

THE SUCCESS OF SMALL AND MEDIUM CONSTRUCTION ENTREPRENEURS IN BANGKOK

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ABSTRACT

The objectives of this research were 1) To study the level of success of small and medium construction contractors in Bangkok. 2) To study the factors influencing the success of small and medium construction contractors in Bangkok. A questionnaire was used to collect data from small and medium construction contractors. In Bangkok registered as a juristic person, 397 people were used to analyze data including frequency, percentage, mean, standard deviation, and multiple regression analysis. The results of the research revealed that the success of small and medium construction contractors in Bangkok. The overall and individual aspects were at a high level in terms of construction quality, profitability, timeliness completion, and evaluation control. 2) Factors, business management strategies, government policies, and labor management were influential. to the success of small and medium-sized construction operators in Bangkok at 97.4 percent

Keywords: Entrepreneur success, construction contractor

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INTRODUCTION

The construction industry is an important fundamental industry in the country. In connection with entrepreneurs and many employment each year that can promote and improve the quality of life of better people, the output consists of various buildings conducive to human life, including housing, factories, educational institutions, public health facilities, etc. The construction business is a business that is different from other businesses, which is unique in that it is an open-air job under variable weather conditions all the time, using personnel to work together. A large number of different occupations, different levels of knowledge, ability to change employers easily and quickly. There is an action plan at all times because there are variables that determine that change, such as heavy rain and construction materials. market shortages and conflicts at work, etc. Workplaces are continually changing. When a project is completed, it moves. another project both in the same locality and in different localities. Therefore, various factors must be moved. and personnel always go along with it Construction work is a job that is dangerous to life and property, has high operating costs, and has conflicts. between colleagues and those involved is quite high, and at all times when the error of the correction work is very difficult, it takes time, and the cost is quite high (Kanokwan Kosol, 2017).

The construction business is one of the industries that are important to the Thai economy due to its connection with a variety of related industries, such as the construction material business and the real estate development business group (Niratisai Thumwongsa, 2019, p. 1). Currently, there are more than 100,000 registered construction businesses as juristic persons in Thailand (Department of Business Development, 2020), in which the proportion of large operators is only 1 percent, but the large operators have a market share of approximately 25 percent of the total construction value. The cost structure of the construction business consists of The cost of construction materials such as steel, concrete, and cement is approximately 60% of the total cost, 20% of labor costs, and 20% of other costs. commodity price exchange rates (especially metals) and fuel prices in terms of the risk factors of The construction contractor depend on many factors. such as political and economic uncertainty, the livelihood of local people, the regulations of the countries that undertake construction work, and changes in the prices of construction materials, especially the prices of group construction steel, which is more volatile than other types of construction materials. and labor problems in both quantity and quality. There are still skills that are not in line with market demand. In the past, the construction business was affected by the problem of the outbreak of COVID-19 and the slowdown of the Thai economy, but from 2019 onwards (Bank of Ayudhya, 2022).

In addition, during 2012-2021, the overall construction investment value was 8.1 percent on average of the gross domestic product (GDP), most of which was domestic construction work. This is divided into 2 types according to the nature of the employer, namely public and private jobs, which have a share of the investment value of 59.41 percent in 2021 in government construction. Most of them are infrastructure investment projects. accounted for 82 percent of the total government construction cost. The remaining 16 percent are construction projects for government agencies and accommodation of government officials, 2 percent. Large contractors often have an advantage in obtaining government jobs. Especially the large infrastructure because it has both experience and specialization, financial potential, and continuous development of construction techniques and technology. As for contractors, SMEs will have the opportunity to accept government jobs in the form of subcontractors. (sub-contractors) and private construction is concentrated in residential construction. accounted for 52 percent of the construction cost. All private sector, the rest is 20% industrial and commercial construction and 28% others, such as hotels and hospitals (Office of the National Economic and Social Development Council, 2020). The direction of private construction depends on economic

conditions, investment confidence, political stability, infrastructure investment, and policies to stimulate government investment.

In 2022-2024, the growth trend is expected according to the overall construction investment value, which is expected to grow on average for 4.5-5.5 years, with the main driving factor coming from the government's investment in large-scale projects. In particular, projects related to the Eastern Economic Corridors (EEC) tend to accelerate to achieve the goals of the Transport Infrastructure Action Plan in the EEC, Phase 2 (2022-2026). While investment in private construction, both residential and commercial real estate projects, tends to gradually recover in accordance with purchasing power that should improve according to economic conditions, large contractors also have the opportunity to undertake construction work in neighboring countries where the economy tends to recover and there is continuous investment in infrastructure. (Bank of Ayudhya, 2022) From the situation of investment value in construction projects in the country, it can be seen that Thailand has a higher construction value, especially government projects. Transportation must be accelerated to achieve the goals according to the transport infrastructure action plan in the EEC area and in the private sector, which has an increasing value for housing construction. Therefore, most contractors in the construction business market are small and medium enterprises (SMEs), most of which are subcontractors. The problems in achieving the contractor's business goals are problems with the regulations of the countries involved in construction work and changes in construction material prices, especially in the group. Construction steel, which is more volatile than other types of construction materials. and labor problems in both quantity and quality. There are still skills that are not in line with market demand. In the past, the construction business Affected by the problem of the outbreak of COVID-19 and the slowdown of the Thai economy since 2019, construction contractors have therefore adapted to the changing economic conditions and outbreaks of COVID-19. There are still ongoing outbreaks. In order for the business to be able to continuously drive toward the goal of success. The operator must assess the condition of the business. Business operations in line with government policies. Measures are imposed on workers and manufacturers of goods sold as factors to strengthen business success. Therefore, the researcher is interested in studying "The Success of Small and Medium Construction Contractors in Bangkok" to use the information obtained from the study as a guideline for policy-making in the development of small and medium-sized construction businesses to be successful in becoming more efficient.

LITERATURE REVIEWS

Concepts and theories about the success of the organization

Nit Samphan (2017: 10) stated that organizational success refers to the organization's ability to formulate an action plan and execute the plan efficiently until the goal is achieved. Consistent with Phuangrat Kesornphaet (2017: 10-21) that the success of the organization Refers to the ability to achieve the goals set by management by operating efficiently and effectively, and Nontakorn Atwichai (2016) said that success means the ability to plan operations. Setting goals and objectives to achieve the results as set. It can be concluded that the success of the organization Refers to the ability to achieve business operations according to management planning. Efficient implementation of plans and efficient use of resources to achieve goals effectively.

Kirus Kenpanan (2020) discussed the components of success in operating the construction industry as follows: 1) Construction quality means the construction process meets the specified quality standards. A thorough inspection of construction quality Paying attention to construction quality at every step. and construction operations in accordance with the standard quality set by the employer. 2) Timely completion means delivering the construction work on time. Planning the construction project to be in accordance with the specified timeframe.

Estimated completion time to deliver work to the employer in each project. 3) Profitability refers to the profit from the construction business and the ability to generate an appropriate amount of profit from the construction business. Appropriate distribution of profits from the construction business to shareholders and continued profitability, and 4) evaluation control means continual control of the construction project. Evaluation of each construction project. Evaluation of the performance of employees, and workers in all construction projects and a close examination of the transparency of the purchasing department's budget for purchasing materials and equipment.

The success in the construction business is due to the following factors: 1) Business management strategies refer to various processes that have been planned in advance for the organization to drive efficiency and have a good work system. Construction business 3) Labor management It means the allocation and development of labor, the protection of working conditions, and the foundation and promotion of good relations between employers and employees. study the facts about the burden of creating occupational jobs, and 4) The management of construction materials and equipment means applying knowledge and administrative principles to the process or procedure for the procurement of materials, equipment, control, maintenance, as well as the distribution of materials and equipment to support the needs of the operations of the agency in a timely, cost-effective, and economical way to achieve the objectives with efficiency and maximum benefit (Kittima Jungsuwadee, 2018).

According to the literature review, the following research hypothesis can be formulated:

H1 Strategic factors in business administration, government policy, labor management, and construction materials and equipment management affect the success of small and medium-sized construction operators in Bangkok.

From the literature review, the conceptual framework can be drawn as shown in Figure 1.

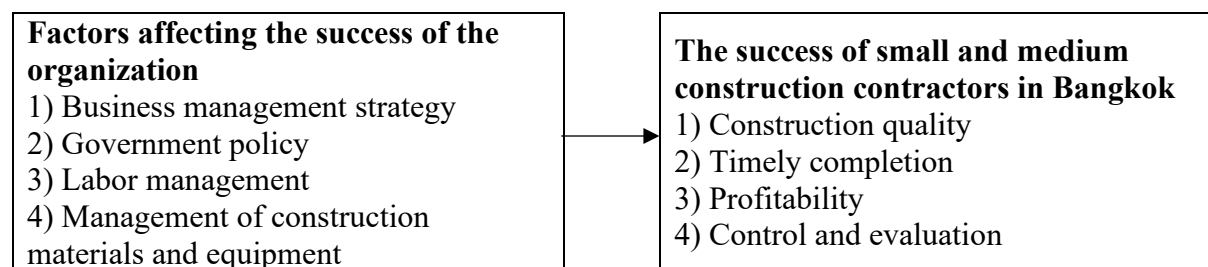


Figure 1 Conceptual Framework

RESEARCH METHODOLOGY

The population in this study was Small and medium construction contractors In Bangkok registered as a juristic person, a total of 52,830 people (Office of Small and Medium Enterprises Promotion, 2022) and a sample of 397 people was obtained from the formula for calculating a sample of Yamane (Taro Yamane, 1973). The reliability was obtained at the 95% level with the stratified sampling.

The research tool was a questionnaire consisting of Part 1: The personal factors of the respondents were gender, age, level of education, duration of business operation, average monthly income. The questionnaires are selective questions. Part 2 Factors affecting the success of the organization. The nature of the questionnaire is Likert Scale with 5 scoring criteria, namely, the highest equals 5 points, the high equals 4 points, the medium equals 4 points, the least equals 2 points and the least equals 1 point. Part 3 Success of small and medium construction contractors in Bangkok. The questionnaire is a Likert Scale with 5 scoring criteria with the highest equals 5 points, the high equals 4 points, the medium equals 4 points, the least equals 2 points and the least equals 1 point.

Before using data collection tools, the Index of item objective congruence (IOC) and questionnaire validity test via Cronbach's alpha were performed systematically. The examination found that the IOC was 0.819 and the Cronbach's alpha was 0.938, indicating that the research tool was of sufficient quality (Polit & Beck, 2006; Hair et al., 2012). To obtain this study data, questionnaires were sent to small and medium construction contractors in Bangkok registered as juristic persons. The descriptive statistics used to analyze the data were frequency, percentage, mean, standard deviation, and multiple regression analysis.

RESEARCH RESULTS

1) Most of the respondents were male, 73% aged between 41-50 years old, 52% graduated with a bachelor's degree, 65% had been in business for more than 10 years and had an average monthly income ranging from 1,000,000-5,000,000 baht 63%

2) The success of small and medium-sized construction entrepreneurs in Bangkok, overall and in each aspect, was at a high level. in terms of construction quality, profitability, timely completion, and evaluation control, respectively, as shown in Table 1.

Table 1 Mean and Standard Deviation of Success of Small and Medium Construction Contractors in Bangkok

Aspect	Description	\bar{X}	S.D.	Interpretation of results
1)	Quality of construction work	3.94	0.62	Much
2)	On time completion	3.65	0.49	Much
3)	Profitability	3.72	0.53	Much
4)	Evaluation control	3.54	0.45	Much
Total		3.71	0.42	Much

3) Business management strategy factors are valuable $\beta = 0.333$ Government policies are valuable $\beta = 0.372$ and labor management are valuable $\beta = 0.428$ This shows that it has a positive influence on the success of small and medium construction contractors in Bangkok. Statistically significant at the level 0.05 By value Sig. = 0.000 all aspects which is consistent with the assumptions set. When analyzing the correlation coefficient (R) is equal to 0.987 This indicates that the group of independent variables is highly related to the dependent variable and the forecast coefficient is equal to 0.974 This indicates that the group of independent variables affects the success of small and medium-sized construction operators in Bangkok in 97.4 percentage.

In order, the equation can be written as follows.

$$Y = 0.012 + 0.428X_3 + 0.372X_2 + 0.333X_1$$

From the analysis of regression coefficients, it was found that factors, business management strategies, government policies, and labor management were able to predict the success of small and medium-sized construction operators in Bangkok. The labor management factor had the greatest effect on the forecast. (Beta = 0.342). Followed by government policies (Beta = 0.337) and business management strategies (Beta = 0.299). The details are shown in Table 2.

Table 2 Multiple regression analysis of factors influencing the success of small and medium construction contractors in Bangkok.

Factors	Unstandardized (b)	SE	Standardized (β)	t	Sig.
(Constant value)	0.012	0.044		0.278	.781
Business management strategy	0.299	0.025	0.333	11.998*	.000
Government policy	0.337	0.026	0.372	12.918*	.000
Labor management	0.342	0.012	0.428	29.162*	.000
Management of construction materials and equipment	0.027	0.030	0.032	0.902	.368
R = 0.987		Adjusted R ² = 0.974			
R ² = 0.975		SE = 0.070			

* Statistical significance at the 0.05 level

DISCUSSION & CONCLUSION

To study the success of small and medium construction contractors in Bangkok, the researcher brought the main issues to discuss the results according to the research objectives as follows.

1) The success of small and medium-sized construction entrepreneurs in Bangkok, overall and in each aspect, was at a high level. in terms of construction quality, profitability, timely completion, and evaluation control, respectively. This may be due to the entrepreneur having good business management strategies, has a wide vision, operating the business within the promoting policy from the government, and as well as systematic management, resulting in the construction business. The medium was successful in line with the research results of Apinyarat Jaratphonwaraphat's research. (2021) has studied the predecessors of the success of the security business. The results of the study revealed that 1) the overall success of the security business was at a high level.

2) Factors, business management strategies, government policies, and labor management Influencing the success of small and medium-sized construction operators in Bangkok, 97.4 percent, this may be due to the reason that operators have a clear management strategy. It has been promoted by the government to promote labor. There is a well-qualified workforce management team. Consistent with the research results of Apinyarat, Jaratphonwaraphat (2021) has studied the predecessors of the success of the security business. The results showed that strategies in business administration, government policies, and labor management affect the success of the security business.

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