Factors Affecting the Success of Small and Medium Sized Family Business Hotels in Pattaya

ปัจจัยที่ส่งผลต่อความสำเร็จของธุรกิจโรงแรมขนาดเล็ก และขนาดกลางที่ดำเนินการโดยครอบครัวในเมืองพัทยา

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Abstract

The objectives of this study were 1) to examine the 7S factors related to family business hotel businesses; 2) to study business operations of the small-and medium- sized family business hotels; and 3) to examine the relationship between management factors and the success of the hotels operated by family.

Research Methodology: For a quantitative study, the sample consisted of 200 participants. The surveys contributed to those who work in management level in small and medium sized hotels in Pattaya. Content validity of the developed test was verified by the item-objective congruency (IOC) index. Its reliability was measured by calculation of Cronbach's alpha formula. The calculation of Cronbach's alpha was 0.915. The data was analyzed by using percentage, frequency, mean and standard deviation. The hypotheses were tested by Correlation statistics.

Research findings were as follows: 1) Shared value was not the factor that would kept the business running but the strategy, staff, skills that would run the business. Most of the respondents thought that skill was one of the most important factors. A skill is the abilities of a hotel's employees. It is included the capabilities and competences. The second importance is the strategy. It is a plan developed by a management team to achieve sustained competitive advantage and successfully compete in the market. The least important factor is structure. 2) Hotels had their origins in the cultures of ancient societies. As the number of travelers increased, personal courtesy gave away to commercial enterprise. 3) The hotel operators recognized their

success factors although they may not be using the benefits of these factors that would brought to their organization strategic tools.

Keywords: 7S Factors, Success factors, Small and medium- sized hotel, Family business

บทคัดย่อ

งานวิจัยนี้มีวัตถุประสงค์ 1) เพื่อใช้ 7S ในการศึกษา ปัจจัยที่เกี่ยวข้องกับการดำเนินธุรกิจของโรงแรมที่บริหารจัดการโดยครอบครัว 2) เพื่อศึกษาการดำเนินธุรกิจของโรงแรมขนาดเล็กและขนาดกลาง 3) เพื่อศึกษาความสัมพันธ์ระหว่างปัจจัยที่ใช้ในการบริหารจัดการ และความสำเร็จของโรงแรมที่ดำเนินกิจการโดยครอบครัว เพื่อเป็นแนวทางในการดำเนินธุรกิจต่อไป

กลุ่มตัวอย่างที่ใช้ในการวิจัยครั้งนี้ได้แก่ ผู้ประกอบการ ผู้จัดการ หรือพนักงานในระดับการบริหารจัดการในโรงแรมขนาดเล็กและขนาดกลางในพัทยา จำนวน 200 ตัวอย่าง สำหรับการศึกษาเชิงปริมาณ จากแบบสอบถาม นักวิจัยใช้ค่าความสอดคล้องระหว่างข้อคำถามกับวัตถุประสงค์ (IOC) เพื่อประเมินแบบสอบถามเพื่อทดสอบความเที่ยงตรงตามเนื้อหา และการทดลองใช้กับกลุ่มย่อย (Pilot Study) เพื่อวิเคราะห์ความเชื่อมั่นของแบบสอบถามดัชนีความเชื่อถือวัดจากการคำนวณสูตรอัลฟาของครอนบาค (Cronbach's alpha) ผลของการคำนวณคือ 0.915 วิเคราะห์ข้อมูลโดยใช้ค่าร้อยละ ความถี่ ค่าเฉลี่ยและค่าเบี่ยงเบนมาตรฐาน สมมุติฐานได้รับการทดสอบโดยใช้สถิติเชิงสหสัมพันธ์ (Correlation Statistics)

ผลสรุปการวิจัยได้ดังนี้ 1) ค่านิยมร่วมไม่ใช่ปัจจัยหลักที่ใช้ในการดำเนินธุรกิจ แต่กลยุทธ์ที่สำคัญคือ ทักษะความสามารถของพนักงานเป็นปัจจัยที่ทำให้ธุรกิจประสบความสำเร็จ คำตอบส่วนใหญ่ของผู้ตอบแบบสอบถามระบุว่า ทักษะของพนักงานเป็นหนึ่งในปัจจัยที่สำคัญที่สุดเพราะความสามารถในการทำงานและประสบการณ์อันเป็นความสามารถเฉพาะบุคคลจึงเป็นจุดแข็งที่ทำให้ธุรกิจประสบความสำเร็จได้ รองลงมาคือ กลยุทธ์ที่นำมาปรับใช้ให้เข้ากับสถานการณ์ในปัจจุบันและปัจจัยที่มีความสำคัญน้อยที่สุดคือ โครงสร้างขององค์การ 2) โรงแรมมีต้นกำเนิดมาจากวัฒนธรรมและสังคมในสมัยก่อนจึงทำให้จำนวนของนักท่องเที่ยวเพิ่มขึ้น เป็นผลให้ผู้ประกอบการต่าง ๆ ให้ความสนใจในธุรกิจนี้มากขึ้น 3) ผู้ประกอบการโรงแรมรับรู้เกี่ยวกับปัจจัยของความสำเร็จ แม้ว่าพวกเขาอาจจะไม่ได้ใช้ประโยชน์จากปัจจัยเหล่านี้ในการสร้างเครื่องมือสำหรับทำกลยุทธ์ทางธุรกิจ

คำสำคัญ : ปัจจัย 7S ปัจจัยแห่งความสำเร็จ โรงแรมขนาดเล็กและขนาดกลาง ธุรกิจครอบครัว

Introduction

Family businesses: considered to be the oldest and the most common model of economic organization. Privately owned or family businesses are not always easy to study. Ownership may be distributed through trusts or holding companies, and family members themselves may not be fully informed about the ownership structure of their enterprises. Owners often

underestimate the economic prevalence and the importance of the business. Many of the largest publicly listed firms are family owned in many countries. The literature suggests that: number of family-owned businesses dominate the country's stock market, meaning that the value of equity of family-owned businesses is substantially higher than non-family-owned businesses in their respective countries (La Porta, Lopez De Silanes, & Shleifer, 1999).

Family Businesses are typically formed in the form of shares, which family members own half of the total shares. The role and responsibilities vary between shareholders within the family. The business is passed from generation to generation. The benefit of the family business is that everyone has the same point of view. Everyone is involved in the ideology and belief in what they should do to make the business successful. The competition of the business is dedicated to working hard. To make the business successful, it requires more time and higher effort. In case of the family business, there will be folded into extra understanding how it works, what makes each person have more flexibility in terms of timing. Loyalty of intense personal relationships is what everyone in the family sticks together even in difficult times as well as demonstrates the determination to make the business successful.

Starting a hotel as a business in Thailand is a very profitable undertaking; however, it is subject to quite a significant amount of regulation. The business owners in Thailand start from being an entrepreneur and most of them own family business. Family Business has grown from a family limit. This is a small unit of society but importance and endurance. Family business is something that cannot be overlooked at all because the family business is an economic key that drives the country's economy. As a company owner, the originality is the head of a family who create and dog perseverance in business initiatives with the helping hands of the family members who join the efforts of business management and growth. The business grows so they need to hire professionals from outside business to administrate a business. The companies are also becoming a public company; a family-owned company has changed its role from the original owner and the executive to become shareholder representatives.

Over 70 percent of total businesses in Thailand are family-owned and up to 65 percent are listed on the Stock Exchange of Thailand (SET), with the total value of 2.35 trillion baht (SET, 2007). More than half of values are owned by most famous families in Thailand such Maleenon, Chirathivat, Damrongchaitham and Asavasopon (Netnapha Waithayalertsak, 2006) and the problem that these businesses are facing is the transmission business from generation to generation and how to make the business successful.

Objectives

1. To examine the 7S factors related to family- run hotel businesses

2. To study business operations of the small- and medium- sized family business hotels

3. To examine the relationship between management factors and the success of the hotels operated by family.

Literature Review

Key Success Factors

The McKinsey 7S Framework is a management model developed by the well-known business consultant, Robert H. Waterman, Jr. and Tom Peters in 1980s. The framework includes structure, strategy, systems, skills, style, and staff and shared values. The model is most often used as an organizational analysis to assess and monitor changes in the internal situation of an organization (Peters, 2011). The 7S model can be used in a wide variety of situations where an alignment perspective is useful.

Key success factors are the combination of important facts that required accomplishment of the business goals. There is no specific key for success factors. The hotel occupancy rate depends on both external and internal factors. The external factors involve bigger issues such as states of the economy, technologies, politics, legislation and demographic (Abdullah & Hamdan, 2012). Subsequently, the internal factors relate to challenges for the hotel management; the quality of service, pricing and fees, variety and quality of food, accommodation, entertainment, facilities and location of the hotel (Lockyer, 2005).

The way of a model (Figure 2.1) represented below depicts the interdependency of the elements and indicates how a change in one affects all the others. The shape of the model is also of monumental importance. It suggests that all severe forces needed to somehow be aligned if the organization is going to move forward (Peters, 2011).
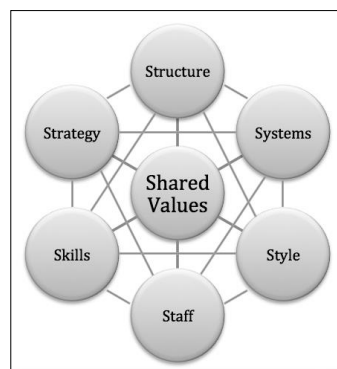
Figure 2.1 The McKinsey 7S Frameworks   **Source**: Peters, 2011

Factors that contribute to hotel business shared value

Family-shared value is the principal ideas, views or beliefs which the family members accept and adhere to compliance from generation to generation. The family shared value affects the behavior and culture of the family in the long run.

Family-shared value affects the way of life of the family members and family business. It is the vision and the statute of the family. Most families have shared values, family and business values are very similar. By shared value, family takes part in building a business value, which employees will follow, thus good shared values make a business sustainable.

Factors that contribute to the family hotel business structure.

The family business helps the members of the family to work together. It builds mutual trust and occasion of creating wealth together. The important key to the family business is to convey moral values to their children.

"Close friends or relatives can kill each other because of money" said by people who owned a family business, but some said, *"If you want to do business, you should do with relatives or family members"* because the family business makes a higher profit at 15 percent with higher compensation and opportunity of growth of 14 percent. However, today we find many family businesses cannot grow sustainably. The pioneer generation growth rate is 100 percent and it declines steadily in the next generation until the fourth generation may be closed or transferred to another entrepreneur (Figure 2.2).
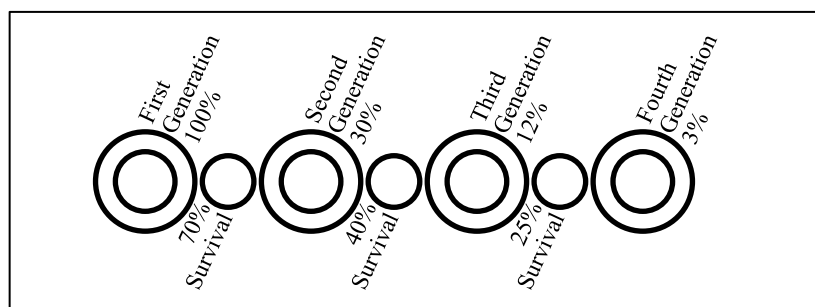

Figure 2.2 Family Survival Rate

Source: University of Thai Chamber of Commerce, 2011

Factors that contribute to the hotel business system

At present, technology has played a role in business administration. Property Management System is widely used in hotel management. A Management system is powerful, fast and more convenient and efficient (see figure 2.4). The property Management System includes the sub-systems to accommodate and support tasks below:

- Front Office System is used in the management of front office related to reservations, guest folio, check in, room allocation and room availability.

- Back Office is used to manage financial, accounting and inventory management.

- Business Source is a system used to collect the data source of business to prepare statistical reports for analysis and evaluation.

- Business Intelligence is a system used to manage the marketing and sale of hotels.

Besides the Property Management System, a hotel manager is very important. The hotel managers' duties depend on the size and type of hotels. Managers of small hotels perform different duties than managers of larger businesses. This is because there are fewer employees in smaller hotels. Many times these managers are more likely to fill in for absent workers. Thus a manager may clean rooms, make reservations, or do general repairs. Managers in small hotels have many administrative tasks.

Factors that contribute to the hotel family business style

Gee, Choy and Makens (Gee, Choy and Makens, 1984: 219 – 220) said that hotel management style can be divided into four systems:

1. **Owner Operated Style**

In this style, the owner may be a single person or in the form of the company. For example: Dusit Thani, Centara

2. **Franchise Style**

Franchise Style is the style of rights that refers to the owner or the rights to use the name and be a part of it. Part of those rights, the owner must apply the symbol and serve the same standard services to the guests and must be paid to the franchisor for the marketing fee.

3. **Management Style**

A hotel that operates under this style, the owner of the hotel will have to employ the team of a famous hotel to do the operation. He will be just an investor. The owner of this hotel may use this operation style because of the lack of experiences and knowledge but wanted to be successful. For example, The Siam Thani Hotel and the Phitsanulok Thani Hotel employ the Dusit Thani Hotel to operate and use the "Thani" at the end of its name so that the customers can be confident about the service system or the hotel standard.

4. Chain Hotel Style

It is an investment with a network in the new area but will have its own management. The mother-hotel will be a consultant. Marketing, public relations and room reservation are going to be the same as the mother-hotel, for example, Grand Sheraton, Grand Hyatt, etc.

Factors that contribute to the staff

Working in the hotel industry can be fun and exciting, depending on the hotel and your position there. There are a lot of jobs to choose from, although with some jobs you'll need to have a degree, training, or several years of experience. In the hotel business, staff are the group of people who run the hotel for the owners or the shareholders. There are two main types of hotel jobs: guest service and administrative and support.

Factors that contribute to the hotel family business skills

A skill is an ability, or capacity acquired through deliberation to do something or expert in particular ability. To stand out from the crowd, prospective employees must highlight and keep improving their skills. Here are the lists of the top five skills that employers want to see. The following are the most important skills that every hotel should have:

- Building Connections
- Multitasking
- Attention to details
- Technical and language skills
- Flexibilities

Factors that contribute to the family business strategies

Factors that contribute to the success of the family business are the development of excellent management. Apart from being good owner, justice, responsibilities and good relationship with the employees are also important. Family Strategy Management can be divided into business strategy and family strategy. Both strategies have four steps of procedures

Business strategy

Strategic planning is based on shared values, vision, mission, strategic objectives, industry analysis and analysis of the internal and external environment. Strategy formulation uses the data from planning. It is used in determining corporate strategy. It can be divided into three levels, such as an organization, business and duty. Strategies of each business will vary depending on its age. Business strategy is divided into three strategies.

1. Early Strategy - At the early stage of the business. The business needs to survive. At this stage growing and building the business base with the customers and prospects are important.

2. Growth Strategy - Strategy aimed at winning larger market share, even at the expense of short-term earnings.

3. Capital Strategy - An asset allocation strategy that seeks to maximize capital appreciation or the increase in value of a portfolio or asset over the long term.

Family Strategy

Strategic planning for the family strategy is similar to the business strategy. Family members will share family vision, shared family value and set family goals and focus on the relationship and advocate.

Relevant Researches

The researcher collected the relevance of literature as shown below**.** The arrangement is from the newest to the oldest year**.**

Abdul Aziz Abdullah (2012) indicated that internal success factor of hotel occupancy rate is the management of a hotel that should have realized the importance of meeting the needs and demands of the customers to stand head and shoulders with their competitors.

Natenapha Wailerdsak (2012) undertook the studies on the succession of office in Thai family business shown that the family business, mostly owned by Chinese-Thai families, has been the most powerful and dynamic form of enterprise among business groups in Thailand, as well as the vital engine for the economic development and industrialization until the present

Marianne Bertrand (2008) studied the case of mixing family with business; the result was the families run a large fraction of firms around the world. Families themselves, however, are not monolithic entities but are composed of individual members who can have different stakes and objectives in family businesses.

Jarunee Soonthormark (2007) studied boutique hotel operation, compared to a standard hotel is that the medium sized hotels are highly concentrated and low competition and the boutique hotel has been using the star rating as the standard hotel.

Akira Suehiro (2004**)** studied family business in Thailand. All family firms should not be considered as the consequence of a supposed incapacity of Thai or other local entrepreneurs to understand and adopt the managerial models of the American modern industrial corporation.

Research Methodology

Samples and Population

The researcher collected related data in order to determine sample size. The populations of this study were people who work in small- and medium- sized family business hotels in Pattaya city. According to Chonburi Provincial Administration Organization, Pattaya Department, as of June 29, 2015, there are 504 hotels registered and 366 hotels are small and medium-sized hotels.

The size of the sample group in this study was calculated by using Taro Yamane. This research used a 95 percent confidence level with a precision rate of ±5 percent. The sample size calculated totaled 192 samples. However, this was rounded up to 200 samples for missing data. The questionnaire was distributed to those who work in front office, management level, sales manager, hotel manager or owners.

Research Design

In order to find out the results, the researcher decided to analyze the primary data by using the quantitative research.

The primary data collected from questionnaires, which distributed to respondents who work in management level in small- and medium- sized hotels in Pattaya.

The secondary data collected from news, government organization, statistic, articles, researches that related to hotels in Pattaya.

Instrument Reliability

Reliability is the overall consistency of a measure. A measure is said to have a high reliability if it produces similar results under consistent conditions. The measurement is tested by Cronbach's alpha for assessing the reliability of scales. Cronbach's alpha is a coefficient of internal consistency.

According to the average of pre- test scores of 30 respondents, the results of using Cronbach's alpha method for all questions is 0.915. The summary of the survey had high reliability of variable because the number is nearly to 1.00. Thus, this questionnaire could be used for all 200 respondents.

Data Collection and Analysis

The secondary data collected by gathering data from the other's research or articles related to the subject of this research. The questionnaire consisted of 46 items, which, used to collect

primary data. The questionnaire was translated into Thai because most workers are Thai. The questionnaire was distributed directly to those who work in small- and medium- sized hotels in Pattaya. The target group of this study is people who work in small- and medium- sized hotels in Pattaya in a management level or front office staff.

The data analyzed by using computerized statistical software to get the result. The results were described in part Four.

Research Finding

Part 1: Demographic Background

From 200 respondents, the number of male respondents are 165 or 82.5 percent and female respondents are 35 or 17.5 percent. The age of the respondents divided into 5 groups, under 20 years old counted for 15.5 percent or 31 respondents in number, 67 respondents or 33.5 percent is in the range of 21 – 30 years old. 62 respondents or 31 percent is from the range of 31 – 40 years old, 41 – 50 years old counted for 7 percent or 14 respondents. The last group, 51 years old and above, counted for 13 percent or 26 respondents in number. Education level divided into four levels, from lower than Bachelor's degree to higher than Master's degree. Main respondents answered are in the bachelor's degree level of 116 respondents or 58 percent. The respondents whose education level is lower than bachelor's degree is 44 respondents or 22 percent. Higher education level, master's degree, counted for 40 respondents or 20 percent. Work position divided into four positions. The total frequency is 200. First range is the hotel owner's frequency 45 or counted for 22.5 percent who answered the questionnaire, 67 respondents or 33.5 percent in the range of general manager or front office manager. Director or director of sales level counted for 40 respondents or 24 percent and the rest 48 respondents or 24 percent is receptionist. Work experience categorized into five levels. The majority of the respondents had less than five years' experience, 66 in number or 33 percent while 60 respondents or 30 percent in the second group with the range of 5–10 years. The third group, 41 respondents or 20.5 percent, 10–15 years experiences. Last group or 33 respondents which counted as 16.5 percent is 16 – 20 years' experience.

Part 2: Hotel's Information

The statistical methods applied to this part were descriptive statistic; frequency and percentage. Lines of business divided into two main categories; individual and company limited. 167 respondents working in a company limited counted as 83.5 percent while 33 respondents

or 16.5 percent work in individual company. Size of a hotel could be differentiated by the number of rooms. The range of number of rooms divided into four ranges, less than 30 rooms consist of 47 hotels or 23.5 percent, 91 hotels consist of 31 – 50 rooms or 45.5 percent, 17.5 percent or 35 hotels consist of 51 – 70 rooms and 27 hotels consist of 71 -100 rooms which counted for 13.5 percent. Average daily room rate or ADR categorized into six categories. ADR of 12 hotels less than 1,000 baht or 6 percent. Average daily room of 86 hotels or 43 percent in the range of 1,001 – 1,500 baht, 31.5 percent or 62 hotels in the range of 1,501 – 2,000 baht, and 40 hotels or 20 percent in the range of 2,001 – 2,500 baht. Occupancy room rate divided into five ranges; 32 hotels, the occupancy rate less than 20 percent, 40 hotels were in the range of 20 – 40 percent, 41 – 60 percent consist of 30 percent, 30.5 percent of the occupancy rate of 61 - 80 percent and the rest 7 hotels or 3.5 percent occupancy rate higher than 80 percent. Less than five years consist of 71 hotels, 6 – 10 years counted for 82 hotels or 41 percent, while only 47 hotels have been opened for more than 10 years. From 200 hotels, only 42 hotels or 21 percent are family-owned and 158 hotels are not family-owned hotels. Main target market divided into 2 groups, 162 hotels or 81 percent said that their main target is Thais when 38 hotels or 19 percent said their main target is foreigner.

Part 3: 7S factors affecting the success of Small- and Medium- Sized Family business hotels in Pattaya

Shared value average mean score is 3.19 or in the moderate level. The highest average means belong to shared value; affects the life style of the family members and shared value affect the family business. The highest score, 3.26 and the lowest score, 3.10 for shared value, build trust among family members.

Structure, average mean 2.99 or in moderate level. To list down, the family business help family members to work together received the highest mean of 3.16; while family business has more chance to survive received the lowest mean of 2.91.

The average mean for system 4.29. Among all five choices technology helps to manage information more easily, the highest mean of 4.40, high level. A good hotel manager can perform multiple positions got lowest mean or 4.13 or at high level.

Style's average mean 4.18. Highest average mean 4.26 that belong to owner-operated has more freedom and owner receives all profits and chain hotel has marketing channels and extensive distribution.

The staff factor got quite high average mean score, 4.68. Staff are happy to assist guests at all time got the highest score of 4.68 while the lowest is staff pay attention to guests at all time or 4.60.

Skills average mean score 4.60; the factor that got highest mean 4.67 "staffs pay attention to little details about guests". The lowest is "Staff is well trained to perform their duties" or 4.53 score.

The average mean score of strategy 3.99 or at high level. The highest is a good strategy planning would lead business to the success; 4.40, when the lowest is 3.44; Shared family vision established a clear goal for family members.

Pearson Coefficient Correlation analysis of 7S factors affecting the success of small- and medium- sized family business hotels in Pattaya

Table 4.1 Pearson Coefficient Correlation test between the 7S factors (N=200)

		H1	H2	H3	H4	H5	H6	H7
H1	Pearson Correlation	1	.487**	.151*	.169*	.011	.183**	.539**
	Sig. (2-tailed)		.000	.032	.017	.881	.010	.000
H2	Pearson Correlation	.487**	1	.262**	.280**	.175*	.240**	.322**
	Sig. (2-tailed)	.000		.000	.000	.013	.001	.000
H3	Pearson Correlation	.151*	.262**	1	.693**	.709**	.767**	.543**
	Sig. (2-tailed)	.032	.000		.000	.000	.000	.000
H4	Pearson Correlation	.169*	.280**	.693**	1	.401**	.397**	.384**
	Sig. (2-tailed)	.017	.000	.000		.000	.000	.000
H5	Pearson Correlation	.011	.175*	.709**	.401**	1	.873**	.551**
	Sig. (2-tailed)	.881	.013	.000	.000		.000	.000
H6	Pearson Correlation	.183**	.240**	.767**	.397**	.873**	1	.755**
	Sig. (2-tailed)	.010	.001	.000	.000	.000		.000
H7	Pearson Correlation	.539**	.322**	.543**	.384**	.551**	.755**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	200	200	200	200	200	200	200

**. Correlation is significant at the 0.01 level (2-tailed)

*. Correlation is significant at the 0.05 level (2-tailed)

The researcher used the Data Analysis Program to compute the factors that affect the success factors of small- and medium- sized family business hotels. The researcher used the Pearson's Coefficient Correlation to test if there was a linear relationship between the factors. From Table 4.20 where:

H1   =   Shared Value

H2   =   Structure

H3   =   System

H4   =   Style

H5   =   Staff

H6   =   Skills

H7   =   Strategy

Table 4.20 shows that the Pearson's Coefficients Correlation between independent variables were in the range of 0.011 – 0.873, which were significant, correlated at statistical level at 0.01. There was a minimum positive significantly relationship between the success factors in terms of Style and Strategy. There was a maximum positive significant relationship between the success factors in terms of Style and Staff.

The coefficient correlation between shared value and structure was 0.487; shared value and system was 0.151 (the significant level at 0.05); shared value and style was 0.169 (the significant level at 0.05); shared value and staff is 0.011; shared value and skills was 0.183; shared value and strategy was 0.539.

The coefficient correlation between structure and shared value was 0.487; shared value and system was 0.262; shared value and style was 0.280, shared value and staff was 0.175 (the significant level at 0.05); shared value and skills was 0.240; shared value and strategy was 0.322.

The coefficient correlation between system and shared value was 0.151 (the significant level at 0.05); system and structure was 0.262; system and style was 0.693; system and staff was 0.709; system and skills was 0.767; system and strategy was 0.543.

The coefficient correlation between style and shared value was 0.169 (the significant level at 0.05); style and structure was 0.280; style and system was 0.693; style and staff was 0.401; style and skills was 0.397; style and strategy was 0.384.

The coefficient correlation between staff and shared value was 0.011; staff and structure was 0.175 (the significant level at 0.05); staff and system was 0.709; staff and style was 0.401; staff and skills was 0.873; staff and strategy was 0.551.

The coefficient correlation between skills and shared value was 0.183; skills and structure was 0.240; skills and system was 0.767; skills and style was 0.397; skills and staff was 0.873; skills and strategy was 0.755.

The coefficient correlation between strategy and shared value was 0.539; strategy and structure was 0.322; strategy and system was 0.543; strategy and style was 0.384; strategy and staff was 0.551; strategy and skills was 0.755.

Conclusion

This research has three main objectives for the study. The quantitative method was used in this research to study and to find the results in order to respond to the objectives.

1. To examine the 7S factors related to family-run hotel businesses.

These seven variables included shared value, structure, strategy, systems, style, staff, skills and strategy.

Shared values are central beliefs, attitudes and cultures. It is a management strategy focusing on how the hotel creates the measurable business value by identifying and addressing the problems that intersects with the business; Its framework creates new opportunities for the hotel to leverage the power of market-based competition.

Structure represents a way of business divisions and units; how they are organized. It includes the information of who is accountable to whom. The chart of the firm included. It is also one of the most visible and easiest to change elements of the framework.

System is the procedures and processes of the hotel that reveal the hotel's daily activities and how the decisions are made. It is the area of the hotel that determines how the job is done, and it should be the main focus for the managers during the organization change.

Style represents the way of how top-level managers manage the hotel; how they interact and what actions they take and their symbolic values.

Staff is the element that concerned with what type and how many employees the hotel will need and how they will be recruited, trained, motivated and rewarded.

Skills are the abilities of a hotel's employees. They also include capabilities and competences.

Strategy, in long-term, it helps to achieve competitive advantages and is reinforced by strong vision, values and mission. Somehow, it is hard to tell if such strategy is well aligned with other elements after the analysis.

Thus, to conclude the description of 7S factors it can be as follows: The shared values variable, originally termed superordinate goals, refers to the significant meanings or guiding concepts that family members share. Structure is defined as the skeleton of the business or

the business chart. The systems are the routine processes and procedures followed within the business. The way in which a key hotel's operation line is considered to be the style variable; this variable is thought to encompass the cultural style of the business. Staffs are described in terms of personnel categories within the business, whereas the skills variable refers to the capabilities of the staff within the business as a whole. The researcher describes strategy as the plan or course of action in allocating resources to achieve identified goals over time.

A detailed of comprehensive material on the organization under study is required to analyze it using the 7S model. This is because the model covers almost all aspects of the business and all major parts of the organization. It is therefore highly important to gather as much information about the organization as possible from all available sources such as organizational reports, news and press releases; although, primary research, e.g. using interviews along with literature review, is more suited. The researcher also needs to consider a variety of facts about the 7S models. Some of these are detailed in the paragraphs to follow. The seven components described above are normally categorized as soft and hard components. The hard components are the strategy, structure and systems which are normally feasible and easy to identify in an organization as they are normally well documented and seen in the form of tangible objects or reports such as strategy statements, corporate plans, organizational charts and other documents. The remaining 4S, however, are more difficult to comprehend. The capabilities, values and elements of corporate culture, for example, are continuously developing and are altered by the people at work in the organization. It is therefore only possible to understand these aspects by studying the organization very closely, normally through observations and/or through conducting interviews.

According to the research result, shared value is not the factor that will keep the business run but the strategy, staff, skills are the factors that will run the business. Most of the respondents thought that skill is one of the most important factors. A skill is the abilities of a hotel's employees. It includes the capabilities and competences. The second importance is the strategy. It is a plan developed by a management team to achieve sustained competitive advantage and successfully compete in the market. The least important factor is structure. Even though the family business keeps the family members work together but it does not mean that it would make the family member to become more harmonious.

2. To study business operations of the small- and medium- sized family hotels.

Hotels have their origins in the cultures of ancient societies. As the number of travelers increased, personal courtesy gave away to commercial enterprise. The hotel was born with its culture of hospitality. The hotel industry grew and flourished through the centuries by adapting to the changing social, business and economic environment that marked human progress. During modern times, these stages have been labeled for easy reference. The 18th century was the agricultural age; the 19th century was the industrial age. The 20th century has been the age of service. The 21st century has opened to be the age of technology. The sale of services includes medicine, banking, education and hotel.

In many cases, hotels are managed by the owner, but in some hotels, the management is carried out by a different group of people. The reason for this is that some owners may not have the necessary expertise, or they may not have the desire to become involved in the operation of the hotel. In such cases they may arrange for a management contract with a company which specializes in managing hotel properties.

In other cases hotels are said to be franchised, this means that the property may be owned by one company and run by other hotel companies of international reputation. In such cases the hotel owner buys into the name of the reputable company. This will require the owner to pay a sum of money to the franchisor for its name and expertise in setting up the hotel. It will also have to pay the franchisor an agreed percentage of either the profits or turnover.

Strong communications between an owner and a general manager are vital to the success of any property. The general manager needs to share the owner's vision while clearly understanding business strategy, objectives, accountability and metrics for success. The operation plan acts as a highly detailed roadmap that outlines very specifically the course of action that will be taken to achieve stated objectives over an agreed upon period of time.

The number of rooms available for sale, the very same figure used in occupancy computations is the standard measure of size.

In this research, the hotel operation style can be divided into four styles: owner operated style, franchise style, management style and chain hotel style. The result of this research found that most of the small- and medium- sized hotels are owner operated style.

The owner operated style, the owner may be a single person or in the form of the company. Franchise Style is the style of rights that refers to the owner or the rights to use the name and being a part of it. Part of those rights, the owner must apply the symbol and serve

the same standard services to the guests and must be paid to the franchisor for the marketing fee. Management Style, Hotel that operates under this style, the owner of the hotel will have to employ the team of a famous hotel to do the operation. He will be just an investor. The owner of this hotel may use this operation style because the lack of experiences and knowledge but wanted to be succeeded. Chain Hotel Style is an investment with a network in the new area but will have its own management. The mother-hotel will be consulting. Marketing, public relations and room reservation are going to be the same as the mother-hotel.

In a small hotel, there is no need to fill every position and department but the staff can perform multitask position, for example, a manager can be representative of the owner or even replace the absent staff position.

3. To examine the relationship between management factors and the success of the hotel operated by family.

The research showed that the hotel operators recognized their success factors although they might not be using the benefits these factors bring to their organization a strategic tools. The critical success factors such as shared value, structure, strategy, systems, style, staff and skills can be measured and benchmarked against the competitor in order to provide a sustainably competitive advantage and therefore should be part of the performance measurement process. Although it was evident from the research that some success factors were unique to each operation, the research identified that 7S factors as being applied to small- and medium-sized family business hotels.

It would appear that these factors are important to hotel operators in evaluating and running their own operation against their competitors. Hoteliers compare themselves with their competitors in terms of the quality of their hotel products and services they provide.

Research Recommendations

This research project focused on the 7S factors affecting the success of small- and medium- sized family business hotels in Pattaya. This research is going to provide some benefits to small- and medium- sized family business hotels. The model is based on the theory that for an organization performs well to achieve its objectives, all seven elements must be aligned, mutually enforcing progress towards the objectives of the firm.

Family business is one of the oldest types of business in the world but many family collapses because of the business. Conflicts are part of a normal experience for family-owned

business. A dispute that occurs in one area can quickly cascade into the other areas. The following are the recommendations for those who own a family business:

- Don't put family members on the payroll if they're not working in the company or can't make a real contribution to the business.

- Don't create two classes of employees.

- Don't confuse family decisions and business decisions.

- Use family councils to address family matters.

Moreover, this research project was conducted by only assessing analyzing Thai people who have had experiences in hotel industry. To expand the scope of the study, further research project could study the 7S factors affecting the success of business. This can be undertaken by using the qualitative study method, such as interviewing in person or forming a large discussion group to inquire and determine the reasons.

Research Discussion

The goal of the model was to show how seven elements of the hotel could be aligned together to achieve effectiveness. The key point of the model is that all the seven areas are interconnected and a change in one area requires changes in the rest of a firm for it to function effectively.

According to the result from the 200 respondents based on the opinion about 7S factors affecting the success of small- and medium- sized family business hotels in Pattaya.

Shared values are at the core of the model. They are norms and standards that guide employee behavior and hotel actions. Its average mean score is 3.19 or in the moderate level. The highest average means belong to shared value that affects the life style of the family members and shared value that affects the family business. The score is 3.26 and the lowest score is 3.10 for shared Value can build trust among the family members.

Structure represents the way hotel divisions and units are organized and includes, the information of who is accountable to whom. The average mean for structure is 2.99 or in moderate level. To list down the family business helps family members to work together got the highest mean of 3.16; while family business has more chance to survive gotten the lowest mean of 2.91.

Systems are the processes and procedures of the hotel, which reveal business daily activities and how the hotel operates. Systems are the area of the hotel that determines how

business is done and it should be the main focus for managers during organizational change. The average mean for system is 4.29 or in high level. Among all five choices technology that helps to manage information more easily, got the highest mean of 4.40, high level. A good hotel manager can perform multiple positions, got lowest mean or 4.13 or in high level.

Style represents the way the company is managed by top-level managers, how they interact, what actions they take and their symbolic value. In other words, it is the management style of company's leaders. Its average mean is 4.18. Highest averages mean is 4.26 that belongs to owner operated has more freedom and owner will receive all profits and chain hotel has more marketing channels and extensive distribution.

Staff element is concerned with what type and how many employees an organization will need and how they will be recruited, trained, motivated, rewarded and provide services. The staff factor got quite high average mean score, 4.68. Staffs happy to assist guests at all time got the highest score of 4.68 while the lowest is staffs pay attention to guests at all time or 4.60.

Skills are the abilities that a firm's employees perform very well. They also include capabilities and competences. During organizational change, the question often arises of what skills the company will really need to reinforce its new strategy or new structure. Skills average mean score is 4.60; the factor that got highest mean is 4.67 "staffs pay attention to little details about guests". The lowest is "Staffs are well trained to perform their duties" or 4.53 score.

Strategy is a plan developed by a firm to achieve sustained competitive advantage and successfully compete in the market. The average mean score of strategy is 3.99 or in high level. The highest is a good strategy planning that would lead business to the success; 4.40, when the lowest is 3.44; Shared family vision established a clear goal for family members.

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