

The Study of Structural Management Models and Administrative Guidelines for the Regional Government Agencies Under the Supervision of the Cooperative Auditing Department

Ruchirat Patanathabutr

College of the Graduate Study in Management, Khon Kaen University
123 Mittraphap Rd., Nai Muang Dist., Muang, Khon Kaen 40002 THAILAND
Telephone 66-43-362-021
E-mail: pruchi@kku.ac.th

Abstract

This applied research study used descriptive research methodology. The researcher interpreted, analyzed, collected and presented the data descriptively. Research objectives were to study structural management models and administrative guidelines and to provide suggestions on structural management models and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department. The results found that the most suitable management and administration structure for the Cooperative Auditing Department is Model 3 with provincial government agencies. The concepts of structural management and administration can be concluded as follows: (1) Provincial cooperative auditing offices are under the supervision of provincial governors in order to promote structural development in the organization, resulting in integration in regional practice. (2) The strategies are to be adjusted in accordance with the strategies of provinces and provincial groups. (3) Regional management and administration is to be supported, and (4) Integrated policies are to be created to solve structural management problems in the organization.

Keywords: Structural Management Models, Administrative Guidelines, the Cooperative Auditing Department

1. Background and Significance of the Problems

Cooperative Auditing Department is an institute that develops and designs appropriate accounting systems for cooperatives and farmer groups in order for them to become transparent, strong and self-sustainable units. Their 5 missions are (1) To audit cooperatives and farmer groups (2) To develop suitable financial and accounting system and auditing for cooperatives and farmer groups (3) To regularly advise on accounting and financial matters to cooperatives, farmer associations and community enterprises in order to increase their financial and accounting management capability (4) To develop technology and publicize financial information of cooperatives and farmer groups and (5) To provide accounting knowledge and support to farmers, youths, the general public, occupational groups, and target groups of people under royal projects. The purposes of administrative management are to create cooperatives, farmer groups and community

enterprises with transparency, strength and self-sustainability and to improve accounting capability of farmers, youths and the general public.

The administrative management of Cooperative Auditing Department is under the Constitution of the Kingdom of Thailand B.E. 2550. Part 7 Directive Principles of Economic Policy. There are 2 sections related to economic policy: Article 83 - The State shall promote and support the implementation of the Volksgeist in Sufficiency Economy and Article 84 - The State shall implement the economic policy as follows (4) To arrange thoroughly the savings of people and government officials to live on in old age; (6) To implement fair distribution of income, to protect, promote and expand the opportunities for people to engage in occupations for economic development, to promote and support the development of local traditional knowledge and Thai folk wisdom for use in production of goods and the conduct of occupations; (8) To protect and maintain the interests of farmers in production and marketing, to secure maximum prices for agricultural products, and to encourage formation of farmer groups in term of the assembly for making agricultural plans and to protect the common interests of farmers; and (9) To promote, support, and protect independent cooperative system, formation of an occupational or professional organization, and formation of people to engage in business activities [1] that is in conformity with the 11th National Economic and Social Development Plan B.E. 2555 - 2559 aiming at creating protection and security of individual, family, community, society and country with the Philosophy of Sufficiency Economy as a main guiding principle that was extensively followed in the 10th National Economic and Social Development Plan. The 3 original types of capital, including social capital, economic capital and natural capital, have been extended 6 capitals: human capital, social capital, physical capital, financial capital, resource and natural capital, and cultural capital that are integrated and support one another. Creating a wisdom base means providing protection and security for Thai society and its people in order to become a quality society. As a green economy society, production and consumption activities will be sustainable and environmentally friendly. Thai local knowledge and the strength of Thai identity can be adapted to build a strong innovation-based economy that will be integrated into the world

economy and regional economy, resulting in agricultural sustainability and food and energy security. In addition, sustainable natural resource and environmental management is to be joined with good governance and harmony in all circles and levels. A more balanced development in the country will bring about a happy society with equity, fairness and resilience. [2]

The structure and management of the Cooperative Auditing Department is essential to people service provision and the ability to answer the needs of the people at the regional level as it is a representative of the central office to work closely with the people and for the benefits of government management in the future. The competitive capability needs to be maintained and increased to be able to compete at the international level and the needs of the local people have to be answered as announced in a new model of holistic “People-centered development.” Strategic connections between the central government department and regional government agencies is to be created by encouraging the locals to take part in supporting the national strategy, strengthening and integrating different sectors to create a link in the operation, cooperating with other sectors (regional administrative units/people/ NGO’s/ community) to allow some activities that cannot be operated by regional offices and use available resources to the maximum potential (human, money, information technology and instruments).

At present, the Cooperative Auditing Department has its central offices located in regional areas, province and/or district. As a result, a provincial governor is not the only person involved in problem solving. This has caused a major conflict in the management system. In addition, there are a number of administrative problems; For example, (1) Basic problems in the management of regional government agencies that have long existed are centralization of power at department level that does not allow unity in agency management and smooth operation at provincial level as well as the absence of power distribution that gives the officers inadequate power in the operation (2) New problems occurred after the changes in integrated provincial administration include the lack of clear directions, no connectivity between provincial sectors, the lack of leader who implement the strategies in provincial groups, arguments over shared resources in regional administration and a waste of budget on inefficient of administrative management. This also includes problems regarding the workplace culture of government officers who work in the region where government officers are not working in accordance with provincial government administration, resulting in confusions between government officers and other staff. The officers appear to work for their organization more than the people. Some problems have been solved with the assignment of authority

and responsibilities in the province and the district and the fact that the province can request for budget cut by considering the province to be a government sector as stated in the Law on Budget Procedures Act under the Administrative Organization of the State Act, B.E. 2534 Amended by the Administrative Organization of the State Act (No. 7) B.E. 2550 and (3) There is overlap and unclear roles between the central office located in regional area and other regional offices in the same area. The solutions of some problems have been posted; for example, central offices located in regional area have been redefined as regional administrative sectors with an exception of those with particular roles and responsibilities that the regional offices cannot carry out; however, the number of these excepted offices will be kept at its minimum. The regional government agencies are to serve the people as the main responsibility and work as part of the community to solve problems in the region. Their major role is to provide the people with maximum benefits from the government. In addition, a number of regional government agencies under the supervision of the same department are to be integrated into one.

With regard to the aforementioned problems, the new public management as well as the government’s policies that require clear specification of authorities and responsibilities of central administration, provincial administration and local administration to suit the development of the country and for the maximum benefits of the people, guidelines for the administrative management, especially the one for regional government agencies, should be clear so that they can be used as a framework in the future.

Therefore, a study of opinions of the Cooperative Auditing Department’s service receivers and provincial administrators involved in the structural management models and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department is important. This study was developed to review, assess, and measure the opinions of related people from all dimensions regarding management models and administrative guidelines for the development of the organization that is responsible for developing and designing appropriate accounting system for cooperatives and farmer groups in order for them to possess transparency, strength and self-sustainability.

2. Research Objectives

2.1 To study structural management models and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department

2.1.1 To study the opinions of Cooperative Auditing Department service receivers on structural

management models and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department

2.1.2 To study the opinions of provincial administrators on structural management models and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department

2.2 To provide suggestions on structural management models and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department

3. Scope of the Research

3.1 Population and Sample

The study of opinions of Cooperative Auditing Department's service receivers and provincial administrators relating to the structural management model and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department involves these following groups of people;

3.1.1 Cooperative Auditing Department's service receivers

(1) The researcher studied opinions of **cooperatives (presidents, managers and business examiners)** on structural management models and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department classified by 2 types of cooperatives; agricultural cooperatives and non-agricultural cooperatives (each categories: N=7,994 persons, n=381persons).

(2) The researcher studied opinions of **farmer groups** who had attended finance and accounting trainings on structural management models and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department (N=5,561 persons, n=373persons).

(3) The researcher studied opinions of **community enterprises** who had attended finance and accounting trainings on structural management models and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department (N=920 persons, n=279 persons).

(4) The researcher studied opinions of **agricultural volunteers (accounting)** who had attended finance and accounting trainings on structural management model and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department (N=20,000 persons, n=393 persons).

3.1.2 Provincial administrators

(1) The researcher studied opinions of **heads of provincial sections of the Cooperative Auditing**

Department on structural management models and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department classified by 10 responsible areas (N=77 persons, n=65 persons).

(2) The researcher studied opinions of **provincial governors** on structural management models and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department in 4 provinces, including Suphan Buri, Khon Kaen, Udonthani and Surat Thani (selected by the Cooperative Auditing Department, N=4 persons, n=4 persons).

3.2 Scope of Structural Management Model

The opinions of Cooperative Auditing Department's service receivers and provincial administrators on structural management models and administrative guidelines for the regional government agencies under the supervision of the Cooperative Auditing Department are used to seek the most suitable structural management model for the Cooperative Auditing Department to supervise its regional agencies at provincial level by choosing from these 4 following models;

Model 1 with regional government agencies in some provinces

Model 2 with regional government agencies in provincial groups

Model 3 with a regional government agency in every province

Model 4 with regional government agencies in some provinces and provincial groups

3.3 Duration of the Study

The duration of the study was 3 months or 90 days from June 28, 2012 to September 25, 2012. The research started after the project had been approved and signed.

4. Research Methodology

This applied research used descriptive research methodology. The researcher interpreted, analyzed, collected and presented the data descriptively.

The questionnaires were the research instrument which was approved for content validity by cooperative auditing and management field experts with Index of Consistency (IOC) was 1, and then is calculated for reliability with 30 samples in June 2012 by Kuder-Richardson method getting the Cronbach Alpha Coefficient was 0.92 which meant these approval questionnaires can be used for data collecting. [3]

5. Research Results

5.1 Demographic Information of Respondents

It was divided into 3 groups, including Cooperative Auditing Department service receivers, heads of provincial sections of the Cooperative Auditing Department, and provincial governors.

Cooperative Auditing Department service receivers were classified by cooperative groups arranged by its total number, as follows; agricultural cooperative groups and agricultural volunteers (accounting), farmer groups, and community enterprise groups.

There are 10 areas under the supervision of the Cooperative Auditing Department, arranged by the total number as follows; Cooperative Auditing Office Area 5, Cooperative Auditing Office Area 1, Cooperative Auditing Office Area 6, Cooperative Auditing Office Area 2, Cooperative Auditing Office Area 10, Cooperative Auditing Office Area 9, Cooperative Auditing Office Area 7, Cooperative Auditing Office Area 4, Cooperative Auditing Office Area 3, and Cooperative Auditing Office Area 8.

There were similar numbers of males and females between the ages of 40-60 years with bachelor’s degrees and secondary education, respectively, earning average monthly income of no less than 15,000 baht and between 15,000 and 30,000 baht. They possessed 5 to 10 years’ experience and 1 to 3 years’ experience working in the group. In addition, they had 5 to 10 years’ experience, 3 to 5 years’ experience and over 10 years’ experience dealing with Cooperative Auditing Department.

Heads of provincial sections of the Cooperative Auditing Department lived in the 10 areas under the supervision of the Cooperative Auditing Department, arranged by the number as follows; Cooperative Auditing Office Area 1, Cooperative Auditing Office Area 6, Cooperative Auditing Office Area 2, Cooperative Auditing Office Area 5, Cooperative Auditing Office Area 10, Cooperative Auditing Office Area 7, Cooperative Auditing Office Area 9, Cooperative Auditing Office Area 8, Cooperative Auditing Office Area 3, and Cooperative Auditing Office Area 4

Most of them were females between the ages of 40 and 60 years with an educational ratio 6: 4 (Bachelor’s degree to Master’s degree), earning average monthly income of 45,000 - 60,000 baht. All of them had over 10 years’ experience working with the Cooperative Auditing Department.

Provincial Governors referred to a group of provincial administrators in 4 provinces (selected by the Cooperative Auditing Department), including (1) Suphan Buri as an example area of the Cooperative Auditing Office Area 1 (2) Khon Kaen as an example area of the Cooperative Auditing Office Area 5 (3) Udonthani as an example area of the Cooperative Auditing Office Area 5, and (4)

Surat Thani as an example area of the Cooperative Auditing Office Area 8.

The deputy governors were assigned by the governor of Udonthani to answer the questions on his behalf. All of them were males between the ages of 40 and 60 years with master’s and bachelor’s degrees, respectively. They have 1 to 3 years’ experience and 3 to 5 years’ experience in this position (deputy governor).

5.2 Structural Management Models and Administrative Guidelines for the Regional Government Agencies Under the Supervision of the Cooperative Auditing Department

Cooperative Auditing Department service receivers and provincial administrator opinions and the difference in level of opinions on the suitability of structural management model for the Cooperative Auditing Department were shown as following:

5.2.1 Structural Management Model

The Cooperative Auditing Department’s service receivers, heads of provincial sections of the Cooperative Auditing Department and provincial governors agreed that the most suitable structural management model for the Cooperative Auditing Department was Model 3 with a regional government agency in every province, or 77 agencies in 77 provinces altogether. See Figure 1

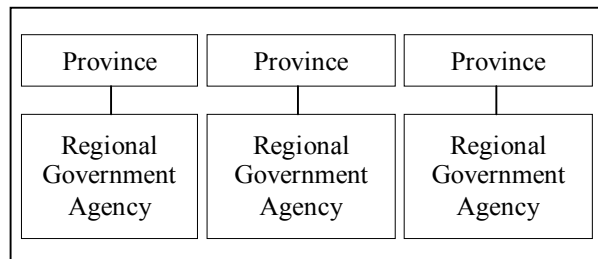


Figure 1. Model 3 With a Regional Government Agency in Every Province

5.2.2 Structural Management and Administration

The Cooperative Auditing Department’s service receivers, heads of provincial sections of the Cooperative Auditing Department and provincial governors agreed that provincial cooperative auditing offices should be under the supervision of provincial governors in order to promote structural development in the organization that brought about integration in regional practice (4.08). They also share the same opinion that their strategies should be adjusted to be in accordance with the strategies of provinces and provincial groups (4.13), that regional management and administration is to be supported (4.12), and that integrated policies are to be created to solve structural management problems in the organization (4.13).

The study on the difference in opinions on the structural management found that there was no statistically significant difference at 0.05 in the level of opinions on being under that supervision of provincial governors, strategic adjustment to agree with the strategies of provinces and provincial groups, promotion of regional management and administration and creation of integrated policies to solve structural management problems among the Cooperative Auditing Department's service receivers, heads of provincial sections of the Cooperative Auditing Department and provincial governors.

5.2.3 Opinions on the structural management of regional government agencies under the supervision of the Cooperative Auditing Department according to the basic concepts of structural management and work system

The level of overall opinions of the Cooperative Auditing Department's service receivers and heads of provincial sections of the Cooperative Auditing Department was “agree” and the level of overall opinions of provincial governors was “uncertain.”

There was no statistically significant difference at 0.05 in the level of opinions on the pyramid organization structure, directive and supportive roles, influence, authority, attachment with organization, organization loyalty and responsibilities among the Cooperative Auditing Department's service receivers, heads of provincial sections of the Cooperative Auditing Department and provincial governors.

In addition, there was a statistically significant difference at 0.05 in the level of opinions on the basic concepts of structural management and work system both in an entire perspective and in separate aspects, including unity of supervision, scope of supervision, exception of rules and regulations, work divisions and authorities and duties among the Cooperative Auditing Department's service receivers, heads of provincial sections of the Cooperative Auditing Department and provincial governors.

The results of the study indicated that provincial governors had a lower level of opinions, compared with the Cooperative Auditing Department's service receivers and heads of provincial sections of the Cooperative Auditing Department.

5.2.4 Differences in the level of opinions on the management administration of regional government agencies under the supervision of the Cooperative Auditing Department

The level of overall opinions on the management administration of regional government agencies under the supervision of the Cooperative Auditing Department and the Cooperative Auditing Department's service receivers and heads of provincial sections of the Cooperative Auditing

Department was “agree”, while the level of opinions of provincial governments was “strongly agree.” The 4 aspects were arranged according to the level of opinions on the management administration, as follows: supervision, operations, support, and administration.

There was a statistically significant difference at 0.05 in the level of opinions on the management administration of regional government agencies under the supervision of the Cooperative Auditing Department in regards to these 4 aspects: administration, supervision, support, and operations. The study showed that provincial governors had a higher level of opinions, compared with the Cooperative Auditing Department's service receivers and heads of provincial sections of the Cooperative Auditing Department.

5.3 Suggestions on Structural Management Models and Administrative Guidelines for the Regional Government Agencies Under the Supervision of the Cooperative Auditing Department

The most suitable structural management and administration for the Cooperative Auditing Department is Model 3 with provincial government agencies.

The concepts of structural management and administration can be concluded as follows:

(1) Provincial cooperative auditing offices are under the supervision of provincial governors in order to promote structural development in the organization, resulting in integration in regional practice.

(2) The strategies are to be adjusted in accordance with the strategies of provinces and provincial groups.

(3) Regional management and administration is to be supported.

(4) Integrated policies are to be created to solve structural management problems in the organization.

The administrative management of regional government agencies under the supervision of the Cooperative Auditing Department might follow the 13 basic concepts of organization structure and work system

(1) The Cooperative Auditing Department can adopt the basic concept of organization structure and work system in terms of pyramid organization structure, directive and supportive roles, influence, authority, attachment with organization, and organization loyalty and responsibilities. There is no need to take the differences in the level of opinions among the Cooperative Auditing Department's service receivers, heads of provincial sections of the Cooperative Auditing Department and provincial governors into consideration.

(2) The Cooperative Auditing Department should utilize the basic concept of organization structure and work system in an entire perspective and in separate aspects, including unity of supervision, scope of supervision, exception of rules and regulations, work divisions and authorities and duties by considering the differences in the level of opinions among provincial governors, the Cooperative Auditing Department's service receivers and heads of provincial sections of the Cooperative Auditing Department. In this regard, provincial governors had a lower level of opinions, compared with the Cooperative Auditing Department's service receivers and heads of provincial sections of the Cooperative Auditing Department.

Effective administrative management of regional government agencies under the supervision of the Cooperative Auditing Department consists of 4 aspects: supervision, operations, support, and administration.

The Cooperative Auditing Department should adopt this effective management administration of the regional government agencies under the supervision of the Cooperative Auditing Department comprising 4 aspects: supervision, operations, support, and administration, and with awareness of differences in the level of opinions among provincial governors, the Cooperative Auditing Department's service receivers and heads of provincial sections of the Cooperative Auditing Department. In particular, provincial governors possessed a higher level of opinions on both an entire perspective and in separate aspects, compared with the Cooperative Auditing Department's service receivers and heads of provincial sections of the Cooperative Auditing Department.

6. Suggestions

6.1 Suggestions from the Research

6.1.1 The Cooperative Auditing Department should pay attention to the differences among the opinions of provincial governors, the Cooperative Auditing Department's service receivers and heads of provincial sections of the Cooperative Auditing Department on the basic concept of organization structure and work system in an entire perspective and in separate aspects, including unity of supervision, scope of supervision, exception of rules and regulations, work divisions and authorities and duties. In this situation, there was a statistically significant difference in the level of opinions between provincial governors with a lower level of opinions and the Cooperative Auditing Department's service receivers and heads of provincial sections of the Cooperative Auditing Department with a relatively higher level of opinions.

6.1.2 The Cooperative Auditing Department should as well consider the differences

among the opinions of provincial governors, the Cooperative Auditing Department's service receivers and heads of provincial sections of the Cooperative Auditing Department on the management administration of regional government agencies under the supervision of the Cooperative Auditing Department on these following 4 aspects respectively; supervision, operations, support, and administration. In this case, there was a statistically significant difference in the level of opinions between provincial governors who possess a higher level of opinions and the Cooperative Auditing Department's service receivers and heads of provincial sections of the Cooperative Auditing Department with a lower level of opinions.

6.2 Suggestions for Further Research

6.2.1 If there will be a restructure of the Cooperative Auditing Department, there should be further studies on a comparison of opinions on the organization structure and management administration of regional government agencies under the supervision of the Cooperative Auditing Department before and after the restructure. The opinions of the Cooperative Auditing Department's service receivers, heads of provincial sections of the Cooperative Auditing Department and provincial governors should be taken into account.

6.2.2 It is important to study environment management affecting the organization structure and management administration of regional government agencies.

7. Acknowledgement

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