

The Causal Relationship of Factors Affecting the Professional Entrepreneurship of the Cultural Tourism and Creative Economy Business in Phrae and Nan Provinces

Sineenat Vikromprasit¹ and Pasiri Khetpiyarat^{2*}

^{1,2*}Faculty of Management Science, Uttaradit Rajabhat University, Thailand

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Abstract

This research aims to study the causal relationship of factors affecting professional entrepreneurship of cultural tourism and creative economy businesses in Phrae and Nan provinces. A quantitative research method was employed. The research sample consisted of 200 entrepreneurs from cultural tourism and creative economy business who were selected using stratified random sampling. Data were collected using questionnaire. Structural equation modelling with LISREL software was used to test the causal models.

The findings were as follows: the highest factors affecting the professional entrepreneurship were management capability followed by entrepreneurial competency. Moreover, management capability had an indirect affected on professional entrepreneurship through the entrepreneurial competency. The causal relationship between model from the result of data analysis was found that the analytical model had goodness of fit with the empirical data was $\chi^2 = 34.58$ df = 26 p = 0.12 GFI = 0.98 and AGFI = 0.96. The result shows that the model had a high criterion of fit. In terms of practical implications, tourism entrepreneurs can prepare and develop themselves to achieve competitive advantage and business performance through management capability and cultivation of competencies suitable for professional entrepreneurship.

Keyword: 1) management capability 2) professional entrepreneurship 3) cultural tourism
4) creative economy

¹ Assistant professor, Modern of Business Management

^{2*} Assistant professor, Master of Business Administration Programs, E-mail: pasiri@uru.ac.th (Corresponding Author)



Introduction

The COVID-19 pandemic has had an adverse impact on Thailand's tourism industry, and thus resulted in a significant contraction in the tourism performance over the past three years, as well as contributing to a slowdown in the national economy. In this regard, Petra, (2022, pp. 826-845) analyzed the national development situation through the tourism industry perspective and found that Thailand's strength lies in its tourism supporting resources, which can be labelled as more outstanding than any other country in the ASEAN region. These resources include food, tourist attractions, business establishments, and the local citizenry, who are, by nature, hospitable and welcoming to tourists. These factors have significantly contributed to the success of Thailand's tourism. However, data obtained from Thailand's tourism authority indicates that the number of foreign tourists visiting Thailand has decreased; therefore, the majority of tourists from recent years are found to be coming from neighboring countries, namely China, Malaysia, and Russia, respectively (Ministry of Tourism and Sports, Office of the Permanent Secretary, 2020). Additionally, tourism revenue is partly driven by the stimulation of domestic tourism in order to ensure survival for operators amid the current tourism challenges. Moreover, Creative Economy Agency (2024) promotes the country's industry by developing creative districts on economy ecosystem. The theme is "Transforming Local, which aims to develop local economic growth and promote tourism in northern region. Additionally, the Thai creative districts network (TCDN) will help each area

identify, develop and build up cultural assets to create the value added and improve quality of life while generating sustainable economic.

Part of the domestic tourism trend is occurring in the upper northern region, which includes Chiang Mai, Chiang Rai, Lampang, Phrae, and Nan provinces. This is especially true for peaceful provinces with a pleasant atmosphere and distinctive cultures, such as Phrae and Nan. Furthermore, Phrae and Nan provinces generate significant tourism revenue and have considerable potential, particularly in the service sector. These factors have significantly contributed to the success of each province's tourism sector, largely due to the readiness of the local operators in various sectors concerning accommodation, food, souvenirs, and tourist attractions. These sectors are able to impress and delight tourists, and thus lead to repeated visits. This aligns with Chatsungnoen, et al. (2019, pp. 110-123) study of tourism, which found that satisfaction with tourism in Phrae Province stems from the hospitality and friendliness of operators and community members, the availability of fun activities, and the beauty of the community environment. Furthermore, tourism management, from tourism design to opportunities for community participation in tourism operations, and the ability for communities to collaborate with operators to manage and allocate seasonal resources appropriately, is also important. In Nan Province, high satisfaction levels have been recorded for the community environment's attractiveness, the community members' friendliness, as well as the readiness of entrepreneurs to provide various services in addition to interest

in the community's history, narratives, and background. Furthermore, in terms of management, community members are encouraged to participate in selling locally-made community products to tourists, resulting in income distribution to local residents and related entrepreneurs. Clear and concise emergency contact numbers are also provided to tourists in case of emergencies. These factors clearly demonstrate the capabilities of entrepreneurs and community members in coordinating and managing tourism and creating long-lasting impressions. This aligns with Panyarien, et al. (2020, pp. 41-52) study of tourism promotion, which found that tourism stakeholders in the policy to promote tourism in secondary cities in the upper northern region include operators that provide tours, accommodation, food and beverage, souvenir and merchandise vendors, transportation, recreation and entertainment, including representatives of professional local tourism community leaders who recognize the advantages of promoting secondary city tourism and have established a well-prepared plan to accommodate tourists across all seasons, as well as promoting the use of existing cultural capital which can significantly increase tourism value and develop tourism into a creative economy. Therefore, tourism success is partly due to local resources, the potential of local people, and entrepreneurs, their comprehensive management capabilities, coupled with their business skills and expertise, that can truly support tourism's reach to potential customers. In addition, Teece (2012, pp. 1395-1401) states that dynamic capability focuses on an adaptative capacity based on

the resource base view to continuously strive for competitive advantage. Similarly, Nayernai (2025) explains that we should focus on developing both general and specialized capabilities to be utilized in operation which will result in effective and efficient performance development.

Prior research on value chain development for OTOP products in community enterprises across Uttaradit, Phrae, and Nan provinces identified seven success factors: teamwork, leadership, adaptive capacity, knowledge sharing, entrepreneurship, marketing and customer engagement (Khetpiyarat and Wongjinda, 2024, pp. 167-186). However, this research did not examine the relationship between management capability and entrepreneurial competency, leaving unclear what characteristics define successful professional entrepreneurs. This gap aligns with findings by Phakamach, Chaisakulkiet and Sethakhajorn (2019, pp. 68-79), who emphasize that developing professional competence requires studying integrated management approaches that influence entrepreneurial competency development. Although Phrae and Nan provinces are recognized tourist destinations capable of generating visitor satisfaction, entrepreneur preparedness remains inadequately addressed. The urgent need to develop entrepreneurial competencies and management capabilities will enable entrepreneurs to effectively serve both domestic and international visitors. This study addresses this gap by examining the relationships among management capability, entrepreneurial competency, and professional entrepreneurship to provide guidance for developing professionally



competent entrepreneurs in the region.

Based on this information, a study should be conducted to identify the factors affecting professional entrepreneurship in cultural tourism and creative economy businesses in Phrae and Nan provinces, in order to research the underlying causes of the creation and development of professional entrepreneurship and identify appropriate approaches to further develop the potential of professional entrepreneurs, and thus enabling tourism entrepreneurs to achieve sustainable business success.

Research Objective

To study the causal relationship of factors affecting professional entrepreneurship of cultural tourism and creative economy businesses in Phrae and Nan provinces.

Literature Review

Management Capability

Management capability is key factors in developing entrepreneurial competency. It refers to the process of planning, organizing, leading and controlling the organization resources in order to achieve organization goals efficiently and effectively (Koontz and O'Donnell, 1972, pp. 34-45). The management comprises four dimensions: finance, production, human resource management and marketing Phakamach, Chaisakulkiet and Sethakhajorn (2019, pp. 68-79). These management capacities serve as key mechanisms for driving professional entrepreneurship. Finance involves acquiring income and making appropriate expenditures to generate profit or

return on investment. Production involves the continuous creation of products and services that meet quality standards and satisfy customer needs. Human resource management requires entrepreneurs to develop individual skills and expertise to build staff with sufficient competency for organizational tasks (Rylatt and Lohan, 1995, pp. 45-59). Marketing enables entrepreneurs to reach target markets and customers while monitoring new market trends to create customer awareness and customer relationship management. Therefore, management capability impacts both the development of entrepreneurial competency and organizational growth. Thus, the entrepreneurs with management capability are able to make reasonable decision and provide vision of business direction and be able to achieve business goal within the competencies to entrepreneurs (Manalu, Simatupang and Novani, 2024).

H1: Management capability has a positive effect on entrepreneurial competency.

Professional Entrepreneurship

Professional Entrepreneurship represents the business goal of integrating management capability and entrepreneurial competency. Professional business management refers to the entrepreneurial capability to demonstrate effective management of their performance, goals, business success, sustainability and growth (Cooper, et al., 2004, pp. 28-35; Harber, 2011). Consistent with Phuwitthayaphan (2010, pp. 39-45), competency refers to the level of capability, potential, competence and desirable behavioral characteristics. Knowledge encompasses analytical thinking, planning abilities, business assess-

ment and the ability to compete effectively in the market (Azmi, et al., 2012, pp. 369-373). Skills are essential for achieving efficiency and effectiveness in business. According to Mohamad (2023, pp. 1-18), essential skills for professional entrepreneurship should include networking, teamwork, communication, problem-solving and time management. Attitude, includes entrepreneurial thinking, creative problem-solving and risk management. Professional entrepreneurs must also demonstrate adaptability and leadership to achieve profitability and high organizational performance. (Khetpiyarat and Wongjinda, 2024, pp. 167-186). Therefore, management capability can support entrepreneurs in developing their potential and competencies as important foundation for decision making and achieving professional entrepreneurship.

H2: management capability has a positive effect on professional entrepreneurship

Entrepreneurial Competency

For entrepreneurs looking for success, one essential requirement is to emphasize building entrepreneurial competency, which refers to capabilities, characteristics, knowledge, skill and attitudes. This enables individuals to perform work effectively and achieve predetermined objectives (Spencer and Spencer, 1993, pp. 220-236). Competencies can be categorized into core, functional and other types, which represent important dimensions in developing high performance (Boyatzis, 1982, pp. 11-26; Riyanti, et al., 2020, pp. 74-81). Moreover, Pepple and Enuoh (2020, pp. 50-61) define competency as basic capabilities encompassing knowledge, motivation, person-

ality traits, skills, and business sustainability. Thus, other competencies include attitudes, emotions and enable to create maximize profit for their business. Entrepreneurial competency comprises three dimensions: core competency, which refer to necessary characteristics for job responsibilities, including positive thinking, teamwork, and mutual support. (Boyatzis, 1982, pp. 11-26; McClelland, 1998, pp. 331-339). This aligns with the study of Matthew, et al. (2024, pp. 253-268) who support that entrepreneurial competency should consist of specific skills, knowledge, and abilities required by entrepreneurs to successfully manage their enterprise. As a result, entrepreneurial competency serves as a mediator factor between management capabilities and professional entrepreneurship. When entrepreneurs effectively manage their organizations and competencies, they develop a comprehensive business perspective that improves their ability to formulate strategies and conduct professional entrepreneurship.

H3: entrepreneurial competency has a positive effect on professional entrepreneurship.

Research Methodology

This study utilized a quantitative research approach. Data were collected using a questionnaire as the instrument. The researchers conducted the study with the following details.

Population and Sampling

The population for this study consisted of 2,422 cultural tourism and creative economy entrepreneurs in Phrae and Nan provinces Office of Small and Medium Enterprises Promotion (2024).



The sample used in this study consisted of 200 cultural tourism and creative economy entrepreneurs in Phrae and Nan provinces, in which the researcher determined the sample size through the use of Cochran's (1963, pp. 75-85) formula.

Since this research utilized a structural equation modeling analysis to obtain a sample appropriate for the data analysis technique, the sample was determined using the Maximum Likelihoods method, as suggested by Hair, et al. (2010, pp. 604-724), whereby the sample size should be 20 times the observed variables. Since this research included 10 observable variables, therefore, the appropriate and adequate sample size was determined to be at least $10 \times 20 = 200$. This calculation represents the minimum sample size for data analysis using the Structural Equation Modeling (SEM) statistical tool. With a sample size was determined to be 200, A stratified random sampling technique was employed. Tourism entrepreneurs in Phrae and Nan provinces were first classified into strata, after which simple random sampling was applied to select samples from each stratum. (Vanichbuncha and Vanichbuncha, 2023, pp. 11-15).

Research Instrument

The research instrument used consisted of a questionnaire, which was created to analyze the initial item quality. Thereafter, a confirmatory factor analysis was conducted which consisted of a measurement of 3 attributes: management, cultural tourism entrepreneur competency, and professional entrepreneurship. The measurement of factors that make cultural tourism entrepreneurs professional

was used and was determined as a 5-level rating scale in the form of Likert's Scale (Likert, 1967, pp. 90-95). The reliability of the instrument was determined using Cronbach's alpha coefficient method, the reliability values were as follows: management capability = 0.88, entrepreneurial competency = 0.94, professional entrepreneurship = 0.84, and overall reliability = 0.96

Data Collection

Data collection methods include collecting questionnaires personally by the researcher or having research assistants distribute them. Online questionnaires were also distributed through Google Form, with one set of questionnaires distributed to each person, and each respondent was requested to verify the accuracy of the questionnaires. Period of time between March – May, 2024. Thereafter, the researcher will verify the accuracy and integrity of the questionnaires to ensure completeness. The response rate was 100%.

Data Analysis Techniques

In the first step, related documents were compiled to create questionnaires for each scale: the Cultural Tourism Entrepreneurial Characteristics Scale, the Management Scale, the Cultural Tourism Entrepreneurial Competency Scale, and the Professional Entrepreneurial Scale. The questionnaire also included a scale measuring factors that contribute to professional cultural tourism entrepreneurship. The questionnaire was then submitted to three experts with expertise in management, marketing, and business administration for review and selection of items that could be applied to community enterprise

groups, with an IOC between 0.67 and 1.00.

Confirmatory Factor Analysis: After the questionnaires were validated, a confirmatory factor analysis was conducted using a ready-made computer program to identify at least three key components for data analysis.

Results

Part 1: The majority of respondents were female, aged between 41 and 50 years. Most entrepreneurs had less than a bachelor's degree and 5-10 years of business experience. The majority of entrepreneurs operated coffee shops, and their reasons for starting a tourism business were due to the low cost of travel in the province, combined with the ease and

enjoyment with which tourists can participate in activities, such as dining on famous local cuisine/local identity dishes, among others.

The overall results of the study were found to be at a High level. When considering each aspect, the ability to manage conflict within and between groups was found to be at the Highest level. This was followed by excellent problem-solving skills, the ability to provide comprehensive customer service, and a commitment to work development and increasing business competitiveness. The lowest level aspect was the inability to personally plan and operate a business effectively.

Table 1 illustrates the results of the correlation coefficient analysis between the observed variables of the potential development of cultural tourism and creative economy entrepreneurs in Phrae and Nan provinces.

	know	skill	atti	core	func	othe	fin	om	hrm	mk
know	1.00									
skill	.40**	1.00								
tech	.48**	.49**	1.00							
core	.47**	.45**	.46**	1.00						
func	.58**	.49**	.51**	.47**	1.00					
othe	.53**	.53**	.49**	.48**	.71**	1.00				
fin	.58**	.55**	.54**	.56**	.67**	.67**	1.00			
om	.44**	.45**	.48**	.46**	.54**	.60**	.66**	1.00		
hrm	.55**	.50**	.56**	.50**	.69**	.67**	.72**	.71**	1.00	
mk	.60**	.51**	.55**	.53**	.73**	.70**	.70**	.63**	.76**	1.00

** Statistical significance level of 0.01

Table 1 illustrates the relationship between 10 observed variables, with correlation coefficients ranging from 0.40 to 0.72. Hair, et al. (2010, pp. 604-724) stated that if the correlation coefficient between two variables is 0.90 or higher, the two variables are con-

sidered the same. The results of this research show a positive relationship for all variables, indicating that the change in values is in the same direction. That is, if the potential of tourism entrepreneurs is high, other variables will also have high values. The variables with the



highest correlation are financial management potential and human resource management, which is equal to 0.72. The variables with the lowest correlation are knowledge and skills,

which are equal to 0.40. There are 55 pairs of correlations between variables, and the values are significantly different from zero at the .01 level.

Table 2 Factor loading, CR, AVE component weight values

Factors	Loading	CR	AVE
Management capability (K1)			
Financials (fin)	0.86**	0.89	0.68
Production (om)	0.70**		
Human Resource management (hrm)	0.85**		
Marketing (mk)	0.89**		
Entrepreneurial competence (E1)			
Core competency (core)	0.73**	0.78	0.54
Functional competency (func)	0.78**		
Other competencies (othe)	0.69**		
Professional entrepreneurship (E2)			
Knowledge (know)	0.61**	0.76	0.52
Skillsets (skill)	0.78**		
Attitude (atti)	0.76**		

** Statistical significance level of 0.01

Table 2 reveals that all factor loadings of the latent variables (Construct) measured were above 0.50, thus being considered as a measure with good validity. (Hair, et al., 2010, pp. 604-724). The lowest loading was 0.61 and the highest was 0.89, all of which were statistically significant at the .01 level. This indicates that the measure possesses convergent validity. Composite reliability ($CR \geq 0.7$, $AVE \geq 0.05$, Fornell and Larcker (1981, pp. 382-388) of all latent variables was found to be above 0.60. The latent variables consisted of CR values between 0.76 and 0.89, indicating high consistency. Average Variance Extracted (AVE) was found to be between 0.52 and 0.68, indicating that, on average, the latent variables were able

to reflect their influence and can be seen from the indicators. In conclusion, the measures of all variables possessed discriminant validity.

Table 3 Results of the analysis of factors affecting the development of the potential of entrepreneurs in cultural tourism and creative economy in Phrae and Nan provinces.

Factors	Entrepreneurial competency			Professional entrepreneurship		
	DE	IE	TE	DE	IE	TE
Management capability	Gamma	0.91**		0.91**	0.71**	0.31**
	SE	0.06	0.00	0.06	0.08	0.14
	t	(14.30)		(14.30)	(13.26)	(2.27)
Entrepreneurial competency	Gamma				0.34**	0.34**
	SE	N/A	N/A	N/A	0.15	0.00
	t				(2.25)	(2.25)

**Statistical significance level of 0.01

Table 3 illustrates the results of the analysis of factors affecting the potential development of cultural tourism and creative economy entrepreneurs in Phrae and Nan provinces. The data revealed that the causal factor with the highest direct influence on the potential of tourism entrepreneurs was found

to be management capability (0.91) t = 14.30, SE = 0.06 and p = 0.00, followed by entrepreneurial competency (0.34) t = 2.25, SE = 0.15 and p = 0.00. Furthermore, management also had an indirect influence through entrepreneurial competency, with an influence value of 0.31 t = 2.27, SE = 0.14 and p = 0.00.

Table 4 Results of the structural equation model goodness of fit indices

Index	Abbreviation	Result	Criteria/Ref.
Chi-square value	χ^2/df	1.37	1-3 Hair, et al. (2010, pp. 604-724)
Goodness-of-fit index	GFI	0.98	>0.90 Diamantopoulos and Siguaw (2000, pp. 9-16)
Adjusted goodness-of-fit-index	AGFI	0.96	>0.90 Diamantopoulos and Siguaw (2000, pp. 9-16)
Root mean square index of the residuals	RMR	0.007	≤ 0.05 Schumacker and Lomax (2010, pp. 79-122)
Standardized Root Mean Square Residual	SRMR	0.018	≤ 0.08 Schumacker and Lomax (2010, pp. 79-122)
Comparative Fit Index	CFI	1.00	>0.90 Diamantopoulos and Siguaw (2000, pp. 9-16)
Tucker-Lewis Index	TLI	1.00	>0.90 Diamantopoulos and Siguaw (2000, pp. 9-16)
Root mean square index of the moving average	RMSEA	0.029	>0.08 Diamantopoulos and Siguaw (2000, pp. 9-16)



When examining the statistical values used to study the consistency between the causal relationship and the empirical data, the causal relationship was found to be consistent with the empirical data, as determined by the chi-square (χ^2) value of 34.58, the degrees of freedom (df) of 26, the probability (p) value of 0.12, the goodness-of-fit index (GFI) of 0.98. the adjust goodness-of-fit index (AGFI) was found

to be at 0.96, root mean square index of the residuals (RMR) was equal to 0.007, Standardized Root Mean Square Residual (SRMR) of 0.018, Comparative Fit Index (CFI) of 1.00, Tucker-Lewis Index (TLI) 1.00 and the root mean square index of the moving average (RMSEA) was equal to 0.029, with a relative chi-square value (χ^2/df) of 1.37, which is less than 2.

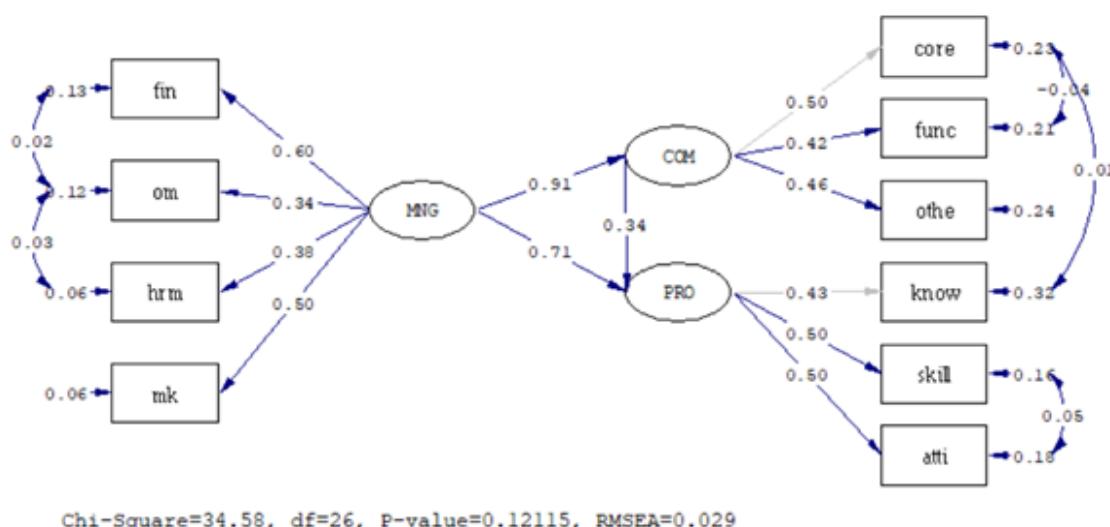


Figure 1 The causal relationship model of factors affecting professional entrepreneurship in cultural tourism and creative economy businesses in Phrae and Nan provinces.

When considering professional entrepreneurship (E2) as the dependent variable, the variables with direct effects were management capability (K1) and entrepreneurial competency (E1). Management (K1) had an indirect effect through entrepreneurial competency (E1)

The analysis of the direct and indirect influence sizes of the internal components of the model is presented in Table 3. As shown in the table, management capability has a direct influence on entrepreneurial competency and professional entrepreneurship at levels of 0.91

and 0.71, respectively. Management capability also had a significant indirect influence on professional entrepreneurship at levels of 0.34, all of which were statistically significant at the 0.01 level.

Symbols and abbreviations used in the data analysis

Exogenous Latent Variables, refer to MNG, which represents management capacity, measured by four observable variables: fin (finance), om (production), hr (human resource management), and mk (marketing).

Endogenous Latent Variables, refer to:

COM, represents entrepreneurs' competence, which is measured by three observable variables: core (core competence), func (functional competency), and other (other competencies).

PRO represents professional entrepreneurship, which is measured by three observable variables: know (knowledge), skill (skill), and atti (attitude).

Part 2. Results of the Hypothesis Testing

By analyzing Table 4, which is the main model of this research, the results of the analysis and hypotheses are summarized in detail as follows:

From Hypothesis 1, which states that "Management affects the competence of cultural tourism and creative economy entrepreneurs in Phrae and Nan provinces," the results

of the test revealed that management factors have a direct influence on entrepreneurs' competence and is consistent with the analysis ($b=.91$, $p<0.05$).

Hypothesis 2 states that "Management influences professional entrepreneurship in cultural tourism and creative economy businesses in Phrae and Nan provinces." For this assumption, the results of the test revealed that management factors directly influence professional entrepreneurship and are consistent with the analysis ($b=.71$, $p<0.05$).

As for Hypothesis 3, "Entrepreneurs' competency directly influences professional entrepreneurship." The results of the test indicate that entrepreneurs' competency directly influences professional entrepreneurship and is consistent with the analysis ($b=0.34$, $p<0.05$).

Table 4 Summary of the testing of the research hypothesis.

	Hypothesis	Analysis Results
Hypothesis 1	Management directly impacts entrepreneurs' competency.	Supports
Hypothesis 2	Management directly impacts entrepreneurial professionalism.	Supports
Hypothesis 3	Entrepreneurs' competency directly impacts entrepreneurial professionalism.	Supports

The results of the research hypothesis testing revealed that all three hypotheses supported the quantitative data, demonstrating the influence of independent variables on the dependent variables, including management, which directly impacts entrepreneurs' competence and professional entrepreneurship. Furthermore, strong management skills can motivate tourism entrepreneurs to operate their businesses efficiently and effectively. Moreover, operational competencies, includ-

ing core competencies, capabilities, as well as other competencies, can significantly support tourism entrepreneurs in managing their businesses to achieve operational success. Therefore, being a professional entrepreneur requires skills, knowledge, expertise, and the application of various techniques and strategies to ensure the continued achievement of established business goals.



Discussion

A discussion of the research findings has revealed the causal influence of factors affecting professional entrepreneurship in cultural tourism and creative economy businesses in Phrae and Nan provinces, whereby quantitative data was combined with qualitative analysis obtained from in-depth interviews. The following discussion points focus on the relationship between variables derived from hypotheses and a review of relevant literature:

The study of the causal relationship between management capability and professional entrepreneurship in cultural tourism and creative economy businesses in Phrae and Nan provinces revealed that management had the greatest direct influence on entrepreneurs' competence. In this regard, management also had the second-highest direct influence on professional entrepreneurship. It also has an indirect influence on professional entrepreneurship through the intermediary variable, i.e., entrepreneurs' competency. Details are summarized as follows:

Management capability is a factor that positively impacts entrepreneurs' competency, with an influence coefficient of 0.91. It is measured by four dimensions: finance, production, human resource management and marketing. This management capability influences both entrepreneurial competency and professional entrepreneurship, which is consistent with Rylatt and Lohan (1995, pp. 45-59), who found that management capability helps promote organizational competency and capacity to develop employees with work-appropriate competencies, resulting in efficient

and effective organizational performance. Similarly, Phakamach, Chaisakulkiet and Sethakha-jorn (2019, pp. 68-79) found that organizations should emphasize modern business approaches using holistic management. This means not only focusing on individual dimensions but also ensuring that all members understand and embrace the integrated management strategy collectively. This approach incorporates the POLC (Planning-Organizing-Leading-Controlling) cycle alongside management capability to enable organizations to achieve their established objectives (Koontz and O'Donnell, 1972, pp. 34-45). Therefore, entrepreneurs with strong and stable management capability can effectively promote work competency development and enhance their entrepreneur competency.

Management is also a positive factor that impacts professional entrepreneurship, with an influence coefficient of 0.71. It is measured through three dimensions: knowledge, skills, and attitude. The findings are consistent with Azmi, et al., (2012, pp. 369-373), who define the knowledge as the application of existing knowledge in analytical thinking, business planning and business assessment. The skills refer to the repeated practice that leads to competence and expertise in production or service delivery. In addition, maintaining correct attitudes toward entrepreneurship contributes to effective organizational performance. Moreover, Mohamad (2023, pp. 1-18) further supports these essential competencies for professional entrepreneurship recommending that beyond these three dimensions, entrepreneurs should develop additional competencies in networking, teamwork, and

communication. Furthermore, Khetpiyarat and Wongjinda (2024, pp. 167-186) emphasize that professional entrepreneurship must possess adaptability to respond to changing circumstances and demonstrate leadership qualities to achieve business success.

Entrepreneurial competency is a factor that positively influences professional entrepreneurship, with an influence coefficient of 0.34. It is measured through three dimension: core competency, functional competency, and other competencies (Spencer and Spencer, 1993, pp. 220-236). Core competency comprises essential characteristics required for effective organizational performance. Functional competency refers to capabilities suited to specific job functions for task success. Additionally, other competencies such as positive attitudes, teamwork and helping behavior are necessary for fulfilling responsibilities effectively. This is consistent with Pimolrattanakarn (2021, pp. 34-62), who stated that entrepreneurs are those who engage in business-related activities, which includes production, purchasing, selling, and providing services, with the goal of achieving profit and personal satisfaction in pursuing these activities and lead towards success and business advancement. This research found that professional entrepreneurship comprises the following: Knowledge, i.e., entrepreneurs should have the capability to plan their own business operations, make decisions, and solve problems under pressure. They should be able to analyze and assess situations independently, design and develop products and services continuously, as well as develop communication skills to stimulate

markets and build awareness. Moreover, they should be able to persuade customers to use their services and build good relationships with all related stakeholders. Skills, entrepreneurial skills should be enhanced by establishing clear work goals, problem-solving skills, and the necessary business knowledge. They should also be able to appropriately delegate tasks or decision-making authority to relevant parties. Technical, the ability to conduct management tasks related to finance, pricing, and cost analysis accurately and appropriately, and develop production planning guidelines and guidelines for customer service. The system should be able to be accessed online and offline. This means that developing strong management capability first creates the foundation for building entrepreneurial competencies, which together lead to professional entrepreneurship and sustained business success.

Contributions and Implications

Policy Implication

The research results found that management capabilities have both direct and indirect influences on professional entrepreneurship. Therefore, entrepreneurs should develop their entrepreneurial capability to increase their business potential through knowledge process, skill and attitude supported by effective knowledge management. This approach can foster entrepreneurial competence that developed into professional entrepreneurship.

Practical implications

The research results found that management capabilities have high direct influences on entrepreneurial competence. Therefore, entrepreneurs should possess management



capabilities encompassing finance, production, human resource management and marketing, along with developing entrepreneurial competence. Consequently, priority should be core competencies such as business knowledge, management skill and problem-solving abilities. This foundation will build self-confidence and pride, enabling entrepreneurs to achieve professional and competent business management.

Theoretical contribution

The research results demonstrate a structural equation model that is reliable and can be applied in developing professional entrepreneurship. This research studied were

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the group of entrepreneurs in Phare and Nan provinces. However, the survey was limited to entrepreneurs engaged only in tourism businesses. Therefore, future research should include data collection from all groups of entrepreneurs in Thailand or different regions. Furthermore, qualitative research methods should be integrated to generate more comprehensive and in-depth insights.

Ethical Approval Statement

Reviewed and approved by the human research ethics committee of Uttaradit Rajabhat University, approved code: URU-REC No. 088/2566 on Jan. 26 2024.

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