A STRUCTURAL EQUATION MODEL OF KNOWLEDGE MANAGEMENT STRATEGY TO DEVELOP BEST PRACTICE FOR INDUSTRIAL BUSINESS IN THAILAND

Prinn Pitakkornrat, King Mongkut's University of Technology
Punsavadee Pongsiri, King Mongkut's University of Technology

ABSTRACT

Aim: *This research investigates the characteristics of industrial business enterprises and develops best practice of knowledge management strategy for industrial business in Thailand.*

Methodology: *The model has been simulated from the findings of both qualitative and quantitative of 500 questionnaires distributed to managers/administrators of the industrial business enterprises in Thailand that won the global or nation knowledge management rewards. The data were analysed by descriptive analysis categorized into light and heavy industries, and by SEM to conduct the model in compatible with the empirical data.*

Finding: *The results reveal that: 1) the structural equation model of knowledge management strategy to develop best practice for industrial business in Thailand consists of 5 factors i.e. leadership, organization, resource, internal information and external information. The managers/administrators gave very high importance on knowledge management strategy in industrial business at 4.14 on light industry and 3.80 on heavy industry respectively. The analysis of the importance on each aspect shows high importance on knowledge management strategy in all factors 2) The development of SEM shows that the model fits with the empirical data at the 0.104 Chi-square probability levels, relative Chai-square at 1.140, goodness of fit index at 0.963 and root mean square error of approximation at 0.017. 3) The hypothesis results show the following influencing factors: leadership has direct influence on organization at the statistically significant level of 0.001, organization has direct influence on external information at the statistically significant level of 0.001, organization has direct influence on internal information at the statistically significant level of 0.001, internal information has direct influence on resource at the statistically significant level of 0.001 and resource has direct influence on organization at the statistically significant level of 0.05.*

Conclusion: *The knowledge management strategy to develop best practice in industrial business for Thailand comprises five main factors which are very high important on leadership in industrial business of both light and heavy industries. The factors are ranked according to their important levels referred Linkert's scale as follows: leadership, internal information, organization, resource and external information respectively. Both light and heavy industries give the most important factor on leadership to be a strategy in industrial business for Thailand. The evaluation of structural equation modelling of the simulation model in knowledge management showed passing the criteria of the model fitting with the empirical data. It was found that Chi-Square Probability Level equaled 0.104, Relative Chai-square was 1.140, Goodness of fit Index was 0.963 and Root Mean Square Error of approximation was 0.017.*