

Potential, Motivation, and Success Factors in Entrepreneurship Affecting Managing Capability of Thai Beauty Entrepreneurs for the ASEAN Economic Community (AEC)

— *Review of* —
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ABSTRACT

The objective of this research was to study the potential, motivation, and success factors in entrepreneurship affecting managing capability of Thai beauty entrepreneurs for the AEC. A questionnaire with close-ended questions was used as the data collection tool. The validity and reliability were assessed using Cronbach's Alpha with a reliability value of 0.894. The population and sample group in this study included 412 Thai beauty entrepreneurs. The statistical data analysis was conducted by using descriptive statistics and inferential statistics including Multiple Regression Analysis. The result of the study showed that all the three aspects: potential, motivation, and success factors in entrepreneurship had an impact on the managing capability of Thai beauty entrepreneurs. The priority ranking of the aspects done by using the Multiple Regression Analysis from most to least was motivation, potential, and success factors.

Keywords: potential, motivation, and success factors; capability; Thai beauty entrepreneur

1. INTRODUCTION AND OBJECTIVE

It is widely known that Thailand is entering the AEC (ASEAN Economic Community) in 2558 B.E. or 2015 A.D. as well as the other ASEAN member countries. The conclusion from the analytical article written by the Integrated Human Development Center (n.d.) about the opportunities and impacts of the AEC on Thai industry revealed that it was necessary to prepare an integrated economy plan in order to strengthen the AEC by means of collaboration among its members and allies to compete with other economic communities. The integrated economy plan consists of 4 elements: single market and production base, highly competitive economic region, equitable economic development, and integration into global economy. The third element focused on the development of Small and Medium-sized Enterprises (SMEs) among the AEC members by increasing their capability through many projects such as the Initiative for ASEAN Integration (IAI) Project which aims to narrow the gap of the economic development and reduce poverty among the member countries. It will also promote the development of the new member countries especially in the areas of infrastructure, human resources,

information technology, and economic integration. The results from the said agreement would lead to the consideration of free trade according to the ASEAN Framework Agreement on Services (AFAS).

The objectives of the free trade in services are to reduce any obstacles in accessing the market and to increase the shareholding ratio both for individuals and juristic persons who hold the nationality of the AEC member countries in the following three areas of trade in goods and services: the priority integration sector including health, tourism, and logistics, the non-priority services sector including all other services besides those indicated in the priority integration sector, and the financial service sector. Thailand has committed to 143 items of the free trade agreement including the priority integration sector, such as business services (professional services: engineering, architectural, and accounting), computer and communication, construction, and distribution (wholesale service for sports gears and franchise service, etc.). The shareholding ratio of foreign individuals/juristic persons according to the Thai law framework is no more than 49%.

When considering the conditions for joining the AEC Small and Medium-sized Enterprises with regard to the free trade in goods and services, a research study conducted by the Business Research Department, the Export-Import Bank of Thailand (n.d.) reported that Singapore had an advantage over Thailand as it had the most potential of all the AEC member countries in providing services and would therefore benefit the most from the free trade in services, especially in the fields of telecommunications and computers, air transportation, and logistics. In addition, Singapore is equipped with a more modern infrastructure and technology than the other AEC member countries. Nevertheless, Thailand also has high potential in some other fields of services, especially in hospitality. We have several advantages, such as locations, variety of tourist attractions, and friendliness of the local people who have impressed foreign tourists. In terms of medical and health care services, Thailand has a well-recognized international standard with inexpensive costs compared to Singapore. We also offer different medical services, such as medical care, health care, aging care, and beauty care. This is one of the areas where Thailand has the potential to compete with other countries in the free trade agreement for the AEC in 2558 B.E. or 2015 A.D. However, in order to keep the leading position in those services, Thailand has to constantly develop itself to increase its capability and maintain its high standard. In addition, we should support any potential individuals to become successful entrepreneurs or business owners, so that they do not have to work as an employee or get poached by other companies abroad in which case there is no guarantee for a better future for themselves or family.

With regard to the above issue, the researchers focused this study on the Thai beauty care service. The study took into consideration Thailand's guidelines for entering the AEC and the preparation to become successful entrepreneurs in Thai beauty care service providers. Four aspects examined in this study included 1) the potential to be beauty care experts, 2) the extrinsic motivation to be successful entrepreneurs with assets from investing in the business and the intrinsic motivation to become famous and widely accepted among the other professionals in the field, 3) the success factors of an entrepreneur in the beauty care service industry which requires knowledge, capability and experience, and 4) the managing system to assist the Thai beauty entrepreneurs in achieving systematic and professional management in order to be ready for the AEC. Based on these four aspects, the researchers conducted the study titled "Potential, motivation, and success factors in entrepreneurship affecting managing capability of Thai beauty entrepreneurs for the AEC." The theoretical principles were summarized to explain each aspect in order to determine the objectives and conceptual framework of this

research. Firstly, we started by the concept, theory, and research study on human potential. According to the Integrated Human Development Center (n.d.), a good entrepreneur should be competent in four areas. The first area is people, meaning one must know oneself and the others. To know oneself is to understand oneself and express the wisdom intellectually, emotionally, socially, and mentally. To know others is to deeply understand other people including their nature, needs, and satisfaction as well as the individual differences, i.e. knowledge, skill, and attitude. The second area is job. One should be skillful and highly responsible for the job one does. This also includes the thorough knowledge of the work itself and the work goals. The third area is thinking. One should know to brainstorm, use the right tools, and work by using their wisdom to initiate creativity for the public interest. The fourth area is life and family. One should take care of their health, manage the time between their personal and work life, and sufficiently and sustainably balance one's work, finance, emotions, body, and mind. This also includes gaining the trust and loyalty from coworkers so that they will enjoy, believe, practice, and apply what they are told to do in their job. To that end, one needs to develop one's credibility, personality both in appearance and utterance, skills including knowledge and ability, confidence, determination, trust, morality, dedication, precision, respect for the colleagues, sincerity, sensitivity, generosity, friendliness, and sense of humor. Pongsak Pornnatwuttikul (2000) stated that employees would apply the guidelines for self-development and personnel development provided by the organization in the form of training in management, technique, and interpersonal relationship to increase their potential to get promoted to a higher position. Wittaya Manawanitcharoen (2004) stated that a good entrepreneur who could manage their business well needs to improve their potential to be ready for the competitive business, and their motivation to be successful. Maslow's hierarchy of needs (1943) and Maslow & Lowery (1998) indicated that people's needs were divided into different levels that required constant response and were driven by situations. Some needs are basic and necessary in order to survive. Some needs are additional but may affect the individual's state of mind and cause failure in life, not being able to live happily in the society.

Furthermore, the two-factor theory by Herzberg (1968), and other motivation theories by McClland & Burnham (1976), Peter & Lawler (1968), Mc Shane and Von Glinow (2000), and Porter Bigley & Richard (2002) were also mentioned in this study. These theories explained that motivation was a driving force that influenced people's behaviors and directed the purposes of these behaviors. In other words, people who have high motivation will put their full effort to achieve their goals. On the other hand, people with low motivation will not present any behavior or give up before reaching their goals. Motivation can be divided into intrinsic and extrinsic. Both types of motivation will encourage individuals to behave in a way to satisfy their needs. Generally, in an organization, motivation will highly influence the employee's work performance or behaviors. The motivation can be high or low depending directly on the employees' position in the organization. Lower level employees will have more extrinsic motivation such as salary, bonus, and overtime payment than intrinsic motivation such as praise or compliment.

However, higher level employees will have more intrinsic motivation in terms of success, praise, compliment, and impression on their work performance. As for the success factors in entrepreneurship, Boondee Boonyakij and Kamolwan Siripanich (2005) stated that business should put an emphasis on key success factors by comparing one's capability with the work instructions and use the comparison results to improve one's organization to attain excellence in business. Piboon Teepapal and Thanawat Teepapal

(n.d.) stated that the key factors to success included risk taking, strong determination to be successful, creativity, understanding and adherence to the goals, ability to convince other people, perseverance, learning from past experiences, ability to manage work, good leadership, self-confidence, wide vision, responsibility, enthusiasm, constant seeking of additional knowledge, willingness to make a decision, handling of matters without expecting others to accomplish the tasks, focusing on the present, adaptability, self-sufficiency, collaboration and readiness for competition, prudence in saving for future, honesty, and work ethics. It could be concluded from the concepts and theories mentioned above that potential, motivation, and success factors in entrepreneurship had a direct impact on the capability of Thai beauty entrepreneurs to be ready for the AEC.

2. RESEARCH METHODOLOGY

This study was conducted in the form of survey research using the close-ended questionnaire as the data collection tool for the quantitative data analysis. The questionnaires were distributed to the sample group to examine the potential, motivation, and success factors in entrepreneurship affecting the managing capability of Thai beauty entrepreneurs for the AEC. The questionnaire was checked for its content validity by experts in the field. After revising the questionnaire based on the comments, it was tested for reliability with 30 participants who filled out the questionnaires. The collected data was then analyzed using Cronbach's Alpha method with a reliability value of 0.894. The sample group in this study included 412 beauty entrepreneurs. The data collection was completed in two months from February 1 to March 31, 2013. The statistical data analysis was done by using descriptive statistics and inferential statistics including Multiple Regression Analysis. The hypothesis was that potential, motivation, and success factors in entrepreneurship affect the managing capability of Thai beauty entrepreneurs for the AEC. The data analysis was conducted to study the influence of the independent variables on the dependent variables based on this hypothesis.

3. RESULTS

Descriptive statistics and inferential statistics were used to analyze the data. Demographic data from the questionnaire showed that most beauty entrepreneurs who participated in this study were female (302 persons), single (242 persons), aged between 31-40 years old (342 persons), had started working since they were 25 years and above (300 persons), had work experience of 5 years and above (345 persons), had never experienced failure in business (150 persons), and ran their own business because of their passion in this career (352 persons). The type of their business was entrepreneurship (294 persons), with the period of running the business of 1-5 years (214 persons), and the business performance was moderately successful (158 persons). The result from the inferential statistics was shown below.

Result of the Study on Potential, Motivation, and Success Factors in Entrepreneurship Affecting Managing Capability of Thai Beauty Entrepreneurs for the ASEAN Economic Community (AEC)

Aspects of Study	Regression Coefficient		Sig. (P -Value)	Priority
	B	Beta		
1. Potential	0.638	.432	.000***	2
2. Motivation	0.737	.538	.000***	1
3. Success Factors in Entrepreneurship	0.142	.093	.000**	3

R²= 0.310. N= 412, P-Value ≤ 0.05*, 0.01, 0.001*****

The results from the study revealed that the influence of all the three aspects: potential, motivation, and success factors in entrepreneurship had an impact on the managing capability of Thai beauty entrepreneurs ranging from most to least by using the Multiple Regression Analysis. The highest one was motivation, followed by potential, and success factors, with a statistical significance of 0.05, 0.01 and 0.001, respectively.

4. CONCLUSION AND DISCUSSION

It could be concluded that Thai beauty entrepreneurs considered it was important to be well-prepared in the aspects that could affect their business when entering the AEC. These entrepreneurs gave the priority to motivation, which corresponded to the motivation theories of Mc Shane and Von Glinow (2000), Herzberg's (1968) two-factor theory, McClland & Burnham (1976), Peter & Lawler (1968), and Porter Bigley & Richard (2002) who stated that individuals who had the skills, knowledge, ability, and outstanding experience were more likely to have the driving force to manage well in business. That was because those factors motivated them to become successful. Work potential was another factor that affected the managing capability of Thai beauty entrepreneurs. Pongsak Pornnatwuttikul (2000) indicated that employees would apply the guidelines for self-development and personnel development provided by the organization in the form of training in management, technique, and interpersonal relationship as the means to increase their potential to get promoted to a higher position. The Integrated Human Development Center (n.d.) also stated that entrepreneurs should be competent in the following four areas: people, job, thinking, and life.

Likewise, Wittaya Manawanitcharoen (2004) also stated that to be a good entrepreneur and manage one's business well, one needs to develop one's own potential to be ready for the competitive business. In addition, in terms of success factors, the entrepreneurs in this study also put an emphasis on prioritizing the advantages of their business to help them manage and be ready for the competition in the market. According to Boondee Boonyakij & Kamolwan Siripanich's (2003) statement, business should consider the key success factors important by comparing its own capability and work instructions so as to use the results to improve their organization to attain excellence in business. Piboon Teepapal & Thanawat Teepapal (n.d.) also pointed out that the key factors to success included risk taking, strong determination to be successful, creativity, understanding and adherence to the goals, ability to convince other people, perseverance, learning from past experiences, ability to manage work, good leadership, self-confidence,

wide vision, responsibility, enthusiasm, constant seeking of additional knowledge, willingness to make a decision, handling of matters without expecting others to accomplish the tasks, focusing on the present, adaptability, self-sufficiency, collaboration and readiness for competition, prudence in saving for future, honesty, and work ethics.

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