

# Evaluation of Strategic Potential and Capability of Organization in Preparation for the ASEAN Economic Community in 2015: A Case Study of the MAI (Market Alternative Investment: MAI) Listed Companies

การประเมินศักยภาพและความสามารถดับกลยุทธ์ขององค์กรเพื่อเตรียมความพร้อมบริษัทในการเข้าสู่ประชาคมเศรษฐกิจอาเซียนในปี 2558: กรณีบริษัทที่มีรายชื่อจดทะเบียนในตลาดหลักทรัพย์ เอ็ม เอ ไอ

Suthinan Pomsuwan<sup>1</sup>

## Abstract

The objectives of this research were to study the influence of type, education level, and age of employees on the preparation for the AEC in 2015 among the MAI listed companies, to examine the overall images of investment, credit limit, operation, capability of foreign language use, knowledge about the AEC member countries, and knowledge and understanding of operating a business in the AEC in preparation for the AEC in 2015, and to determine the influence of the corporate, marketing, production or service, human resources, finance, and technology or innovation strategies on the preparation for the AEC in 2015 among the MAI listed companies.

The statistical data analysis was conducted using the descriptive statistics and the inferential statistics including t-test, One-Way ANOVA, Chi-square test, and Multiple Regression Analysis. The sample group included 724 operational employees of the MAI listed companies. Questionnaires were used as the data collection tool, with a reliability value of 0.864. The results of the study showed that different types of employees, education levels, and ages had an influence on the preparation for the ASEAN Economic Community in 2015. Also, there was a correlation among the overall investment, credit limit, operation, capability of foreign language use, knowledge about the AEC member countries, and knowledge and understanding of business operating in the AEC in preparation for the AEC in 2015. Lastly, there was an influence of marketing and human resources strategies on the preparation for the AEC in 2015. Specifically, the most influencing factor was the marketing strategy, followed by human resources strategy. However, the corporate, production or service, finance, and technology or innovation strategies had no influence on the preparation for the AEC in 2015.

**Keywords:** Potential, Capability, Market Alternative Investment (MAI), ASEAN Economic Community

<sup>1</sup> School Business Administration, Bangkok University, Thailand, E-mail: suthinan.p@bu.ac.th

## บทคัดย่อ

งานวิจัยนี้มีวัตถุประสงค์เพื่อศึกษาประเภท ระดับการศึกษาและอายุของพนักงานต่อการเตรียมความพร้อมบริษัทในการเข้าสู่ประชาคมเศรษฐกิจอาเซียนในปี 2558: กรณีของบริษัทในตลาดหลักทรัพย์เอ็ม เอ ไอ (Market Alternative Investment: MAI) เพื่อศึกษาภาพรวมของการลงทุน วงเงินสินเชื่อ การดำเนินงาน ขีดความสามารถในการใช้ภาษาต่างประเทศ ความรู้เกี่ยวกับประเทศในประชาคมอาเซียน และความรู้ความเข้าใจในการประกอบธุรกิจในประชาคมเศรษฐกิจอาเซียน กับการเตรียมความพร้อมบริษัทในการเข้าสู่ประชาคมเศรษฐกิจอาเซียนในปี 2558 และเพื่อศึกษาอิทธิพลของกลยุทธ์ขององค์กร กลยุทธ์การตลาด กลยุทธ์การผลิตหรือการบริการ กลยุทธ์ทรัพยากรมนุษย์ กลยุทธ์การเงิน และกลยุทธ์เทคโนโลยีหรือวัตกรรมต่อการเตรียมความพร้อมบริษัทในการเข้าสู่ประชาคมเศรษฐกิจอาเซียนในปี 2558

การวิเคราะห์ข้อมูลใช้สถิติเชิงพรรณนาและสถิติเชิงอนุมานด้วยการวิเคราะห์ความแตกต่างของกลุ่ม 2 กลุ่ม ด้วยสถิติค่าที่ (t-test) การวิเคราะห์ความแปรปรวนทางเดียว (One-way ANOVA) การวิเคราะห์หาความสัมพันธ์ Chi-Square test และการวิเคราะห์การถดถอยเชิงพหุ (Multiple Regression Analysis) เพื่อทดสอบสมมุติฐาน กลุ่มตัวอย่างเป็นพนักงานระดับปฏิบัติงานของบริษัทที่มีการจดทะเบียนในตลาดหลักทรัพย์ เอ็ม เอ ไอ จำนวน 724 คน และค่าระดับความเชื่อมั่นของแบบสอบถามคือ 0.864 ผลการวิจัยพบว่า ประเภทของพนักงาน ระดับการศึกษา และระดับอายุที่แตกต่างกันมีผลต่อการเตรียมความพร้อมบริษัทในการเข้าสู่ประชาคมเศรษฐกิจอาเซียนในปี 2558 ที่แตกต่างกัน ทั้งนี้ ภาพรวมของการลงทุน วงเงินสินเชื่อ การดำเนินงาน ขีดความสามารถในการใช้ภาษาต่างประเทศ ความรู้เกี่ยวกับประเทศในประชาคมอาเซียน และความรู้ความเข้าใจในการประกอบธุรกิจในประชาคมเศรษฐกิจอาเซียน มีความสัมพันธ์กับการเตรียมความพร้อมบริษัทในการเข้าสู่ประชาคมเศรษฐกิจอาเซียนในปี 2558 และอิทธิพลของปัจจัยด้านกลยุทธ์การตลาดและด้านกลยุทธ์ทรัพยากรมนุษย์มีอิทธิพลต่อการเตรียมความพร้อมบริษัทในการเข้าสู่ประชาคมเศรษฐกิจอาเซียนในปี 2558 โดยปัจจัยด้านกลยุทธ์การตลาดมีอิทธิพลมากที่สุดและปัจจัยด้านกลยุทธ์ทรัพยากรมนุษย์มีอิทธิพลรองลงมา แต่ปัจจัยด้านกลยุทธ์ขององค์กร ด้านกลยุทธ์การผลิตหรือการบริการ ด้านกลยุทธ์การเงิน และด้านกลยุทธ์เทคโนโลยี หรือวัตกรรมไม่มีอิทธิพลต่อการเตรียมความพร้อมบริษัทในการเข้าสู่ประชาคมเศรษฐกิจอาเซียนในปี 2558

**คำสำคัญ:** ศักยภาพ ความสามารถ ตลาดหลักทรัพย์เอ็ม เอ ไอ ประชาคมเศรษฐกิจอาเซียน

## Introduction

The number of population in the AEC region was nearly 600 million, which was considered the third rank in the world, behind China and India. It was also revealed that qualitatively, consumer purchasing power in this region had been continuously growing (Thassanabanjong, Miller, & Marchant, 2009). Therefore, the AEC region is considered a high potential market for Thai SME expansion (Paitoonpong & Chalamwong, 2012). SME operators were proposed to consider the factors relating to potential and strategic capability of the organization which required the cooperation

between the operators and their employees in order to compete both in the domestic and international markets (Thassanabanjong, et al., 2009). This research focused on employees who had followed and implemented the administrative policy. It also determined the sufficiency of employees' qualifications and international experience, their knowledge of their industry expansion in the AEC region, the universality (the reduction of trade barriers and foreign investment) of the industry entering the market, risks of the countries which were market pioneers, cultural differences of the consumers, marketing potential

of the operators, marketing knowledge, competition level, and the strategies intended to use as well as the international business alliances. After the initial evaluation of the market and self-evaluation by the employees, the next step was to help the SME operators come up with efficient strategy formulation in order to enter the AEC market, such as exporting, contract manufacturing, granting of copyright, and franchise expansion or foreign direct investment.

In addition, the employees need to have the knowledge and understanding, as well as the preparation to implement the policy. The study of the Center for International Studies, University of the Thai Chamber of Commerce (2011) and Wisuttisak (2011) showed that the main focus should be put on general environment data, economy, and taste of the consumers in the ASEAN market, so that one could choose to enter the right market. Furthermore, one should realize the importance of developing different potentials in entering the foreign market in various forms, such as export, joint venture, possibility of market expansion for investment, and competition in the AEC. Other potentials include examining consumer behaviors, and preparing themselves in terms of technology to support market expansion in the ASEAN region, searching for raw materials, and moving the manufacturing site closer to the source of raw materials to save costs and use it as the distribution center. Moreover, one should prepare for using neighboring countries as the export base, develop transportation system for continual business operations, and look for human resources in terms of labor and management. Finally, one should develop human resources in terms of English language skills, which is the medium of communication among the member countries. It is also important to take into consideration the

readiness for investment, acquisition of capital to expand the business abroad, and development of high technology innovations in production or service to add value to the products. Studying the business competitors, one should retain the old customer base, reduce manufacturing cost to achieve customer satisfaction, and careful of financial risk by planning with governmental sectors, such as the Board of Investment (BOI), the Department of Industrial Promotion, in developing the manufacturing industry according to the supply chain of the industries in the AEC.

In conclusion, this study will focus on the types, and the education level and age of employees influencing the preparation for the AEC in 2015. The study of Boyatzis (2007) stated that the potential of employees depended on their personal attributes including gender, experience, education level, age, leadership, the overall images of investment, credit limit, operation, capability of foreign language use, knowledge about the AEC member countries, and knowledge and understanding of operating a business in the AEC. Moreover, the studies of Intagliata, Ulrich and Smallwood (2007a), Kramer (2005), Brownwell (2006), Elbanna and Child (2007), Menguc, Seigyoung, and Shih (2007), Robinson, Sparrow, Clegg, and Birdi (2007), and Ulrich and Smallwood (2007b) stated that the organization that has high efficiency in managing changes will also have flexibility and development to prepare itself for any changes, and the influence of the corporate, marketing, production or service, human resources, finance, and technology or innovation strategies on the preparation for the AEC in 2015. Furthermore, The studies of Phoompanich (1999), Nakpibal (2007), Charoensuk and Charoensuk (2011), Wattanavirai and Sittipolvanichagul (2012) emphasized the importance of human resources for the preparation

of the organization for the AEC in 2015. One example is to improve the skilled labors. If Thailand does not have sufficient skilled workers, it can cause an HR problem in the future.

As a result, the employees in the MAI listed company need to have the knowledge and understanding of the potential and organizational strategic capability, and the preparation to put the policy into practice in order to help the operators to drive the business into the competitive markets both domestically and internationally. The MAI listed companies are those under the Securities and Exchange Act B.E. 2535, which was officially introduced on June 21, 1999 in order to increase new business opportunities and long-term growth with quality. In addition, SME operators can access the sources of capital and grow sustainably with transparency, good management, responsibility for society and environment, and network support in preparation for the competition. The MAI include operators and employees who are determined to develop their companies to be in the Stock Exchange of Thailand (SET), and thus increase its investment potential. It is a beginning step for the new generation of entrepreneurs and employees who are ambitious to be successful in their business (Stock Exchange of Thailand, 2012).

## Research Objectives

1. To study the types of employees of MAI listed companies influencing the preparation for the AEC in 2015.
2. To study the education level and age of employees of MAI listed companies' influencing the preparation for the AEC in 2015.
3. To study the overall images of investment, credit limit, operation, capability of foreign language use, knowledge about the AEC member countries, and knowledge and understanding of operating a

business in the AEC, and their preparation for the AEC in 2015.

4. To study the influence of the corporate, marketing, production or service, human resources, finance, and technology or innovation strategies on the preparation for the AEC in 2015 of the MAI listed companies.

## Research Hypotheses

1. The types of employees of MAI listed companies have different impacts on the preparation for the AEC in 2015.
2. Different education levels and ages of the employees of MAI listed companies have different impacts on the preparation for the AEC in 2015.
3. There is a relationship between the MAI listed companies' overall images of investment, credit limit, operation, capability of foreign language use, knowledge about the AEC member countries, and knowledge and understanding of operating a business in the AEC, and the preparation for the AEC in 2015.
4. The corporate, marketing, production or service, human resources, finance, and technology or innovation strategies have an influence on the preparation for the AEC in 2015 of the MAI listed companies.

## Literature Review and Related Research

The information below will explain concepts and theories as well as related researches which were used in this study.

### 1. Concepts, Theories, and Research Studies about Potential of Employees

One of the important qualifications that an organization requires from its employees is their potential to deal with more difficult work in the future. Good performance and behavior are not sufficient to drive the company forward at the

present and in the future. Boyatzis (2007) stated that potential refers to the readiness to handle more difficult work in the future. The potential employees are thus those who will be ready to solve problems in the future, and the important thing is that they must be the ones on whom the organization can rely for the future of the company. In addition, the potential of the employees will directly be related to their individual identity including gender, experience, education, age and leadership behavior. There are various ways of determining employee potential. A high potential employee must always maintain top performance in every year. Usually, they will look back 3-5 years to determine their work standard, creativity, and ideas for solving problems. Therefore, the potential employees with high standard and creativity will be able to go a long way toward pushing the company forward. No organization would choose an employee who always has the same way of thinking and doing things to be a leader or executive. This idea also relates to the study of Seema (2007), which pointed out that the employees who are open-minded, well-adjusted to changes, ready to take the responsibility of more difficult work in the future are needed by the organization.

Different personal traits, upbringing, as well as culture, and tradition are also the factors that influence the potential of the employees both positively and negatively. For example, if the employees did not allow themselves for new opportunity, completed only the work they had been assigned to, were not flexible for changes, and thought that they were the best, they would cause trouble for the organization. Andrew (1999) stated that an organization needed the employees with the sense of teamwork, the ability to motivate other people, and the least conflict. These are the

characteristics of high potential employees who are different in terms of their personality trait, work behavior, experience, and education. Many organizations have been trying to create a system to develop their employees by grouping high potential employees into the “talent” group for management training purposes. The talent employees can be selected from their qualifications, work behavior, and leadership.

Furthermore, the American Compensation Association (1996) found that the organizations that give priority to the potential of the employees tended to have employees who were substantially hard-working, willing to work more than what they were assigned to do, and showed excellent performance. These organizations would have a direct and straightforward communication with the employees, and express their concerns on the employees’ health and safety. A high potential organization would also care for benefits for their employees when they had to make any decisions, as well as informing the employees of the reason for any decision made that might affect the employees. The study of Campion, Fink, Ruggeberg, Carr, Phillips, and Odman (2011) revealed that the importance of high potential employees would benefit the organization in terms of leadership. Generally speaking, the outstanding leadership could make a big difference in work performance. It is important that the employees have trust in their leader for implementing organizational strategies to achieve the determined goals. Making the employees feel that they are part of the organization will make them have the sense of integrity with the organization. Edgar and Lookwood (2011) pointed out that work independence would lead to employees’ creativity. The organization should encourage its employees to perform the work by pulling out their fullest potential in terms

of skills and capability to become successful in what they are doing. The organization should show its supports of the exchange of ideas and resources within the organization, encourages creative criticism and teamwork which requires collaboration between individuals and organization. When the employees feel that they can rely on their coworkers, they will do the best they can to accomplish the work.

In addition, Thompson and Gregory (2012) mentioned that the most important things for the potential of the employees are growth and development. The employees realize that they are responsible for their own career advancement. As a result, the opportunity for growth and development has a high impact on the level of their commitment to the organization. Halim and Abhyankar (2011) stated that the current work schedule of the employees was constantly changing. The more the organization works with companies overseas, the more time the employees had to spend working with the customers and coworkers who live in a different time zone. Only high potential employees could balance their personal and work life. It is important that the organization should support the personal-and-work-life balance of their employees by allowing flexible work time, and telecommuting. The organization should have a clear work direction and train the employees to prioritize their work, and implement their principles and policies regularly by assigning a fair and appropriate amount of work for the employees. It should also encourage the employees to exercise their skills and make any necessary decision to accomplish their work, as well as providing sufficient resources to ensure high quality and efficiency of work. The study of Goffin and Woycheshin (2006) indicated that the most admired organizations in the world

generally rewarded their high potential mid-level employees less than other organizations because of their strong internal employee development program. Moreover, it was not necessary for them to hire high potential employees with higher payment from outside the organizations. These organizations rewarded their employees based on performance at a better rate than other organizations. The employees of high-potential organization said that the organization had the culture of focusing on efficient work performance and had a clear policy of rewarding the employees based on their work performance.

## **2. Concepts, Theories, and Research Studies about Organization Strategic Competency**

Business world has been changing all the time due to the internal and external environments that are competitive and rapidly changing, and slow adaptation may cause some loss of resources such as capital, skill, time, labor force, etc. The executive has to make a decision of proper time to adjust the strategies in accordance with the changing situation. Brownwell (2006) stated that the organization that has high efficiency in dealing with changes is a flexible organization that is ready for changes. This quality is deemed necessary for an executive, especially since we are in the era of information and technology causing rapid changes. Therefore, early prediction and preparation are difficult. Robinson, et al. (2007) mentioned that mutual understanding of changes as well as the capability of the executive and the cooperation of the personnel in the organization would make the organization able to cope with changes efficiently. As a result, the executive should have the skills and take careful steps to manage changes in the organization. To this end, the executive needs to understand the nature and process of changes, and his role in managing them, and be able to

make a decision that is suitable for the changes. Intagliata, Ulrich and Smallwood (2000a) said that the important problem that the organization often faces is the opposition to the change by the employees in the organization. This results from the lack of confidence of the employees who are afraid that those changes would make things complicated for them. Therefore, when making a change in organizational strategies, the executive should take into consideration the cooperation and readiness to accept the changes from the employees, and they should start from the simple change.

The study of Kramer (2005), Elbanna and Child (2007), Menguc, et al. (2007), and Ulrich & Smallwood (2007a, 2007b) indicated that there are two main factors affecting the changes in the organization. One of them is the external environmental factor which includes (1) Economy – it has an effect on human resources management. In other words, if the economy is bad, the organization needs to decrease the number of employees and their production. On the other hand, if the economy is good, the organization has to increase the product or service as well as the manpower, (2) Competitor – it can affect the marketing strategy of the organization in getting new customers to increase the market share and growth, (3) Technology – the change in technology is important for efficient work in order to compete with the competitors. The organization should pay attention to this factor, especially information technology such as computer, communication devices, and Internet system. Technology can help facilitate the work in the organization by using the right information management system, (4) Law and politics – The changes of law and politics also affect the change of the organization policies, (5)

Society and population – the change in social value in terms of consumer behaviors causes the organization to change their product features, production system, and services to meet the needs of the customers, (6) Population change – this factor affects the change in product, sales pitch, and marketing strategy as well as the change in the physical infrastructure such as street, port, airport, telephone, household utilities, and scientific or information technological infrastructures including laboratory, satellite, and internet network.

The studies of Hitt and Tyler (1991), Hofstede (2001), Kelly and Gennard (2007), Fleming, Chow, and Chen (2009), and Lim (2012) stated that the internal environmental factor is a significant component. The internal environmental factor includes (1) Organizational structure which is divided into 2 types: Macro structure change and micro structure change, (2) Strategy which indicates the future directions to achieve the vision and mission of the organization, (3) Decision making process – the non-hierarchy process would impart less authority to the high-level executives in making a decision, (4) Work process which is a result of the change in technology and organizational structure, (5) Culture which refers to a change in organization culture, including the change of work value, relationship with customers and other associations, teamwork, and collaboration within the organization, and diversity of personnel by recruiting people who have different skills, or providing training or them, and involving them in company affairs to make them feel like family, and (6) Employees which can be the changes due to the increase and decrease of the number of employees, employee transfer, work evaluation that focuses on the end result, and rewards based on overall performance.

### 3. Concepts, Theories, and Research Studies about Preparation for the AEC

In 2015, the ASEAN Economic Community (AEC) is officially launched but people in ASEAN including Thai people still do not regard themselves as ASEAN citizens. The survey about people's perception of AEC by Pangleelart (2012) shows that less than 65% of people do not feel that they are ASEAN citizens. As one of the founders of ASEAN, Thai government envisions the necessity of preparing the country to get ready for the AEC in 2015 by focusing on more practical actions and connection for the benefits of its people. This concept corresponds with the study of Komin (1991) and the Ministry of Foreign Affairs of the Kingdom of Thailand (2012), which stated that Thai government has pushed forward to achieve the ASEAN charter including creating the people-centered ASEAN community and emphasizing on the security of people in the region.

The main objective is to prepare its people to be ready to participate in the AEC by strengthening the country's economy, society, culture, politics, and security. It is therefore necessary for different organizations in the country to cooperate and follow up on the progress as well as support all the government units to be ready for the AEC. For example, a new national plan must be discussed and made. There will be a lot of changes in terms of free flow of goods and service, labor, and capital in order to integrate the markets in the ASEAN region. Suwanpong (2011) and Tepprasit (2013) indicated that these changes would affect every sector especially the small and medium enterprises (SMEs) both directly and indirectly. To make the SME operators ready for the AEC, the Office of SMEs Promotion (OSMEP) takes a major role in helping Thai SMEs by setting the promotional plans for connecting Thai SMEs with

other countries in ASEAN. The Office of Small and Medium Enterprises Promotion (2012) stated that the promotional plans would be beneficial to the SMEs in various aspects, such as marketing. The strategy to get new customers needs to be revised because new customers will bring with them the creative tactics, ideas and other consumer behaviors, beliefs, and cultures into Thailand, which will be a lesson for the Thai marketers. The domestic business needs to adjust and keep themselves updated for the situations and markets. Those who have good preparation or can adjust themselves well will have the advantages. On the other hand, those who take a long time to adjust themselves will risk losing opportunity and their regular customers. Regarding the investment and finance, the study of Wattanasirichaigoon (2010) and Soipet (2012) indicated that the country needs to develop itself as soon as possible to facilitate foreign investment. Extensive free trade can be a higher risk for Thailand as it could not gain as many benefits as before. All the laws and regulations of the government relating to investment and finance need to be revised, especially when it concerns the SME business. However, the participation in the AEC can also be a good leverage for Thailand in negotiating with other countries in the world. Thailand needs to create and expand its trading alliance and network in the ASEAN region to have a better leverage. The cooperation with other ASEAN countries should be based on trust, equality, and fairness. In addition, Thailand should learn the negotiation techniques according to the traditions and cultures of each country.

Furthermore, the study of Sutantivanickul (2011) and Tunwasinpong, Thongyim, and Petchseechuang (2011) stated that Thailand should learn various tactics from the ASEAN members to

increase its efficiency in terms of production, marketing, transportation, logistics, management, negotiation, finance, tourism and aviation. It is also important to find technology in improving the quality of products and services. Investment in technology for different business and industries is a must to be able to survive and attain competitive advantages. The public sector must realize the significance of research and development in production and service, and help the private sector in every possible way including the development of language skills of each member country other than English, Chinese or Japanese, such as Malay, Vietnamese, Cambodia, Lao and Burmese, because language practice and learning takes time.

Wattanavarai and Sittipolvanichagul (2012) pointed out that Thailand should develop skills in the professions of engineers, medical practitioners, nurses, accountants, explorers, dentists, architects and tourism officers as these are the top professions in Thailand as can be seen by many related associations. The AEC also picked these associations to be the first to implement the rules and regulations in preparation for recruiting people from the member countries to work in these fields. However, if Thai people who are working in the above professions are not ready to adjust themselves in preparation for the AEC, they can be in a difficult situation. Phoompanich (1999), Nakpibal (2007), and Charoensuk and Charoensuk (2011) indicated that the registration or issuance of professional license for foreigners to work in the ASEAN countries can be done under the rules and regulations of that particular country. Thai people who work in these professions can also go to work in the ASEAN countries and earn more. As a result, it will be the best way to prepare them by teaching them the languages and new techniques in their professions. Another important thing is to

come up with a human resources management strategy to motivate good and competent employees to work for the organization as long as possible. Talent Management should also be taken into consideration, as well as the collaboration in terms of politics and defense within the country so that people can live peacefully and have no conflict with the neighboring countries, such as Myanmar, Cambodia and the others through the cooperation in trades and investments to help maintain good relationship with each other. It is also necessary for Thai people to adapt themselves and learn the cross cultural management to encourage strong ties among people in the country and our neighbors, without any social, economic and political conflicts.

## Research Methodology

This study is a quantitative research, using a questionnaire with close-ended questions as the data collection tool. The questionnaire is divided into 4 sections. Section 1 inquires the respondents of their personal information. Section 2 involves initial evaluation of business potential. Section 3 is the evaluation of corporate strategic capability, and Section 4 includes questions about MAI listed companies's preparation for the AEC. Before sending out the questionnaire, it was tested for content validity by experts in the field. The researcher also ran a reliability test with 30 operational employees of the MAI listed companies, using Cronbach's Alpha analysis, and obtained a high reliability level of 0.864. The sample group used in the reliability test was not included in the population of this study. The respondents of the questionnaire were operational employees at 112 MAI listed companies (Stock Exchange of Thailand, 2012). The researcher used Taro Yamane's formula to determine the sample

size for infinite population, with the error of  $\pm 3$  and the sample size of 1111. The quota sampling method was used, and 10 copies of questionnaires were sent by mail to 112 companies whose addresses were obtained from the MAI database, 1,120 copies in total. After the questionnaires were sent, 20 researcher assistants made follow-up phone calls to the sample. Each person was given to collect 56 copies of the questionnaire within 2 months from October 1 to November 30, 2014. However, the researcher received the total of 724 respondents back from 85 companies out of 1,120 companies. The hypothesis testing was

conducted by using t-test, One-Way ANOVA, Chi-square and Multiple Regression Analysis.

## Results and Discussion

The descriptive statistics and the inferential statistics were conducted. It was found that most respondents were full-time employees (68.09%), aged between 25-35 years old (63.12%), and had a bachelor's degree (79.83%). The results of hypothesis testing are shown below.

**Hypothesis 1:** The types of employees of MAI listed companies have different impacts on the preparation for the AEC in 2015.

**Table 1** Comparison of means of two types of employees

Variables (Types of employees)	Number of samples (person)	Mean	S.D.	t value	Sig. (p-value)
Full-time employees	493	4.63	0.754	3.74	0.003*
Contract employees	231	3.69	0.632		

\* p-value < 0.05

It can be seen from Table 1 that different types of employees of MAI listed companies have different impacts on the preparation for the AEC in 2015, with a statistical significance of 0.01.

**Hypothesis 2:** Different education levels and ages of the employees of MAI listed companies have different impacts on the preparation for the AEC in 2015.

**Table 2** One-way ANOVA analysis of education levels and ages of employees

Variables	Number of samples (person)	F value	Sig. (p-value)
Education level	724	18.967	0.000*
Age	724	11.917	0.000*

\* p-value < 0.05

It can be concluded from Table 2 that different education levels and ages of employees of MAI listed companies have different impacts on the preparation for the AEC in 2015 with a statistical

significance of 0.01. Table 2.1 and Table 2.2 explain the multiple comparisons of education level and ages of employees.

**Table 2.1** The multiple comparisons of education levels of employees

Education level	Below bachelor degree	Bachelor degree	Above bachelor degree
Below bachelor degree	-	.000*	.041*
Bachelor degree	-	-	.012*
Above bachelor degree	-	-	-

\* p-value < 0.05

It can be concluded from Table 2.1 that different education levels (below bachelor degree, bachelor degree, and above bachelor degree) of

employees of MAI listed companies have different impacts on the preparation for the AEC in 2015 with a statistical significance of 0.05.

**Table 2.2** The multiple comparisons of age levels of employees

Age of employees	Below 25 years	25-35 ปี	Above 35 years
Below 25 years	-	.002*	.011*
25-35 years	-	-	.047*
Above 35 years	-	-	-

\* p-value < 0.05

It can be concluded from Table 2.2 that different age levels (below 25 years, 25-35 years, and above 35 years) of employees of MAI listed companies have different impacts on the preparation for the AEC in 2015 with a statistical significance of 0.05.

**Hypothesis 3:** There is a relationship between MAI listed companies overall images of investment, credit limit, operation, capability of foreign language use, knowledge about the AEC member countries, and knowledge and understanding of operating a business in the AEC and the preparation for the AEC in 2015.

**Table 3** Relationship between different overall images on the preparation for the AEC in 2015

Variables	Number of samples (person)	Chi-Square value ( $\chi^2$ ) (df=3)	Sig. (p-value)
1. Investment	724	74.32	0.000*
2. Credit limit	724	46.92	0.000*
3. Operation	724	32.26	0.000*
4. Capability of foreign language use	724	77.24	0.000*
5. Knowledge about the AEC member countries	724	39.01	0.000*
6. Knowledge and understanding of operating a business in the AEC	724	50.43	0.000*

\* p-value < 0.05

Table 3 shows that there is a relationship between MAI listed companies overall images of investment, credit limit, operation, capability of foreign language use, knowledge about the AEC member countries, and knowledge and understanding of operating a business in the AEC and the preparation for the AEC in 2015 with a statistical significance of 0.001.

**Table 4** Strategic capability in preparation for the AEC in 2015

Variables (Strategies)	Regression Coefficient	t value	Sig. (p-value)
	Beta		
1. Corporate	.0812	1.010	0.315
2. Marketing	.431	4.289	0.000*
3. Production or service	.048	.593	0.555
4. Human resources	.345	3.471	0.001*
5. Finance	-.037	-.459	0.648
6. Technology or innovation	.129	.129	0.897

$R^2 = 0.505$ ,  $F$ -value = 16.515,  $n = 724$ , \* p-value < 0.05

Table 4 shows that the marketing and human resources strategies have an influence on the preparation for the AEC in 2015, with a statistical significance of 0.01 and 0.001, respectively. The marketing strategy had the highest influence ( $\beta = .431$ ,  $t = 4.289$ ,  $\leq 0.05$ ), followed by the human resources strategy ( $\beta = .345$ ,  $t = 3.471$ ,  $\leq 0.05$ ). However, MAI listed companies' corporate, production or service, finance, and technology or innovation strategies had no influence on the preparation for the AEC in 2015.

### Conclusion and Discussion

As shown in Tables 1 and 2, the different types, education levels, and ages of employees had different impacts on the preparation for the AEC in 2015, with a statistical significance of 0.01 and 0.001, respectively.

**Hypothesis 4:** The corporate, marketing, production or service, human resources, finance, and technology or innovation strategies have an influence on the preparation for the AEC in 2015 of the MAI listed companies.

The above result can be explained by the studies of Boyatzis (2007) which stated that the potential of employees depended on their personal attributes including gender, experience, education level, age, and leadership. It also corresponds with the studies of Andrew (1999) and Seema (2007) which mentioned that employees with high potential who could be ready for taking the responsibility of more difficult job in the future or ready for any changes contributed to their personalities, bringing-up, culture, and tradition. These factors could draw out the employee potential both positively and negatively. In order for them to achieve the goals of the organization, they should possess leadership and could motivate and inspire other people. This also related to their personal characteristics, work behaviors experiences, and education. Many organizations

classified the outstanding employees who have the potential to be in the executive positions in the future as the “talent” group, by taking various factors into consideration, such as personal qualifications, work behaviors, and decision-making. American Compensation Association (1996), Goffin and Woycheshin (2006), Campion, et al. (2011), Edgar and Lockwood (2011), Halim and Abhyankar (2011), and Thompson and Gregory (2012) also stated that a high potential organization would show their employees how important they were for the company, have open and straightforward communication with them, and care for their health and safety.

In addition, the leaders should be able to carry out the strategies of the organization to achieve the goals and make the employees feel that they are part of the business by creating collaborative working environment, supporting teamwork, and encouraging creative comments. Also, the management team should require cooperation both at the personal and organizational levels, and make balance for the employees’ work and personal life by making clear working schedule for them. Especially now that the organizations have been working more with foreigners, the employees should be able to manage their time to work and deal with customers or coworkers who work at different locations and time. Any rewards should also be given to the employees with fairness and transparency as a form of compliment.

The result shown in Table 3 can be explained by the studies of Intagliata, Ulrich, and Smallwood (2000), Kramer (2005), Brownwell (2006), Elbanna and Child (2007), Menguc, et al. (2007), Robinson, et al. (2007), and Ulrich and Smallwood (2007a, 2007b). That is the organization that has high efficiency in managing changes will also have flexibility and development to prepare itself for

any changes. It is necessary for business executives to be fast and smart in dealing with changes because of the highly competitive and changing environment both inside and outside the organization. They also need to ensure mutual understanding about the changes, and seek for cooperation from their employees. The important changes include the organizational management strategy for improving work procedures according to the changing environment, the corporate strategy for managing any changes in the organization and promoting cooperation and readiness of the employees, starting from the easy issues to the difficult ones. Two factors that have an impact on any changes in the organization were internal and external factors. The external factors include (1) economic situation, (2) business competition, (3) changes in industrial technology, (4) politics and law, (5) society and population (changes in social values in terms of product consumption), and (6) population structure. The internal factors, according to the studies of Hitt and Tyler (1991), Hofstede (2001), Kelly and Gennard (2007), Fleming, et al. (2009), and Lim (2012), are (1) reorganization, (2) strategies according to the vision of the organization, (3) prudent decision-making process, (4) collaborative work procedure, (5) cooperative work culture, and (6) employees who make plans ahead and focus on mutual goals and strategies, follow-ups on work performance, work motivation on the same standard in terms of work quality and quantity, and fair benefits or rewards.

The result from Table 4 shows the influence of marketing and human resources strategies on the preparation for the AEC in 2015. This can be explained by the studies of many scholars and organizations, such as the Office of Small and Medium Enterprises Promotion (2012) which

focuses on planning strategies in different aspects, such as marketing strategy that requires studying new customers and the consumer behaviors. The companies that can adjust themselves well and prepare for any changes will have the advantages of getting both the opportunity and more customers. In addition, the studies of Phoompanich (1999), Nakpibal (2007), Charoensuk and Charoensuk (2011), Wattanavirai and Sittipolvanichagul (2012) emphasized the importance of human resources for the preparation of the organization for the AEC in 2015. One example is to improve the skilled labors. If Thailand does not have sufficient skilled workers, it can cause an HR problem in the future.

On the other hand, the result showed that the respondents did not think there was an influence of corporate, production or service, finance, and technology or innovation strategies on the preparation for the AEC in 2015. This result could be explained by the studies of Komin (1991), Ministry of Foreign Affairs of the Kingdom of Thailand (2012), and Pangleelart (2012) who stated that less than 65% of the population felt that they were "ASEAN citizen." Since Thailand was one of the members who founded ASEAN, Thai government is determined to prepare our country for the AEC in 2015. Phoompanich (1999), Nakpibal (2007), Wattanasirichaigoon (2010), Charoensuk and Charoensuk (2011), Sutantivanichkul (2011), Suwanpong (2011), Tunwasinpong, et al. (2011), Soipet (2012), Wattanavirai and Sittipolvanichagul (2012), and Teprasit (2013) pointed out that this would affect every sectors, especially the SMEs which could get both direct and indirect impacts. In order to prepare the SMEs for such change, the OSMEP was established to mainly supervise Thai SMEs and set up guidelines for increasing their potentials in accordance with ASEAN economy.

However, the SME business operators still do not trust and let their employees to participate in the important strategies of the organization, such as corporate, production or service, finance, and technology or innovation strategies. As a result, the employees thought that these strategies had no influence. In fact, all strategies play an important role in the survival of the organization. For example, investment and finance must be developed to facilitate foreign investment. Although too much free trade comes with higher risk for Thailand, it is beneficial for our country to extend our trading alliance network from foreign investors in the ASEAN countries to increase our leverage in negotiation. Technology is important in terms of production, marketing, transportation, logistics, management, negotiation, finance, tourism, and air transportation to improve the quality of products and services. Learning the local languages of the ASEAN countries besides English, Chinese, or Japanese is also necessary and needs long-term planning because it requires continual practice and a lot of time to learn a language. Furthermore, the improvement of skilled workers is important in order to compete with other countries. Referring to the HR strategy, the organization should be able to keep the good and smart employees to work in the organization as long as possible by implementing Talent Management and learning about Cross Cultural Management. The bottom line is that both the operators and the employees must work together for successful preparation for the AEC in 2015.

## Recommendations

1. The government should ease the external environment for the MAI listed companies or make it better for business. This can be done through appropriate policies that make doing

business by giving them incentives to nature and growth them to compete with large and international firms in order to enter to the AEC in 2015.

2. The owners and managers of the MAI listed companies should develop strategic leadership to coordinate all the other resources to attain the desired goals, employ enough competent workers to implement their strategic plans and achieve the desired goals; and also employ modern technologies to tackle current challenges and work efficiently in order to prepare themselves for the AEC in 2015. It is quite important for the strategic leadership that determines success or failure of the companies.

3. The employees of the MAI listed companies should develop and train themselves in all international aspects ; for example language skill, computer skill, or other skills, that might be used to strengthen the growth of the company for the AEC in 2015.

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**Suthinan Pomsuwan** received a Ph. D. in Leadership and Human Behavior from U.S. International University of San Diego, USA, a Master of Liberal Arts in Mass Communication/ Business Administration from Oklahoma City University, USA, and a Bachelor of Arts in Communication Arts from Bangkok University, Thailand.

He was the Dean of School of Business Administration and also served as an Associate Professor and the Dean of Bangkok University

International College. He is currently the instructor from the Graduate School. He taught for more than 10 years at Bangkok University. Assoc. Prof. Dr. Suthinan Pomsuwan teaches all levels of students from undergraduate to graduate in organization behavior, human resource management, leadership, individual and organization, and business research.

Assoc. Prof. Dr. Suthinan Pomsuwan has extensive experience in organization behavior and human resource management. He has published his research in prestigious peer-reviewed journals as well as various both national and international conference proceedings.