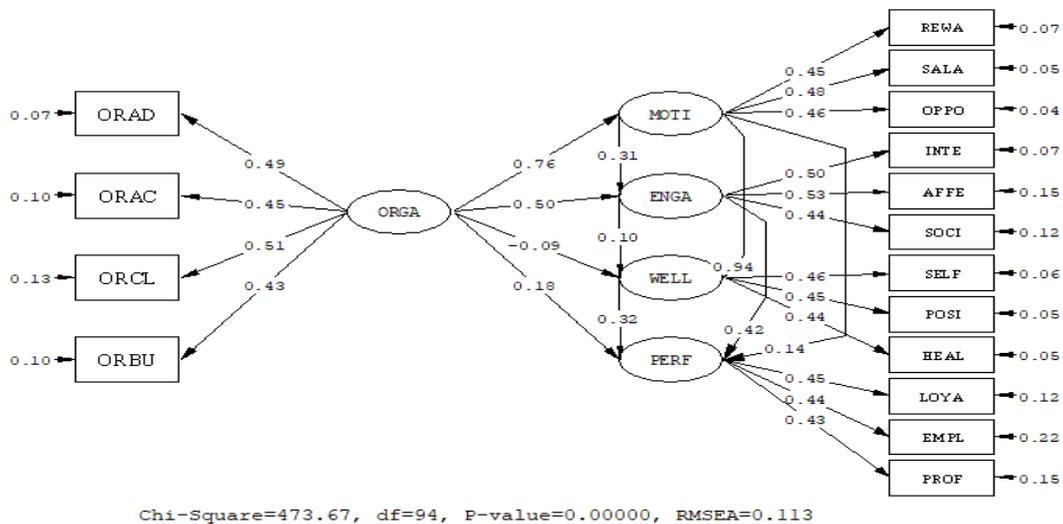
1. The levels of Organizational Culture, Bonding, Motivation, Well-Being, and The Effectiveness of Tourism Organizations in Northern Thailand are the highest levels. Motivation had the highest average, followed by Well-Being, Organizational Culture, and Bonding of Employees with the lowest average, respectively, shown in Table 1.

**Table 1: Mean, standard deviation, definition, and level of the factors studied**

Factors	$\bar{X}$	S.D.	Interpret the Results	Level
Organizational Culture	4.23	0.36	highest	4
Bonding	4.22	0.39	highest	5
Motivation	4.59	0.27	highest	1
Well-Being	4.48	0.31	highest	2
Effectiveness of Tourism Organizations	4.46	0.28	highest	3

1. The influence of organizational culture, bonding, motivation, and well-being factors affecting the effectiveness of tourism organizations. Northern Region of Thailand from the analysis of structural equations presented. as follows

1.1 The results of the analysis of the relationship structure model are modeled on assumptions.

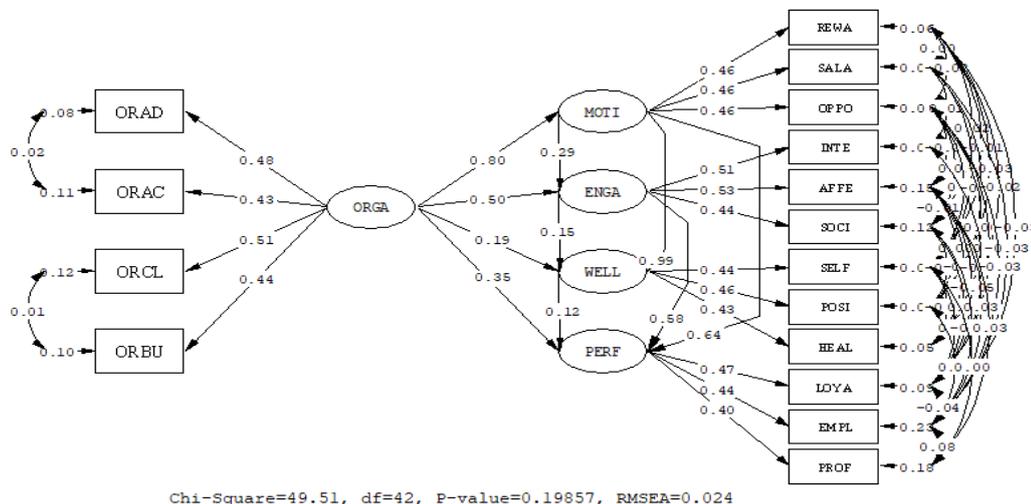


**Figure 1: Modelling the structure of relationships based on assumptions (Estimates)**

2. The results of the analysis of the relationship structure model are alternative models.

Based on estimates, index values measure the consistency of non-standard models. The researchers adjusted the model modification based on recommendations to adjust the parameters in the model with model modification indices (MI), and then adjusted the

parameters by allowing the preliminary agreement to be relaxed so that the tolerances could be correlated, until the harmonization index values were consistent with the empirical data, thus obtaining an alternative model, figure 2.



**Figure 2: Alternative relationship structure model (Estimates)**

The results of comparing hypothetical models and alternative models, show that alternative models are more appropriate and can be put to good use. Based on statistical values, it measures the degree of harmony and the index measures harmony consistency. As shown in Table 2.

**Table 2: Results of comparison of models based on research hypotheses with alternative models**

List	Statistical Values	Model Based on Assumptions	Alternative Models	Alternative Models
1. Chi-square ( $\chi^2$ )	* Low Near 0	473.67	49.51	Suitable
	* EQUALS df	94	42	Suitable
Relative Chi-square	Quotient ( $\chi^2 / df$ ) < 2.00	5.04	1.18	Suitable
2. GFI	> 0.90	0.84	0.98	Suitable
3. AGFI	> 0.90	0.77	0.94	Suitable
4. RMR	Approach 0.00	0.017	0.009	Suitable
5. RMSEA	< 0.05	0.113	0.024	Suitable
6. CFI	*0.00-1.00	0.97	1.00	Suitable
7. CN	> 200	96.23	425.11	Suitable

2.1 Hypothetical test results showed that

2.1.1 Hypothesis 1 found that Organizational Culture, Bonding, Motivation, and Well-Being had a statistically significant direct influence on organizational effectiveness. With influence values of 0.35, 0.58, 0.64 and 0.12 respectively, the assumption is accepted.

2.1.2 Hypothesis 2 finds that Organizational Culture Bonding and Motivation have a direct influence on Well-Being. Statistically significant. With influence values of 0.19, 0.15 and 0.99 respectively, the assumption is accepted.

2.1.3 Hypothesis 3 Organizational Culture and Bonding have a statistically significant direct influence on Motivation, with influence values of 0.29, 0.50 respectively, the assumption is accepted.

2.1.4 Hypothesis 4 Organizational Culture has a statistically significant direct influence on Bonding, with an influence value of 0.80, the assumption is accepted.

3. Guidelines for increasing effectiveness of tourism organizations in northern Thailand include: 1) Improving the performance of employees. In order for travel agency employees to perform their duties and responsibilities effectively, leading to a higher increase in employee productivity, which in turn contributes to profitability and customer loyalty to the organization 2) Creating social bonding of employees towards colleagues and organizations in order to achieve teamwork that will bring direct benefits to the organization 3) Creating salary motivation appropriate to knowledge, abilities and responsibilities to build morale for employees working in the organization 4) Creating well-being in terms of well-being by encouraging employees to be healthy and safe in the workplace and 5) creating a flexible organizational culture, focusing on employee engagement within the organization, emphasizing self-development to be ready to accommodate rapid changes from outside.

## **Discussion**

The researchers presented a discussion of the results in response to the three research objectives:

1. Effectiveness of Tourism Organizations in Northern Thailand Productivity is of the greatest importance because employees are the resources available to perform tasks to achieve higher productivity under the use of available resources, the resulting productivity enhances the organization's capabilities and creates higher organizational productivity. In addition, employee productivity increases, if the organization behaves ethically and learns the organization (Faregh et al., 2021). Employees must therefore be those who learn, exchange, and be able to perform a variety of tasks to increase productivity, or build their own productivity by using the same resources or using fewer resources. Employees who perform a variety of tasks can increase their productivity and raise the quality of work to a higher level, leading to an increase in organizational productivity (Vosloban, 2012). In addition to that, loyalty is an important component of organizational effectiveness. Customer loyalty makes repeated purchasing decisions, reflecting organizational effectiveness. A growing number of customers is a measure of the success of a company and business, a recurrence of services, demonstrating the trust, trust, or loyalty that customers have with the company. Customers can be so loyal, a travel company or organization needs to show quality, standards and integrity to customers, making customers aware of the value of using the service and loyalty (Schiffman & Kanuk, 2007). Fidelity in a tourism context is measured in repetitive tourism behavior, positive introduction or talking to others, as well as word-of-mouth (Hui et

al., 2007). In addition to effectiveness, the organization is also reflected in the nature of the profit that the enterprise receives, since profit is a measure of the success of the enterprise and the competitiveness of the enterprise. Under available resources (Arbelo et al., 2021).

2. Study the influence of Organizational Culture, Bonding, Motivation, and Well-Being on the Effectiveness of Tourism Organizations in Northern Thailand. The details are as follows:

2.1 Organizational Culture has a positive direct influence on organizational effectiveness. Organizational culture is a mixture of values, beliefs and explaining the behavior of members of an organization, and therefore is important in terms of organizational management, helping people in the organization learn together. Personnel are able to adapt to the environment inside and outside the organization, thereby influencing the person and organizational effectiveness (Marampa et al., 2019). Organizational culture is an important value that affects stakeholders and organizations, a norm that cannot be viewed as a norm. But if you want to be effective, organizations need to create awareness of organizational culture alongside it. Weak or non-productive cultures do not have sufficient potential for profitability and productivity (Shahzad et al., 2012).

2.2 Employee bonding has a positive direct influence on organizational effectiveness. It explains that employees are important to the organization. Employee bonding is a sense of enthusiasm and connection to effectiveness with the work done, commitment and determination to work together to the best of their ability and believing that they can cope well with the goals of the job (Schaufeli & Bakker, 2004). Employee bonding is an important factor driving the development of an organization. Bonding of employees can be expressed with a high level of focus and attention (absorption), vigor and dedication, behaviors that express high levels of vitality and calmness (Gera et al., 2019). Employee bonding builds confidence in employees, affects organizational effectiveness and organizational growth, and if employee bonding levels are low, employee motivation is also low (Pillay, 2018).

2.3 Motivation has a positive direct influence on organizational effectiveness. Motivation is explained as an internal drive of employees who have set direction, goals to achieve willing work habits, dedicated to achieving better productivity that affects the effectiveness of the organization. Motivation drives enthusiasm for work when it comes to getting what it needs. Motivation is correlated with satisfaction and effectiveness of personnel performance (Khan et al., 2012). Motivation is the driving force for employees to work towards the goals set by the organization, and the mobility of employees increases organizational effectiveness (Peter et al., 2016).

2.4 Well-Being has a positive direct influence on organizational effectiveness. Explain that Well-Being is exactly what employers want. Well-being is reflected in the dimensions of Physical, Mental, Emotional, Social and Spiritual Well-Being, which is what a person needs. Well-being is the well-being of employees within the organization and the well-being of employees is important in stimulating the performance of employees in the organization. (Harshitha & Senthil, 2021) and Kamau et al. (2015) identified well-being in the work, increasing the productivity of employees, affecting organizational productivity as well.

## Conclusion

Tour organizations in northern Thailand are becoming more competitive, creating organizational effectiveness is an important way to increase the organization's competitiveness. However, organizational effectiveness also has relevant factors. The results of this study can conclude that Organizational Culture, engagement, motivation, and well-being are factors influencing organizational effectiveness. Therefore, entrepreneurs should use the information obtained from the study to develop, improve and transform their operations in order to achieve greater organizational effectiveness, leading to greater organizational competitiveness in today's intense competition situation.

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