

FACTORS AFFECTING THE SUCCESS OF RUNNING GREEN HOTEL BUSINESS IN THAILAND

Nathishiney TENGTIENG¹ and Nataporn AEKNARAJINDAWAT¹

¹ Management Innovation, Suan Sunandha Rajabhat University, Thailand;
ma_jacky@hotmail.com (N. T.); nataporn.ae@ssru.ac.th (N. A.)

ARTICLE HISTORY

Received: 12 January 2024

Revised: 26 January 2024

Published: 9 February 2024

ABSTRACT

The objectives of this research are 1) to study the level of success of running green hotel business in Thailand. 2) to study factors affecting the success of running green hotel business in Thailand. A questionnaire was used to collect data from 223 green hotel business operators. Statistics were used to analyze the data, including frequency, percentage, mean, standard deviation, and multiple regression analysis. The results of the research found 1) the success of operating green hotel business in Thailand. Overall, it was found to be important at the highest level. When considering each aspect, it was found that the internal management process had the highest average. Followed by finance, stakeholder, and learning and growth, respectively. 2) The external environment of the organization, organizational management, strategic management, and innovation influence the success of operating green hotel business in Thailand by 60.5 percent.

Keywords: Success, Green Hotel, Thailand

CITATION INFORMATION: Tengtieng, N., & Aeknarajindawat, N. (2024). Factors Affecting the Success of Running Green Hotel Business in Thailand. *Procedia of Multidisciplinary Research*, 2(2), 7.

INTRODUCTION

In 2022, Thailand is still facing the spread of the COVID-19 virus, but it is not as severe as last year. This is because the strain found does not have severe symptoms and has not spread widely. In addition, the number of people receiving booster vaccinations has increased. Combined with adapting and coping with COVID-19 better, Thai people's anxiety has subsided and dare to travel. It can be seen during the Songkran holiday that Thai people travel around the country in droves in every region. Even though it is still under social distancing measures, in the middle of 2022, the spread of the COVID-19 virus around the world is likely to decrease. Along with preparing to declare COVID-19 an endemic disease, many countries, including Thailand, announce unlocking and relaxing various measures according to the conditions of each country along with accepting tourists into the country without conditions, causing many people to plan travel trips. The atmosphere of travel has begun to become lively again. and see more clear signs of tourism recovery in 2022. The supporting factors are: The spread of the COVID-19 virus has decreased, including during long holidays. Special holidays in many periods combined with government measures to promote and stimulate the economy through the project "We Travel Together Phase 4 Extension," which continues to expand the use of rights until October, and the Half-Half Project Based on the above factors, it is considered an important motivator for tourists, travel and spending on domestic tourism have increased. (Ministry of Tourism and Sports, 2022)

Moreover, tourism is an industry that creates income and careers in tourist destinations. But it is also a major consumer of energy and various resources around the world (Lam & Ng, 2019). This is in line with the environmental problem that the world is paying attention to, namely global warming. Tourism in Thailand during the past period as well. Currently, some things are causing problems, including the fact that tourism resources are deteriorating, which has been accumulating for a long time from accelerating the promotion of the tourism market. There is a lack of preparation and assessment of the carrying capacity of tourist attractions, especially the main tourist attractions of the country, coupled with the rapid expansion of investment in the tourism and accommodation businesses. As a result, there has been encroachment on the area, garbage, wastewater, pollution, and the ecological system has deteriorated. In addition, the increasing number of tourists is concentrated in the same places as Bangkok, Chiang Mai, Phuket, Pattaya, etc. (Ministry of Tourism and Sports, 2019)

In this situation, hotel operators are aware of achieving their business goals and are also aware of environmental problems and give more importance to sustainability. Starting with using energy efficiently, buying and selling energy from renewable energy sources, using clean and safe products, and using renewable energy like solar energy, including being aware of the carbon footprint, which will be an indicator of the environmental friendliness of green hotel or a hotel that is environmentally friendly, is a form that promotes hotels' potential to use energy resources cost-effectively and efficiently. There is good environmental management. and raise service standards to be environmentally friendly. The Ministry of Natural Resources and Environment, through the Department of Environmental Quality Promotion (DPHO), has awarded the national G-green symbol to honor and recognize environmentally friendly establishments, hotels, and offices. Considered sustainable production and consumption, it is one of the 17 sustainable development goals (SDGs) in the sector of environmentally friendly hotel projects (green hotels) (Ministry of Natural Resources and Environment, 2022).

The hotel business plays a huge role in the development of the tourism economy. However, due to the impact of the COVID-19 outbreak, the hotel business has been affected in many ways that prevent it from being successful and efficient. Entrepreneurs, therefore, need to adapt. Develop yourself to be knowledgeable in business. There is preparation for business planning and good financial resource management to be able to solve various problems and run the business successfully. (Suteera Atawongsa, 2017)

Organizational change to be able to drive the organization toward its goal of success. The indicators that most executives use to evaluate organizational success include finances, customers, internal management, and learning and growth (Kaplan & Norton, 2020). This is consistent with Cope (2018), who has used proposed indicators of success in organizational management that include 1) cash, meaning the organization must have stable and liquid cash flow; 2) profits, including business operations that have gross profits and net income. 3) Assets: The organization must have stability in assets. and have continuous income and returns from assets. 4) growth is the organization must grow and make profits continuously. 5) People means the organization must have management for employees, customers and stakeholder groups are satisfied. In addition, Somjai Laksana (2017) and Kanchana Intharak (2019) stated that the success of an organization can be measured mainly by success in 4 areas: 1) achieving goals Goal Accomplishment, 2) Procurement and Resource Use, 3) Operation Process, and 4) Participant Satisfaction. The researcher therefore considered the factors that there are 4 aspects important to the success of an organization: finances, stakeholders, internal management processes, and learning and growth.

The success of the organization must depend on factors that support its success. The environment outside the organization is one factor that is important to business operations. Because today, the organization has to face changes in the environment. That may result in the organization receiving business opportunities or receiving obstacles from the changing external environment (Rewat Chatravisip et al., 2017). In addition, executives must bring innovation to their operations to create new things in products and services, processes and marketing, and strategic management that has the ability to turn many bad situations into good ones and strategies can also be changed into strategies for conducting business appropriately (Boal, K., & Hooijberg, R., 2019), and organizations must have strategy management. The continuous process of determining the mission and goals of the organization within the context of the organization's external environment. Determining appropriate strategies Performing work according to specified strategies, using authority to control strategy, to ensure that the organizational strategies used can lead to success according to the set goals. (Nontakorn Atwichai and Marisa Kairerk, 2021)

Managing the organization successfully to achieve the goals the organization has set is a process of coordinating and joining various activities in the work of personnel together to be efficient and effective. This process is the primary duty of executives or organizational managers which consists of planning, organizing, commanding, coordinating, and controlling because management is a process of planning, organizing, participating, and controlling the efforts of the organization's members and the use of other resources for the success of the organization's set goals. (Somyot Naweeakarn, 2015: 18). While Robbins and Coulter (2016: 8) said that management is the process of activities that create efficiency and effectiveness in the organization through the participation of every member of the organization, the importance of the above problems. Accommodation and hotel businesses are the drivers of Thailand's tourism economy. Thailand is facing the problem of the economic downturn that was caused by the COVID-19 outbreak. As a result, every business sector is affected by this situation. (Hotel Association of Thailand, 2021)

From the above situation, the researcher is aware of the above situation and has chosen to study in green hotel in Thailand. This is because entrepreneurs require sustainable business along with achieving business goals. In addition, there was an increase in the number of business termination situations from the previous year. Therefore, the researcher was interested in studying the matter. "Factors that affect the success of running green hotel business in Thailand" to use the information and results from the study to present guidelines for formulating policies to develop green hotel business to be very successful.

LITERATURE REVIEWS

Concepts and theories regarding to success of the organization

Nitt Sammaphan (2017: 10) said that organizational success refers to the ability of the organization to set operational plans and carry out the plan efficiently until the goals are achieved. This is consistent with Puangrat Kasornphaet (2017: 10-21), who said that the success of the organization refers to the ability to achieve the goals set by management, operating efficiently and effectively. Nonthakorn Atwichai (2016) said that success means the ability to plan operations, setting goals and objectives to achieve the results as set. In conclusion, organizational success means the ability to conduct business operations according to management planning, effective implementation of plans and efficient use of resources until achieving the goals.

Traditionally, organizational administrators like to evaluate organizations. It focuses on finances only, but the concept of the Balance Scorecard, or BSC, requires consideration of all 4 perspectives: (Niramit Thiamthan, 2016)

- 1) Financial Perspective: What financial objectives will there be? Make the organization grow and have the ability to produce. The financial result is growth, the organization's desire to achieve success both now and in the long term. Measures of financial success, such as return on capital employed (ROCE) or return on investment (ROI), or average cost per unit of production activity, profit, total sales, etc.
- 2) The customer perspective must consider qualitative differences. You must think of ways to attract customers. Maintaining the existing customer base and what activities will build closer relationships with customers? You must find a strategy to change your position from a customer to a partner to achieve the truth about financial and customer objectives. is the result of the organization's management. But it is generally preferred to explain how clarity of reason can be achieved, but it will change to explain indirectly in financial form.
- 3) Perspective on the internal management process (Internal Business Process) considering the form of product appearance, trademark development and marketing, sales, services, internal management operations, transportation, and distribution. These things must be analyzed and synthesized to create activities to create value, value, and diversity to suit the type and purchasing power of customers and
- 4) Learning and Growth Perspective: Setting up a management system, have a strategy that must be determined in all four areas: knowledge Financial ability, customer side, internal process side. But it still requires the knowledge and abilities of those involved. Whether it is employees, organizational executives, and customers.

Factors affecting the success of an organization are as follows (Cope, 2018):

- 1) The external environment of the organization refers to the environment outside the organization.
- 2) Organizational management refers to the process or activities related to performing duties to be confident that various activities are carried out in a way that will achieve the goals set out.
- 3) Strategic management means systematic management that relies on the vision of leaders and relies on step-by-step planning through decision-making and evaluation of suitability for the organization and can be put into practice, which will bring success to the organization and
- 4) Innovation means creating new knowledge and ideas to provide new business results, which gives importance to improving business processes within the organization and business structure to create products and services that are created according to market needs.

From the literature review, the following research hypotheses can be formulated. H1 The external environment, organizational management, strategic management, and innovation affect the success of running green hotel business in Thailand. From the literature review, the conceptual framework can be drawn as shown in Figure 1.

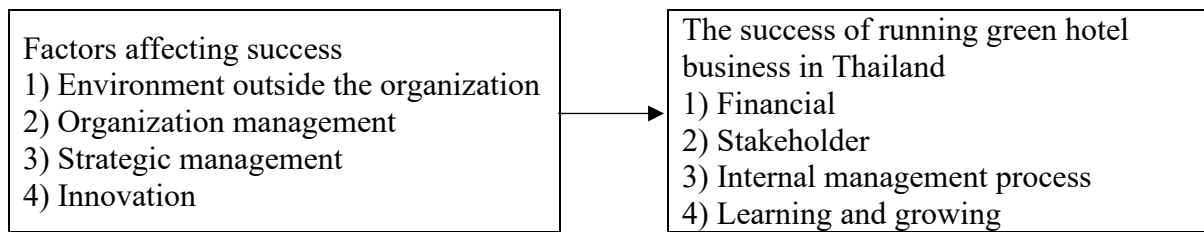


Figure 1 Conceptual Framework

RESEARCH METHODOLOGY

The population in this study includes: there were 503 green hotel business operators in Thailand (Hotel Association of Thailand, 2022) and a sample of 223 people obtained from Yamane's sample calculation formula (Taro Yamane, 1973). The belief value was at the 95 percent level. A stratified sampling method was used.

The research tool is a questionnaire consisting of Part 1: personal factors of the respondents, including gender, age, educational level, and average monthly income. The nature of the questionnaire is multiple-choice. Section 2: Factors affecting success. The nature of the questionnaire is a Likert scale with 5 levels of scoring criteria, including the highest equal to 5 points, the highest equal to 4 points, the moderate equal to 3 points, the slightest equal to 2 points, and the least equal to 1 point. Part 3: The success of running green hotel business in Thailand. The nature of the questionnaire is a Likert scale with 5 levels of rating criteria, including the highest equal to 5 points, the highest equal to 4 points, the moderate equal to 3 points, the slightest equal to 2 points, and the least equal to 1 point.

Before using the tool to collect data, the objective consistency (IOC) test and reliability test of the questionnaire through Cronbach's alpha were systematically carried out. From the examination, it was found that the IOC was equal to 0.813 and the Cronbach's alpha was equal to 0.910, indicating that the research tools were of sufficient quality (Polit & Beck, 2006; Hair et al., 2012) to get information. This study sent questionnaires to green hotel operators in Thailand. In data analysis, descriptive statistics were used, including frequency, percentage, mean, standard deviation, and multiple regression analysis.

RESEARCH RESULTS

1) Most respondents were female 72%, aged between 41-50 years 69%, graduated with a bachelor's degree 72%, and had an average monthly income ranging from 5,000,000 - 6,000,000 baht 59%.

2) The overall success of green hotel business operations in Thailand was found to be at the highest level of importance. When considering each aspect, it was found that the internal management process has the highest average, followed by finance, stakeholders, and learning and growth, respectively.

Table 1 Mean and standard deviation of the success of green hotel operations in Thailand.

Aspect	Description	\bar{X}	S.D.	Result
1	Financial	4.42	0.88	Very much
2	Stakeholder	4.27	0.79	Very much
3	Internal management process	4.25	0.85	Very much
4	Learning and growing	4.26	0.80	Very much
Total		4.35	0.51	Very much

3) Business environment factors have a β value of 0.279, organizational management has a β value of 0.268, strategic management has a β value of 0.249, and innovation has a β value of 0.242, which shows that they have a positive influence on the success of green hotel business operations in Thailand. Statistically significant at the 0.05 level, with Sig. values equal to 0.002, 0.002, 0.010, and 0.000, which are consistent with the set assumptions. When analyzing the correlation coefficient (R), the value was equal to 0.729, which indicates that the group of independent variables is highly related to the dependent variable. The prediction coefficient is equal to 0.605, which indicates that the group of independent variables affects the success of operating green hotel businesses in Thailand by 60.5 percent.

In order, the equation can be written as follows.

$$Y = 0.793 + 0.279X_1 + 0.268X_2 + 0.249X_3 + 0.242X_4$$

From the analysis of the regression coefficient values, it was found that the external environment factors of the organization Organizational management Strategic management and innovation have the ability to predict the success of running green hotel business in Thailand. The environmental factors outside the organization had the greatest effect on the forecast (Beta = 0.234), followed by innovation (Beta = 0.190), organizational management (Beta = 0.172), and strategic management (Beta = 0.134). Details are as shown in Table 2.

Table 2 Multiple regression analysis of factors influencing the success of green hotel operations in Thailand.

Factors	Unstandardized (b)	SE	Standardized (β)	t	Sig.
(Fixed value)	0.793	0.072		7.615	0.000
Environment outside the organization	0.234	0.023	0.279	5.816*	0.002
Organization management	0.172	0.103	0.268	2.314*	0.007
Strategic management	0.134	0.056	0.249	2.223*	0.010
Innovation	0.190	0.034	0.242	3.168*	0.000
R = 0.729		Adjusted R ² = 0.605			
R ² = 0.530		SE = 0.075			

* Statistical significance at the 0.05 level

DISCUSSION & CONCLUSION

Study of factors affecting the success of running green hotel business in Thailand. The researcher has brought important points to discuss the results according to the research objectives, as follows:

1) The success of operating green hotel business in Thailand. Overall, it was found to be important at the highest level. When considering each aspect, it was found that the internal management process had the highest average. Followed by finance, stakeholder, and learning and growth, respectively. This may be due to entrepreneurs analyzing opportunities and threats from the environment outside the organization, having good management, having strategic management, and applying innovation in business operations, resulting in greater success. Consistent with the research results of a study by Yaowapa Pathomsirikul (2018), which studied the success model of health service business management in private hospitals in Thailand. The results of the research found that the success of health service business management in private hospitals in Thailand is at a high level.

2) The external environment, organizational management, strategic management, and innovation influence the success of green hotel operations in Thailand by 60.5%. This may be due to the fact that entrepreneurs have analyzed opportunities and threats from the environment outside the organization, have good management skills in planning, organization,

coordination, and budget management, and have followed up and evaluated performance. There is strategic management to develop current organizational strategies to keep them up to date with changes and innovations applied in business operations. Therefore causing more success. Consistent with Pinrutai Sutheeraphong (2021), who studied the causal relationship model of the success of small and medium-sized businesses in Bangkok, and found that the external environment of the organization, organizational management, strategic management, and innovation influence success.

REFERENCES

- Boal, K., & Hooijberg, R. (2019). Strategic Leadership Research: Moving on. *Leadership Quarterly*, 11(2), 515-549.
- Cope, k. (2018). *Seeing the Big Picture: Business Acumen to Build Your Credibility, Career, and Company*. Austin, Texas: Greenleaf Book Group Press.
- Hair, J., Sarstedt, M., Ringle, C., & Mena, J. (2012). An assessment of the use of partial least squares structural equation modeling in marketing research. *Journal of the Academy of Marketing Science*, 40(3), 414-433.
- Kanjana Saengkrasang. (2021). *Balanced Scorecard: BSC*. Retrieved from <https://kanjana103.wordpress.com>. (July, 28, 2022,).
- Khom Pantharak. (2020). *Business management of SMEs during the crisis of the COVID-19 epidemic*. Field of study: Operations Management. Thammasat University.
- Nonthakorn Atwichai. (2021). The relationship between strategic leadership and management according to nursing management standards of nursing group leaders according to the perception of professional nurses at community hospitals in the Northeastern region. *Journal of Polite Systems Research and Development*, 4(1), 112-118.
- Office of Small and Medium Enterprises Promotion. (2020). Criteria for determining the size of small and medium-sized enterprises (SMEs). *Royal Gazette, Volume 119* (Part 93).
- Office of Small and Medium Enterprises Promotion. (2021). *Report on the situation of SMEs in 2020*. Retrieved from <https://www.sme.go.th/download>.
- Pinruethai Suthirapong. (2021). A causal relationship model for the success of small and medium-sized businesses in Bangkok. *Academic Management Journal Pacific Institute of Management Science*, 5(35), 8-39.
- Polit, D., & Beck, C. (2006). The content validity index: Are you sure you know what's being reported? Critique and recommendations. *Research in Nursing & Health*, 29(5), 489-497.
- Rewat Chatriwisit et al. (2017). *Strategic Management: Strategic Management*. Bangkok: Witthayapat.
- Robbin, & Coulter. (2016). *Management*. New Jersey: Prentice-Hall.
- Somjai Laksana. (2017). *Developing work efficiency*. Bangkok: Faculty of Management Science Suan Sunandha Rajabhat University.
- Somyot Navikarn. (2015). *Management and organizational behavior*. Bangkok: Bannakij 1991 Publishing Company Limited.
- Yamane, Taro. (1973). *Statistics: An introductory analysis*. 2nd ed. New York: Harper and Row.
- Yaowapa Pathomsirikul. (2018). Model of success in health service business management of private hospitals in Thailand. *Bandit Saengkhomkham Journal*, 7(2), 18-39.

Data Availability Statement: The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

Conflicts of Interest: The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

Publisher's Note: All claims expressed in this article are solely those of the authors and do not necessarily represent those of their affiliated organizations, or those of the publisher, the editors and the reviewers. Any product that may be evaluated in this article, or claim that may be made by its manufacturer, is not guaranteed or endorsed by the publisher.



Copyright: © 2024 by the authors. This is a fully open-access article distributed under the terms of the Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0).