INNOVATION MANAGEMENT AND IMPACT ON SOCIAL ECONOMY: A PERSPECTIVE OF COMMUNITY ENTERPRISE IN A DEVELOPING COUNTRY


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Abstract

Today’s economic, social, political, technological, and environmental changes pose numerous challenges. Organisations that fail to adapt and reflect their organisational culture struggle to meet objectives and survive. Successful organisations must embrace innovation (Dah et al., 2022). Community enterprises (CEs), also referred to as social enterprises, possess a distinct advantage when it comes to tackling socio-economic problems in marginalised communities. The significance of CEs in addressing social challenges and delivering inventive, long-lasting, and impactful social solutions is steadily increasing (Ngatse-Ipangui & Dassah, 2019). This study explains innovation management and the effect of CEs on the social economy in Nan, Thailand. Through qualitative research, eight key informants were interviewed to assess the influence of CEs in Nan, Thailand. Data analysis involved content analysis and NVivo software. The findings revealed that innovation management allows CEs to develop new ideas and procedures efficiently, enhancing productivity, profitability, and flexibility. CEs contribute to economic growth, inclusion, and societal well-being, particularly in the digital age. They generate jobs, offer innovative services and products, promote sustainability, and inspire hope for the future. Governments, administrations, and organisations should support CEs striving to improve the social economy, as these initiatives benefit both the community and society as a whole.

Keywords: Innovation Management, Community Enterprise, Social Economy, Digital Trend


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1. INTRODUCTION

Community enterprises (CEs) are collaborative initiatives that arise from entrepreneurial efforts within a local community. They involve a collective of individuals working together to accomplish a shared objective, making use of the community’s social assets, structures, and networks. Managed and governed by local residents, CEs are dedicated to pursuing goals that yield enduring benefits for both individuals and the broader community (Berkes & Davidson-Hunt, 2007; Buratti et al., 2022). Their principal aim centres on community development, with a focus on enhancing the overall quality of life within the community. CEs play a pivotal role in numerous facets of community well-being, contributing to income generation and employment opportunities for community members, promoting gender equality, fostering the growth of civic institutions, and participating in the conservation of natural resources. These enterprises draw upon local knowledge, culture, and resources, highlighting the deep interconnection between people and the natural resources in their communities. Through the utilisation of CEs, community members enhance their livelihoods by establishing new income streams, gaining improved resource access, and solidifying land claims. CEs empower individuals to assume control of their economic circumstances, thereby enhancing self-sufficiency and resilience (Jonjoubsong, 2008; Petcho et al., 2019). In essence, CEs serve as a tool for advancing sustained community development, employing a bottom-up, polycentric management approach that hinges on active community participation (Wongadisai et al., 2020).

Within the realm of the social economy, a novel domain of business activities is emerging — one that blends social innovation with the resolution of community-based social issues. These are known as “hybrid business entities”, which prioritise achieving social objectives over profit (Pongracz, 2020). Social enterprises represent an exemplary form of hybrid organisations as they amalgamate elements from both profit-driven businesses and charitable entities (Battilana & Lee, 2014). According to Doherty et al. (2014), Pongracz (2020), and Shayan et al. (2022), the emergence of “hybrid business entities” or the “social economy” prioritises social and environmental goals alongside, or even above, financial profit. These entities aim to address a range of challenges, including poverty reduction, equitable wealth distribution, environmental sustainability, improved access to education and healthcare, empowerment of marginalised groups, community development, and overall collective well-being. The informants likely have varying perspectives on these goals, with some emphasising their importance in addressing pressing societal issues, while others may focus on maintaining business sustainability. The balance between profit and social objectives varies among these entities, making it crucial to engage with informants to understand their specific views and experiences within this evolving economic landscape.

The polycentric approach to hiring and staffing involves international subsidiaries sourcing their talent members locally within the host country, rather than recruiting from the parent company’s headquarters. This practice enables subsidiaries to gain a deeper understanding of local requirements and fosters their integration into the specific community they serve (Indeed, 2023). The polycentric management approach, exemplified by McDonald’s, decentralises decision-making to local subsidiaries to adapt to specific market conditions and cultural preferences (Pandey, 2021). In contrast, hybrid business entities like TOMS Shoes prioritise social or environmental goals alongside financial profit, exemplifying a commitment to creating positive societal impact through their business operations (Delventhal et al., 2022). These examples illustrate evolving business strategies that consider both global and local factors, as well as social and environmental responsibilities, in pursuit of long-term success.

As a result of our society’s unfavourable demographic development, globalisation processes, and ongoing socio-economic changes, the number of people facing social exclusion is increasing. People have a significant share of long-term unemployment, there is an increasing number of lonely and elderly people, and environmental problems are on the rise. This is a collection of issues that policies should address right away. A transformative shift is underway within the economic landscape, giving rise to a burgeoning social or solidarity economy. This emerging paradigm places paramount importance on pursuing not only economic profit but also robust social, societal, or community objectives. At its core, this evolving economy champions principles of cooperation and solidarity, fostering collaborative efforts that extend beyond mere financial gain. The objectives of this innovative approach are diverse and encompass a spectrum of societal well-being, including poverty reduction, equitable wealth distribution, environmental sustainability, access to education and healthcare, and the empowerment of marginalised groups. By redefining success, this approach measures its impact not solely in terms of monetary gains, but also in the positive transformation it brings to communities and society as a whole, emphasising collective well-being and sustainable development over individual enrichment. In times of crisis, the social economy is regarded as the best option. In this context, social economy firms play a vital role in promoting long-term growth. Coordinated development of social economic development and ecological environmental development is also critical for long-term development (Palacios-Marqués et al., 2020; Pongracz, 2020; Pybus, 2023).

Kim and Park (2020) emphasised that product failures frequently result in vindictive behaviours exhibited by dissatisfied consumers, who may share adverse online experiences or partake in activities detrimental to companies. The imperative of curtailting such post-failure behaviours lies in preserving enduring customer relationships. The study underscores that a company’s engagement in corporate social responsibility (CSR) serves to alleviate vindictive consumer reactions to product failures. This phenomenon is underpinned by consumers’ appreciation for previous pro-social endeavours and their subsequent influence on the perceived trustworthiness of the company. The scope of this mitigating impact is contingent upon consumers’ attribution of the failure (internal versus external).
Furthermore, being a digital society citizen entails more than just going about one’s daily routine. It is also critical to keep one’s digital skills up to date so that one has not only the knowledge and understanding of how to use IT and conduct transactions safely but also the knowledge and skills to use technology appropriately. Moreover, in order for society to develop more positively, resulting in a higher quality of life for citizens, there must be social responsibility in areas such as donating funds, volunteering for community engagement, environmental protection, and so on (Omoto & Snyder, 2010; Lyon, 2017). A CE generates economic benefits in terms of public sector participation and digital citizenship, which has prompted social economy studies into private consumption and investment. This includes consumption and investment by households and businesses, both of which contribute significantly to national income (Caramizaru & Uihlein, 2020; Esposito et al., 2021). In the face of today’s dynamic economic, social, political, technological, and environmental landscape, organisations encounter numerous challenges. Despite their endeavours to achieve their objectives, sustain their position, and ensure survival, many have faltered. However, the key to success lies in the ability of organisations to adapt to these changes by embracing and embodying their organisational culture. This adaptation, coupled with a strong emphasis on innovation, holds paramount significance for thriving in such a context (Dah et al., 2022). Culture within a community enterprise is instrumental in its ability to adapt, align members, make effective decisions, communicate, shape behaviour, and build resilience. In today’s technology-driven world, a culture that embraces innovation and technological advancements becomes even more crucial for success and sustainability. It enables community enterprises to leverage technology for efficiency, productivity, and social impact while fostering a continuous learning mindset. In summary, culture and technology are intertwined factors that contribute to the prosperity of community enterprises in a rapidly changing environment (Cortellazzo et al., 2019; Metz et al., 2020; Alqarahleh et al., 2022; Yang & Wang, 2022; Alzoubi et al., 2023). Given the importance of the impact of innovation management and CEs on the social economy, it is crucial to investigate their effects. Insufficient research has been conducted on the influence of innovation management and CEs on the social economy in Thailand, specifically within the unique context of Nan Province, known for its significant community enterprise presence. Therefore, this study aims to clarify the effects of innovation management and CEs on the social economy in Nan, Thailand. This study may offer valuable insights into the symbiotic relationship between CEs and innovation management.

The paper consists of six sections. Section 1 introduces the study. Section 2 provides the literature review. Section 3 describes the research methodology. Section 4 presents the results. Section 5 presents the discussion. Section 6 includes conclusions, limitations, and recommendations.

2. LITERATURE REVIEW

Following the 1997 economic crisis, Thailand introduced CEs as a means of economic recovery and income generation. These CEs were promoted through training programs and expanded funding sources. In 2005, the Royal Government of Thailand enacted the CEs Promotion Act to provide support and create a conducive environment for the establishment of CEs. This legal framework transformed CEs into recognized entities, particularly benefiting small micro-businesses, and opened doors to various forms of government assistance. Multiple organisations, including local administrative bodies, the Bank for Agriculture and agricultural cooperatives, non-governmental organisations, shared interest groups, and self-organised entities, offered microfinance support to facilitate CE implementation. This program represented one of the most significant public interventions in Thailand (Petcho et al., 2019). CEs in Thailand take diverse forms, with an illustrative example being the one tambon one product (OTOP) cottage industry, officially sanctioned by the government (Santipolvut, 2015). Additionally, the 12th National Economic and Social Development Plan (2017–2021) continues to prioritise community economic development (CED) as a cornerstone for self-sustaining economic growth (Office of the National Economic and Social Development Board & Office of the Prime Minister, 2017). This approach emphasises the importance of local knowledge and wisdom, revenue generation, and capacity building (Wajirum & Inwang, 2018).

However, a challenge with CED and business adaptation lies in the fact that entrepreneurs have yet to fully recognize the dynamic spirit of CEs. Instead, they often view CEs solely through the lens of raw materials, manufacturing techniques, costs, and profits. This limited perspective affects organisational and societal integration, potentially leading to a materialistic, competitive society with limited room for collaborative development. Consequently, a framework for innovative herbal CED should strive to grasp the holistic nature of CED, understand the systematic essence of CEs, and identify techniques that can serve as tools for cultivating a self-reliant economic system within CEs, drawing from appropriate economic theories (Kerdpitak, 2022).

Entrepreneurs’ limited recognition of the significance and value of a dynamic CE spirit can be attributed to a nexus of factors deeply ingrained in the entrepreneurship literature. Often, entrepreneurs are confined by traditional business paradigms that prioritise profit maximisation and overlook the potential of community-driven initiatives. This is exacerbated by a lack of awareness about alternative models, complex community engagement dynamics, and perceived risks associated with diverging from established norms. Market pressures, fierce competition, and the prevailing short-term focus also steer entrepreneurs away from embracing the long-term benefits of a dynamic CE spirit. Furthermore, institutional barriers and a prevailing individualistic mindset fostered by existing cultural norms can hinder the incorporation of cooperative and community-oriented strategies. In order to prompt a shift towards a more community-centred...
entrepreneurial landscape, concerted efforts are needed to foster education, reshape cultural attitudes, and establish an ecosystem that incentivizes and nurtures the integration of dynamic CE principles into entrepreneurial endeavours (Koch, 2017; Bacq et al., 2020; Boldureanu et al., 2020; Gupta et al., 2020).

According to Brennan (2023), culture plays a pivotal role within a CE, as well as community development, permeating various aspects of its functioning. It provides a foundational framework for the enterprise’s identity and mission, influencing the direction it takes and the values it upholds. This cultural compass guides internal dynamics, shaping communication styles, collaboration methods, and conflict resolution approaches. Moreover, culture extends its reach to external interactions, impacting customer relations, partnerships, and the enterprise’s integration within the broader community. With a positive and inclusive culture, employees find purpose and engagement, contributing to both their own morale and the enterprise’s overall success. As a conduit for innovation and adaptability, culture fosters an environment where new ideas flourish, enabling the enterprise to address evolving community needs effectively. Ultimately, culture acts as a driving force, aligning the enterprise with its social mission and cementing its significance in the community’s fabric (Durana et al., 2019; Limna et al., 2022; Yuan & Chon, 2022).

Innovation is widely recognized as the primary driver of progress and prosperity, prompting significant efforts in the development of new technological knowledge, process technologies, and products. Management innovation, specifically, involves reshaping a firm’s organizational structure, practices, and processes in a novel way within the industry, thereby leveraging the firm’s technological knowledge base and enhancing its performance in terms of innovation, productivity, and competitiveness. Recent research indicates that management innovation plays a substantial role in explaining variations in a firm’s innovation performance, highlighting its importance for enhancing competitiveness (Volberda et al., 2013).

In Thailand, it has been discovered that the current digital trend has made it possible for brands to reach consumers online as a priority. Thai marketers understand the importance of using technology to reach out to customers. By voting for innovation, they acknowledge that it is their priority while also admitting that creating innovations to transform marketing is the number one challenge for Thai marketers. Thai marketers’ next priority is

marketing strategies, organisations can significantly bolster their capacity to effect profound and lasting positive transformations within society (Gupta et al., 2016; Prieto-Sandoval et al., 2019). Process optimisation is crucial in ensuring efficient operations and resource utilisation. By streamlining internal processes, organisations can minimise inefficiencies, reduce costs, and improve the overall effectiveness of their social impact initiatives. This includes activities such as: 1) project management, 2) supply chain optimization, and 3) performance measurement, which enable organisations to allocate resources effectively and maximise their impact on social outcomes (Javavid et al., 2022; Schmelzer & Walch, 2022). Furthermore, marketing innovations contribute significantly to the delivery of social impact. Through innovative marketing strategies, organisations can raise awareness, engage stakeholders, and mobilise support for their social initiatives. This includes leveraging digital platforms, social media campaigns, and creative storytelling to effectively communicate their mission, engage with target audiences and inspire action. Marketing innovations enable organisations to reach a broader audience, create meaningful connections, and foster a sense of community around their social impact initiatives (Pena, 2018; Rehman et al., 2022).

Distantont et al. (2019) conducted a study examining the management processes within a social enterprise and introduced a novel approach to enhance the effectiveness of community enterprises by combining process and marketing innovation. The research adopted a qualitative methodology, incorporating literature analysis and a case study. The outcomes of the study emphasised the significance of both process and marketing innovations, which were identified as key drivers of the company’s success. The integration of traditional local knowledge with contemporary management practices led to several innovations, with the most prominent ones being process innovation and marketing innovation. Marketing innovation played a pivotal role in driving change and facilitating the dissemination of handmade products.

In addition, Utaranakorn and Kiatmanaroach (2021) identified and analysed the internal and external environments, practical and factors of a sugarcane community enterprise in Khon Kaen Province, Northeastern Thailand. The findings revealed that the key characteristics played an important role in the enterprise’s ability to collect and supply sugarcane in order to meet its yearly quota. The community enterprise also specifies how members’ profits and benefits are distributed. Kinship relationships, or active internal relationships within the group, foster a high level of trust, reliability, and honesty among members and promote collective responsibility. Finally, annual financial institution support, specifically credit with low-interest rates, is critical to the enterprise’s long-term performance.

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to create a consistent customer journey across all channels and devices, followed by improving the use of tools and technology to create differentiated experiences and reach more digital consumers (Chumnee, 2022). As a result of the current digital trend, social entrepreneurship and CEs, rapidly emerging disciplines that generate social impacts through entrepreneurial approaches, are critical to economic growth and inclusion, particularly in developing economies. They help to boost a country’s economy as well as its social fabric. They also have the potential to create jobs, offer innovative services and products, promote sustainability, and provide hope for the future (Stott et al., 2019; Summerfield, 2020).

3. RESEARCH METHODOLOGY

In this study, a qualitative approach was employed, specifically utilising in-depth interviews. The researchers followed a systematic and rigorous approach, consisting of several key steps. The researchers began by establishing clear objectives and formulating relevant research questions. A careful selection of participants was then conducted to ensure valuable insights for the study. To collect data, the researchers developed interview questions (see Appendix) and conducted pilot tests to refine their approach. Prior to conducting the interviews, participants’ consent was obtained, and the interviews were scheduled in a comfortable environment. During the interviews, the researchers practised active listening, ensuring the capture of participants’ responses accurately. Verbatim transcription of the interview recordings was performed to maintain data integrity. The collected data was subsequently analysed using qualitative techniques to identify patterns, themes, and key findings. Additionally, participant feedback was sought to incorporate their perspectives into the interpretation of the results.

Qualitative research methods prove to be effective in capturing the emotions, attitudes, and experiences of participants, enabling a deeper understanding of the human experience within specific circumstances (Sarkorn et al., 2022). The goals of qualitative research are to investigate every context in which people or groups make decisions and act, as well as to explain why an observed phenomenon occurred in that manner (Busetto et al., 2020; Levitt, 2021). Furthermore, in-depth interviews provide detailed answers on a specific topic, resulting in accurate information to meet the research objectives (Sonuphaph, 2022). To obtain the primary data results, the secondary data were reviewed for appropriate key survey questions via in-depth interviews using the documentary method. The interview questions aimed to explore how CEs in Nan, Thailand effectively managed innovation, including the generation of new ideas and procedures, and how this management contributed to their productivity, profitability, and flexibility. Moreover, the interview questions also sought to understand the broader socio-economic implications of CEs in Nan, Thailand, including their contributions to economic growth, social inclusion, and societal well-being. The questions also delved into specific aspects of CEs’ impact, such as their role in generating employment opportunities, offering innovative services and products, promoting sustainability practices, and fostering a sense of hope and optimism within the community.

Furthermore, purposive sampling is a qualitative research technique in which researchers use their expertise to select the most useful sample. Its goal is to find out everything there is to know about a specific phenomenon or population (Sirippatthanakul et al., 2022). Thus, a purposeful sampling method was used. The participants in this study were members of a CE in Nan, Thailand. The study’s sample consisted of CE members over the age of 18, all of whom were Thai living in Nan, Thailand. Namey et al. (2016) recommended that approximately eight interviews, at the median, are necessary to achieve a level of 80% saturation in qualitative research. This suggests that conducting this number of interviews is typically sufficient to gather a comprehensive understanding of the topic under investigation, with additional interviews beyond this point yielding diminishing returns in terms of new insights or information. Researchers can consider this optimal number as a guideline when designing their qualitative studies to ensure they reach a point of data saturation and obtain rich and comprehensive data. Therefore, the data were collected from eight members of the CE in Nan, Thailand, using in-depth interviews.

In order to address ethical considerations, the present study implemented measures to safeguard participant validity and protection. To ensure the reliability of data collection instruments, the surveys employed in the study underwent a rigorous validation process, involving the expertise of three specialists with backgrounds in business and social science. Adhering to established ethical guidelines, stringent protocols were established, including the explicit exclusion of individuals below the age of 18 from participating in the study, thus safeguarding the rights and well-being of vulnerable populations. Participants were provided with comprehensive information regarding the research objective, and a clear and unequivocal statement was communicated to emphasise their voluntary participation and the right to withdraw from the study at any point in time should they choose to do so. These measures were implemented to proactively address potential ethical concerns and uphold the principles of participant rights, autonomy, and informed consent.

Content analysis is a qualitative method for systematically and objectively describing and quantifying specific phenomena by drawing valid inferences from verbal, visual, or written data (Limna et al., 2023). According to Allsop et al. (2022) and Kraivanit et al. (2023), NVivo is a qualitative data analysis tool used to organise and analyse large data sets. NVivo utilises word clouds to showcase frequently used words by respondents during interviews. A word tree serves as a visual tool for interpreting the observed phenomenon occurred in that manner (Busezzo et al., 2020; Levitt, 2021). Furthermore, in-depth interviews provide detailed answers on a specific topic, resulting in accurate information to meet the research objectives (Sonuphaph, 2022). To obtain the primary data results, the secondary data were reviewed for appropriate key survey questions via in-depth interviews using the documentary method. The interview questions aimed to explore how CEs in Nan, Thailand effectively managed innovation, including the generation of new ideas and procedures, and how this management contributed to their productivity, profitability, and flexibility. Moreover, the interview questions also sought to understand the broader socio-economic implications of CEs in Nan, Thailand, including their contributions to economic growth, social inclusion, and societal well-being. The questions also delved into specific aspects of CEs’ impact, such as their role in generating employment opportunities, offering innovative services and products, promoting sustainability practices, and fostering a sense of hope and optimism within the community.
4. RESULTS

All of the respondents were community enterprise members of the Nam Kian Subdistrict, Phu Pieng District, Nan Province in Thailand. All were over the age of 18 and living in Nam Kian. According to the interviews with the respondents, their community enterprise is a model community business of sustainable resource conservation and utilisation. People in the community brought local medicinal plants to be used as raw materials in the production of herbal cosmetics. The community has been operating for 13 years. There are currently 753 members in 250 households. Most members grow herbs for profit, such as butterfly pea flowers, kaffir lime, star fruit, turmeric, and Chiangda vegetables. Products that are not only safe for users but also help save the environment and create income opportunities for the community have been chosen as the outstanding OTOP products of Nan Province.

In addition, the products are well known among consumers throughout the country, making it possible to generate several million baht per year in income to the local area. People also use digital technologies, such as smart communication tools, to increase sales, as well as social media platforms, such as Facebook and Instagram, to promote their products. This can bring income to the community, increase job opportunities for local residents, and encourage farmers to grow natural herbs. Furthermore, the formula of the herbal shampoo made from Mee-leaf, or Bai-Mee, as well as butterfly pea flowers, has been constantly improved. Furthermore, the products are not only safe for users and help save the environment, but they also reduce household expenses and increase community income.

A community enterprise is truly beneficial to society. This community product helps the villagers earn money by growing herbs. The bio-way group purchases them for 15 baht per kilogram. The production team earns between 8,000 and 10,000 baht per month, on average. Members who grow herbs earn an average of 2,500 baht per month and receive a year-end bonus of 1,500 to 2,000 baht per person. As can be seen from the group’s spirit, which has been adhered to since its inception, the goal is to strengthen the community and return profits to develop communities in all aspects, resulting in changes in the Nam Kian Subdistrict community — for example, villagers earn more money, more jobs are created in the community, and the community enterprise grows in strength and stability, and beyond.

“Our CE stands as an exemplar of sustainable resource preservation and utilization. Operating successfully for 13 years, our CE boasts a membership of 753 individuals across 250 households. We specialize in the collection of indigenous medicinal plants to serve as the primary ingredients in our herbal cosmetic production. Many of our members cultivate herbs such as butterfly pea flowers, kaffir lime, star fruit, turmeric, and Chiangda vegetables” (a CE member, personal communication, December 20, 2022).

“Our products, which are not only safe and environmentally friendly but also provide income opportunities, have been chosen as outstanding OTOP products of Nan Province. They are well-known throughout the country and generate millions of baht in income each year for the local area” (a CE member, personal communication, December 20, 2022).

“This CE has multiple benefits. It brings income to our community, creates job opportunities, encourages herb cultivation, and improves the overall well-being of the community” (a CE member, personal communication, December 20, 2022).

“To promote our products, we leverage digital technologies, including smart communication tools and popular social media platforms like Facebook and Instagram, to boost sales and market our products effectively” (a CE member, personal communication, December 20, 2022).

“Our CE is really making a difference. It is helping our members earn money by growing herbs, which we sell to the Bio-Way Group for 15 baht per kilogram. On average, our production team brings in around 8,000 to 10,000 baht each month. For those who grow the herbs, they can expect to earn about 2,500 baht monthly, and they even get a year-end bonus of 1,500 to 2,000 baht per person. It has been a great source of income for our members” (a CE member, personal communication, December 20, 2022).

“The community enterprise aims to strengthen the community and reinvest profits to develop various aspects of the community. This leads to positive changes in the Nam Kian Subdistrict, such as increased income for villagers, more job opportunities, and overall growth and stability of the community enterprise” (a CE member, personal communication, December 20, 2022).

Table 1 displays the monthly cash and in-kind of community enterprise members in Thailand’s Nam Kian Subdistrict, Phu Pieng District in Nan Province.

<table>
<thead>
<tr>
<th>Table 1. Monthly in-cash and in-kind</th>
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<tr>
<td><strong>In-cash (monthly)</strong></td>
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<tr>
<td>Average income</td>
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<tr>
<td>Earning from herbs</td>
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<tr>
<td>Average bonus (yearly)</td>
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<td><strong>Total</strong></td>
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According to Table 1, the total of monthly in-cash is 13,250 baht, and the total of monthly in-kind is 14,000 baht. Living and working at home is a great way to cut back on expenses. CE members of the Nam Kian Subdistrict cannot only earn income, but they can also save money on other expenses, such as accommodation rent, travel expenses, and food.

The interpretation and analysis were based on NVivo. The following images depict the word frequency query (word cloud) and text search (word tree).
Figure 1. Word frequency query (Word cloud)

Source: Authors’ elaboration, using NVivo.

Figure 2. Word tree (Community enterprises)

Source: Authors’ elaboration, using NVivo.

Figure 3. Word tree (Innovation)

Source: Authors’ elaboration, using NVivo.
5. DISCUSSION

The CE in the Nam Kian Subdistrict of Nan, Thailand, is recognized as a sustainable model business that focuses on conserving and utilising local medicinal plants for the production of herbal cosmetics. With 753 members across 250 households, the CE has been operating for 13 years and is known for cultivating profitable herbs such as butterfly pea flowers, kaffir lime, star fruit, turmeric, and Chiangda vegetables. The products derived from these herbs have gained recognition as outstanding OTOP products and enjoy popularity nationwide, contributing millions of baht annually to the local economy. By adopting digital technologies and social media platforms, the CE has improved sales, created job opportunities, and encouraged farmers to grow natural herbs. Continuous product formula improvements demonstrate the CE’s commitment to quality and innovation, benefiting both users and the environment. The members earn significant income, with the production team averaging 8,000 to 10,000 baht per month and individual herb cultivators earning around 2,500 baht per month, supplemented by year-end bonuses. The CE’s core values revolve around community strengthening and reinvestment for development, resulting in positive changes such as increased income, job creation, and overall growth and stability in the Nam Kian Subdistrict. The CE serves as a beneficial model, empowering local residents, preserving natural resources, fostering community solidarity, and promoting sustainable development.
by increasing productivity, profitability, and flexibility. Moreover, because of the current digital trend, CEs are essential for economic growth and inclusion, especially in developing economies like Thailand. They can contribute to the growth of a country’s economy as well as its social fabric. They also have the potential to generate job opportunities, provide innovative services and products, promote sustainability, and provide hope for the future. Digital marketing activities were critical in increasing an individual’s purchase intention which corresponded to the research of Napawut et al. (2022). In addition, Cherem (2013) claimed that the importance of social entrepreneurship lies in providing greater opportunities to specific communities in either developed or developing countries through systematic change that actors bring to society by selling products and providing services. Furthermore, the findings are supported by the research by Maksum et al. (2020) that micro, small and medium enterprises (SMEs) in Indonesia can benefit from a social enterprise approach. Moreover, Le et al. (2022) and Lopes et al. (2022) indicated that processes and marketing innovations are instrumental in driving the delivery of social impact. By optimising internal processes and adopting innovative marketing strategies, organisations can enhance their effectiveness, efficiency, and reach, thereby maximising their ability to create positive and sustainable change in society. Ngatse-Ipangui and Dassah (2019) also confirmed that social enterprises play an important role in local communities by creating new opportunities for employment, income growth, improved service delivery, increased local income retention, and community participation in development programmes.

This research, conducted in the context of Nan, Thailand, offers valuable insights into the symbiotic relationship between CEs and innovation management. It underscores the pivotal role that CEs play in fostering innovation, thereby enhancing their productivity and profitability. Importantly, the study demonstrates that CEs extend their influence beyond economic gains, significantly contributing to societal well-being. By generating employment opportunities, providing innovative products and services, and championing sustainability, CEs emerge as essential drivers of local and regional development, particularly in an era characterised by digital transformation. This research calls for the active support and collaboration of governments, administrations, and organisations in championing the cause of CEs, recognizing their potential to bring about positive change and hope for marginalised communities. Additionally, the study highlights the tangible benefits of innovation within CEs, such as increased productivity and profitability, which adds empirical evidence to the existing literature on innovation management. The study also provides empirical evidence of the positive impact of innovation on the productivity and profitability of CEs. This contributes to the literature on innovation management by showcasing that innovation is not just a theoretical concept but has practical implications for organisations, even those operating in resource-constrained environments.

6. CONCLUSION

This study sheds light on the importance of innovation management and the impact of CEs on the social economy in Nan, Thailand. Through qualitative research methods, including interviews with eight key informants, the study explored the role and influence of CEs in the region. Effective innovation management enables CEs to develop and implement new ideas and procedures efficiently. This, in turn, enhances their productivity, profitability, and adaptability in a rapidly changing environment. CEs in Nan contribute significantly to economic growth, social inclusion, and overall societal well-being, particularly in the digital age. They play a crucial role in job creation, offering innovative services and products that meet the needs of the community. Furthermore, CEs in Nan promote sustainability through their activities, showcasing their commitment to environmental and social responsibility. Given the positive impact of CEs on the social economy, it is essential for governments, administrations, and organisations to actively support and encourage these community-driven initiatives, providing the necessary resources, funding, and policy frameworks, stakeholders can facilitate the growth and sustainability of CEs, leading to improved social and economic outcomes for the community and society as a whole. Overall, this study underscores the significance of innovation management within CEs and highlights the multifaceted contributions of these enterprises to the social economy. The findings emphasise the need for continued support and collaboration to empower CEs in their pursuit of enhancing the well-being and prosperity of communities.

As CEs play a vital role in positively influencing the social economy, it is crucial for governments, administrations, and organisations to provide support to these community initiatives aiming to enhance the social economy, as they bring about desirable outcomes for the community and society as a whole. The findings of this study can serve as a valuable resource for governments, administrations, and organisations to develop and implement strategies that meet the needs and expectations of CE members, thereby fostering the growth of the social economy and beyond. Furthermore, this study contributes to the existing body of literature on the impact of CEs on the social economy, offering insights that can help researchers expand their investigations by incorporating additional relevant factors.

While this study provides valuable insights into innovation management and the impact of CEs on the social economy in Nan, Thailand, it is important to acknowledge its limitations. These limitations offer opportunities for further research and improvements in future studies. One limitation of this study is the small sample size of key informants interviewed. Although efforts were made to select diverse and representative participants, the findings may not fully capture the perspectives and experiences of all stakeholders involved in CEs in Nan. It is recommended that future studies consider expanding the sample size to ensure a more comprehensive understanding of the topic. Another limitation is the reliance on qualitative research.
methods, specifically interviews and content analysis. While these methods provide in-depth insights and rich data, they may be subject to researcher bias and interpretation. Combining qualitative approaches with quantitative methods, such as surveys or statistical analysis, could provide a more robust and comprehensive analysis of the impact of CEs on the social economy. Additionally, the study focused specifically on Nan, Thailand, which limits the generalizability of the findings to other regions or contexts. Conducting similar research in different locations or exploring a comparative analysis of CEs in various regions could provide a broader understanding of the topic and uncover potential variations or similarities. Last but not least, this study did not directly explore the development of risk-taking, proactiveness, and innovativeness within CEs. Future studies could focus on investigating the strategies and practices that facilitate the development of risk-taking, proactiveness, and innovativeness within community enterprises. Researchers can explore various factors that contribute to these traits, such as leadership styles, organisational culture, training programs, and external support systems. Additionally, longitudinal studies that track the growth and evolution of CEs over time can provide valuable insights into the development and sustainability of these characteristics. By delving deeper into this topic, researchers can provide practical recommendations and guidance for CE practitioners, policymakers, and stakeholders on how to effectively cultivate risk-taking, proactiveness, and innovativeness within CEs to enhance their performance and impact.

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APPENDIX. INTERVIEW QUESTIONS *

1. Can you tell me about your role and involvement in the community enterprise in Nam Kian Subdistrict, Phu Pieng District, Nan Province?

2. What motivated you to become a member of the community enterprise, and how long have you been a part of it?

3. How would you describe the primary goals and mission of your community enterprise, particularly in terms of sustainable resource conservation and utilization?

4. Could you share some insights into the process of collecting local medicinal plants and using them as raw materials for herbal cosmetics production within your community enterprise?

5. How has the community enterprise evolved over the 13 years of its operation, and what specific roles have you witnessed it play in the community?

6. Can you provide more details about the products your community enterprise produces and how these products contribute to the community's income and the well-being of its members?

7. Could you elaborate on how digital technologies and social media platforms, like Facebook and Instagram, are employed to promote and sell your products and their impact on your community?

8. In terms of personal income and benefits, how has being a member of the community enterprise impacted you, particularly in relation to herb cultivation and sales to the Bio-Way Group?

9. Could you share your perspective on the broader social impact of the community enterprise, including its role in generating income, creating job opportunities, and contributing to community development in Nam Kian Subdistrict?

10. Can you describe any specific achievements or milestones that your community enterprise has reached, which you believe have strengthened and improved the community over time?

* In the context of the survey, it is important to note that not all questions are posed to each participant. Selective omission of certain inquiries is undertaken to ensure their relevance to specific respondents.