

## THE IMPROVEMENT OF MODERN LEADERSHIP MODEL OF THAI LOGISTICS SERVICE PROVIDERS

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### Abstract

The objectives of this study were to study the general characteristics of the target population and the level of factors contributing to modern leadership, as well as to develop a modern leadership model by quantitative research using exploratory factor analysis techniques, confirmatory factor analysis, and structural equation model analysis. A quantitative method research was employed as a methodology. The sample consisted of 600 organizations. The results showed that the general population characteristics revealed that most logistics service organizations are medium-sized enterprises, operating in the form of land transport business, establishing a business period 5 years-10 years, annual income less than 100 million baht, and establishments in the Bangkok area, the level of factors contributing to modern leadership was at a high levels. The development of the modern leadership model was fit to the empirical data. The model portrayed that coaching had a positive effect on building confidence, challenging, and achievement, plus challenging had a positive effect on building confidence and achievement in modern leadership development, as well as building confidence had a positive effect on achievement in modern leadership development.

**Keywords:** Logistics Service, Leadership, Coaching, Challenging, Confidence

### Introduction

The world economy today is an economy that relies mainly on the service sector. Thailand's share of GDP of the country comes from the service sector, more than 60% of the business. A providing logistics service is the main factor driving the Thailand's economy system because it is the basic mechanism nurturing various economic activities. From statistical records, Thailand logistics service entrepreneurs registered with the Department of Business Development that continues to operate were totaling 24,852 cases. Most of them are small businesses without the potential to provide turnkey logistics services (Noppakate & Aunyawong, 2022). Logistics industry is the industry that survives during COVID-19 with a high growth rate consistently. Especially in an age

where everyone has to stay at home because logistics is a link between businesses and consumers. World trade organization expects that comprehensive logistics service business covering the region will recover due to the growth of demand for the product by 8% in 2021 and 3.8% in 2022, after a 5.3% drop in the 2020 (Aunyawong et al., 2021).

At present, business organizations providing logistics services in Thailand succeeded and survived under e-commerce and e-logistics market trends because those logistics service businesses have adjusted to keep up change by creating modern leadership in order to survive their businesses and continuously go ahead of competitors (Nualkaw et al., 2021; ). If the logistics service providers are unable to adapt to keep up with change rapidly, they may pose a risk in the reduction in the potential to respond to customer needs and maintaining competitiveness of the Thai logistics service business (Aunyawong et al., 2020). This leads to problems with the ability to meet needs of customers and competitiveness problems (Waiyavat et al., 2022). Therefore, the logistics service businesses in Thailand have an urgent need to study modern leadership styles that is suitable for Thai logistics service business organizations for increasing the capacity to meet the needs of customers and maintain competitive potential in terms of both export and import (Soonthornpipit et al., 2021; Srisawat & Aunyawong, 2021). This study, hence, aims to study the general characteristics of the target population and the level of importance of factors contributing to modern leadership, to develop a modern leadership model by quantitative research using exploratory component analysis techniques, corroborative component analysis, and structural equation model analysis, and to examine the practical suitability of modern leadership models created by qualitative research with in-depth interview techniques.

## Literature Review

### Modern leadership development

In this research, the researchers studied the concepts, theories and the related research deals with the following issues. Modern leadership means the ability to influence others to make voluntary decisions to increase opportunity to manage strategic business organization. This allows the organizations to be successful in the long run, effective to the vision and direction of growth and success that may occur. Successful management and practice consist of leading the self, leading the team, leading organization and cooperation to achieve goals, objectives, missions and visions of the organization (The American Heritage Dictionary, 1985; Stogdill, 1974; McFarland, 1979; Schwartz, 1980; Koontz & Weihrich, 1988; Mitchell & Larson, 1987). Modern leadership development means developing leaders to be able to demonstrate leadership in 4 areas: change leadership, transformational Leadership, charismatic leadership and strategic leadership for great success towards achieving goals (Phrapratanporn et al., 2019; Kouzes & Posner, 1987; Conger & Kanungo, 1987).

### Challenging

Challenging means that the leaders of the organization will create challenges through setting direction and goals. Challenging organization attracts talent persons and new ideas, accelerating progress in solving problems and achieving results in social, environmental and economical

dimensions (Sommanawat et al., 2021; Kerdpitak et al., 2022). It consists of 1) sharing visions, 2) set very high goals to push employees to abandon convenience in finding a way to accomplish, 3) using benchmarking and best practices to create challenges, and 4) empowerment of responsibilities for appointing employees (National Productivity Institute, 2009; Sinthukhammoon et al. (2021).

### **Building confidences**

Building confidences means having confidence in achieving challenging goals, willingness, and accepting damage and expectation. It refers to the important leadership responsibility in creating employees' confidence to believing that they have the ability to achieve challenging goals. It consists of confidence in the principles of work, confidence towards achieving challenging goals, willingness, and acceptance of damage and expectation (Morgan & Hunt, 1994; Mpower A.S.C.E.R.T. Institute, 2020; Larzelere & Huston, 1980; Den Hartog et al., 1999; Greenacre et al., 2014; Mayer et al., 1995).

### **Coaching**

Coaching means a way to achieve goals by conversational advisor to find the best way to achieving goals and discovering hidden inner potential in person. The adviser will not say how to achieve, but motivate the employee to finds a way in solving their own tasks, consisting in creating relationship, monitoring tasks, challenging assumptions, best practice and support encouragement (Passmore, 2016; Renton, 2009; Rush & Shelden, 2016).

According to the past studies of Phrapratanporn et al. (2019), Sommanawat et al. (2021), Greenacre et al. (2014) and Passmore (2016), they depict the relationship among mentioned variables. This study, therefore, hypothesizes that:

H1: Coaching has a positive effect on building confidence.

H2: Coaching has a positive effect on challenging.

H3: Coaching has a positive effect on achievement in modern leadership development.

H4: Challenging has a positive effect on building confidence.

H5: Challenging has a positive effect on achievement in modern leadership development.

H6: Building confidence has a positive effect on achievement in modern leadership development.

H7: Building confidence mediates the effect of coaching on achievement in modern leadership development.

H8: Building confidence mediates the effect of challenging on achievement in modern leadership development.

H9: Challenging mediates the effect of coaching on achievement in modern leadership development.

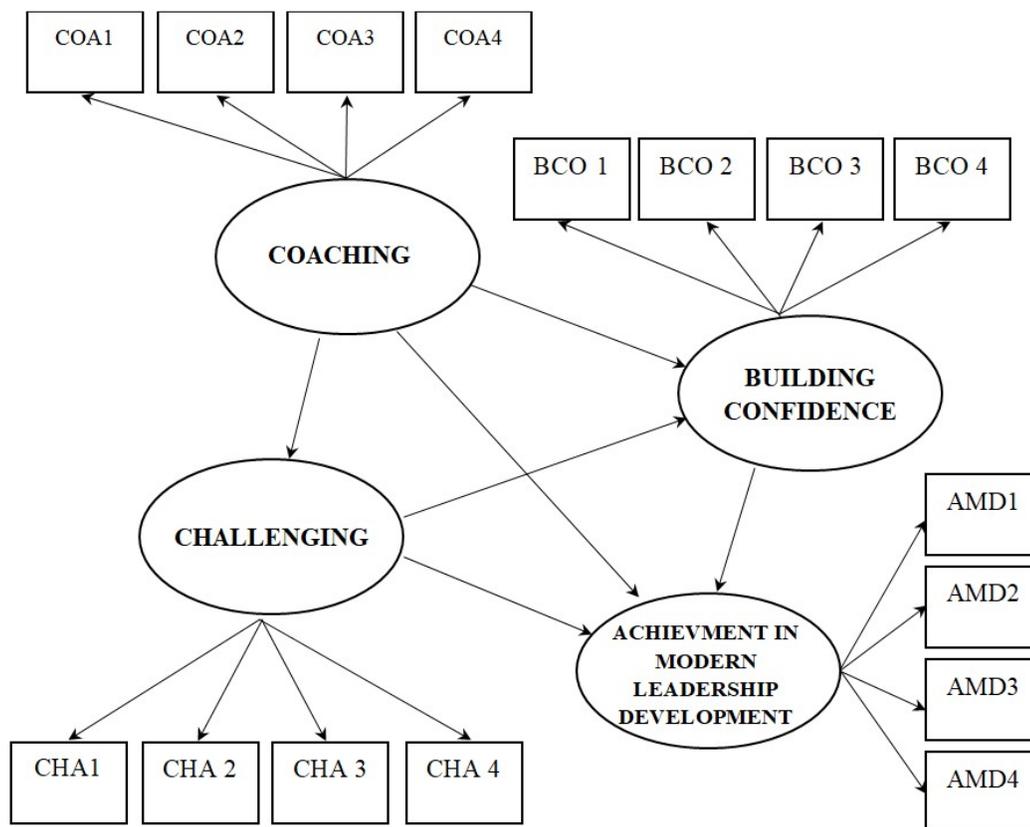


Figure 1 Research conceptual framework

## Methodology

In this research, the researchers conducted a research on the pattern of develop modern leadership in the Thai logistics service providers. The study used a quantitative research method. The 600 samples were chosen by nonprobability sampling, purposive sampling (Hair, et al, 2010). A Google form questionnaire, a research instrument, was distributed by email: wissawa.au@ssru.ac.th. It was divided into 3 parts, a total of 22 items for data collection through internet.

In quantitative research, scales of measurement included nominal scale, interval scale using a 5-Point Likert Scale. The mean criterion was determined using a range equal to .80. The lowest level of mean was equal to 1.00-1.80 and the highest equal to 4.21-5.00, respectively. Validity test and reliability test were conducted. From the test results for content validity by calculating IOC values in questionnaires, it was found that the IOC was between 0.67-1.00. The IOC value of all questions was greater than 0.50 indicated that all questions were consistent and covered the content that needs to be measured. For reliability test, it was found that the alpha ( $\alpha$ ) coefficient of a questionnaire used to measure 16 variables was equal to .869>0.60. It designated that all measures and questions had very high standard of reliability.

Data analysis was started with quantitative research followed by qualitative research. Descriptive statistics comprised frequency, percentage, mean and standard deviation. Inferential statistics

included Exploratory Factor Analysis (EFA), Confirmatory Factor Analysis (CFA) and Structural Equation Model (SEM) (Wanichbuncha, 2019).

### Results

It found that most of the service business organizations were medium-sized (51.50 percent) and located in Bangkok area (21.80%), operating in the form of land transportation business (52.20 percent), with a business experience of 5-10 years (44.80 percent) and income less than 100 million baht (69.20%).

For the factors that are important to modern leadership by using descriptive statistics to analyze the data to calculate the mean and standard deviation of the variables used in the analysis, it found that in overall, the mean was at a high level ( $\bar{x}=3.529-3.670$ ;  $SD=.543-.645$ ) When considering each variable, it was found that the respondents focused on coaching (COA), consisting of advices on relationship building, advices follow-up tasks, advices on challenging assumptions, and advices on the best practice ( $\bar{x}=3.670$ ;  $SD=.645$ ), followed by building confidence (BCO), comprising confidence in the principles of work, confidence in the process, confidence in the challenging assumption and confidence in best practice ( $\bar{x}=3.635$ ;  $SD=.578$ ) and challenging (CHA), containing sharing a vision, challenging goal setting, creating the availability of basic resources, and building leader competence ( $\bar{x}=3.529$ ;  $SD=.543$ ).

From the analysis of the relationship between 16 observed variables in the structural equation model of Achievement in Modern Leadership Development (AMD) found that the correlation between all 66 pairs of variables was significantly greater than zero at the .05 level for all pairs. The relationship between the variables had a positive correlation or relationship in the same direction, with the value ranging from .110\*\* to .622\*\*. Based on the results of verifying the suitability of the information, KMO was .860 > .60 and in considering from Bartlett's Test of Sphericity, it was found the Approx. Chi-square of 1898.650, the df value of 66, and p-value of .000, indicating the preliminary agreement of the factor analysis method. Factor Loading was used to define 3 main factors, each of which consisted of variables used in the research that were grouped into several variables with statistical significance at the .05 level. The major factors were named corresponding to the group of the variables. First, Coaching consisted of 4 variables: advices on best practice, advices on challenging assumption, advices on job monitoring, and advices on building relationship. Second, challenging comprised 4 variables: vision transfer; Challenging goal setting, leadership competency development, and basic resource readiness. Third building confidence contained 4 variables: confidence in best practices, confidence in challenging assumptions, and confidence in process work, and confidence in working principles.

The results of the exploratory component analysis (EFA) found that the mean ( $\bar{x}$ ) was between 3.358 and 3.877 at a high level and the distribution of scores was quite low. As for the correlation coefficient between the variables, it was found that the relationship between the independent variables was quite low. Relationship at least 1 pair is statistically significant and all independent variables were related at the low rate of relationship with correlation coefficient between the lowest correlation coefficient of .111\*\* and the highest correlation coefficient of .798\*\*. They were not

over .80, so it didn't cause the Multi-collinearity Problem, in agreement with the use of the factor analysis method.

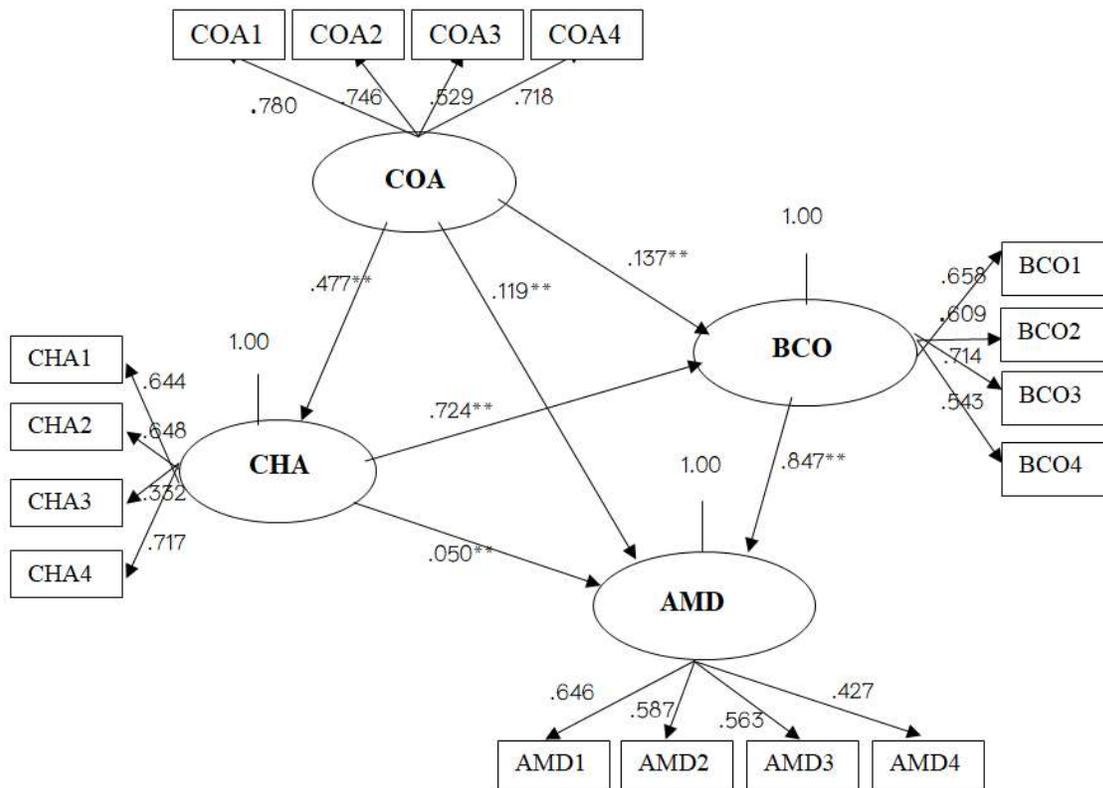
The results of Confirmatory Factor Analysis (CFA) found that the research model was fit to the empirical data, considering from chi-square= 73.084, chi-square/df= 1.015, df= 72, p-value= .442, CFI= 1.000, RMSEA= .004. It also found that basic resources had a lowest standardized factor loading (.332\* \*), while advices on best practices had a highest standardized factor loading (.780\* \*). In addition, the reliability coefficient of the observed variable ( $R^2$ ) which describes the covariance of the observed variable extrinsic variables ranged from .280-.622, as shown in Table 1.

Table 1 Confirmatory Factor Analysis

Latent Variables	Observed Variables	Factor Loading			
		b <sub>sc</sub>	S.E.	T	(R <sup>2</sup> )
COA	COA1	.780	.034	105.058	.622
	COA2	.746	.031	126.075	.557
	COA3	.529	.038	96.196	.280
	COA4	.718	.035	100.888	.516
CHA	CHA1	.644	.031	115.231	.415
	CHA2	.648	.032	118.589	.420
	CHA3	.332	.029	102.741	.110
	CHA4	.717	.031	115.059	.515
BCO	BCO1	.658	.033	110.024	.433
	BCO2	.609	.031	117.299	.370
	BCO3	.714	.031	114.244	.510
	BCO4	.543	.033	111.078	.295
AMD	AMD1	.646	.033	113.044	.417
	AMD2	.587	.034	106.388	.344
	AMD3	.563	.032	109.832	.317
	AMD4	.427	.032	124.362	.182

chi-square= 73.084, chi-square/df= 1.015, df= 72, p-value= .442, CFI= 1.000, RMSEA= .004

In addition, the structural equations for achievement in modern leadership development (AMD) was fit to the empirical data, considering from chi-square= 165.365, chi-square/df= 1.088, df= 152, p-value= .217, CFI= .997, RMSEA= .014. It depicted that all path analysis was statistically significant at .01 level, as a result, hypotheses 1-9 was accepted, as shown in Figure 2.



Note: p-value= \*\* p-value of .01

Figure 2 Structural Equation Modelling

## Conclusion

The study has discovered the development model of modern leadership in Thai logistics service organizations, resulting from the integration, linkage and coordination of activities in all components. It starts from the development of executives or entrepreneurs who coach by introducing best practices, challenging assumptions, job monitoring and relationship recommendation in the organization. This creates a challenge by conveying a vision, challenging goal-setting, developing leadership competencies, creating along with basic resources and building confidence in the work process and principles. It has direct, indirect and total effects collective on the development of modern leadership, causing the achievement of modern leadership in Thai logistics service organizations.

## Discussion

The modern leadership includes transformational leadership, change leadership, charismatic Leadership and Strategic Leadership, as in accordance with the qualitative study and past studies (Kouzes & Posner, 1987; Conger & Kanungo, 1987; Tirastittam et al., 2020).

The study recommends the development model of modern leadership in Thai logistics services, which is a discovery that is directly beneficial to the Thai logistics service business organizations across all regions of Thailand, not less than 24,852 cases in order to be a new body of knowledge

for executives or entrepreneurs in developing modern leadership. It will also benefit academics since this can be used as a baseline for future related research as follows:

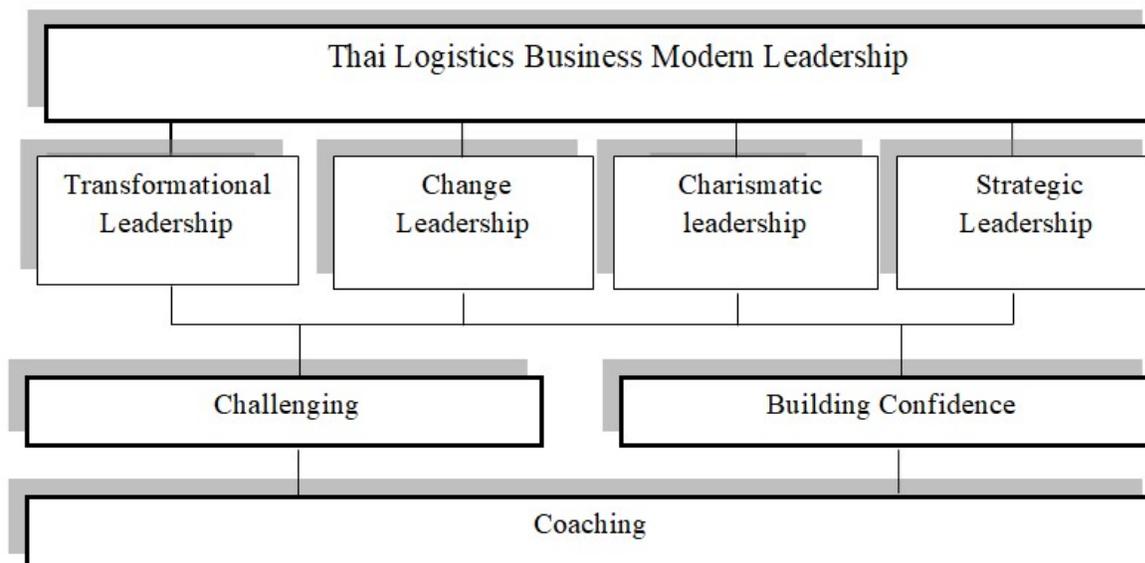


Figure 3 the development model of modern leadership in Thai logistics services

The implementation of the modern leadership development model in the Thai logistics service organization has 9 steps as follows. Step 1: appoint the Board of Directors and the working group of the modern leadership development project, Step 2: diagnose the organization to assess its current potential of the organization before adopting the developmental model, Step 3: survey and gather information for the modern leadership development from the organization's stakeholders, Step 4: determine work plans and budgets in the modern leadership development, Step 5: implement the modern leadership development project for employees at all levels by training, developing and practicing to gain knowledge and understanding about modern leadership to be able to be a leader who teaches work, creates challenges and builds confidence in the people in the organization to achieve the main goals of the organization, Step 6: test and improve the creative results to meet the needs of customers in all dimensions, Step 7: adopt a modern leadership development model in business organizations, providing Thai logistics services for practical use with the pilot project with a period of not less than 3 months, Step 8: prepare a report on modern leadership development, and step 9: evaluate the results of the modern leadership development project.

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