# RMUTT GLOBAL BUSINESS ACCOUNTING AND FINANCE REVIEW

ISSN: 2465-5352

Volume 3 Issue 2 May – August 2019

## Journal Objectives

RMUTT Global Business Accounting and Finance Review (GBAFR) has objectives as follows:

1. To be a source of academic works regarding to business management, accounting and finance for scholars as well as any interested persons from both public and private sectors who can utilize them to reference and apply the knowledge obtained from this journal for both individual and organizational benefits either in national or international level.

2. To be a medium for exchanging knowledge in business management, accounting and finance in aspects of theories, related concepts, modern business management, research techniques and methodology, application of knowledge as well as research experiences among faculty members, academicians, researchers, executives, business persons, students and general people who can bring the knowledge from the journal to create benefits and development to the country.

3. To enhance academic ability of faculty members, academicians, researchers, executives, business persons, students and general people about creative researches and knowledge development for benefiting individual, business, industrial and social demands.

4. To develop the potentials of Rajamangala University of Technology Thanyaburi to have been widely recognized for academics, researches, and academic publication in the international standards and recognition.

## Possible Fields

RMUTT Global Business Accounting and Finance Review (GBAFR) has opened to accept academic and research articles in the following areas:

- Businesses aspects including economics, marketing, management, logistics and supply chain management, business administration, international business administration, and other related fields,
- Accounting aspects including accounting principles, concepts and theories, accounting execution, accounting system, corporate accounting, accounting laws and regulation, accounting auditing, taxation and other related fields,
- Financial aspects including financial, concepts and theories, financial market, instruments, and financial management Investment and other related fields.

## Piracy

Articles will be published in this journal must not be ever presented and published or in the evaluation processes in any other journals. Any piracy occurred will be only under the responsibility of the author (s). The journal will not be responsible for such consequences.

## Evaluation Process

RMUTT Global Business Accounting and Finance Review (GBAFR) employs double-blinded peer review method which the authors and expert reviewers do not know and are able to track each other's. At least two expert reviewers from related fields will be cordially invited to assess the articles submitted to the Journal.

### Period of Issued Journal

RMUTT Global Business Accounting and Finance Review (GBAFR) will be issued thrice a year with 5-10 academic or research articles. The periods are as follows:

- 1st Issue: January – April
- 2nd Issue: May – August
- 3rd Issue: September – December

## Contact

Doctor of Philosophy Program Office, the Faculty of Business Administration,
Rajamangala University of Technology Thanyaburi (RMUTT)
39 Moo 1, Rangsit-Nakhonnayok Rd. Klong 6,
Thanyaburi, Pathum Thani, 12110 Thailand
Website: http://www.journal.rmutt.ac.th
Phone: +66 2 5494819, +66 2 5493235, +66 2 5494809
Fax: +66 2 5494836
Email: gbafr@rmutt.co.th

**External Peer Reviewers**

| | | | |
|---|---|---|---|
| 1. | Prof. Dr.Mohamad Hanapi | Mohamad | UUM College of Law, Government and International Studies University Utara, Malaysia |
| 2. | Prof. Dr.Piyachat | Jarutirasarn | Rhamkhumhaeng University |
| 3. | Assoc.Prof. Dr.Panarat | Panmanee | Faculty of Accountancy, The University of Thai Chamber of Commerce |
| 4. | Assoc. Prof. Dr.Tatre | Jantarakolica | Faculty of Economics, Thammasat University |
| 5. | Assoc. Prof. Dr.Thanida | Chitnomrath | Faculty of Business Administration, Dhurakij Pundit University |
| 6. | Assoc. Prof. Wai | Chamornmarn | Faculty of Commerce and Accountancy, Thammasat University |
| 7. | Asst. Prof. Dr.Akaranant | Kidsom | Department of Economic, Kasetsart University |
| 8. | Asst. Prof. Dr.Kriengkrai | Boonlert-U-Thai | Faculty of Commerce and Accountancy, Chulalongkorn University |
| 9. | Asst. Prof. Dr.Krit | Jarinto | Faculty of Administration and Management King Mongkut's Institute of Technology Ladkrabang |
| 10. | Asst. Prof. Nongnit | Chancharat | Faculty of Management Sciences, Khon Kaen University |
| 11. | Asst. Prof. Dr.Palanuch | Kongka | Faculty of Business Administration, Rajamangala University of Technology Isan |
| 12. | Asst. Prof. Dr.Sungworn | Ngudgratoke | Sukhothai Thammathirat Open University |
| 13. | Asst. Prof. Dr.Suteera | Puangpronpitag | Department of Economics, Mahasarakham Business School, Mahasarakham University |
| 14. | Asst. Dr.Teerachai | Arunruangsirilert | Thammasat Business School, Thammasat University |
| 15. | Asst. Prof. Dr.Vichit | U-on | Graduate College of Management, Sripatum University |
| 16. | Dr.Chalermsak | Lertwongsatien | Director of Information and Communication Technology, Ministry of Finance |
| 17. | Dr.Jantima | Banjongprasert | Silpakorn University International College |
| 18. | Dr.Kittisak | Jermsittiparsert | Political Science Association of Kasetsart University |
| 19. | Dr.Mazurina Mohd | Ali | Universiti Teknologi MARA (UiTM), Malaysia |
| 20. | Dr.Nazura | Sayuti | Universiti Teknologi MARA (UiTM), Malaysia |
| 21. | Dr.Orawee | Sriboonlue | Faculty of Business Administration, Kasetsart University |

| | | | |
|---|---|---|---|
| 22. | Dr.Paweena | Kongchan | Faculty of Management Sciences, Khon Kaen University |
| 23. | Dr.Phoommiphat | Mingmalairaks | School of Management, Mae Fah Luang University |
| 24. | Dr.Sawat | Wanarat | Faculty of Business Administration, Kasetsart University |
| 25. | Dr.Sookchok | Thongsook-Ularn | Silpakorn University International College |
| 26. | Dr.Sorawadee | Srivetbodee | Faculty of Industry and Technology, Rajamangala University of Technology Rattanakosin |
| 27. | Dr.Supawita | Intarapanich | Faculty of Business Administration, Rajamangala University of Technology Isan |
| 28. | Dr.Teeradaj | Racharak | Buzz Freeze Solution |
| 29. | Dr.Tenzin | Rabgyal | School of Environment, Resources and Development, Asian Institute of Technology |

**Internal Peer Reviewers: Faculty of Business Administration, (RMUTT)**

| | | |
|---|---|---|
| 1. | Asst. Prof. Dr.Kanokporn | Chaiprasit |
| 2. | Asst. Prof. Dr.Suramongkol | Nimchit |
| 3. | Dr. Thanwarat | Suwanna |
| 4. | Dr.Sarakul | Sukortprommee |
| 5. | Dr. Umawasee | Sriboomlue |

## Editorial Note

RMUTT Global Business Accounting and Finance Review (GBAFR) is an academic journal prepared by Graduate Studies (Ph.D. Program), Faculty of Business Administration, Rajamangala University of Technology Thanyaburi (RMUTT). The GBAFR journal aims to disseminate good academic outputs related to business administration, accounting, and finance aspects of individuals from both within and outside the university. It is an intermediate for exchanging academic views as well as a source for promoting and developing research competency of faculty staffs, academicians, researchers, students, and any persons in terms of business administration, accounting, and finance fields.

This journal published five research and academic papers, and one book review. In addition, each of the research and academic articles presented such interesting concepts, for employees' motivation, customer's satisfaction, financial planning for retirement, sustainability reporting and competitive advantage strategy, leading to creating new knowledge to the reader. Therefore, this journal is a channel disseminating the knowledge of business administration, accounting, and finance which related persons could apply it for further benefits.

Lastly, the editorial department and editorial board would like to considerably thank you for supporting and pushing forward this journal to occur and well accomplish. We are hopeful of your good cooperation and continuing support in the future.

Krisada Chienwattanasook, D.B.A.
Editor-in-Chief

## Table of Content

# MOTIVATIONAL FACTORS AFFECTING JOB MORALE OF EMPLOYEES IN MDX PUBLIC COMPANY LIMITED

**Chanpen Liamsuwan**[1]
Master of Business Administration, Kasem Bundit University

**Suthum Phongsamran**[2]
Master of Business Administration, Kasem Bundit University

**Tosaporn Mahamud** [3]
Master of Business Administration, Kasem Bundit University
Email: tosaporn.mah@kbu.ac.th

**Abstract**

The objective of this research is to study the work motivation and work morale of employees working in MDX Public Company Limited. There were 60 employees being selected as study samples. The data collection was based on questionnaire distribution. Analysis of hypothesis testing employed inferential statistics such as t-test, One-way ANOVA and Pearson correlation. The result indicated that most of respondents from MDX Public Company Limited were female, aged less than or equal to 30 years old, were single, graduated from Bachelor's degree, worked as general staff, worked for 6 - 10 years and earned monthly income between 15,000 - 25,000 baht. Also, the study indicated that work morale was rated in a high level which the first highest score was the work under supervisors' commanding, followed by job stability and career status. The hypothesis testing result indicated that employees with different marital status had different work morale working in MDX Public Company Limited. In addition to the study of work motivation, commanding in terms of reasonable commanding and solution, work stability in terms of stable position and career status in terms of honorable career had an effect on work morale of employees working in MDX Public Company Limited.

**Keywords:** Motivation, Morale, Employees, MDX Public Company Limited

---

[1] Faculty of Business Administration, Kasem Bundit University, Suan Luang, Bangkok, 10250
[2] Faculty of Business Administration, Kasem Bundit University, Suan Luang, Bangkok, 10250
[3] Faculty of Business Administration, Kasem Bundit University, Suan Luang, Bangkok, 10250

## Introduction

Nowadays, economic changes resulted in the change of the internal management of the organization. This change can give employees more opportunities to move in and out the organization. They will suddenly decide to resign from the previous company when they are better motivated by the new company which it can lead to lack effective works. The motivation factors can include better compensation, work progress, promotion opportunity, employee management policy and others (Herzberg, et al, 1959). In addition, the relationship in the organization between operational and managerial employees can also help motivated employees to continue work in the company. Some academician believes that if the employees can be well motivated from the company, they will be happy with company and give more heart and energy to work for the company in order to achieve the work target and goals which it can finally help the company to reach the better company performance in terms of financial, managerial and social aspects (Parvin, & Kabir, 2011).

However, there are many companies lack of better motivation given to the employees due to some reasons which it perhaps includes the country economic aspects. The economic recession has negatively affect the business performance (Kontogeorgos, Pendaraki & Chatzitheodoridis, 2017) and reduce some practices the company should do for their employees; for example, employee lay-off, wage cut, lack of motivation activities (Fapohunda, 2012; Gherman, Brad, & Dincu, 2015). Another factors can be the diversity of employees who may need and want different things from the organization. Recently, the company need to recruit new employees with different gender, ages, education, family background and others which they may need the different opportunities from company (Maslow, 1960; Yang, 2011).

Therefore, it is very important that the company that has a lot of employees needs to understand what and which motivation factors affecting the work efficiency which can lead to business performance, customer satisfaction, financial improvement and social recognition. Herein, the researchers are interested in studying motivational factors affecting job morale of employees. The area of the study is MDX Public Company Limited. This company and its affiliated companies engages in property development, basic utilities and energy with a focus on projects in response to government policy and create long-term return to the shareholders which recently consists of industrial estate project, power generation project and others. The result of the research can help the organization survey and improve the degree of employee motivation and morale.

## Objectives of the study

1. To study level of work morale of employees working in MDX Public Company Limited.

2. To compare level of work morale of employees working in MDX Public Company Limited categorized by personal information.

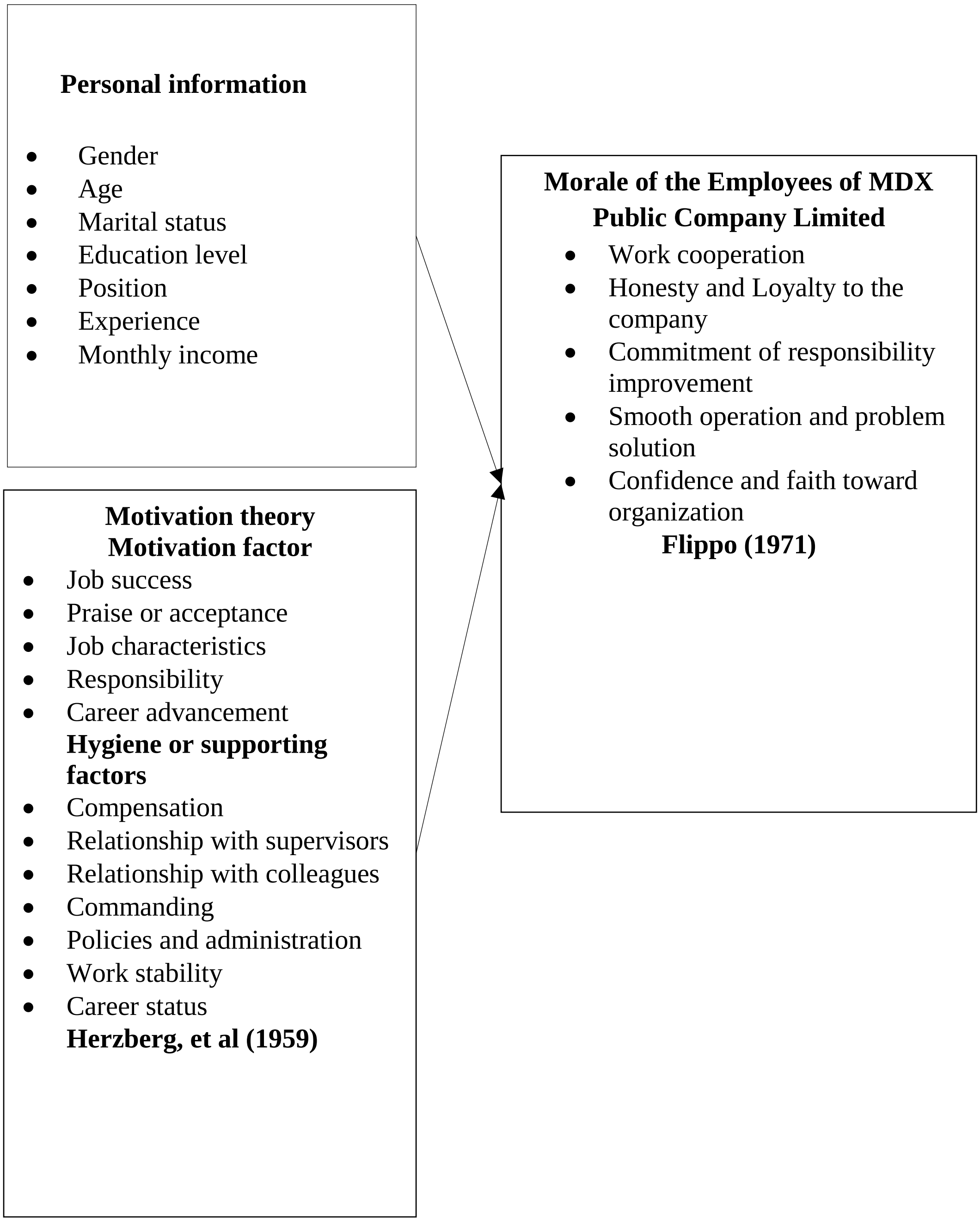
3. To study an effect of work motivation on work morale of employees working in MDX Public Company Limited.

## Objectives of the study

Hypothesis 1: Different personal information in terms of gender, age, marital status, education level, position, experience and monthly income had different effects on employees' morale in working MDX Public Company Limited.

Hypothesis 2: Employees' work motivation had effects on employees' morale in working MDX Public Company Limited.

## Conceptual framework



## Literature Reviews

### Employee work motivation

Krongkaew Yoosook (1999) has given the meaning of motivation that refers to the behavior of motivated person who expresses their efforts and is more willing to work than the person who was not motivated. In the meantime, Chotikaroso (2012) stated that work motivation is an impulse caused by the need to respond to the stimulus provided by the organization, which causes behavior in the workplace to willingly achieve goals as desired and resulted in maximum satisfaction, which motivation is very important to work. Theoretically, the type of motivation is divided into 2 types, namely internal motivation and external motivation, which motivation can be created by stimulating curiosity or competition. Indeed, the theory that can be applied to the study of motivation cannot be avoided of mentioning about two-factor theory which is divided into motivational factors and supporting (hygiene) factors. The motivation factor refers to the components that directly relate to the work performance, consisting of job success, praise or acceptance, job characteristics, responsibility and career advancement. In the meantime, supporting (hygiene) factors are the components that help prevent the work of personnel causing dislike or degradation, consisting of policies and management, salary and compensation, interpersonal relations, working environment, Job security and supervision techniques (Pornthip Sutiya, 2007). These factors affect the different levels of satisfaction of each person's behaviors that will be expressed in different individuals depending on the underlying perception, values and experiences.

### Employee work morale

Chanyam (2003) said that morale in work refers to the mental state of the person in the group or organization that can be encouraged to be satisfied with work and commit to work on the responsibility in order to achieve the goals. Meanwhile, Bangmo (2002) said that morale means the satisfaction and intention of the employees that lead to devote themselves such as intelligence, physical strength, time, and property to meet the needs and objectives of the department. Therefore, the work morale is important for the organizations. Phongsrirot (1997) mentioned the importance of work morale that it can create cooperation among employees to achieve the objectives of the organization, create employees' loyalty and honesty to organization, encourage the employees to follow the organizational framework, create the group unity and power to overcome all obstacles of the organization, create creativity in organizations and build confidence and faith in the organization they are working. In the meantime, Netphokaew, (1998) mentioned the importance of work morale that it can result in good cooperation, create love and unity among colleagues, create confidence and faith in the organization, create understanding between people in the organization, result in group loyalty, and create incentives for personnel to be more creative in workplace. There are various factors affecting employee work morale which they can include motivational factors consisting of job success, social acceptance, job characteristics, role responsibility, work progress, compensation, relationship with other people in the organizations policies and administration, work stability, work environment, organizational factors and others (Herzberg et al, 1959; Likitphanyawat, 2011). Therefore, executives should be aware and consider the various factors that are relevant within their own department. Including finding ways to improve things that are considered as obstacles to the operation to boost the morale of the subordinates.

## Methodology

The study employed questionnaire which was developed from gathering information from books, researches and research articles to obtain the data from the respondents. After the study, the researchers can list both independent and dependent variables. The independent variables consisting of personal factors and employee work motivation and dependent variable consisting of employees work morale. Personal factor contains gender, age, marital status, education level, position, experience and monthly income. Employee work motivation includes motivation factors consisting of job success, praise or acceptance, job characteristics, responsibility and career advancement and hygiene or supporting factors consisting of compensation, relationship with supervisors, relationship with colleagues, commanding, policies and administration, work stability and career status (Herzberg, et al., 1959). Lastly, employee work morale includes work cooperation, honesty and Loyalty to the company, commitment of responsibility improvement, smooth operation and problem solution and confidence and faith toward organization (Flippo, 1971).

In using the questionnaires, validity and reliability were used. In terms of validity test, the researchers requested 3 experts to consider the questions with research objectives. In terms of reliability test, the researchers used Cronbach's alpha which its score was equal to 0.960.

In data collection, there were 60 sets of questionnaires being distributed and there were 60 respondents answering the questions. After the questionnaire was returned, the researchers inspected the completion of the questionnaire before analyzing the data. The period of study lasts from June to September 2018.

In data analysis, both descriptive statistics including frequency, percentage, mean and standard deviation and inferential statistics including independent-sample t-test, One-way ANOVA and regression model analysis were used.

## Result

### 5.1 Personal factors

There were 60 employees of MDX Public Company Limited answering the questionnaire. The study found that most of them were female, aged under or equal to 30 years old, were single, graduated from bachelor's degree, worked in general staff positions, worked for 6-10 years and earned monthly income between 15,000 - 25,000 baht.

### 5.2 Study of employees' work motivation and morale of MDX Public Company

The study of employees' work motivation of MDX Public Company, which is divided into motivation factors and supporting (hygiene) factors, can be summarized as follows.

**Motivation Factors**

In terms of job success, the employees highly agreed on overall of job success. When considering each item, it was found that employees focused on "responsibility and assignments accomplished according to goals", "successful problem solution while working" and "feeling as one of successful work", respectively.

In terms of praise and acceptance, the employees highly agreed on overall of praise and acceptance. When considering each item, it was found that employees focused on "compliment and acceptance from colleagues", "supervisors accept different ideas" and "compliments from supervisors for knowledge and ability suitable for assigned job", respectively.

In terms of job characteristics, the employees highly agreed on overall of job characteristics. When considering each item, it was found that employees focused on "assignments were given upon the knowledge, ability and aptitude", "clearly define responsibilities" and "initiative to create new ways to work and work creatively", respectively.

In terms of responsibility, the employees highly agreed on overall of responsibility. When considering each item, it was found that employees focused on "work without close supervision from the supervisor", "there is power to make decisions about the responsible tasks" and "there were new assignments to be responsible", respectively.

In terms of career advancement, the employees highly agreed on overall of career advancement. When considering each item, it was found that employees focused on "support of training, seminars, study visits to increase knowledge", "consideration for fair promotion" and ability to create works for promotion", respectively.

**Supporting (Hygiene) Factors**

In terms of compensation, the employees highly agreed on overall of compensation. When considering each item, it was found that employees focused on "salary rate that is received is appropriate for the amount of work performed", "welfare system and other compensation to support the work is appropriate" and "salary rates that are suitable for current living expenses", respectively.

In terms of relationship with supervisors, the employees highly agreed on overall of relationship with supervisors. When considering each item, it was found that employees focused on "supervisors can advise and help solve problems", supervisors are equally friendly with all subordinates" and "supervisors encourage and support in the operation", respectively.

In terms of relationship with colleagues, the employees highly agreed on overall of relationship with colleagues. When considering each item, it was found that employees focused on "Being reliant on colleagues", Colleagues help each others very well" and "accept each other's opinions and suggestions", respectively.

In terms of commanding, the employees highly agreed on overall of commanding. When considering each item, it was found that employees focused on “supervisors command and solve problems with reasons”, “supervisor is prudent in the operation or problem resolution” and “supervisors have fair justice and governance”, respectively.

In terms of policies and administration, the employees highly agreed on overall of policies and administration. When considering each item, it was found that employees focused on “executives can lead the company to success”, “company has a clear management policy” and company has a systematic operating method”, respectively.

In terms of work stability, the employees highly agreed on overall of work stability. When considering each item, it was found that employees focused on “company is a stable organization”, “job position is stable” and “intention to work in the company until retirement”, respectively.

In terms of career status, the employees highly agreed on overall of career status. When considering each item, it was found that employees focused on “work is done with honor and dignity”, company is accepted by society” and “this occupation is in demand in the market”, respectively.

**Study of employees’ morale**

Besides the study of motivation factors, the study also revealed the study of employee morale of MDX Public Company Limited which it can be summarized as follows.

In terms of work cooperation, the employees highly agreed on overall of work cooperation. When considering each item, it was found that employees focused on “love, unity, harmony with colleagues”, “cooperation and willingness to work” and “readiness to work and collaborate with other departments in the company”, respectively.

In terms of honesty and loyalty to the company, the employees highly agreed on overall of honesty and loyalty to the company. When considering each item, it was found that employees focused on “dedication and desire for the company progress” and “honest and loyalty to the company”, respectively.

In terms of commitment of responsibility improvement, the employees highly agreed on overall of commitment of responsibility improvement. When considering each item, it was found that employees focused on “commitment to improving the work and responsibility” and “self-improvement to create initiatives in various activities in order to improve and develop work”, respectively.

In terms of smooth operation and problem solution, the employees highly agreed on overall of smooth operation and problem solution. When considering each item, it was found that employees focused on “department can always solve problems together” and “there is smooth work and little conflict”, respectively.

In terms of confidence and faith toward organization, the employees highly agreed on overall of confidence and faith toward organization. When considering each item, it was found that employees focused on “faith in the company” and “confidence in the company’, respectively.

**Hypothesis test results**

Hypothesis 1: Different personal information in terms of marital status had different effects on employees’ morale in working MDX Public Company Limited at the statistically significant level as of 0.05. Meanwhile, personal information regarding gender, age, education level, position, work experience and the average monthly income had indifferently effects on employees’ morale in working MDX Public Company Limited at the statistically significant level as of 0.05.

Hypothesis 2: Employees’ work motivation regarding reasonable commanding and solution, stable position and honorable career had an effect on work morale of employees working in MDX Public Company Limited at the statistically significant level as of 0.05.

## Discussions

The study of motivational factors affecting job morale of employees in MDX Public Company Limited can be discussed as follows.

Different personal information in terms of marital status had different effects on employees’ morale in working MDX Public Company Limited at the statistically significant level as of 0.05. This is because when employees who had different marital status, they will need the different attitude to work. When employees with married status, they will need more time work in the organization as well as they will feel more commitment and responsible to the organization since they feel that they are growing up. In addition, feeling of be adult can help them to work collaboratively with other people in the organization. The study is consistent with Poolpattana (2011) who studied about morale and morale of workers at Maleley Engine Components (Thailand) Company Limited and found that different marital status had different effects on employees’ morale in working in the organization.

The study found that commanding in terms of reasonable commanding and solution had an effect on work morale of employees working in MDX Public Company Limited at the statistically significant level as of 0.05. This is because using rationale can reflect to the fair management given to the employees in the organization. When employees in the organization feel that they will be treated with fairness, they will commit to work harder because they will know that they will be treated such as performance evaluation, equally. The study result is consistent with Nuengnara (2013) who studied about morale in the work of local administrative organization employees in Phato District, Chumphon Province. The study result indicated that employees working in local administrative organization in Phato District, Chumphon Province, commented that the management that has clearly and rationally defined the roles and responsibilities of the personnel can help consider the high level of work morale.

Also, the study found that work stability in terms of stable position had an effect on work morale of employees working in MDX Public Company Limited at the statistically significant level as of 0.05. This is because that employees who perceived that their organization has provided them with stable position, feel that they are stable and their life is more secured. This finally can lead to create willingness to work for the organization, loyalty to organization. The study is consistenent with Kongdee (2013) who studied about morale in the Work of Personnel under the Office of Non-Formal and Informal Education, Nakhon Sawan Province. The result indicated that the teachers highly had opinions towards the morale in the Office of the Non-Formal and Informal Education in Nakhon Sawan in terms of job security.

In addition, the study found that career status in terms of honorable career had an effect on work morale of employees working in MDX Public Company Limited at the statistically significant level as of 0.05. The reason is that feeling proud of the workplace and feeling of work value can help increase the willingness of employees in the organization to work more because they feel that they are doing goodness from their work, their work can contribute positive effect on other people in the organization and people in the society. The study is consistent with Kongdee (2013) who studied about morale in the Work of Personnel under the Office of Non-Formal and Informal Education, Nakhon Sawan Province which its result reported that the teachers highly had opinions towards the morale in the Office of the Non-Formal and Informal Education In Nakhon Sawan in terms of career status.

In conclusion, personal information in terms of marital status and employees' work motivation regarding reasonable commanding and solution, stable position and honorable career had an effect on work morale of employees working in MDX Public Company Limited statistically.

## Recommendations

### Recommendations from the study

The study of motivational factors affecting work morale of employees in MDX Public Company Limited can provide suggestions as follows in order to create work morale.

Regarding work motivation in terms of commanding, the issues that should be improved are that the supervisors should have justice and equality in governance and treat all employees equally, without discrimination, so that they can govern their subordinates very well help drive employees to work more efficiently.

Regarding work motivation in terms of work stability, the issues that should be improved are there should be compensation for employees when the employees have excellent performance and provide other benefits, besides salary, for employees who have worked with the company for a long time because these employees intend to work in the company until retirement.

Regarding work motivation in terms of career status, the issues that should be improved are that there should be an improvement and change of job challenges according to the growing labor market and the needs of today's people since this occupations are in demand in the market.

Regarding employee's work morale, the issues that should be improved are that the company should provide employees with more activities than ever before in order for employees can build good relationships with each other, learn how to fix problems and work together as a team without conflicts.

**Recommendations for future research**

The study of motivational factors affecting work morale of employees was based on only single company. Therefore, the next study may be extended to other company in order that there can be a comparison study. In addition, the current study focused on motivation factors affecting the employee work morale. Therefore, the next study can add more or other variables such as work environment, organizational factors and others which perhaps also create the work morale of employees in the organization.

## References

Bangmo, S. (2003). *Organization and management.* Bangkok: June Publishing.

Chanyam, K. (2003). *Introduction to industrial psychology*. Bangkok: Odean Store Printing House.

Fapohunda, T. M. (2012). The global economic recession: Impact and strategies for human resources management in Nigeria. *International Journal of Economics and Management Sciences*, *1*(6), 7-12.

Flippo, E. B. (1971). *Principle of Personnel Administration*. New York : McGraw-Hill.

Gherman, R., Brad, I., & Dincu, A. M. (2015). The effects of global economic crisis on human resources. *Lucrări stiintifice Management Agricol*, *17*(2), 64.

Herzberg, et al. (1959). *The motivation to work*.2d ed. New York : John Willy & Sons.

Kongdee, P. (2013). *Morale and Morale in the Work of Personnel under the Office of Non-Formal and Informal Education*, Nakhon Sawan Province.

Kontogeorgos, A., Pendaraki, K., & Chatzitheodoridis, F. (2017). Economic crisis and firms' performance: empirical evidence for the greek cheese industry. *Revista Galega de Economía, 26*(1), 73-82.

Likitphanyawat, A. (2011). *Morale in the work of employees. In the automotive parts industry In Wellgrow* Industrial Estate Chachoengsao.

Maslow, A. H. (1960). *Motivation and Personality*. New York : Harper and Row.

Netphokaew, R. (1999). *Introduction to business operation*. Bangkok: Phithak Aksorn.

Nuengnara, C. (2013). *Morale and Morale in the Work of Local Administrative Organization Employees in Phato District*, Chumphon Province.

Parvin, M. M., & Kabir, M. N. (2011). Factors affecting employee job satisfaction of pharmaceutical sector. *Australian journal of business and management research, 1*(9), 113.

Phongsamran, S. (2016). *Organizational behavior*. Kasem Bundit University.

Phongsrirot, S. (1997). *Organization and management* (6th Edition). Bangkok: Technique 19.

Poolpattana, A. (2011). *Morale and Morale of Workers at Maleley Engine Components (Thailand) Company Limited*. (Independent research Master of Business Administration, Management Program Srinakharinwirot University).

Raso, C. (2012). *Job performance motivation of Personnel at akhon Sawan Rajabhat University. Master of Education Higher education*, Graduate school, Srinakharinwirot University.

Suthathat, K. (2012). *Morale in the work of employees in the automotive parts industry*. Amata Nakorn Industrial Estate Chonburi province.

Sutiya, P. (2007). *Employee motivation factors toward working at Krung Thai bank PCL branches in Mueang Chiang Mai district*. (Master of Business Administration. Chiang Mai: Graduate School Chiang Mai University).

Yamkheeb, K. (2007). *Employee Motivation at Takahashi (1995) Company Limited*. (Master of Business Administration, Business Administration Program College Valaya Alongkorn Rajabhat University)

Yang, F. (2011). Work, motivation and personal characteristics: an in-depth study of six organizations in Ningbo. *Chinese Management Studies, 5*(3), 272-297.

Yusook, K. (1999). *Organizational behavior*. Bangkok: Chulalongkorn University.

# THE RELATIONSHIP BETWEEN QUALITY OF WORK LIFE AND EMPLOYEES ENGAGEMENT IN CROWNE PLAZA HOTEL BANGKOK

**Tosaporn Mahamud**[1]
Master of Business Administration, Kasem Bundit University
Email: tosaporn.mah@kbu.ac.th

**Kanyanan Arthiranyakun**[2]
Master of Business Administration, Kasem Bundit University

**Abstract**

The study about the relationship between quality of life and organizational engagement of staff at the operational level of Crowne Plaza Hotel Bangkok aimed at studying the quality of life of staff at the operation level and studying the relationship between quality of life and organizational engagement of the staff at the Crowne Plaza Hotel Bangkok. The samples consisted of 85 employees working at the Crowne Plaza Bangkok. The data was collected during January to February 2018 by using questionnaire. The data analysis consisted of descriptive statistics including frequency, percentage, mean, and standard deviation and inferential statistics including independent-sample t-test, One-way ANOVA and multiple regression model analysis.

From the study, it was found that different personal factor in terms of age had an effect on different organizational engagement of operational employees at Crowne Plaza Hotel Bangkok. Meanwhile, different personal factors in terms of gender, educational level, income and work position did not have an effect on different organizational engagement of operational employees at Crowne Plaza Hotel Bangkok. In addition, it was found that appropriate and fair remuneration in term of "there is satisfaction toward overtime work in order to get the job done even if there is no overtime payment" had an effect on different organizational engagement of operational employees at Crowne Plaza Hotel Bangkok at the statistically significant level as of 0.05.

**Keywords:** Quality of Work Life, Employees Engagement, Crowne Plaza Hotel Bangkok

[1] Faculty of Business Administration, Kasem Bundit University, Suan Luang, Bangkok, 10250
[2] Faculty of Business Administration, Kasem Bundit University, Suan Luang, Bangkok, 10250

## Introduction

Human is considered as a very important resource for organizations from the past to the present. Over the past several decades, it can be seen that a lot of research has been conducted to study human resource management in various fields such as recruitment, selection, personnel development or studies of factors affecting the performance, including maintaining quality personnel to continue with the organization in order to create the benefit and effectiveness of organization and be able to compete with business competitors under the ever-changing economic and social conditions.

This is due to the economic problems that occur in many regions around the world today which affects the overall economic situation of the country. Most organizations therefore turn their attention to on the budget, especially for human power development. Human management and development is considered an important cost and is one of the main factors for the success of the organization (Kongchan, 2014). Also, the effective management of human resources in strategic aspects, is also considered as another factor that helps increase the organization's business competitiveness.

It can be seen that before getting quality and suitable personnel to be a part of the organization, the organization itself must have invested in a considerable amount of human resources whether in terms of capital or time. Therefore, the loss of valuable personnel of the organization can result in the organization's operating costs increase and time consumption that the organization must spending them for new recruitment process, selection, training and knowledge development and others in order that the organization can have new employees to replace the resigned ones.

Bryant & Allen (2013) said that the resignation of employees is a waste of money and is considered as a complicated issue for the organization which the budget increases when there are employees resign from the organization. For some employees, their wages are worthier than some employees' whole-year wage. Therefore, one employees intended to quit the job means that the organization gets loss of valuable resources and is necessary to spend additional budget for their recruitment. Also, this can affect the achievement of the organization's goals and can create disruption to the organization as well as create ineffective performance results (Sudjit, 2006).

The hotel business is one of the real estate businesses that occupies attractive growth and can generate permanent profits. In each year, both large and small scale hotels have to allocate a large budget in recruiting personnel to work in the hotels as well as training and development, compensation, including good welfare and many benefits for employees in order to create the good quality of life for the employees. Consequently, the employees in this business are bound and loyal to the organization and grow up together with organization growth. As aforementioned point, creation of organizational engagement is very important issue the organization must keep considering about it.

Accordingly, the researcher is interested in studying about the relationship between quality of life and organizational engagement of staff at the Crowne Plaza Hotel Bangkok. The result of this study can be used as a guideline to improve the quality of life of the operational level employees to create organizational engagement in order to improve the business performance and growth.

## Research objectives

1. To study the quality of life of staff at the operation level of Crowne Plaza Hotel Bangkok.

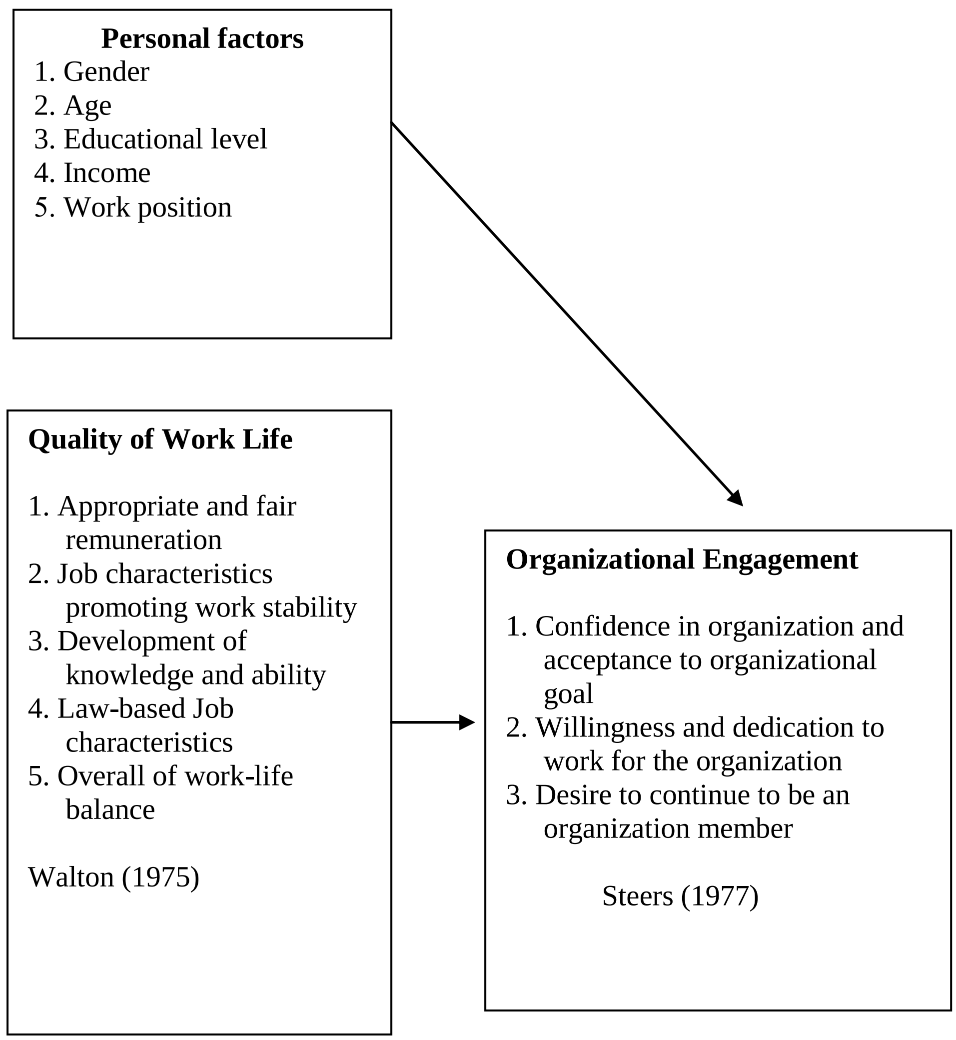
2. To study the relationship between quality of life and organizational engagement of the staff at Crowne Plaza Hotel Bangkok.

## Hypothesis

Hypothesis 1. Different personal factors have an effect on different organizational engagement of operational employees at Crowne Plaza Hotel Bangkok.

Hypothesis 2. Life quality has an effect on organizational engagement of employees at Crowne Plaza Hotel, Bangkok.

## Conceptual Framework of Research



## Literature Reviews

### Quality of Work Life

Kitiparaphon (1988) defined that quality of life means the life is happy which it can come from both physical and mental ways. The physical way means the happiness that retrieved from having well-being, such as having good housing, good health and good health care, good transportation, good environment (water, air) and others. In the meantime, mental way refers to the happiness from satisfying their needs and wants, love, warmth and others from family and society. In the meantime, Ketthat (1990) defined the quality of is a happy life which can adjust to the nature both physical nature and social nature, and can adjust nature to one's self without hurting the society and others. Dooris (1999) categorized into 3 main areas including economics, social and environment. Akranavičute, and Ruževičius, (2007) mentioned that the concept of quality of life is related job satisfaction, work performance, motivation, health care and safety, welfare at work and others.

### Organizational Engagement

Thepwan (2011) has given the meaning of engagement that it is the dedication to work because it is happy to work and it is willing to work. Suelueng (2014) summarized the engagement dimensions into 3 dimension. The first is affective commitment which means the organizational engagement from feelings of wanting to stay continuously in the organization. This concept emphasizes that people who work have a desire to be with the organization. The second is continuance engagement which means that the feelings to continue staying in the organization because of some benefits to life. This kind of engagement makes people stay with the organization because it is necessary to stay. If they do not continue staying, they will lose some benefits. The third is normative commitment means the feelings to continue in the organization because of the responsibility still remained in the organization. This concept emphasizes that people are engaged with the organization because they will be guilty if they leave the organization. Steers (1977) mentioned the organization engagement in 3 ways including confidence in organization and acceptance to organizational goal, willingness and dedication to work for the organization and desire to continue to be an organization member. Accordingly, employee engagement affects work and work efficiency (Rose, Kumar, & Pak, 2009) and affects the company's financial performance (Chun, Shin, Choi, & Kim, 2013).

## Research methodology

Population of this study were of 85 operational staff at the Crowne Plaza Hotel Bangkok and collected data from 85 employees as study samples (Yamane, 1973) which it was accounted for 100%. The study was conducted during January 2018 - February 2018. The research instrument used in this research was questionnaires which it was created as following points.

Firstly, there was a study of relevant documents and research in order to determine the structure of the questionnaire which it consisted of 3 important parts as follows.

Part 1: The personal factors included gender, age, educational level, income and work position. The measurement scale was set as nominal and ordinal. The check-list question type was employed in this questionnaire.

Part 2: The life quality of employees in the operational level of Crowne Plaza Hotel, Bangkok referred to the theory of Walton (1975). The measurement scale was set as rating scale. The Likert scale was used in this questionnaire.

Part 3: The organizational engagement of employees in the operational level of Crowne Plaza Hotel, Bangkok referred to the theory of Steers (1977). The measurement scale was set as rating scale. The Likert scale was used in this questionnaire.

Secondly, there was a study of validity and reliability of the questionnaire in order to inspect whether the questionnaire was created in the line with the study objectives and the question items used in the study was reliable. The validity test employed index of item-objective congruence (IOC) which evaluated by three experts in the study area. Meanwhile, the reliability used Cronbach's alpha which the score was 0.918 which was evaluated by 30 sets of try-out questionnaires.

**Statistics used in data analysis**

The study used descriptive statistics consisting of frequency, percentage, mean, and standard deviation. Meanwhile, inferential statistics were used for hypothesis testing including independent-sample t-test, One-way ANOVA and multiple regression model analysis.

## Results

From the study, it was found that there were 85 employees who answered the questionnaire. Most of the respondents were male (55%), aged under 30 years old (47%), graduated from a bachelor's degree (58%), and earned monthly income between 20,000 -30,000 baht (11%).

**Study about the life quality**

From the study, it was found that the overall of life quality was rated in high level. When considering into each dimension, it was found that appropriate and fair remuneration was also rated in high level with mean score as of 4.43. It was then followed by overall of work-life balance was related in high level with mean score as of 4.00. The next was development of knowledge and ability which was rated in high level with mean score as of 3.96. The next was job characteristics promoting work stability which was rated in the high level with mean score as of 3.80. Lastly, it was Law-based Job characteristics which was rated in high level with mean score as of 3.59, respectively.

**Study about the organizational engagement**

From the study, it was found that the overall of organizational engagement was rated in high level. When considering into each dimension, it was found that confidence in organization and acceptance to organizational goal was rated in extremely high level with mean score as of 4.28. It was then followed by willingness and dedication to work for the organization which was rated in high level with mean score as of 4.15. Lastly, it was desire to continue to be an organization member which was rated in high level with mean score as of 4.00, respectively.

**Hypothesis testing result**

*Hypothesis 1: Different personal factors in terms of gender, age, educational level, income and work position have an effect on different organizational engagement of operational employees at Crowne Plaza Hotel Bangkok.*

**Table 1** Result of independent-sample t-test and One-way ANOVA

| Items | Result |
|---|---|
| 1. Gender | Reject |
| 2. Age | Accept |
| 3. Educational level | Reject |
| 4. Income | Reject |
| 5. Work position | Reject |

* at the statistically significant level as of 0.05.

From the study, it was found that different personal factor in terms of age had an effect on different organizational engagement of operational employees at Crowne Plaza Hotel Bangkok. Meanwhile, different personal factors in terms of gender, educational level, income and work position did not have an effect on different organizational engagement of operational employees at Crowne Plaza Hotel Bangkok at the statistically significant level as of 0.05.

*Hypothesis 2. Life quality has an effect on organizational engagement of employees at Crowne Plaza Hotel, Bangkok.*

**Table 2** Result of multiple regression analysis

| **Life quality factors** | **Unstandardized Coefficients** | | **Standardized Coefficients** | **t** | **Sig.** |
|---|---|---|---|---|---|
| (Constant) | .847 | .412 | | 2.056 | .044 |
| **Appropriate and fair remuneration** | | | | | |
| Salary and compensation are worth with the amount of responsible work. | .017 | .087 | .029 | .195 | .846 |
| Salary, compensation and benefits are sufficient for current living expenses. | .004 | .120 | .006 | .036 | .972 |
| There is satisfaction toward income and welfare received from the organization. | -.088 | .101 | -.132 | -.869 | .389 |

**Table 2** Result of multiple regression analysis (Cont.)

| **Life quality factors** | **Unstandardized Coefficients** | | **Standardized Coefficients** | **t** | **Sig.** |
|---|---|---|---|---|---|
| There is satisfaction toward overtime work in order to get the job done even if there is no overtime payment. | .168 | .077 | .286 | 2.177 | .033 |
| Salary and compensation are worth with knowledge and ability. | .091 | .107 | .118 | .853 | .397 |
| **Job characteristics promoting work stability** | | | | | |
| Organization has the equipment and technology to facilitate work. | .005 | .103 | .007 | .052 | .959 |
| Working environment such as lighting, temperature, and peace are in good condition for work. | -.019 | .119 | -.023 | -.158 | .875 |
| There is strict conformation of organization rules. | .068 | .101 | .082 | .673 | .504 |
| Workplace has a good atmosphere and it is happy to work. | .081 | .112 | .105 | .721 | .474 |
| Organization is well prepared for the prevention of operational risks. | .076 | .093 | .102 | .817 | .417 |
| **Development of knowledge and ability** | | | | | |
| There is always a reception of new knowledge development from work. | .176 | .093 | .235 | 1.890 | .064 |
| Responsible work matches with knowledge and ability. | -.084 | .111 | -.098 | -.764 | .448 |
| Organization continuously supports employee knowledge development by training and development. | .144 | .111 | .170 | 1.300 | .199 |
| Organization provides opportunities for all employees to have the opportunity for further studies. | -.004 | .102 | -.005 | -.037 | .971 |
| Organization has a source of information that can be searched conveniently and quickly. | .018 | .078 | .027 | .228 | .820 |

**Table 2** Result of multiple regression analysis (Cont.)

| Life quality factors | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| **Law-based Job characteristics** | | | | | |
| Organization is a legally registered establishment. | .201 | .198 | .238 | 1.015 | .314 |
| Organization is open for service as stipulated by law. | -.276 | .192 | -.326 | -1.435 | .157 |
| Work period is operated within law frame. | -.035 | .106 | -.055 | -.326 | .745 |
| Organization complies with the legal regulations. | .104 | .130 | .137 | .798 | .428 |
| Organization has creative activities that do not conflict with the law. | .101 | .115 | .128 | .881 | .382 |
| **Overall of work-life balance** | | | | | |
| There is enough time to rest and take appropriate health care. | -.111 | .103 | -.184 | -1.068 | .290 |
| There is enough time for daily work | .100 | .105 | .133 | .951 | .346 |

* at the statistically significant level as of 0.05.

From the study, it was found that appropriate and fair remuneration in term of “there is satisfaction toward overtime work in order to get the job done even if there is no overtime payment” had an effect on different organizational engagement of operational employees at Crowne Plaza Hotel Bangkok at the statistically significant level as of 0.05.

## Discussion

From the study of relationship between quality of work life and employees engagement in Crowne Plaza Hotel Bangkok, the study result can be discussed as follows.

From the study, it was found that different personal factor in terms of age had an effect on different organizational engagement of operational employees at Crowne Plaza Hotel Bangkok. Meanwhile, different personal factors in terms of gender, educational level, income and work position did not have an effect on different organizational engagement of operational employees at Crowne Plaza Hotel Bangkok at the statistically significant level as of 0.05. This is because age can refer to people who may have more work experience and responsibility which people who trend to grow up will have more understanding on their works as well as they have more responsibility to commit to achieve the organizational goals. In contrast, younger age can refer to less responsibility or have different goal to reach which it can affect to the engagement that they may have toward the organization. The study result matched with Leelertphan (2014) who studied about factor affecting the level of organizational employee engagement of Nation Broadcasting Corporation Public Company Limited and the result indicated that different personal factor in terms of age had an effect on different organizational employee engagement. The study also matched with Buapeng (2011) who studied about factors affecting organizational engagement of employee of Daikin Industries Thailand Ltd and the result indicated that employee with different age had different organizational employee engagement.

From the study, it was found that appropriate and fair remuneration in term of “there is satisfaction toward overtime work in order to get the job done even if there is no overtime payment” had an effect on different organizational engagement of operational employees at Crowne Plaza Hotel Bangkok. This is because working in the hotel service sector required employees who can work as a team, especially in the time the employees need to arrange the hall for large event or conference. If one of employees leave the job before the job is done, the responsibility of one employee will move to another employees which finally it can create much workload for the ones who remain in the organization. Therefore, working overtime to finish the work even if there is no overtime payment is the usual situation that can be seen in the hotel service sector. Another reason is that when employees can achieve the goal of working together as a team, the work result will often satisfy the customers which finally the employees can be paid extra wages which is in the form of tip. The study matched with Sopaphan (2012) studied about the relationship between quality of work life and organizational engagement of ASA Corrugated Container Co., Ltd and the result indicated that quality of work life had an influence on organizational engagement.

**Recommendations from the study**

1. The organization should increase the life quality of employees by increasing appropriate and fair remuneration in order that they employees can work harder to get the work done matching with the payment that they receive. Also, the organization should offer the job that can help the employee plan to progress their work position and grow up in the organization. In addition, the organization should provide such the knowledge and ability development program to increase the employee’s skills to service the customers and reach their work goal in the organization. Also, the organization should provide the work within the time frame the government allow the employees to work. Lastly, the organization should emphasize on the employees’ life balance.

2. In order to create the employee engagement, the organization should build the employees’ confidence and acceptance to organizational goal which it can be done through giving skill, knowledge, ability, supports and facility from the organization. Also, the organization should increase the employees’ willingness and dedication to work for the organization by giving them fair payment and care, if the organization want the employees to work harder for organization, the organization itself also need to understand and give the employees harder vice versa. Lastly, the organization should increase the employees’ desire to continue to be an organization member by providing them good working environment such as good friends, good supervisors, good workplace and others.

**Recommendations for further studies**

1. There should be further study of variables related to the relationship between quality of life and organizational engagement such as organizational values, organizational culture or work potential development in order to see the influence on organizational engagement.

2. There should be a qualitative study by interviewing the employees about the factors that can increase the organizational engagement. In addition, there should be an interview with the management team on how the organization can create the employee organizational engagement as well as what is obstacles or problems the organization may have which they can interrupt the organizational engagement creation for the employees.

## References

Akranavičiute, D., & Ruževičius, J. (2007). Quality of life and its components' measurement. *Engineering economics, 52*(2).

Buapeng, P. (2011). *Factors affecting organizational commitment of employee of Daikin Industries Thailand Ltd. Independent research*, (Master of Business Administration, Faculty of Business Administration, Rajamangala University of technology Thanyaburi).

Bryant, P. C., & Allen, D. G. (2013). Compensation, benefits and employee turnover: HR strategies for retaining top talent. *Compensation & Benefits Review, 45*(3), 171-175.

Chinachote, P. (2015). The relationship between organizational commitment and membership behavior of Small Commercial Bank Employees in Bangkok. *Kasem Bundit University Journal, 16*(2), 41-60.

Chun, J. S., Shin, Y., Choi, J. N., & Kim, M. S. (2013). How does corporate ethics contribute to firm financial performance? The mediating role of collective organizational commitment and organizational citizenship behavior. *Journal of Management, 39*(4), 853-877.

Dooris, M. (1999). Healthy Cities and Local Agenda 21: the UK experience—challenges for the new millennium. *Health promotion international, 14*(4), 365-375.

Ketthat, S. (1990). *Directions and policies for managing science and technology education in Thailand For the beginning of the 21st century*. Report of the 4th Science and Technology Conference, 46.

Kitiparaporn, P. (1988). Various business view for quality of life of anyone. *Journal of Economics and Business Administration*, 42-61.

Kongchan, A. (2014). *Human resource management*. Bangkok: Pabpim

Leelertphan, W. (2014). Factor affecting the level of Organizational Employee Engagement of Nation Broadcasting Corporation Public Company Limited. (Independent research, Master of Business Administration, Nation University).

Rose, R. C., Kumar, N., & Pak, O. G. (2009). The effect of organizational learning on organizational commitment, job satisfaction and work performance. *Journal of Applied Business Research (JABR), 25*(6).

Sopaphan, S. (2012). The relationship between quality of work life and organizational commitment of ASA Corrugated Container Co., Ltd. (Master Thesis of Business Administration, Silpakorn University).

Steers, R. M. (1977). Antecedents and outcomes of organizational commitment. *Administrative science quarterly*, 46-56.

Sudjit, K. (2006). *Factors affecting the intent to leave of professional nurses, governmental hospitals, Bangkok Metropolitan area. Bangkok*: Chulalongkorn University.

Suelueng, P. (2014). *Participation and organizational engagement that affected desired behavior of employees of tire industry group*. (Independent Study, Master Degree, Rajamangala University of Technology Thanyaburi).

Thepwan, P. (2011). *Strategic human resource management: concepts and strategies for competitive advantage*. Bangkok: SE-Education.

Walton, R . E. (1975). *Criteria for Quality of Working Life*. New York: Free Press.

Yamane, T. (1973). *Statistics: an Introductory Analysis* (3rd edition). New York: Harper & Row.

# THE DIFFERENT COST AND RETURN OF CRICKET FARMING TYPES: THE CENTRAL REGION OF THAILAND EVIDENCE

**Napaporn Nilapornkul**[1]
Faculty of Business Administration,
Rajamangala University of Technology Thanyaburi
Email: napaporn_n@rmutt.ac.th

**Nattaset Aoithongdee**[2]
Faculty of Business Administration,
Rajamangala University of Technology Thanyaburi
Email: La_oleo@hotmail.com

**Abstract**

This independent study aims to conduct comparative study between individual cricket farm and cricket network farm members in terms of initiation cost of cricket farming, including production cost, operating costs and total cost per unit. Additionally, the return of cricket farms are compared in term of return on investment (ROI), net present value (NPV) and internal rate of return (IRR). For this independent study, data were collected thorough in depth-interviews and observation of two cricket farmers in the central region of Thailand, including a small individual cricket farm and a cricket network farm member. The contents from interviews consisted of cricket farming process, production costs, operating costs, and selling methods. The major findings were that the cricket farm member had lower both initial investment and production cost due to gaining support from its parent farm; in addition, the commitment of the cricket farm member to sell raw crickets to parent farm 80% of production at $90 baht per kilogram, resulting to lower incomes than the individual farm. The breakeven points per a production cycle (2 months) were 78.46 kilograms for individual farm and 119.62 kilograms for network farm. Thus, the return as ROI, NPV and IRR of individual farm were higher than cricket network farm member. Research results pointed out that a key factor effects on cricket farms' return was the selling price.

**Keywords:** Crickets, Cost, Return, Cricket Farming, Net Present Value, Internal Rate of Return

---

[1] Rajamangala University of Technology Thanyaburi Pratumthani, 39 Moo 1, Klong 6, Khlong Luang Pathum Thani 12110
[2] Rajamangala University of Technology Thanyaburi Pratumthani, 39 Moo 1, Klong 6, Khlong Luang Pathum Thani 12110

## Introduction

Presently, it is clear that world population increase significantly to approximately 7,000 million; concurrently, the global warming makes the iceberg melts. This phenomenon affects the land shortage and the global warming itself make crop disaster and finally the shortage of foods for world population in the near future. This situation might lead to poverty in many countries, especially developing countries, such as Cameroon, Zimbabwe and Ethiopia. To solve the problem of the future world food shortage, the Food and Agriculture Organization of the United Nations (FAO), a special unit of the United Nation, announces that edible insect species is an environmentally sustainable solution to current and future food crises.

The FAO report indicated that people consume more than 1,900 insect species. The most popular edible insects has been beetles at approximately 31 percent of world edible insects species. The next is caterpillars at 18 percent. Furthermore, some research stated that insects are protein-rich food, which are readily available source of nutritious. Additionally, the FAO recommended alternative solutions to conventional livestock to feed and pointed out that the consumption of insects contributes positively to the environment, health and livelihood of populations. However, the biggest obstacle to promote insects as a viable source of protein is the consumer acceptance.

In Thailand, edible insects have been popular among people in the north-east region for a long period because this area has been rainless and low quality of lands for agriculture, leading to quite low agricultural products. Thus, people in this area encounter more poverty than other regions. To solve the famine of people in this area, they consume edible insects, such as silkworms, honeypot-ants, grasshopper and agave worms similar to many low and middle income regions of the world. At present, these popular dishes have been move to other regions of Thailand, especially Bangkok metropolitan and its vicinity.

Cricket farming in Thailand was initially started in 1998 with 22,340 cricket farmers (Hanboonsong et al., 2013). Since then, the number of farmers was approximately 20,000 in 2011. Cricket production in Thailand was approximately 6,523 tons in 2006, and increased to 7,500 tons in the last five years despite the slight reduction in farmers (Na Ayudtaya, 2011). Additionally, the cricket farming has developed into cricket farming network, meaning that a parent farm is a center to support farm members in term of cricket eggs, cricket food supplies with low price; in addition to give advice about cricket production process and etc. Therefore, researchers have a research question in mind that "Do the cost and return of the individual cricket farms differ from the network farm member?". Thus, researchers conducted the study to respond the research question, which aim to conduct a comparative study of the individual cricket farm and the cricket network farm members in the central region of Thailand:

i) to investigate the initial cost of cricket farming, ii) to examine production cost, operating cost and cost per unit, iii) to conduct breakeven point and iv) to examine return on investment (ROI), net present value (NPV) and internal rate of return (IRR).

## Literature Review

This section is divided into four major sections: 1) Cricket and Thai cricket farming 2) Types of costs 3) Cash flow estimation and 4) Financial tools analysis. Each subsection is discussed below.

### 2.1 Cricket and Thai cricket farming

Crickets are medium to large insects, which vary in length from 3 to 50 mm (0.12 to 2 inches). They have long shoulders, thin antennae, three-jointed tarsal (foot) segments, and two slender abdominal sensory appendages (called cerci). Their strong hind legs are for jumping and the two long membranous hind wings are used in flying. Males can sound from the friction of the front wing. Wives has spawning organs like needles (Kelly, 2016). They usually live naturally throughout the tropics, such as forests, grasslands and in the desert.

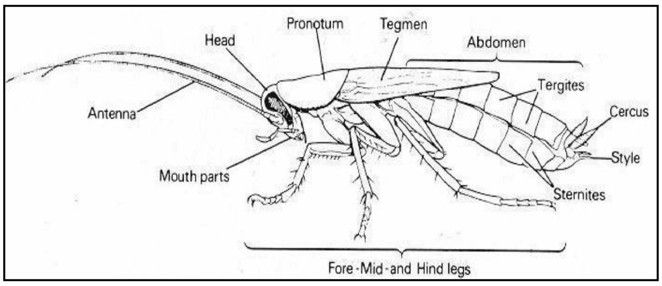



**Figure 1** Characteris tics of cricket

Source: http://www.nawandihalabja.com

Life cycle of cricket normally takes two months long, from cricket egg, then grow up to nymph and finally fully grow to be adult cricket as shown in Figure 2 below.

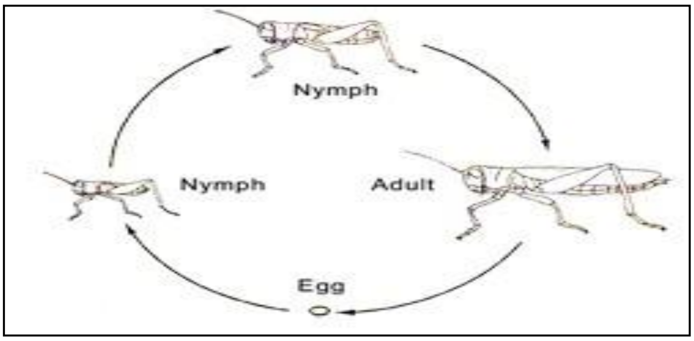



**Figure 2** Characteris tics of cricket

Source: https://www.google.com/search

In Thailand, cricket farmers prefer rearing two species of crickets: house crickets (Acheta domesticus) and two-spotted crickets (Gryllus bimaculatus) (Hanboonsong et al., 2013). Normally, production systems are small scale in nature with limited inputs; which are likely to be household cricket farming (Durst and Hanboonsong, 2015) and are easy to implement and maintain (Halloran et al., 2017). Thereafter, cricket farming has developed from household farming into cricket farming network. This reflects the high demand of crickets. The cricket farming network performs in terms of one parent farm connecting with their member farms by selling low price of cricket eggs and foods, consulting cricket production process and finally buying back adult crickets. The system of cricket farming network is shown in Figure 3 below.

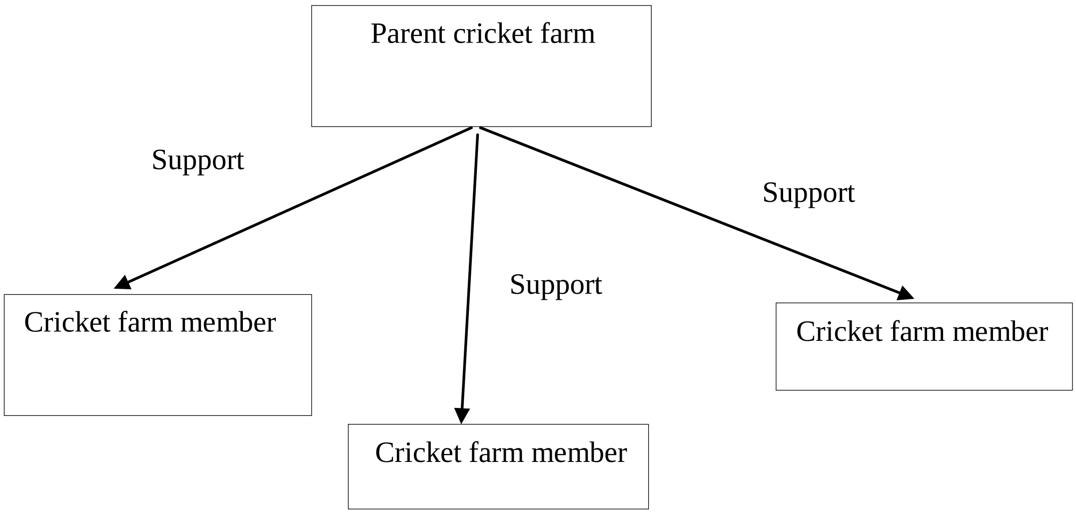



**Figure 3** Cricket farming network

Cricket farming is intended to be a source of protein for consumption because of its high nutritional value and also used as raw materials for animal feeds because of its low cost and high protein content. For the last four years, Thailand transformed crickets into many types of food products. For example, snacks are produced in a variety taste, such as tum yum for Thai Style and wasabi for Japanese style. Furthermore, Cricket protein flour for making cakes or cookies is developed and export to China and European region, which gain a high positive respond from consumers. As a result, entrepreneurs of cricket farming collaborates to request the regulation of the good cricket farming practice from National Bureau of Agricultural Commodity and Food Standards in order to upgrade to high quality standard of cricket farming, because European customers need the certificate of high quality standard of cricket farming from international organization for standardization to ensure in the quality of cricket products (National Bureau of Agricultural Commodity and Food Standards, 2006).

### 2.2 Types of costs

Normally, cost or expense means the amount of cash that a company must pay to get goods or services. Cost can be classified to 3 major types of costs: 1) the product component of finished goods, 2) cost for related department and 3) cost behavior. The details of each criterion are explained below.

2.2.1) the product component of finished goods: Normally, the finished goods usually contain 4 types of cost as following:

1) Direct material: Cost of direct material is the core cost or principal cost of materials for producing finished goods. For example, clothes are direct material for human beings' dresses. The other example is that the cost of gold bar is a core cost of golden ring.

2) Direct labor: Direct labor means the core labor cost for producing finished goods in each stage of production. For examples, for dressmaking, the direct labor costs include the salary of designers and the wages of tailors.

3) Overhead cost: Overhead cost means all production costs, but exclude direct materials and direct labor, such as utility, electricity, rent, depreciation, insurance and tax.

2.2.2) Cost for related department: This criterion focuses on the cost occurrence depending on department activities. For example, sale commission belongs to marketing department because the major duty of marketing department is to stimulate customers to buy the firm's finished goods. However, some costs can exist in each department, such as salary and wage.

2.2.3) Cost behavior: This criterion focuses on the behavior of cost, which is divided into 3 types: fixed cost, variable cost (Nilapornkul, 2016) and mixed cost. The details of each type of cost are explained as follows.

1) Fixed cost or periodic cost: Fixed cost means the expense that quite remains the same amount or unchanged irrespective of the output level or sales revenue, such as salaries, office rent, depreciation and insurance. In reality, no cost is a purely fixed cost; therefore, time bound must takes account for fixed cost, such as one month, one quarter and one year.

2) Variable cost: Variable cost means the expenses that fluctuate proportionally with the quantity of products. Variable costs usually directly depend on the production volume, such as materials, labor and sales commissions.

3) Mixed cost: Mixed cost means the expense that has attributes of both fixed and variable costs. This means that it will vary on the amount of outputs; concurrently, it contains a specific amount of expenses in spite of no output. Thus, mixed cost changes with the volume of production like variable cost and included specific amount of cost without product volume like fixed cost. The examples of mixed costs are utility cost and home phone cost.

### 2.3 Cash flow estimation

Normally, there are two types of cash flow estimations for every business: a cash outflow and cash inflows. It is necessary to estimate both cash flows because of being major factors directly impacting on firms' returns. Estimation of the net cash flow of an investment project should cover the following procedures:

Step 1: Determination an Initial investment

Initial investment or start-up cost is the net cash outflows at the point of starting the business. It refers to the sum of all cash outflows and cash inflows occurring at that period. Net investment refers to the amount cash spending for the acquisition of fixed asset, which includes all expenses related to that fixed asset, such as freight, installation charges, custom duty etc. Generally, there are 4 components of initial investment: 1) all costs of new fixed asset, 2) sale of the old fixed assets, 3 the effect of tax depending on profit or loss of the old fixed assets and 4) the increase of networking capital. However, it is not fully necessary combination, depending on circumstance.

Step 2: Determination of annual net cash inflow after tax

It is the second step to estimate net cash inflow during the life of the project. This stage employs the basis of accounting concept, however, at last the earnings after tax have to transform to cash earnings after by plus the non-cash operating cost, such as depreciation.

Step 3: Determination of terminal value

Finally, the terminal value includes the salvage value of the new assets and the refunding of working capital. Normally, terminal value occurs at the last year of project. However, it is probably no internal value depending on circumstance.

### 2.4 Financial analysis tools

There are many financial tools for analyses firms' returns, both in accounting concept, such as gross profit margin, net profit margin, breakeven point analysis and return on investment; and in financial concepts, such as, net present value, payback period and internal rate of return. The details of each analysis tools are described below.

2.4.1. Accounting concept

Return analysis based on accounting concept focuses on accounting data; as a result, the analysis tools employs firms' financial reports to analyses firm's profitability, including gross profit margin, net profit margin, return on investment and breakeven point analysis (Besley and Brigham, 2008). The details of each tool are presented in Table 1 below.

**Table 1** The formulas of gross profit margin, net profit margin, return on investment

| Ratio | Formula |
|---|---|
| 1.1 Gross profit margin | Gross profit / Sales |
| 1.2. Net profit margin | Net profit / Sales |
| 1.3. Return on investment | Net profit / Investment |

Breakeven point analysis is a useful tool to study the relation among fixed costs, variable costs and revenue. The result of sale quality is the sale volumes that make total revenue equals to total cost or it can be called breakeven point ($Q_{BE}$ as a symbol) (Eujirapongpan, 2009)

$Q_{BE}$ = Fixed cost / (Selling price per unit – Variable cost per unit)……………(1)

As a result, when a firm has a sale quantity higher than $Q_{BE}$, it means the firm gains profits; on the contrary, when a firm has a sale quantity lower than $Q_{BE}$, it means the firm gets loss. The point at $Q_{BE}$ reflects that firm's revenue equals to total costs or zero profit.

2.4.2. Financial concept

Return analysis based on financial concept focuses on cash flows from firm activities. Thus, a firm has to estimate cash flows or employs accounting data and transforms them to cash basis. The four financial tools are payback period, net present value, profitability index and internal rate of return (Nilapornkul, 2016). The details of each tool are explained as follows.

1) Payback period (PB)

This method evaluates time period of generating net operating cash flows to cover initial investment. The criterion for decision is that PB should be less than expectation or the project's life.

2) Net present value (NPV)

This method is very popular among scholars. The concept of NPV is the different of the present value of cash inflows and the present value of net initial investment. Thus, formula can be formulated as below.

NPV = Present value of net cash inflows - Present value of net initial investment…..(2)

From the equation, when the result shows the positive sign, meaning that the firm gains profits. On the contrary, if the result shows the negative sign, meaning that the firm gets loss. Thus the criterion for selection is that NPV should be positive.

3) Profitability index (PI)

A profitability index attempts to identify the relationship between the costs and benefits of a proposed project. The profitability index is calculated by dividing the present value of the project's future cash flows by the present value of initial investment.

$$PI = \frac{\text{The present value of net cash inflows}}{\text{The present value of initial investment}}$$

If PI is greater than 1.0, it means the firm's profit; on the other hand, when PI is lower than 1.0, it means the firm's loss.

4) Internal rate of return (IRR)

The IRR is the method which is used to evaluate how much a business is attractive and worthy of investment. It is the interest rate which is considered when the NPV of the cash flows of the investment becomes equal to zero. This techniques are used for capital budgeting and are very successful in short term planning of investment. Thus, we can formulate the formulae below.

$$\text{The present value of net cash inflows} = \text{The present value of initial investment}$$

$$\sum \text{net cash inflows}(PVIF_{i,n}) = \text{initial investment}$$

Then, the equation is resolved to find out i, reflecting the IRR or the rate of return of the project. The summary of the decision criteria of each financial tools are presented in Table 2 as follows.

**Table 2** The summary of the decision criteria of each financial tool

| Financial tools | Decision criteria |
|---|---|
| 1) Payback Period: PB | Less than project's life or expectation |
| 2) Net Present Value: NPV | Positive sign |
| 3) Profitability Index: PI | More than 1 |
| 4) Internal Rate of Return: IRR | Exceed cost of capital or at least equal to the required return |

## Data and Methodology

The study "The Different Cost and Return of Cricket Farming Types: The Central Region of Thailand Evidence" was conducted in qualitative research. This section aims to present research methodology by performing in four subsections: population and sample; research tools, data collection and analysis tools. Each subsection is described as below.

### 3.1 Population and sample

Population was the cricket farmers in the central region of Thailand. The two samples were selected based on voluntary basis to disclosure their business information, including cricket farming process, sales methods, initial investment, production cost, operating cost, etc.

### 3.2 Research tools

The study is qualitative research to compare cost and return of two types of cricket farming: individual cricket farm and cricket network farm member. Thus, researchers used two major tools for data collection: in-depth interview and observations. The details of each tool are presented below.

1) In-depth interview

In-depth interview means one-on-one interviews, which are the most commonly used as qualitative research method (Isurus Market Research and Consulting, 2016). Researchers employed semi-structured interview, meaning that the addressed questions hidden in general questions to bring about friendly atmosphere during the interview. The major data obtained from the interview were classified into 3 main parts: general information of cricket famers and cricket farms, initial investments and all costs and 3) sale type including sales price.

2) Observations

Observation is a qualitative research method where researchers gather data by observing people's behavior or events in their natural setting (Isurus Market Research and Consulting, 2016). Thus, researchers made appointments to the two samples to interview at their cricket farms to collect data by both interview and observations. Additionally, researchers used the overt observation, which everyone knows they were being observed and requested permission to record the interviews.

### 3.3 Data collection

Researchers employed two sources of data: Primary data and Secondary Data. The details of each data are presented below.

1) Primary Data: The researchers collected data from in-depth interviews and observations of both farmers.
2) Secondary data: The researchers study from academic text, published journals and website related with cricket farming.

### 3.4 Data analysis

The tool for data analysis is Microsoft Excel for evaluating production cost, operating cost, cost per units, breakeven point, return on investment, net present value and internal rate of return.

## Research Results

This section presents the results of two cricket farms. Researchers started with the cost analysis including the farm structure (building and equipment usage), production cost and operating cost. Then income analysis is presented and followed by financial tools analysis.

### 4.1 Cost analysis

The individual cricket farm owner started with studying the cricket production process from the internet, books and other cricket farms. He uses the old building with 49 square meter (width 7 x length 7 meters) in size for cricket production. The old building has steel structures with insulation and water system for cleaning. He uses four square concrete ponds with 2.592 cubic meters (width 2.4 x length 1.2 x height 0.9 meters) each and eight round concrete ponds with 0.314 cubic meters (¶ x radius $0.5^2$ x height 0.4 meters) each. Each pond covers with a net to protect crickets from various natural enemies. He uses paper panel egg for cricket hiding at the time of molting, including food tray and water tray in

each pond. Normally, common weeds can be used to make crickets feel no stress. The individual farm produced adult cricket around 156 kilograms per 1 production cycle (2-month length).

While the network farm members have to sell the 80% of the products to the parent farm, parent farm fully support and give advice to farming network members. The farm member owner constructed a small building with size 28 square meter (width 4 x length 7 meters) and installed 2 eco-lights. He uses eight square concrete ponds with 2.592 cubic meters (width 2.4 x length 1.2 x height 0.9 meters) each. Normally, his farm produces products approximately 168 kilograms per 1 production cycle (production process takes 2 months). The initial costs of two cricket farms and the cost per 1 production cycle are presented as shown in Table 3.

**Table 3** The initial costs of two cricket farms and the cost per 1 production cycle

| Items | Amount | Baht/ unit | Total (Baht) | Lifetime (year) | Fixed production Cost/1 production cycle (Baht) |
|---|---|---|---|---|---|
| **Individual farm** | | | | | |
| Building | 1 unit | 50,000 | 50,000 | 20 | 416.67 |
| Square concrete pound | 4 units | 2,000 | 8,000 | 5 | 266.67 |
| Round concrete pound | 8 units | 3 | 2,400 | 10 | 40.00 |
| | Initial investment | | 60,400 | | 723.34 |
| **Network farm member** | | | | | |
| Building | 1 unit | 20,000 | 20,000 | 20 | 166.67 |
| Square concrete pound | 8 units | 8 | 6,400 | 5 | 213.33 |
| Light bulb | 2 bulbs | 2 | 500 | 5 | 16.67 |
| Total | Initial investment | | 26,900 | | 396.67 |

Source: compiled by author

Then, variable production costs and operating costs of both farms are presented in Table 4 and the results of cost analysis are shown in Table 5 as follows.

**Table 4** The variable production costs and operating cost of both farms

| | Individual farm | | | Network farm member | | |
|---|---|---|---|---|---|---|
| | Amount | Baht/unit | Cost / 1 production cycle (baht) | Amount | Baht/unit | Cost / 1 production cycle (baht) |
| **Variable production cost** | | | | | | |
| Cricket eggs | 56 units | 50 | 2,800.00 | 32 units | 50 | 1,600.00 |
| Concentrated food | 10 sacks | 450 | 4,500.00 | 12 sacks | 380 | 4,560.00 |
| Paper panel egg | 160 panel | 1.5 | 240.00 | 370 panel | 1.5 | 555.00 |
| Fibrous husk | 1 sacks | 70 | 70.00 | 1 sacks | 70 | 70.00 |
| Food tray | | | | 80 tray | 10 | 80.00 |
| Total | | | 7,610.00 | | | 6,865.00 |
| **Fixed operating cost** | | | | | | |
| Utility | 2 months | 200 | 400.00 | 2 months | 200 | 400.00 |
| Cooking oil | 2 bottles | 100 | 200.00 | | | |
| Labor cost | 60 days | 100* | 6,000.00 | 60 days | 100* | 6,000.00 |
| Total | | | 6,600.00 | | | 6,400.00 |

* Assumption working only 3 hours a day

Source: compiled by author

**Table 5** the result of cost analysis

| | Individual | Network farm member |
|---|---|---|
| 1.Fixed production cost (Baht) | 723.34 | 396.67 |
| 2.Variable production cost (Baht) | 7,610.00 | 6,865.00 |
| 3.Total production cost (Baht) | 8,333.34 | 7,261.67 |
| 4.Fixed Operating cost (Baht) | 6,600.00 | 6,400.00 |
| 5.Total cost (Baht) | 14,933.34 | 13,661.67 |
| 6.A number of products (Kilogram) | 156 | 168 |
| 7.Total cost per unit (Baht / kilogram) | 95.73 | 81.32 |

### 4.2 Income analysis

As mentioned above, the production quantity was of 156 kilograms per 1 production cycle for individual farm. In regard to adult cricket selling, the farm owner normally sells both raw crickets and fried

crickets at 120 baht per kilogram and 350 baht for kilogram respectively. His marketing is viral marketing on his private Facebook account and He plans to move to online marketing in the future. He said that the major problem of cricket production is the unknown cause of cricket death. This can be prevented only by dropping the drugs in water. The cricket farm owner pointed out that cricket farming in Thailand will gradually grow because of high demand of cricket products from overseas.

For cricket network members, the marketing strategy relies on farming network; therefore, they have to sell goods to parent farm at 80% of production, for 90 baht per 1 kilogram and the remaining goods can be sold at retail price of 120 baht per 1 kilogram. The total incomes of both cricket farms are presented in Table 6 as follows.

Table 6 Total income of both cricket farms

| | **Individual farm** | | | **Network farm member** | | |
|---|---|---|---|---|---|---|
| Type of sale | Amount (Kilogram) | Sale price/unit | Total revenue | Amount (Kilogram) | Sale price/ unit | Total revenue |
| Raw cricket | 141 | 120 | 16,920.00 | 4 | 120 | 5,160 |
| Fried cricket | 15 | 350 | 5,250.00 | | | |
| Sell to parent | | | | 1 | 90 | 11,250 |
| Total incomes | 156 | | 22,170.00 | 1 | | 16,410 |

## 4.3 Financial tools analysis

To respond to the objectives of the study, the accounting concept is used to calculate the return on investment (ROI) and breakeven point as shown in Table 7 below.

**Table 7** Return on investment and breakeven point of both farms

| | **Individual** | **Network farm member** |
|---|---|---|
| 1. Total income (Baht) | 22,170.00 | 16,140.00 |
| 2. Total cost (Baht) | 14,933.34 | 13,661.67 |
| 3. Initial investment (Baht) | 60,400 | 26,900 |
| 4. ROI (percentage per 2 months) | 11.98% | 10.22% |
| 5. Total fixed cost (Baht) | 7,323.34 | 6,796.67 |
| 6. Average selling price per kilogram | 142.12 | 97.68 |
| 7. Variable cost per kilogram (2/6) | 48.78 | 40.86 |
| 8. Breakeven point (kilogram) | 78.46 | 119.62 |

Then financial concept is employed to calculate net present value (NPV) and internal rate of return (IRR). Thus, researchers have to forecast cash flows for the whole project within 2 assumptions: the project life equals to the lifetime of the building, and the minimum required return equals to interest rate of fixed deposit, approximately 2% per year, representing opportunity cost.

The initial investments, operating cash flow and terminal value of both farms are presented in Table 8, and the calculation of NPV and IRR are presented in Table 9 as follows.

**Table 8** The initial investments, operating cash flow and terminal value of both farms

| Items | Individual farm | Network farm member |
|---|---|---|
| Initial investment (plus net working capital = variable cost + operating cost) (baht) | = 60,400+7,610.00+6,600<br>= 74,610 | = 26,900+6,865+6,400<br>= 40,165 |
| Operating cash flows (baht) | = (22,170.00-14,933.34)+723.34<br>= 7,960 baht / 1 production cycle or 47,760 baht per year | = (16,140.00-13,661.67)+396.67<br>= 2,875 baht / 1 production or 17,250 baht per year. |
| Terminal value = working capital (baht) | = 7,610.00+6,600<br>= 14,210 | = 6,865+6,400<br>=13,265 |

**Table 9** The calculation of NPV and IRR

| Year | Net cash inflows | Net cash outflows | Net cash flows | Net cash inflows | Net cash outflows | Net cash flows |
|---|---|---|---|---|---|---|
| 0 | | -74,610 | -74,610 | | -40,165 | -40,165 |
| 1 | 47,760 | | 47,760 | 17,250 | | 17,250 |
| 2 | 47,760 | | 47,760 | 17,250 | | 17,250 |
| 3 | 47,760 | | 47,760 | 17,250 | | 17,250 |
| 4 | 47,760 | | 47,760 | 17,250 | | 17,250 |
| 5 | 47,760 | -8,000 | 39,760 | 17,250 | -6,900 | 10,350 |
| 6 | 47,760 | | 47,760 | 17,250 | | 17,250 |
| 7 | 47,760 | | 47,760 | 17,250 | | 17,250 |
| 8 | 47,760 | | 47,760 | 17,250 | | 17,250 |
| 9 | 47,760 | | 47,760 | 17,250 | | 17,250 |
| 10 | 47,760 | -10,400 | 37,360 | 17,250 | -6,900 | 10,350 |
| 11 | 47,760 | | 47,760 | 17,250 | | 17,250 |
| 12 | 47,760 | | 47,760 | 17,250 | | 17,250 |
| 13 | 47,760 | | 47,760 | 17,250 | | 17,250 |
| 14 | 47,760 | | 47,760 | 17,250 | | 17,250 |
| 15 | 47,760 | -8,000 | 39,760 | 17,250 | -6,900 | 10,350 |
| 16 | 47,760 | 47,760 | 17,250 | 17,250 | 16 | 47,760 |
| 17 | 47,760 | 47,760 | 17,250 | 17,250 | 17 | 47,760 |
| 18 | 47,760 | 47,760 | 17,250 | 17,250 | 18 | 47,760 |
| 19 | 47,760 | 47,760 | 17,250 | 17,250 | 19 | 47,760 |
| 20 | 61,970 | 61,970 | 30,515 | 30,515 | 20 | 61,970 |
| IRR | | 63.36% | | 41.40% | IRR | |
| NPV | | 694,175.79 | | 233,787.44 | NPV | |

## Discussion and Conclusions

The study focuses on the different cost and return of individual cricket farm and cricket farm network members in the region of Thailand. Researchers employed qualitative research by in-depth interview and observations for 2 cricket sample farms. The two cricket farms are quite different in sales distribution. The individual farm did the business in small size and run his business without assistance from anyone; whereas, the network farm ran his business with full support from parent company. The similar and the different from the both cricket farms are presented in Table 10 as follows.

**Table 10** Total financial analysis of both farms

| | The first | The second farm |
|---|---|---|
| 1. A number of products (Kilogram) | 156 | 168 |
| 2. Total cost per unit (Baht / kilogram) | 95.73 | 81.32 |
| 3. Initial investment (Baht) | 60,400 | 26,900 |
| 4. Return on investment: ROI (% per 2 months) | 11.98% | 10.22% |
| 5. Average selling price per kilogram | 142.12 | 97.68 |
| 6. Breakeven point (kilogram) | 78.46 | 119.62 |
| 7. Internal rate of return: IRR | 63.36% | 41.40% |
| 8. Net present value: NPV (baht) | 694,175.79 | 233,787.44 |

Table 10 shows that the individual farm produced lower quantity of crickets and total cost per unit was higher than the network farm member. However, its ROI, NPV and IRR were higher than the network farm member. This is because the network farm member had to sell 80% of production to parent cricket farming network with a low price as a commitment. This is a key factor to reduce the farm’s return. The cricket parent farm supports variable cost, such as cricket eggs and foods at a lower price to network members, but it buys the products back at a high proportion of production with a low price, resulting network members gains lower return than individual cricket farms. In regard to breakeven point, the network farm member had higher breakeven point because of lower average selling price of cricket due to the price commitment. To gain more profit, the cricket network member should expand its production to gain more production volume which will increase initial investment.

## References

Besley, S., & Brigham, E. (2008). *Essential of Management Finance*. 14th ed. China: South-western cengage learning.

Durst, P., & Hanboonsong, Y., (2015). Small-scale production of edible insects for enhanced food security and rural livelihoods: experience from Thailand and Lao People's Democratic Republic. *Journal of Insect Food Feed 1*, 2015. http://dx.doi.org/10.3920/JIFF2014.0019.

Eujirapongphan, S. (2009**)**. *Management Accounting*. Bangkok: McGraw-Hill Publishing. Georgia Journal. 183, 112e124. http://dx.doi.org/10.1111/geoj.12184.

Halloran, A., Roos, N., & Hanboonsong, Y., (2017). *Cricket farming as a livelihood strategy in Thailand*.

Hanboonsong, Y., Jamjanya, T., & Durst, P.B., (2013). *Six-legged Livestock: Edible Insect Farming, Collecting and Marketing in Thailand*. Food and Agriculture Organization of the UnitedNations Regional Office Asia and the Pacific, Bangkok.

*Isurus Market Research and Consulting, Qualitative research tools.* (2017). Retrieved on September 12, 2017 from http://isurusmrc.com/research-tools/qualitative-research-tools

Kelly, J. (2017). *Physical characteristics of the cricket insect*. Retrieved on October 10, 2017 from https://animals.mom.me/physical-characteristics-cricket-insect-4846.html

Na Ayudtaya, S, A. (2011). *Current status of cricket farming*. News report for the Bureau of Agricultural Commodities Promote on and Management 25 April 2011. (In Thai.)

National Bureau of Agricultural Commodity and Food Standards. (2016). *Agriculture pushes crickets up economic insect platform*. Retrieved on August 3, 2016 from http://www.acfs.go.th/read_news.php?id=14191&ntype=13

Nilapornkul, N. (2017). *Financial Management*. Bangkok: Triple-Education

Nilapornkul, N; Yuttasri, J & Suaysom, T. (2016). Risk and return: Thai listed finance and security companies evidence. *International Journal of Applied Computer Technology and Information System, 6*(1), April 2016 – September.

# CHALLENGES OF COMPETING IN THAI DURIAN MARKET IN CHANTABURI PROVINCE IN THE AGE OF "CHINESE CONSUMERISM"

**Piruna Sutthison**[1]
Faculty of Social Technology,
Rajamangala University of Technology Tawan-ok: Chantaburi Campus
Email: piruna_su@rmutto.ac.th

**Krit Jarinto**[2]
Faculty of Administration and Management,
King Mongkut's Institute of Technology Ladkrabang
Email: krit.dba1@gmail.com

**Sawanya Yothawong**[3]
Faculty of Social Technology,
jamangala University of Technology Tawan-ok: Chantaburi Campus

**Jidapa Lemsingam**[4]
Faculty of Social Technology,
Rajamangala University of Technology Tawan-ok: Chantaburi Campus

**Abstract**

The research in the challenges of competing in Thai durian market in Chantaburi province in the age of "Chinese consumerism" is aimed to 1) study general information, farmer characteristics, marketing mix factors and competitive advantage, 2) compare the competitive advantage of the durian market in Chantaburi Province categorized by general information, 3) compare the competitive advantage of the durian market in Chantaburi Province categorized by farmer characteristics and 4) study the marketing mix factors affecting competitive advantage of the durian market in Chantaburi Province categorized by farmer characteristics. Questionnaires were used as tools for collecting data

[1] Rajamangala University of Technology Tawan-ok : Chantaburi Campus, 131 Moo 10 Plung, Khao Khitchakut, Chanthaburi , 22210
[2] King Mongkut's Institute of Technology Ladkrabang, Chalongkrung Rd. Ladkrabang , Bangkok 10520
[3] Rajamangala University of Technology Tawan-ok : Chantaburi Campus, 131 Moo 10 Plung, Khao Khitchakut, Chanthaburi , 22210
[4] Rajamangala University of Technology Tawan-ok : Chantaburi Campus, 131 Moo 10 Plung, Khao Khitchakut, Chanthaburi , 22210

from 400 durian growers in Chantaburi Province. Descriptive statistics was used for population data. Inferential statistics; ANOVA Test, Multiple Regression Analysis, was used for data analysis. The results show that 61.30% of the respondents are male. 37.8% are over 35 years old. 30.80% obtain the level of education in secondary school and vocational certificate. 35.70% have more than 1 million Baht annual income. 42.00% of the durian plantation areas are sloping areas. 27.70% or the majority of the durian cultivated are Mon Thong. Sales, profits and production in 2018-2019 were reduced from 2017 55.30%, 63.70% and 52.50% respectively. The results of the testing showed that differences in education levels, annual income, characteristics of durian plantation areas, durian varieties affect the competitive advantages of Thai durian market in Chantaburi Province differently. According to multiple regression analysis results, the predictive power is 12.00%($R2 = 0.12$), the standard error of the forecast is 0.528%. The best forecasting variable affecting the competitive advantage of the Thai durian market in Chantaburi Province with statistical significance at the level of 0.05 are four variables. Price (X2) and workers in the plantation (X6) give a positive effect, whereas the durian plantation area factor (X5), marketing promotion (X4) give a negative effect. The variables that do not affect the competitive advantage are the product (X1) and the distribution channel (X3). The study shows that the sample places a high level of importance on product strategy; therefore, farmers should increase the variety, and the quality of durians more than price strategy. The price should be set appropriately, and the distribution channel should be increased to reduce the risk from the bargaining power of the durian buyer.

**Keywords:** Competitive Advantage, Thai Durian Market, Thai Durian in Chantaburi Province

## Introduction

Thai durian has become an agricultural fruit with a significant amount of product value and export value of the country. In 2017, the production of Thai durian stood at 23.70 percent of the total value of fruit or approximately 3,963.10 million baht. The average growth of durian values in the last five years has increased by 21.20 percent per year, in accordance with the increasing popularity of durian consumption among Chinese people at present. Durian production in the central and eastern regions has a total area of 262,543 Rai or 43.40% of the total durian plantation area throughout the country, particularly in Chantaburi province. (Benjapruk, 2019). The foreign markets, especially the People's Republic of China market which is the main market, have higher demand for fresh durian from Thailand. The price of Monthong durians during 2009-2013 increased from 21.52 Baht per kilogram in 2009 to 39.90 Baht per kilogram in 2013, or 15.46% increase per year. The price of Chanee durians increased from 12.89 baht per kilogram in 2009 to 15.15 baht per kilogram in 2013 or increased by 6.91% each year. 2009-2013 the price increased from 16.06 baht per kilogram in 2009 to 18.32 baht per kilogram in 2013 or increased by 2.59% (Office of Agricultural Economics, 2015)

Durian is more than 50% of the country's total products and especially durians from the eastern region, such as Chantaburi, Rayong and Trat, will go to the market at the same time during 2-3 weeks of mid harvest season which is May - beginning of June. The durian sales price drop since there are excessive products within the market with an inefficient market mechanism, lack of strong measures in releasing the products out of the exported area causing the price to continuously fall. In addition, the problem of exporting unripe durians by exporters that lack knowledge, expertise and professional responsibility causes trade partners in foreign markets to not accept products by raising non-tariff barrier issues, such as hygiene, disease, pesticides and toxic residues. This leads to loss among entrepreneurs. In order to solve the problem, the entrepreneurs lower the purchase price to the lowest in the middle of the production season. This situation annually occurs.

The researcher suggests that farmers should be more careful in cutting durian for sale, choosing Chinese middlemen to sell durians to, the quality of durians that meet the demand of the market, not offering unripe durians for sale, selecting middlemen with knowledge, not the middlemen who look for excessive profits, otherwise the farmers will be damaged and affect other farmers. However, it is currently considered the golden age of the Thai durian market in Chantaburi province with competitive advantages that can be further developed. If there is an analysis of the Thai durian marketing mix that affects the competitive advantage of the Durian market, Chantaburi Province, it will be able to be used as a guideline in promoting and developing Thai Durian market in the future.

## Research Objectives

1. To study general information, farmer characteristics, marketing mix factors and competitive advantage of durian growers in Chantaburi Province.

2. To compare the competitive advantage of the durian market in Chantaburi Province categorized by general information.

3. To compare the competitive advantage of the durian market in Chantaburi Province categorized by farmer characteristics.

4. To study the marketing mix factors affecting competitive advantage of the durian market in Chantaburi Province categorized by farmer characteristics.

## Research Hypotheses

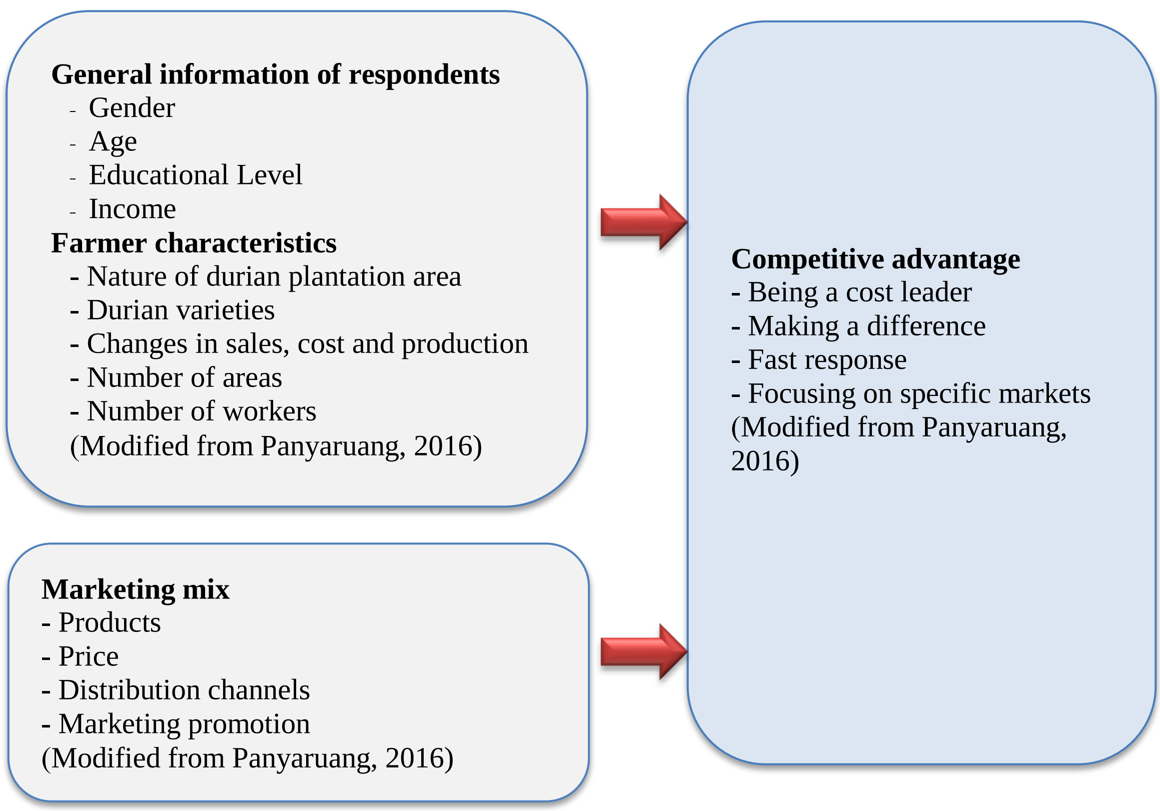
Hypothesis 1. Farmer with different general information has different competitive advantage of the durian market in Chantaburi Province.

Hypothesis 2. Farmer with different farmer characteristics has different competitive advantage of the durian market in Chantaburi Province.

Hypothesis 3. Marketing mix factors affecting competitive advantage of the durian market in Chantaburi Province.

## Conceptual Framework

**Independent Variables** **Dependent Variables**



## Concepts and Theories

**Marketing Mix Concepts and Strategies**

Marketing mix is one of the important concepts in marketing. In order to satisfy customers, marketers use marketing mixes as tools for development in line with the target market. From the study, many scholars defined the meaning of marketing, which consist of quality, service and cost. Value is a comparison between benefits and costs. Some customers choose to buy because of good quality or reasonable price. Some people buy products by comparing its quality and its prices which can be written as a ratio = Value = Benefit / Cost. Value can be added by adding benefits or decreasing costs, or both.

The American Marketing Association has defined the meaning of "marketing" as the planning process and implementing concepts, prices, promotion and distribution of products and service to create satisfaction to consumers and producers. There are four marketing elements for the value chain: the right target or getting closer to customers, specific needs of the customers, cost saving but creating value for customers, and convenience that customers will be able to buy products wherever and whenever they want. Every marketing activity must be able to monitor and measure by applying two-way communication with customers (Anthachai, 2015)

Marketing mix theory is a marketing factor in order to meet the needs and satisfaction of the target customers and to encourage the target group to demand for their products and services. The theory consists of four components or 4Ps.

1. Product means products offered for sale by business in order to meet the needs of customers and to satisfy them. They can be tangible or intangible. They can be both goods and services that offer utility and value in the customer's sense so that they can be purchased.

2. Price means the amount of money that is necessary to pay in exchange to get a product. It is product value in monetary form and is the cost of customers. Consumers compare the value of the product with the price of the product. If the value is higher than the price, consumers will make a purchase.

3. Place means the structure of the channel that consists of institutions and activities used to move products and services from the manufacturer to the target consumer. Marketing activity institution help with the distribution of goods, including transportation and storage of inventory.

4. Marketing Promotion is a communication tool to create satisfaction for the brand or service or idea or to the person by using motivation to create a desire to think of the product as it influences the feelings, beliefs and buying behavior. It is also a communication and information exchange between the seller and the buyer to create an attitude and buying behavior. Communication help salespeople to make sales. There are several communication tools available to be appropriately chosen based on customers, products and competing products (Serirat, 2016).

Marketing mix means integration, especially important variables under the control of an organization that can be used to create demand and gain competitive advantages. These variables are products, channels, marketing promotions, and prices. These variables have sub-elements that can be analyzed for optimization and the capability of the organization (Wheelen and Hunger, 2016)

**Competitive Advantage Concepts and Theories**

Competitive advantage refers to the relationship between the goal of the business and the method to reach its goal. The relationship can create a competitive advantage or value that has more impact on customer satisfaction than other business competitors (Nawakarn, 2016)

Applying competitive advantage makes the business be in a position that is superior to its competitors. It must be appropriately chosen to suit the global changes, the resources and business readiness. There are three competitive advantage strategies.

1. Cost leadership is a benefit when having a lower cost. However, the cost reduction still has hidden risks, such as outdated processes or innovations or services and product distribution while competitors may have more modern innovations.  Moreover, reducing the cost may affect customer awareness which may lead to an imitation, because the profit of the business is equal to the sales price - the cost of sales. Therefore, there are two options to obtain higher profit, increasing sales price and / or reducing cost of sales. Most successful organizations choose to reduce costs rather than increase sales prices which is to increase effectiveness.

2. Making a difference means creating value in products and services to be different from other competitors which is a strategy that should be developed. The value in the past may no longer be accepted by consumers due to high competition in the market. The products and services in the market are currently similar. The organization must, therefore, create products and services that are different from competitors in order to meet the needs of the customers.

3. Market Focus is a strategy that the organization apply to meet the needs of the market that has complete differences in demand for products, product styles, colors, quality, and expectations. Therefore, conducting business by applying the same business strategy in every market is an inappropriate business practice (Porter, 1985).

## Literature Reviews

Detpuang and Chaiprasit (2018) studied the relationship between internal and external factors affecting the export of durian to the People's Republic of China which is a quantitative research with the objectives (1) to study the domestic factors affecting the export of durian to China (2) to study the external factors that affect the export of durian to China (3) to increase the export potential to be more efficient and increase the value in durian products. Population and sample groups were the total amount of durian product export volume, internal and external factors affecting the quantity of durian exports based on annual secondary data from 2006 to 2015. Data were analyzed by multiple regression model and ordinary Least Squares (OLS). The research found that the factors in this model can explain the changes in the amount of durian exports to China by 90.21 percent. The most effective factors are gross domestic product in China, followed by export price (F.O.B) of Thai durian, Thai durian products, foreign exchange rates, and the value of imports of durian in China. The results of this study support policymakers or relevant government agencies to reform the agricultural economy structure, marketing structure, look for a new export market, increase product use, add value to the product, maintain efficiency and increase the potential in order to be the world's number one exporter of durian.

Panyasai (2017) studied the development of needs of Long-Lublae durian business lesson for agricultural entrepreneurs in Uttaradit Province. The purpose of this research was to develop the learning process of the Long-Lublae durian entrepreneurs in Uttaradit. The samples, specifically and voluntarily selected, were Long-Lublae durian farmers and their offspring in Uttaradit. The sample group included 30 samples for collecting the data regarding Long-Lublae durian business. 10 samples for in-depth interviews, and 22 samples for the experimental methods. 11 of the samples are Long-Lublae durian farmers and 11 of their offspring were studying at Rajabhat Uttaradit University. The tools used in the research consisted of a survey of needs of Long-Lublae durian business lesson for agricultural entrepreneurs and in-depth interview

Panyaruang (2016) studies the management of competitive advantage for the successful operation of SMEs in the northern region of Thailand. He was interested in studying the competitive advantages and operational success of SMEs in the northern region of Thailand, the relationships, and the impacts of competitive advantage on the business success of SMEs in the northern region of Thailand. The sample group consisted of 400 SMEs in the northern region of Thailand, namely Chiang Rai, Chiang Mai, Nan, Phayao, Phrae, Mae Hong Son, Lampang, Lamphun and Tak. It was found that SME entrepreneurs in the northern region of Thailand have a high level of opinion about the competitive advantage and the success of their operations. Whereas, the relationship and impact, it was found that Competitive advantage in terms of differentiation, cost, leadership, quick response, and market focus are related and give a positive impact on overall operational success. It was suggested that further researches should be conducted with other business groups and studied the impact or other factors that affect the success of the operation

## Data Collection

1. Primary Data is data collected from 400 questionnaires from the population in Chantaburi province in 2019.

2. Secondary Data is data obtained from data sources that have been collected and used in the past, such as documents, textbooks, concepts, theories and related researches, including data on the internet.

## Reliability Test

By testing reliability from the questionnaires that were tried out in 30 people, the result of reliability was 0.70

## Statistics used in data analysis

This research statistically analyzed data by descriptive statistics, frequency, percentage, mean and standard deviation to analyze personal factors of the sample. Inferential Statistic, such as ANOVA Test, Multiple Regression Analysis, were used to analyze the data.

## Research Result

**Table 1** Number and percentage of respondents by gender

| Gender | Number (person) | Percentage |
|---|---|---|
| Male | 245 | 61.30 |
| Female | 155 | 38.70 |
| **Total** | **400** | **100.00** |

Table 1 shows that most of the respondents are 245 male or 61.30% and 155 female or 38.70% of the total respondents.

**Table 2** Number and Percentage of Respondents by Age

| Age Range | Number (person) | Percentage |
|---|---|---|
| 25 - 30 years old | 125 | 28.20 |
| 31 – 35 years old | 124 | 40.50 |
| Above 35 years old | 151 | 31.30 |
| **Total** | **400** | **100.00** |

Table 2 shows that 124 respondents are 31 - 35 years old which accounts for 40.50%, 151 respondents are above 35 years old which accounts for 31.30%, and 125 respondents are 25-30 years old which accounts for 28.20%.

**Table 3** Number and Percentage of Respondents by Educational Levels

| Educational Levels | Number (person) | Percentage |
|---|---|---|
| Lower than middle school | 62 | 15.50 |
| Middle School | 123 | 30.80 |
| High School | 70 | 17.40 |
| Vocational - High Vocational Certificate | 123 | 30.80 |
| Bachelor Degree and above | 22 | 5.50 |
| **Total** | **400** | **100.00** |

Table 3 shows that 123 of the respondents obtain middle school level which accounts for 30.80%, and 123 respondents obtain vocational – high vocational certificate which also accounts for 30.80%. 70 respondents obtain high school diplomas which accounts for 17.40%. 62 respondents obtain educational level lower than middle school which account for 15.50%. 22 respondents obtain Bachelor degree which accounts for 5.50 percent.

**Table 4** Number and percentage of respondents by income per year

| Annual Income | Number (person) | Percentage |
|---|---|---|
| 100,000 – 200,000 Baht | 0 | 0.00 |
| 300,000 – 400,000 Baht | 8 | 2.00 |
| 500,000 – 600,000 Baht | 37 | 9.30 |
| 700,000 – 800,000 Baht | 79 | 19.70 |
| 900,000 – 1,000,000 Baht | 133 | 33.30 |
| Above 1,000,000 Baht | 143 | 35.70 |
| **Total** | **400** | **100.00** |

Table 4 shows that the majority or 143 of the respondents have annual income more than 1,000,000 Baht which accounts for 35.70 %, 133 of the respondents have annual income between 900,000 - 1,000,000 Baht which accounts for 33.30%, percent, 79 of the respondents have annual income between 700,000 - 800,000 Baht which accounts for 19.70%, 37 of the respondents have annual income between 500,000 - 600,000 Baht which accounts for 9.30%. 8 of the respondents have annual income between 300,000 - 400,000 Baht which accounts for 2.00%. None of the respondents have annual income between 100,000 - 200,000 Baht which accounts for 0.00%.

**Table 5** Number and percentage of respondents classified by characteristics of durian plantation area

| Characteristics of Durian Plantation Areas | Number (person) | Percentage |
|---|---|---|
| Lowland | 141 | 35.50 |
| Escarpment | 168 | 42.00 |
| Mountain Slope | 91 | 22.50 |
| **Total** | **400** | **100.00** |

Table 5 shows that 168 respondents' durian plantation areas are escarpment which accounts for 42.00%. 141 respondents' durian plantation areas are lowland which accounts for 35.50%, and 91 respondents' durian plantation areas are mountain slopes which accounts for 22.50%.

**Table 6** Number and percentage of respondents classified by durian varieties

| Durian Varieties | Number (person) | Percentage |
|---|---|---|
| Kan Yao | 76 | 19.00 |
| Monthong | 111 | 27.70 |
| Chanee | 74 | 18.50 |
| Kradum | 49 | 12.30 |
| Puang Manee | 90 | 22.50 |
| **Total** | **400** | **100.00** |

Table 6 shows that 111 respondents plant Monthong varieties which accounts for 27.70%, 90 respondents plant Puang Manee varieties which accounts for 22.50%, 76 respondents plant Ka Yao varieties which accounts for 19.00%, 74 respondents plant Chanee varieties which accounts for 18.50% and 49 respondents plant Kradum varieties which accounts for 12.30%.

**Table 7** Number and percentage of respondents classified by changes in sales in 2019 compared to 2018

| Changes in Sales in 2019 Compared to 2018 | Number (person) | Percentage |
|---|---|---|
| Increase | 179 | 44.70 |
| Decrease | 221 | 55.30 |
| **Total** | **400** | **100.00** |

Table 7 shows that 179 of the respondents have increase in sales volume in 2019 compared to 2018 which accounts for 44.70%, and 221 of the respondents have decrease creasing in sales volume in 2019 compared to 2018 which accounts for 55.30%.

**Table 8** Number and percentage of respondents classified by changes in profits in 2019 compared to 2018

| Changes in Profits in 2019 compared to 2018 | Number (person) | Percentage |
|---|---|---|
| Increase | 145 | 36.30 |
| Decrease | 255 | 63.70 |
| **Total** | **400** | **100.00** |

Table 8 shows that 145 respondents have increase in profits in the year 2019 compared with the year 2018 which accounts for 36.30% percent and 255 respondents have decrease in in profits in the year 2019 compared with the year 2018 which accounts for 63.70%

**Table 9** Number and percentage of respondents classified by changes in costs in 2019 compared to 2018

| Changes in Costs in 2019 compared to 2018 | Number (person) | Percentage |
|---|---|---|
| Increase | 190 | 47.50 |
| Decrease | 210 | 52.50 |
| **Total** | **400** | **100.00** |

Table 9 shows that 190 respondents have increase in cost in the year 2019 compared with the year 2018 which accounts for 47.50 percent, 210 respondents have decrease in cost in the year 2019 compared with the year 2018 which accounts for 52.50%.

**Table 10** Number and percentage of respondents classified by changes in productivity in 2019 compared to 2018

| Changes in Productivity in 2019 compared to 2018 | Number (person) | Percentage |
|---|---|---|
| Increase | 140 | 35.00 |
| Decrease | 260 | 65.00 |
| **Total** | **400** | **100.00** |

Table 10 shows that 140 respondents have increase in productivity in the year 2019 compared to the year 2018 which accounts for 35.00%, and 260 respondents have decrease in productivity in the year 2019 compared to the year 2018 which accounts for 65.00%.

**Table 11** Average and standard deviation of durian plantation areas

| **The amount of durian plantation area of Chantaburi Province** | **Average** | **S.D.** |
|---|---|---|
| The amount of durian plantation area | 53.16 | 26.754 |
| **Total** | **53.16** | **26.754** |

Table 11 shows that most of the respondents have 53.16 rai as an average durian plantation area. (Average= 53.16, S.D. = 26.754)

**Table 12** Average and standard deviation of the number of workers in durian plantation areas

| **Number of workers in durian plantation areas** | **Average** | **S.D.** |
|---|---|---|
| number of workers in durian plantation areas | 12.31 | 5.4294 |
| **Total** | 12.31 | 5.4294 |

Table 12 shows that most of the respondents have approximately 13 workers in their durian plantation area. (Average = 12.31, S.D. = 5.429)

**Table 13** Test results of the competitive advantage test of Thai durian market in Chantaburi province, classified by educational level by using (One-way ANOVA) test

| **Sources of Variations** | **Sum of Squares** | **df** | **Mean Square** | **F** | **Sig.** |
|---|---|---|---|---|---|
| Between groups | 4.752 | 4 | 1.188 | 3.917 | .004 |
| Within a group | 119.794 | 395 | 0.303 | | |
| Total | 124.546 | 399 | | | |

* Statistical significance is at the .05 level.

Table 13 shows the test results of differences in the competitive advantage of Thai Durian market in Chantaburi province classified by education. The Sig. value is at 0.004, which is less than 0.05 (equal to Sig). It means that different education levels lead to different competitive advantage of the Thai durian market in Chantaburi, which is statistically significant at the 0.05 level.

**Table 14** Test results of the competitive advantage of Thai Durian market, Chantaburi province, classified by annual income using (One-way ANOVA) test

| **Sources of Variations** | **Sum of Squares** | **df** | **Mean Square** | **F** | **Sig.** |
|---|---|---|---|---|---|
| Between groups | 12.303 | 4 | 3.076 | 10.824 | 0.000* |
| Within a group | 112.243 | 395 | 0.284 | | |
| Total | 124.546 | 399 | | | |

* Statistical significance is at the .05 level.

Table 14 shows the test results of differences in the competitive advantage of Thai Durian market in Chantaburi province classified by annual income. The Sig. Value is at 0.000, which is less than 0.05 (equal to Sig). It means that different annual income leads to different competitive advantage of the Thai durian market in Chantaburi, which is statistically significant at the 0.05 level.

**Table 15** Test results of the competitive advantage test of Thai Durian Market, Chantaburi Province, classified by durian plantation areas by using (One-way ANOVA) test

| Sources of Variations | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Between groups | 2.997 | 2 | 1.498 | 4.894 | 0.008* |
| Within a group | 121.549 | 397 | 0.306 | | |
| Total | 124.546 | 399 | | | |

* Statistical significance is at the .05 level.

Table 15 shows the test results of differences in the competitive advantage of Thai Durian market in Chantaburi province classified by durian plantation areas. The Sig. Value is at 0.008, which is less than 0.05 (equal to Sig). It means that different durian plantation areas lead to different competitive advantage of the Thai durian market in Chantaburi, which is statistically significant at the 0.05 level.

**Table 16** Test results of different competitive advantages of Thai Durian market in Chantaburi province, classified by different durian varieties using (One-way ANOVA) test.

| Sources of Variations | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Between groups | 9.476 | 4 | 2.369 | 8.132 | 0.000* |
| Within a group | 115.070 | 395 | 291 | | |
| Total | 124.546 | 399 | | | |

* Statistical significance is at the .05 level.

Table 16 shows the test results of differences in the competitive advantage of Thai Durian market in Chantaburi province classified by durian varieties. The Sig. Value is at 0.000, which is less than 0.05 (equal to Sig). It means that different durian varieties lead to different competitive advantage of the Thai durian market in Chantaburi, which is statistically significant at the 0.05 level.

Multiple regression analysis results (relationship of multiple variables) techniques for analyzing

**Table 17** Relationship of the competitive advantage variables of the Thai durian market in Chantaburi Province

| **Variables** | | **$X_1$** | **$X_2$** | **$X_3$** | **$X_4$** | **$X_5$** | **$X_6$** | **Y** |
|---|---|---|---|---|---|---|---|---|
| Product | **$X_1$** | 1.00 | | | | | | |
| Price | **$X_2$** | 0.19 | 1.00 | | | | | |
| Distribution Channel | **$X_3$** | 0.34 | 0.36 | 1.00 | | | | |
| Marketing Promotion | **$X_4$** | 0.11 | 0.88 | 0.34 | 1.00 | | | |
| Durian Plantation Area | **$X_5$** | -0.11 | -0.20 | -0.26 | -0.28 | 1.00 | | |
| Worker | **$X_6$** | -0.19 | -0.16 | -0.08 | -0.14 | 0.58 | 1.00 | |
| **Competitive advantage of Thai durian market in Chantaburi Province** | **Y** | **-0.20** | **-0.63** | **0.03** | **-0.14** | **-0.09** | **0.11** | **1.00** |

Table 17 shows the internal correlation coefficient between forecasting variables. The value is between -0.28 to 0.88, which is statistically significant at the 0.05 level. The predictive variables with the highest correlation coefficient are price (X2) and marketing promotion (X4) which are 0.88 in a positive direction. The predictive variables with the lowest correlation coefficient are marketing promotion (X4) and durian plantation areas (X5) which are 0.28 in a negative direction.

When considering the correlation coefficient between forecasting variables and the competitive advantage of Thai durian market in Chantaburi province, it is found that the predictive variables have a positive relationship with the competitive advantage of Thai durian market in Chantaburi province. The relationships can be sorted in descending order which are workers (X6), and the distribution channel (X3). The predictive variables that have a negative relationship with the competitive advantage of the Thai durian market in Chantaburi province can be sorted in descending order which are durian plantation area (X5), Marketing promotion (X4), Product (X1) and Price (X2).

**Table 18** Importance of individual predictive variable affecting competitive advantage of Thai Durian market in Chantaburi province

| **Forecasting variables** | | **B** | **Beta** | **$SE_b$** | **t** | **Sig** |
|---|---|---|---|---|---|---|
| Price | $\mathbf{X_1}$ | -0.015 | -0.019 | 0.040 | -0.38 | 0.704 |
| Product | $\mathbf{X_2}$ | 0.406 | 0.412 | 0.104 | 3.902 | 0.000* |
| Distribution Channel | $\mathbf{X_3}$ | 0.002 | 0.002 | 0.050 | 0.013 | 0.975 |
| Marketing Promotion | $\mathbf{X_4}$ | -0.327 | -0.559 | 0.061 | -5.336 | 0.000* |
| Durian Plantation Area | $\mathbf{X_5}$ | -0.007 | -0.348 | 0.001 | -5.523 | 0.000* |
| Worker | $\mathbf{X_6}$ | 0.031 | 0.299 | 0.006 | 4.985 | 0.000* |
| **a = 3.363** | **R = .347** | | **$R^2$ = .120** | **$S.E_{est}$ = .528** | | **F = 8.969** |

* Statistical significance is at the .05 level.

Table 18 shows multiple coefficient correlation (R) which is 0.347 in value with a predictive power of 12.00% ($R^{2)}$= 0.120). The standard deviation of the forecast is 0.528. The best predictive variables affecting the competitive advantage of the Thai durian market in Chantaburi Province with statistical significance at the level of 0.05 consist of 4 variables which are price ($X_2$), worker ($X_6$) which give a positive effect, while the durian plantation area ($X_5$) in marketing promotion ($X_4$) give a negative effect. Variables that do not affect the competitive advantage are product ($X_1$) and distribution channel ($X_3$). All of the six predictive variables can be created as predictive equation in the form of raw score as follows:

$$\hat{y} = 3.363 - 0.015(X_1) + 0.406(X_2) + 0.002(X_3) - 0.327(X_4) - 0.007(X_5) + 0.031(X_6)$$

or $\hat{y}$ = 3.363 – 0.015(*product*) + 0.406(*price*) + 0.002(*distribution channel*) – 0.327(*marketing promotion*) – 0.007(*durian plantation area*) + 0.031(*worker*)

or standard score equation as follows:

$\hat{Z}$ = – 0.019(*product*) + 0.412(*price*) + 0.002(*distribution channel*) – 0.559(*marketing promotion*) – 0.348(*durian plantation area*) + 0.299(*workers*)

## Discussion

The results of the mix marketing study on creating a competitive advantage of the Thai durian market in Chantaburi province shows that the number of workers affects the competitive advantage of the Thai durian market in Chantaburi province, which is not consistent with Pongsawitthorn's study (2016) on SMEs entrepreneurs and found that type of business, number of workers, and duration of doing business did not affect the competitive advantage of the Thai durian market in Chantaburi province and the operational success.

The results of the study of mix marketing factors on creating a competitive advantage of the Thai durian market in Chantaburi province found that the marketing mix has a relationship with the competitive advantage depending on the marketing mixes of the Thai Durian market in Chantaburi province which are the amount of durian plantation area and the number of workers, which is consistent with Panyaruang, (2013) who studied the competitive advantage strategy on the success of the operation based on Balance Scorecard concept of food processing SMEs in Suphan Buri province. He found that marketing mix is related to the competitive advantage, and the process of developing new product and increasing products are related to creating competitive advantage in making differentiation.

The results of the competitive advantage of the Thai durian market in Chantaburi Province found that quick response is of the most important in terms of applying modern technology to the plantation area which is consistent with Kaewchamnong, (2012) who found that organizations that respond to customer quickly can satisfy customers, and create a greater competitive advantage. The quick response creates agility in terms of new product offerings, product update, or the decisions of the executives.

## Suggestions for utilizing research results in practice

1. Product strategy

From the study, it was found that the samples give a high level of importance. Durian farmers should increase durian varieties and product quality.

2. Price strategy

The price should be suitably set and there should be more distribution channels to reduce the risk from the bargaining power of the durian middlemen.

## Suggestions for further research

1. There should be a study on guidelines to create a competitive advantage of other types of businesses in Chantaburi and other provinces. Research results may differ, depending on the type of businesses or areas.

2. The connection and the gap of durian prices throughout the supply chain, which consists of 1) the selling price at the destination market, 2) the price between the operators, and 3) the price that the operators Buy from durian farmers, should be further studied.

## References

Anthachai, S. (2015). *Concepts and theories of Marketing mix strategy*. Bangkok. http://thesis.swu.ac.th/swuhesis/Man/Titapa.pdf. Retrieve on 5 May 2019.

Benjapruek, S. (2019). *Thai durian with challenges that should not be overlooked Bank of Thailand*. From https://www.bot.or.th/Thai/MonetaryPolicy/Southern/Reasearch Paper/Challenging_of_Durian.PDF

Detphuang, N. (2018). *The relationship between internal and external factors affecting durian exports to the People's Republic of China*. https://www.tci-thaijo.org/index. php/EAUHJSocSci/article/view/16451. Retrieved on 5 May 2019.

Kaewchamnong, A. (2012). *Organization with quick responses to customer needs* http://digital_collect.lib.buu.ac.th/dcms/files/56710243.pdf. Retrieve on 5 May 2019.

Naweekarn, S. (2016). *Competitive advantage. www.mcutak.com*. Retrieve on 5 May 2019.

Office of Agricultural Economics. (2015). *Agricultural Economic Information*. Retrieve on 5 May 2019. From http://oae.go.th/ /ewtadmin/ewt/oae_web/download/download_journal/2559/commodity58.pdf.

Panyaruang, K. (2016). *Strategies of competitive advantage towards the success of operations based on the concept. Suphanburi Province*. http://ithesis-is.su.ac.th/ddsfpace/bitstream/01-%.pdf. Retrieved on 5 May 2019.

Panyasai, W. (2017). *Development of needs of Long-Lublae durian business lesson for agricultural entrepreneurs in Uttaradit Province*. Retrieved on 5 May 2019. From https://www.tci – thaijo.org/indedx.php/uruj/article/view/99254.

Porter, M. E. (1985). *Competitive Advantage Creating and Sustaining Superior Performance*. New York: The Free Press.

Serirat, S. (2016). *Marketing Promotion*. Retrieve on 5 May 2019. From http://marknghai.blogspot.com/2010/blog-post.html..

Wheelen and Hunger. 2016. *Marketing mix*. Retrieved on 5 May 2019. From http://www.chulapedia.ac.th/index.php?title.

# PROACTIVE ROLES AND RESPONSIBILITIES OF THE HR DEPARTMENTS IN STAFF TRAINING AND DEVELOPMENT IN THE FIRST-RATE LUXURY HOTELS AND RESORTS IN BANGKOK

**Watunyoo Suwannaset**[1]
Faculty of Education, Burapha University
Email: watunyoo@go.buu.ac.th

## Abstract

Despite the attempts of hotels in improving service quality of hotel staff in Bangkok through training, a number of studies uncovered some undesirable training outcomes derived from an ineffective training process. This research was conducted based on the assumption that it would have been better for hotels in Thailand if they had reviewed active roles and responsibilities in staff training and development practiced by experienced senior HR administrators working in hotels and resorts which were accredited with a five-star rating. The purpose of this study was to determine proactive roles and responsibilities of the HR departments in staff training and development in first-rate luxury hotels and resorts in Bangkok. The research design of this study was a qualitative approach applying Grounded Theory strategy. The participants of this research were 21 directors and training administrators working in five-star hotels in Bangkok. The participants were identified through the means of three non-probabilistic sampling techniques – purposive sampling, theoretical sampling and snowball sampling. The data collection technique was semi-structured interviews. Constant Comparative Method was undertaken to analyze the data. The study reported six active roles and responsibilities in staff training and development that the HR departments of the first-rate luxury hotels and resorts in Bangkok undertook. These were 1) finalizing the training budget, 2) identifying training needs, 3) designing HRD activities, 4) organizing compulsory in-house training programs, 5) assuring the good quality of all in-house training programs and ensuring employees learn with a smooth training experience, 6) assisting techniques for staff performance management and career development. Recommendations and implications based on the findings found in this study were highlighted.

**Keywords:** Roles and Responsibilities, Human Resource Departments, Staff Training and Development, Hotels and Resorts

---

[1] Burapha University, 69 Longhaad Bangsaen Road, Saensook, Mueang, ChonBuri 20131

## Introduction

The World Tourism Organization (UNWTO) predicted that in 2020, there would be over 1,600 million tourists travelling to South East Asia (Pongbungong & Wiboontanakul, 2018). Thailand, one of the most visited destinations in the region has been working on generating good sources of income from welcoming large numbers of visiting tourists (Thanasettakij, 2016). This could be because tourists travelling to Thailand spent large amounts of money during their visits on accommodation, food and beverages, souvenir shop purchases, experiencing many tourist activities, etc. (Suwannaset, 2017). Recently, Bangkok, the capital city of Thailand was, in particular, forecasted as the number one most visited cities in the world in 2016 (the Global Destination Cities Index as cited in Mollington, 2016). To ensure good impressions and the comfortable travelling experiences of the revenue generators, the Thai government, tourism sectors and Bangkok metropolitan authorities have constantly developed and provided adequate and good urban infrastructures.

Hotels and resorts were a fast-growing hospitality business within the tourism industry which were expected to be one of the leading contributors to the global economy (Bagri, Babu & Kukreti, 2010). Due to the rapid changes and development of a competitive industry globally, it strongly lifted up the service standard, forcing frontier hotels to enhance their service quality to compete with each other. Increasing guests' satisfaction and maintaining high quality services have become the most important mission of all the hotels since nearly all the revenues of the hotels are based on the results of impressive services the customers could receive from well-trained hotel staff. In other words, competencies of hotel employees - knowledge skills and constructive attitudes are regarded as important powers of companies in competing with their business rivals, and effective training and development were used as tools to create these competitive advantages. Rathore and Maheshwari (2013); Acquaful, Dedume, and Appiah (2016) and Hazra, Ghosh and Sengupta (2017), in addition, highlighted the direct relationship between hotel staff effective training and the upgrading of the quality of guest services so that with proper training, hoteliers could perform and deliver excellent service to their guests.

It has been found that the hotel business sectors in Thailand have responded well in preparing themselves to welcome the high demands of tourists entering the country. This included conducting intensive programs concerning service training, career development, succession planning, and talent development. Without developing good training suggestions, it may not always be an easy or a successful task. Boon-itt (2010) highlighted evidence found in his study that the service quality of some hotels in Thailand were fairly rated at a low level and fell short of the expectations of customers. This could also be seen from a number of related studies reporting some undesirable training outcomes derived from an ineffective training process (Khanfar, 2014). These, for example, were some staff delivering services to their hotel customers without being given adeqate training and development programs (Rathore & Maheshwari, 2013), conducting training needs assessment to identify competency gaps of hotel staff was often ignored (Bayoud, 2013), many HR staff themselves had not received updated knowledge on how to conduct strategic training, hotel managers lacked managerial skills and important knowledge and practice in Human Resource Management (Çetinel, Yolal, & Emeksiz, 2009), or some hotels might not receive adequate training budgets (Breiter & Wood, 1997).

Since well-trained hotel staff with professional knowledge and hospitality skills could effectively deliver impressive service to their customers, the great challenge was providing good training, development and professional development programs to ensure quality professionals among hotel staff is given to hotels' HR departments. This was supported by Gazija (2012) that one of the most effective strategies which today's hotel industry needed for enhancing their service quality and gaining competitive advantages in the global competition was the way the HR departments in hotels could learn new training methods and techniques for improving their staff.

Acknowledging the ineffective training situations practiced in hotels, considering the given recommendations regarding the importance of hotel HR staff learning new training methods and techniques shared by the HR departments in successful hotels, and not finding any single study concerning proactive roles and responsibilities of the HR departments in staff training and development of the first-rate hotels and resorts in Thailand, the researcher conducts this study with his philosophy assumption (belief) that training knowledge and practices suggested from HR experts in 5 star hotels in Bangkok could be effectively used as guidelines in suggesting the strategic roles and responsibilities of the HR departments in staff training and development in other star rated hotels.

## Research Objectives and Research Questions

The main purpose of this study was to study active roles and responsibilities concerning staff training, development and career development of the Human Resource Departments in the first-rate luxury hotels and resorts in Bangkok. The research question asked in this study was "what were roles and responsibilities concerning staff training, development and career development of the HR departments in the first-rate luxury hotels and resorts in Bangkok.

## Scopes of the Study

1) The findings presented in this study were analyzed based on the training and development roles and responsibilities exercised and shared by HRD/Training administrators in first-rate luxury hotels and resorts in Bangkok. The frame of representatives in this study was limited only to executives or administrators who were responsible for HRD Departments in five-star hotels and resorts in Bangkok.

2) Purposive selection criteria were set as a frame to identify specific groups of research participants. Not applying any probabilistic sampling technique, the degree of transferability of the research findings to other star grade hotels or hotels located outside Bangkok needs to be cautiously considered.

## Definitions of Terms

The following definitions were clarified to ensure readers' understanding of operating key terms used in this study.

1) Proactive roles and responsibilities in staff training and development are linked with the duties and accountabilities of human resource developers in undertaking strategic activities to develop meaningful training in five star hotels and resorts in Bangkok.

2) Staff training and development refers to related human resource development activities the HR departments in the selected hotels were conducting for responsible staff development.

3) First-rate luxury hotels and resorts refers to hotels or resorts having been continuously accredited as five-star hotels or resorts in Bangkok since 2013. Their names and star rating were displayed on the Hotel Resort Directory website.

## Review of Relevant Literature

### Roles and responsibilities of the HR Departments in hotel businesses

The work concerning human resources could be assigned to different groups of people in different types of hotels. In large hotels, Human Resource Departments could have a team of HR professionals carrying out a number of duties concerning staff management and development. In contrast, in small and medium size hotels, the work of human resources could be assigned as part of the manager's responsibilities. The duties of managers in small hotels could basically involve assisting staff and maintaining work competencies of their team (Singh 2014). However, it has been lately acknowledged that there were some shifts in the training professionals' roles and responsibilities. The duties of the HR department could be, for example, viewed as described by Acquaful, Dedume, and Appiah (2016).

Acoording to Acquaful, Dedume, and Appiah (2016), … dramatic shifts in responsibilities and accountability, effective training and development functions are finding themselves an integral part of the organization's strategic planning. In the hospitality and other business organizations, few things change as much as the training and development function. Change can be seen from numerous perspectives, including the way programs are initiated, developed, designed, and delivered. The various individuals that comprise the process - from trainees to immediate managers, to professional staff, to senior management - are changing perspectives and paradigms on training and development (p.185).

Another learning concept concerning training and development that has shifted traditional training practice and influenced roles of training has come from providing training programs to facilitating employees' learning. This was to ensure that the organized learning activities could deliver expected learning outcomes to their trainees. Singh (2014) moreover, pointed out that the work of human resources concerning training and development helped 1) prepare new employees to perform their required job functions, 2) update existing employees' new ways of performing their tasks, 3) prepare staff who wish to move up to more responsible positions to reach their career development goals, and 4) most organizations to attain their organizational goals, and gain competitive advantages over their competitors.

**Training process in the tourism sector**

Martínez-Ros and Orfila-Sintes (2012) described that the training process in the tourism sector started from conducting HRD needs assessment. Planning was the second step of the training in which goals, methods, duration, structure and selection procedure were drafted. The third step was implementing the well-designed training programs. The final step was evaluating the performance of the training programs. This was in line with a framework for the HRD process called "ADImE'. Werner and DeSimone (2012) outlined that there were 4 stages in the HRD process. These were Assessment stage, Design stage, Implementation stage, and Evaluation stage as shown below:

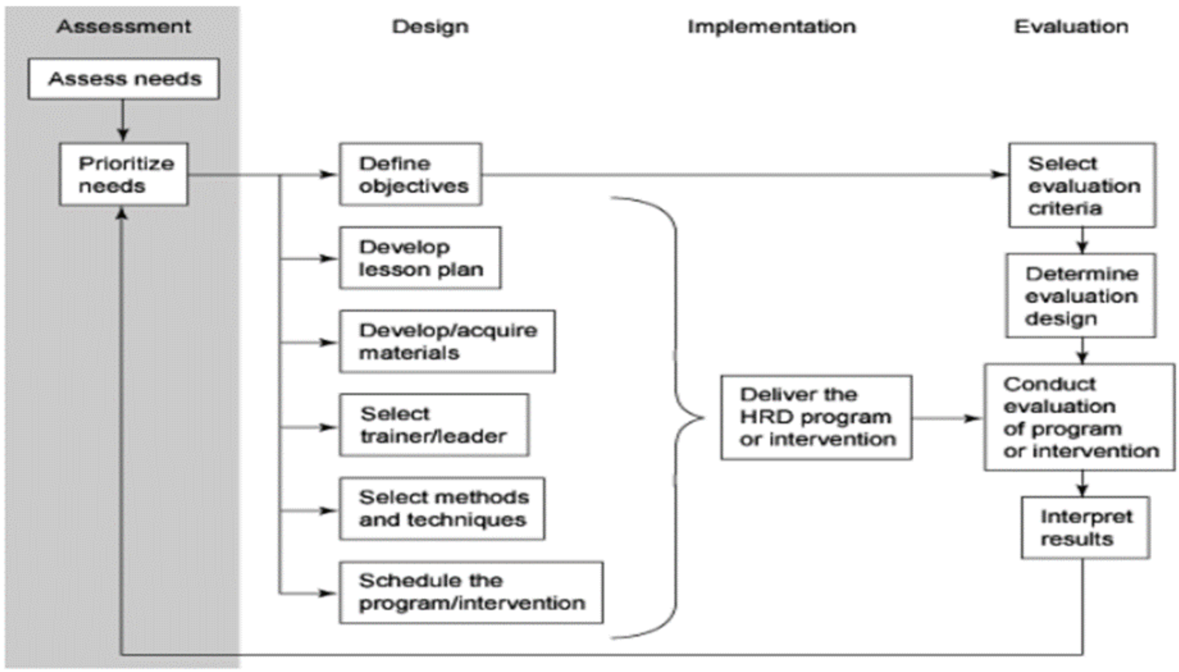



**Figure 1** A framework for HRD process called "ADImE'
(Werner & DeSimone, 2012)

This framework described that HR practitioners organizing HRD activities, should start from conducting HRD needs assessment so that needs for employee development, analyzed at organizational level, task level and individual level could be clearly identified. Then, the management team concerned, as well as heads of each department, should work together on prioritizing them. The second stage is the design phase in which each selected program would be planned and designed. The important activities in this phase consists of 1) defining objectives; 2) developing lesson plans; 3) developing/acquiring materials; 4) selecting a trainer/leader; 5) selecting methods and techniques and 6) scheduling the program/intervention. After each activity in the second phase is planned in detail, it is time to implement the program. The third phase is called ‘deliver the HRD program or intervention’.

To ensure the success of the implementation, 4 steps of HRD evaluation including selecting evaluation criteria, determining evaluation design, conducting evaluation of program or intervention and interpreting the results are steps in the final phases.

**Standard Criteria of Five Star Hotels in Thailand**

The Tourism Authority of Thailand believes there are a number of factors which determine hotel ratings (Tourism Authority of Thailand, 2011). Ratings are established by the Thailand Hotel Standard Task Force who have both Regional and National Centres which conduct scrupulous onsite inspections. A visit involves at least four Inspectors representing probably three different organizations (Tourism Authority of Thailand, 2011). Additionally, the Department of Tourism has a criteria for establishing the standard of Five-star hotels in Thailand. Examining the following 12 major areas determines whether or not a hotel can be accredited with five-stars.

Major Area 1: Location, environment, infrastructure and car parks (4 criteria with 13 indicators)

Major Area 2: Lobby, public toilets, elevators, and walkways in the buildings (4 criteria with 56 indicators)

Major Area 3: Standard rooms with corridors and bathrooms (8 criteria with 120 indicators)

Major Area 4: Suite room and Executive floor (2 criteria with 14 indicators)

Major Area 5: Restaurant, coffee shops, bars, and kitchens (5 criteria with 86 indicators)

Major Area 6: Recreation zone, and swimming pools (2 criteria with 37 indicators)

Major Area 7: Business Service Center: conference room and Business Center (3 criteria with 51 indicators)

Major Area 8: Staff and service (7 criteria with 68 indicators)

Major Area 9: Safety and security (2 criteria with 15 indicators)

Major Area 10: Resources and community and facilities (3 criteria with 25 indicators)

Major Area 11: Employees (2 criteria with 8 indicators)

Major Area 12: Extra services (3 criteria with 6 indicators)

Maintenance is an important criterion when granting a star rating, together with employees receiving regular training and evaluation along with management being deemed efficient as specified by The Thailand Hotel Standard Foundation. The hotels’ resources are also of great important as well as placing a high emphasis on the environment and sustainable growth. The list of hotels and their accredited stars is usually updated on a four yearly cycle on the Hotel Resort Directory website.

**Previous related studies**

Acquaful, Dedume, and Appiah (2016) conducted descriptive research investigating the challenges and problems of training and development in the hospitality industry in Ghana. The sample of this study was identified through the means of Stratified and Convenient Sampling Methods. The participants were human resource practitioners and employees at both Social Security and National Insurance Trust (SSNIT) and Kwame Nkrumah University of Science and Technology (KNUST). They were randomly assigned into sub groups based on their unique characteristics. Questionnaires were distributed to obtain quantitative data. To obtain qualitative data, Convenient Sampling Technique was applied to identify 58 human resource practitioners and employees (27 employees were from SSNIT and 31 employees from KNUST) for their interviews. To obtain primary information, a structured interview was the data collection technique. The study found that ongoing training for existing employees allows them to increase their productivity, continuously. Inadequate on-the-job training techniques, inadequate off-the-job training techniques and not enough refresher courses were major challenges for both SSNIT and KNUST.

Singh (2014) studied different techniques the hotel industry could use to maintain the training and development of their employees during an economic recession. The research design was mixed-method. The data was collected from 53 respondents working for Renaissance Shanghai Yuyuan Hotel. The research uncovered that the importance of staff training was not realized by the employees. Suggestions for enhancing the awareness of hotel staff towards the importance of training practices should be the responsibility of the HR departments who should organize training programs based on the training needs surveyed from staff.

Hazra, Ghosh, and Sengupta (2017) conducted a study entitled ‘Importance of Training and Development and its Impact on Employees’ of Hotels in Kolkata, India: An empirical study’. The purposes of this study were 1) to identify the importance of training and development, and 2) to evaluate its impact on employees in the hotel industry. The participants of this study were 106 employees working in hotels in Kolkata, West Bengal in India. The data was collected from April to September, 2016. The data collection instrument was a questionnaire. Statistics used for data analysis were Correlation and Regression. The results of this study showed that employees reported the benefits of training as follows: firstly, Self-Development Training: they viewed that training helped to develop new skills; it improved health and safety; it improved working conditions; it helped to get internal promotion; it suggested proper work planning; it refreshed the work skills of old employees. Secondly, Organizational Commitment: they found that training motivates employees towards organizational goals; it helps to know about working in organizations; it helps in career development and it reduces fatigue and struggle.

## Research Design and Methodology

After carefully reviewing the research problem, the researcher could indicate areas of knowledge which the researcher needed to obtain for addressing the problem. The researcher determined that the study required knowledge which fell under the constructivism philosophical paradigm. Thus, the qualitative approach was deliberately chosen. The research strategy was also chosen from the belief that by understanding knowledge and practices concerning proactive roles and responsibilities in staff training and development exercised by the top rate hotels and resorts in Bangkok and analyzing the essence of core HR roles and responsibilities practiced by HR experts, some roles and responsibilities in staff training and development exercised in the top rate hotels and resorts in Bangkok could be greatly articulated. To develop guidelines to assist other star rate hotels on taking active training roles and responsibilities, Grounded theory strategy was the research strategy employed in this study.

## Participants and Identification Technique

The participants in this study comprised of 21 HR directors, training managers, assigned HR officers or experienced staff whose positions might have different titles but they were in charge of planning staff training and Human Resource Development activities, authorizing and making decisions about staff development and career development programs in the selected five star hotels and resorts in Bangkok. Additional criteria which these participants must have met included having over three years of work experience directly related to training and staff development.

## Data Collection Process and Instrument

A series of data collection processes in this study was suggested by Creswell (1998) in 7 steps namely 1) Locating site/individual, 2) Gaining Access and making rapport, 3) Purposefully sampling, 4) Collecting data, 5) Recording information, 6) Resolving field issues and 7) storing data. The detailed descriptions of each step is presented as follows:

Step 1) Locating site/individual: The researcher visited the Hotel Resort Directory website to get a list of all five star hotels in Bangkok. The researcher made some phone calls to the number found on the internet to his potential participants who were HR directors, training managers, HR officers in the selected five star hotels and resorts to introduce himself, present his research project and ask if the researcher would be welcomed to visit them for data collection.

Step 2) Gaining Access and making rapport: After obtaining the approval for paying a visit from his potential participants, the researcher sent emails confirming the date and time for his visit. The emails were, in addition, enclosed with a scanned formal request letter file issued by the Dean of the Faculty of Education, Burapha University where the researcher was working, a scanned document file explaining 1) the research objectives, 2) data collection techniques, 3) a list of interview questions as well as a scanned consent form file for them and their seniors.

Step 3) Purposefully sampling: About 3 techniques for identifying qualified participants were implemented in this study. These were purposive sampling, theoretical sampling and snowball sampling. As being suggested by Marshall and Rossman (2011) that the researcher should try to collect his or her data from participants who could provide the researcher with rich information, a list of criteria of participants including they must have been heads of the HR departments, or those who had a major responsibility in staff training and development and must have worked in the hotel business sector for over 3 years were then purposively included. In addition, to ensure a sufficient amount of obtained information, Seale (1999) suggested that the researcher should analyze the data on the same day he collected it. The researcher followed this suggestion to determine 1) if the data he had in his hands reached its saturated level, 2) if he could discontinue collecting data from a new informant, and 3) if he can summarize and present his concrete research results. The snow ball technique of data collection advised by Flick (2007) was also in the researcher's consideration as an effective participant identifying technique. The researcher could additionally identify the participants whose qualifications also met the set of informant criteria from recommendations given and being introduced by previous interviewees.

Step 4) Collecting data: Only the potential participants responding to the emails confirming date and time for the interview were the participants in this study. The researcher visited the hotel and entered the interview room on time. The researcher spent around 45 to 60 minutes interviewing each participant in a quiet room.During this informal interview, the interview questions prepared in the interview guide were asked and answered. The researcher thanked his participants and asked for advice regarding new potential participants before leaving.

Step 5) Recording information: Apart from taking notes, the researcher asked for permission to use an audio recorder to record the conversation and prevent the loss of important information during the conversation. The audio files, the notes and the transcriptions from the conversation were securely recorded.

Step 6) Resolving field issues: Some plans to avoid and prevent certain undesirable situations during collecting the data at the hotels were developed. These included 1) Checking hotel locations and finding out directions to the hotel before the appointment days, 2) planning to use different types of questions to encourage participants to share their practices as well as being prompt to ask for further examples or clarifications, 3) Being aware of loud noises and making sure that the interview rooms were quiet enough for having a clear conversation between the researcher and the participants.

Step 7) Storing data: All forms of obtained data – audio recording files, notes, transcriptions of the interviews were confidentially kept and required a passcode to access. These were in 2 external computer memories, email inbox and a personal online storage.

## Data Analysis

As a qualitative study applying Grounded Theory strategy was the research design in this study, the following 4 stages of the Constant Comparative Method was undertaken to analyze the data.

Stage Process

1 Transcription

2 Initial (open) coding (semi-complete)

3 Writing initial memos

4 Intermediate (focused) coding including Memo writing, Refining the code system, Linking codes to other codes, Identifying Categories, Defining Categories, Production of a diagrammatic representation of analysis – showing categories and relationships between them. (Braun & Clarke, 2013)

To code and categorize the obtained data into themes, Atlas.ti version 6.2 which is the qualitative data analysis and research software was used.

**Trustworthiness strategies**

To ensure standard practices and earn trust on the quality of the research design and findings, in this study the researcher employed certain ethical strategies to warrant the foremost trustworthiness principles (Credibility, Applicability, and Dependability) as follows:

**Table 1** Trustworthiness strategies exercised in this study

| | |
|---|---|
| Credibility | ▪ Collecting data from different sites or locations<br>▪ Ensuring participants' willingness to join the research project by acknowledging their right to withdraw from the study and proposing that they read and sign their consent forms.<br>▪ Using Theoretical sampling technique to obtain sufficient data. |
| Applicability | ▪ Providing detailed information on how the study is conducted.<br>▪ Presenting findings revealing similar results in theories and previous related research |
| Dependability | ▪ Using 6 types of questions (Experience question, Opinion question, Feeling question, Sensation question, Knowledge question, and Background question) to verify the correctness of the given information.<br>▪ Recoding the same data in different time periods to ensure the correctness of the researcher's viewpoints. |

## Research Findings

This study found that the proactive roles and responsibilities concerning training, development and career development of the Human Resource Departments in the first-rate luxury hotels and resorts in Bangkok can be classified into6 categories. These were 1)working on the training budget, 2)conducting training needs assessment, 3)designing effective HRD programs/interventions, 4) implementing some important in-house training programs, 5) assessing the quality of all in-house training programs and ensuring employees learning and their smooth training experience, and 6) advising supervisors on issues concerning performance management and career development of their subordinates.the detailed descriptions of the findings are presented as follows.

1) Working on training budget.

The HR departments have certain roles and responsibilities concerning figuring out and working on planning the hotel training budget. This could start from finding out how the training budget may be best allocated. The HR departments need to work to obtain related information from a number of sources and conduct a thorough training needs analysis. This is because not all training programs require financial support. For instance, some knowledge and skills the employees must possess to perform their everyday work are often conducted at their work stations. These kinds of training are less likely to require much money (some coaching/training do not require any financial support). However, there could be some training programs which need some budget allocations. To see how the training budget should be effectively spent, the HR department must have called for meetings among GMs, Heads of the Finance Department and all departmental trainers so that these people can discuss important competencies, the directions of the staff development plan and then finalize the training budget.

2) Conducting Training Needs Assessment could be divided into 3 particular tasks these include (2.1) Identifying HRD needs, (2.2) Reviewing staff retraining programs, and (2.3) Prioritizing Training programs and developing an annual training plan.

- Identifying HRD needs

Scheduling the annual staff training and development plan is one of the most important roles of the HR departments. Each year, the HR departments need to conduct a training needs assessment. After identifying a list of training and development programs, the HR departments need to spot trainees who may require the knowledge and skills. It is likely that a training program can have trainees coming from different departments in the hotels.

- Reviewing staff retraining programs

Furthermore, reviewing staff retraining programs allows the hotel to maintain high quality staff work skills and ensure service excellence is received by hotel customers.

- Prioritizing Training programs and developing an annual training plan

Because not all the HRD programs could be organized at the same time, the HR departments of five-star hotels must make a careful decision. To acquire assistance, the departments usually called for meetings among management teams and people whom it may concern to discuss and weight the importance of each training need. It had been reported that HRD programs were often prioritized based on training budgets, customers' needs, hotel occupancy periods, parent company assignments and organizational strategies, together with laws and external auditing periods.

3) Designing Effective HRD Programs/Intervention could involve (3.1) Designing HRD Interventions, (3.2) Facilitating required training programs, and (3.3) Selecting the trainers.

- Designing HRD Interventions

The HR departments work on designing staff learning interventions/activities such as training and development programs, peer to peer learning, a buddy system in the workplace, coaching or self-learning. These are based on the analysis of the objectives of learning and development programs and also the information received from notes recorded on the first day a staff member was interviewed, new staff competencies assigned each year by company headquarters, requests from heads of departments, and the results of employee's appraisal or guests' comments.

- Facilitating required training programs

While each department has their own particular accountability to train work skills to their team, the HR departments could also receive requests for help in organizing or facilitating some new training and development courses that may be of interest but are not within the fields of their expertise. Before proposing these training requests to the management teams, the HR departments must carefully review and determine the importance of the training proposals. Feedback and suggestions concerning teaching activities may be given if they are necessary. If the HR departments found that they could not design or run some of the requested courses by themselves, the HR departments could do their best to help find out and coordinate with recommended training institutes from outside in order that either trainers from outside can come to teach and train the staff or the staff can be sent out for the training.

- Selecting the trainers

As the curriculum assigned from the company headquarters, for example, do not always come with detailed learning activities, new HRD activities for the programs need to be designed. Therefore the HR departments need to consider who may be the most suitable trainers to facilitate the designed learning activities. Searching for experts or champions in facilitating the developed training activities needs to be done either getting recommendations from people working inside to identify potential trainers within the hotel or outsourcing them from outside the hotels. It is an unavoidable role of the HR departments to do a lot of coordinating work.

4) Implementation of training programs undertaken in five star hotels could comprise (4.1) Conducting in-house training programs and (4.2) Organizing Train the Trainer programs

- Conducting in-house training programs

Not only do the HR departments develop annual training plans after conducting HRD needs assessment and hosting all the mandatory in-house training courses such as orientation, service excellence, hotel brands, brand service behaviors, service culture, service minds and service standards, but the HR departments also need to work with the head of each department in running some standard operating procedure courses. It is often the KPI of the HR department that each employee must attend at least three training programs each month.

- Organizing Train the Trainer programs

Each year, the HR departments will receive training plans from all departments so that training officers from the HR departments are able to review the trainers of these training proposals. Organizing "Train the Trainer programs" are courses which the HR Departments, and departmental trainer committee help each other to enhance teaching and training competencies of potential staff chosen from each department. Consequently, the hotels can have their own departmental trainers to help train the new members working in their work stations. The "Train the Trainer programs" also cover the cases when the HR departments need to select some hotel staff and send them to receive a training program from outside. Therefore, they can be assigned as trainers for particular topics when returning.

5) Assessing the quality of all in-house training programs and ensuring employees learning and their satisfactory training experience

In-house training programs can be held by either the HR departments or the departments in which the employees are working. If they are not conducted by the HR departments, it is an accountability of the HR departments to pay a visit and ensure 1) the quality of the organized training programs, 2) smooth journey of staff training experience, 3) positive attitudes or satisfaction levels of staff towards their training and development, and abilities of trainers/departmental trainers in facilitating their staff learning. However, the overall training and their learning outcomes will be reported and sent to the HR departments at the end of the courses. Comments and suggestions are considered as useful feedback for the HR departments to review and ensure their future improvements.

6) Advising supervisors on issues concerning performance management and career development of their subordinates consisted of (6.1) Assisting supervisors on staff improvement and development, and (6.2) Supervising the career development and succession planning of staff

- Assisting supervisors on staff improvement and development

Since career development of staff can be motivated through training, the HR departments need to ensure that the concepts of career development and succession plans are clearly understood by all employees and their supervisors. It is also the job of the HR department to provide assistance and training to the heads of all departments regarding leadership skills, coaching and steps for undertaking workforce planning.This is because the hotels expect all managers and supervisors to inspire, supervise, and maintain good performance of their subordinates.After tutoring these kinds of assistance and training, the HR departments still need to send their team to monitor and supervise the trained supervisors.

- Supervising the career development and succession planning of staff

While each department does their best to fill up KSAs which employees need to have in order to perform their routine work, the HR departments take the responsibility for developing their soft skills and critical attitudes to prepare them for climbing to higher levels. Courses such as time management, solving problems, dealing with customers, prioritizing work and conflict management are examples of courses organized by the HR departments to prepare them to grow.

The HR departments must work collaboratively with the heads of each department to identify competencies of staff that have potential to move up to higher positions. This can be done by examining individual employees' competency gaps from their training and development records, mid-year performance reviews, comments from supervisors and performance appraisals. By doing these kinds of investigation, training and development programs can be supportively drafted in a list of training programs that need to be achieved. Additionally, recognizing employees sometimes wish to move and progress their career advancement in other departments. It is also one of the roles of the HR departments to work as coordinators talking to the gate keepers (managers or the heads of other departments) whom the staff want to move to and grow in their departments. There could also be circumstances where some employees have strong potential to grow and continue their career advancement in other properties. The HR departments are expected to help find available positions in other hotels or resorts within the hotel chain for them.

## Discussion of Research Findings

To increase the degree of applicability, the following section reveals some similar results found in related theories and previous related research that match with research findings reported in this study.

This study found that conducting HRD needs assessment is regarded as the responsibility of HR departments in all five star hotels and resorts in Bangkok and is also the first part of the framework for the HRD process called "ADImE' which Werner and DeSimone (2012) outlined. Singh (2014), moreover, agreed with this pointing out that to enhance the significance and importance of training practices, hotels should match their training needs with training implementation. This study found that one of the important roles of HR professionals was designing effective staff training programs that help employees to prepare themselves for career advancement. This responsibility of the HR departments was similarly noted by Hayes and Zaccarelli (1996) underlining that training was vital for hospitality operations. Training professionals in the HR departments often took the role of informal trainer, providing both new and existing employees with assistance. For this reason, training was used as a tool for enhancing competencies of staff allowing them to climb up their career ladders. Also, this study reports that the HR departments had a responsibility to conduct important in-house training. This was consistent with a result found in the study of Martínez-Ros and Orfila-Sintes (2012) revealing that in-house training programs were often done linked with external training. A further responsibility of the HR departments in first-rate hotels is that HR developers must visit all training and development programs to assess the quality of all in-house training programs and ensure employees' learning as well as enjoying the training experience. A similar finding was reported in the work of Martínez-Ros and Orfila-Sintes (2012) stating that it was the responsibility of the Human Resource Executive (HRE) to ensure a smooth implementation of any training and development programs planned. This study, in addition, found that the training budget needed to be discussed in meetings with management teams and other relevant personnel so that they could weigh the importance of each training need and finalize how the training budget could be best allocated. This was in line with the concept of prioritizing needs in the framework for the HRD process (Werner and DeSimone, 2012). This point of interest was additionally explained by Martínez-Ros and Orfila-Sintes (2012) saying that when conducting training analysis, the decision should be made and approved by a group of the heads of the organization so that the training budget could be heard by all involved people and allocated agreeably.

To conclude, the roles and responsibilities in training and development practiced by top-rated hotels and resorts in Bangkok could be seen as maintaining good training standards, conducting an effective training needs identification, prioritizing and scheduling training programs, supervising departmental trainers and heads of departments in designing effective HRD activities and motivating career development of their teams, setting up new trainer teams, as well as observing and evaluating the success of organized training.

## Recommendations and Implications

1) By acknowledging the roles of the HR departments in the leading hotels in setting up teams of departmental trainers, not only does this guide other hotels to learn how Train the Trainer programs can be organized, but it can also help the HR departments to cascade down the training and development work improving functional competencies of new staff members to their supervisors, experts and practitioners working at their work stations.

2) This study emphasizes the roles of HR departments in providing both supervisors and subordinators with the clearly-understood concepts of career development. Training, as a result, should be regarded as a supportive tool for the HR departments in every hotel to drive and grow the career development of the staff.

3) This study reports the roles of the HR departments in the leading hotels in designing various forms of HRD interventions. It provides human resource developers in hotels with various forms of training and development which could be undertaken.

4) This study suggests the groups of people who may be concerned with prioritizing training and criteria for both training budgets allocation and scheduling training programs.

## Recommendations for Future Studies

Since this research emphasized only on one area which is Bangkok, therefore, the future research can focus on studying another areas as well as extend the study to other service business sectors, besides hotel and resorts, in order to see the difference of viewpoints. In addition, the future research should also study about organizational environment as well as organizational supports which perhaps positive affect the proactive roles and responsibility of staff. Moreover, this study lacks discussion of technological implication to HR training which the technology now has an important role. Therefore, the next study should include the technological issues such as strategic technology management or technological administration quality into the study.

## References

Acquaful, G., Dedume, V., & Appiah S. (2016). Staff Training and Development in the Hospitality Industry, Problems and Challenges – A Comparative Study of SSNIT and KNUST Guest Houses at Kumasi in the Ashanti Region of Ghana. *International Journal of Management and Commerce Innovations*, *3*(2), 179-195.

Bagri, S. C., Babu, S., & Kukreti, M. (2010). Human Resource Practices in Hotels: A Study from the Tourist State of Uttrakhand, India. *Journal of Human Resources in Hospitality & Tourism*, 9, 286–299.

Bayoud, R. M. (2013). Training in Libyan hotel: a case study analysis. Ph.D Dissertation. University of Gloucestershire. http://ethos.bl.uk/OrderDetails.do?uin=uk.bl.ethos.669463?

Boon-itt, S. (2010). Measuring service quality dimensions: An empirical analysis of Thai hotel industry. *International Journal of Business Administration, 3*(5), 52-63.

Braun, V. & Clarke, V. (2013). *Successful qualitative research: A practical guide for beginners.* London: Sage.

Breiter, D., & Woods, R. H. (1997). An analysis of training budgets and training needs assessments in mid-sized hotels in the United States. *Journal of Hospitality & Tourism Research, 21*(2), *86-97.*

Cetinel, F., Yolal, M. & Emeksiz, M. (2009). Human Resource Management in Small and Medium Sized Hotels in Turkey. *Journal of Human Resources Management in Hospitality and Tourism Management, 8*(1), 43-63.

Creswell, J. W. (1998). *Qualitative inquiry and research design: Choosing among five traditions.* Thousand Oaks, CA: Sage.

Flick, U. (2007). *Designing qualitative research.* Los Angeles: Sage.

Gazija, A. (2012). Important of staff training in hotel industry - Case Study: Hotel Dukagjini. *Iliria International Review,* 1-11.

Hazra, K., Ghosh, P., & Sengupta, P. P. (2017). Importance of Training and Development and its Impact on Employees' of Hotels in Kolkata, India: An empirical study. *Journal of Tourism and Hospitality Management*, *5*(2), 23-33.

Hayes, K. D., & Zaccarelli, E. H. (1996). *Training managers to train.* Menlo Park, CA: Crisp Publications

Khanfar, S. M. (2014). Training and its important in the efficiency of employees' performance in five-star hotels in Jordan. *Journal of Business Studies Quarterly*, *6*(2), 137-158.

Marshall, C., & Rossman, G. B., (2011). *Designing Qualitative Research.* Thousand Oaks CA: Sage.

Martínez-Ros E., & Orfila-Sintes F. (2012). Training plans, manager's characteristics and innovation in the accommodation industry. *Journal of Hospitality Management, 31(3), 686-694.*

Millington, A. (2016). These are the world's most visited cities in 2016. World Economic Forum. Retrieved from https://www.weforum.org/agenda/2016/09/these-are-the-worlds-most- visited-cities-in-2016

Pongbungong, O. & Wiboontanakul, S. (2018). Strategy human resource management for talented employees in hotel industry. *KasemBundit Journal, 19*(special edition), 78-88.

Rathore, A. S., & Maheshwari, N. (2013). Assessment of training needs for the hospitality industry: A case study of hotels in Rajasthan. *SAJTH, 6*(1), 128-136.

Seale, C. (1999). *The Quality of qualitative research.* London: Sage Publications.

Singh, V. (2014). 28 Role of Staff Training and Personality Development Programs in Hotels and Restaurants*. International Journal of Enhanced Research in Management & Computer Applications, 3*(10). 28-32.

Suwannaset, W. (2017). Developing Service Excellence in Five-Star Hotels in Bangkok through HRD Needs Assessment. *Journal of HRIntelligence, 12*(1), 103-124.

Tourism Authority of Thailand. (2011). Thai Hotel Resort Directory 2011, Received from http://www.mekongtourism.org/wp-content/uploads/ Thailand-Standard-Hotel-Director.pdf

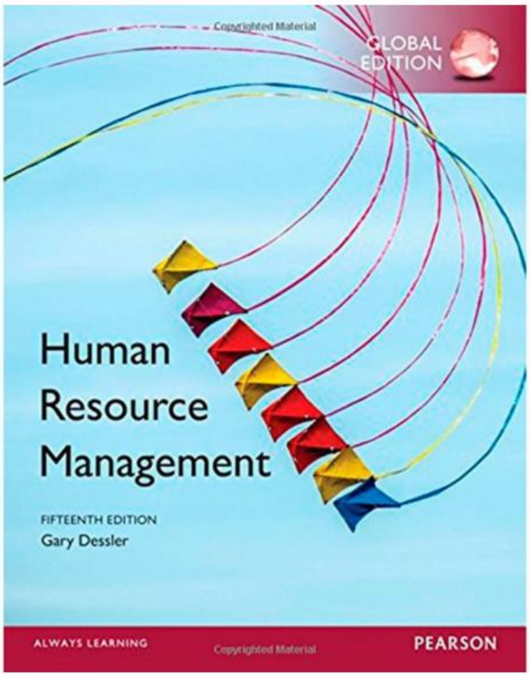
Thai Hotels Association, Thailand Hotel Standard Foundation (2014). *Checklist for Thai hotels standard*, Retrieved from http://thaihotels.org/new-checklist-for-hotel/

Thansettakij. (2016 January 8) Thai tourism 2014 hit the record generating income over 2.23 million bath. Thansettakij, Retrieved from http://www.thansettakij.com/content/25115

Werner, J. M., & DeSimone, R. L. (2012). *Human Resource Development* (6th ed.). OH: South-Western Cengage Learning.

# BOOK REVIEW

# HUMAN RESOURCE MANAGMENT




**Author: Gary Dessler**

**Reviewed by: Suraporn Onputtha[1]**

Human resources management is very important field and challenging in these days since many organizations need to understand their people who are working in the organization. Managing human in organization can be covering many aspects including recruitment and selection, training and development, compensation and evaluation. Recently, there are various academicians mention that knowing and managing human in the organization well can positively drive the organization successful. Therefore, I am interested in introducing all readers in this journal issue to know about the book relate to human resource management named Human Resource Management-fifteenth edition (2017), whose the author of this book is Gary Dessler, by Pearson Education Limited.

In this book, there are five main parts. The first part is about the introduction which readers can understand about the overall of this book. The second part is about recruitment, placement, and talent management. In this part, the interesting point that I would like to point out is about the management of talented people. Recently, people who are talented and equipped are difficult to manage for some organization that lacks good motivation and technique to keep them continuously stay in the organization, because they may switch to stay with the organization that provide better rewards. The third part, it is about training and development which also focuses on training and development, performance evaluation, appraisal and employee retention. In forth part, it is about the compensation which focuses on strategic plan of managing compensation, financial incentives and

[1] Lecturer in the Department of International Business Administration, Rajamangala University of Technology

benefits and services. The last part is about other hot issues related to human resources management which is the part that I also would like to introduce the readers specifically. There is labor relations, collective bargaining and employment law which also talks about digital and social media. In addition, this part also managing global human resource which talks about the activities of intercountry difference, training and maintaining employee abroad and understanding global HR system. Lastly, this part also covers managing human resource in small and entrepreneurial firm that is in trend that many countries are promoting the small and medium enterprises and leveraging small size with familiarity, flexibility, fairness and informality.

Not only provide the readers the theoretical view points, this book also gives various case studies such as Jack Nelson's problems, Carter Cleaning Company, Siemens, Shanghai Ritz-Carton Portman Hotel, Ya Kun kaya International and so on which these can help readers understand more on contents.

In conclusion, this book is very interesting and useful for readers especially who is the manager in the field of human resources management. Moreover, who is also studying about human resources both in undergraduate or postgraduate level can also utilize the knowledge from this book.