

**INVESTORS' PERSPECTIVES OF COMPANY LEADERSHIP IN
THE STOCK EXCHANGE OF THAILAND**

The image features a large, faint watermark of the Mahidol University logo in the background. The logo is circular, with a blue center containing a golden emblem of a traditional Thai stupa. The outer ring of the logo contains Thai text. Overlaid on this watermark is the author's name.

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**A THEMATIC PAPER SUBMITTED IN PARTIAL
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entitled
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THE STOCK EXCHANGE OF THAILAND**

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INVESTORS' PERSPECTIVES OF COMPANY LEADERSHIP IN THE STOCK EXCHANGE OF THAILAND

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ABSTRACT

The company leadership has directly affect to the long term investment. The objective of this study is exploring the critical factors of company leader which relate to stock investors' perspectives and finding how investors concern in company leader of the company that they buy and hold stock for long term. In order to identify factors and understand relationship, the research does in-depth interview to five investors who have invested in SET THSI Index or Thai sustainable stocks in long term.

The research finding is the investors tend to see the company leadership as a supplementary factor of their concern when they are going to buy stock. However, the investors will sell the stock if they heard bad news of company leader. Indeed, there are four factors which investors concern in company leader of stock provider company such as leader's trait, visionary leader, generation of leader and family business ownership.

In conclusion, the investors concern in both physical and background of the leader. The stock provider company should select and train the future leader by concerning in investors' perspective for the highest benefit in the future. Moreover, the investors should select the company which they are going to invest by consider company leader as one of factor that can impact to other investors' perspectives.

KEY WORDS: Leadership / Stock / Investors' perspectives / Stock Exchange of Thailand

36 pages

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CHAPTER I

INTRODUCTION

Investment in the successful company is the popular financial planning for people who want to have stable money and expect to gain more in the future so that they can be the companies' owner easily. The basic expectancy of a methodical investor are capital appreciation, dividend payment and ability to vote as ownership of a company. Basically, an investor tends to buy good stocks and hold them for a long time like more than a year. He or she tends to spend time on study foundation of stock before buying in huge number while trader (speculator) tend to buy and sell stock in a short period like in hour, day or week (Chamber and Rogers, 2004). Warren Buffett once said, "Risk comes from not knowing what you are doing". There are many rational factors which can impact to stock market such as uncontrollable factors like economics, oil price, political of each country even "Great Power" trading war. That is the reason why the investor needs a good device to find stocks that he or she should buy for long term. To analyze the company, the investor needs to study not only screening financial statement and some part of market analysis but also need to study company management because it is an important part to run the business.

Company leadership can represent company management as well. Company leader defines what the future should look like, arranges people with that vision, and inspires people to make it happen (Kotter, 1996). Unfortunately, some leaders destroy investors' trust with inappropriate actions in public areas. The latest example is Tesla Motors, its shares dropped more than six percent after Elon Musk smoked marijuana during a podcast interview live on web in California (Salinas, 2018). So, getting a competitive advantage in the stock market is not easy in this era. The investors can access to the news and company information easily from various channel every day. Many name list of stocks were recommended to buy and hold for long term while some of the stock names were recommended to avoid and sell as soon as possible.

Therefore, The Stock Exchange of Thailand (SET) has been establishing the relevant indicator called “Thailand Sustainability Investment (THSI)” which based on Environmental, Social and Governance or ESG standard in 2015 to be another tool for investors. ESG is standard to guarantee the companies which can prove that they run a business under environment, social and governance concern for sustainability. Moreover, those THSI companies must be in Top 200 companies in SET which have high “Market Capitalization”. So, this index is appropriate to investors who are looking for long term investment because they can trust that THSI company leaders to manage top range company with high governance. This is the opportunity for company leaders to set strategy that inspires people inside the organization to achieve ESG standard for attracting an external stakeholder. The benefit of getting a high demand for the stock will increase its price automatically. It means that the company will have the capital to do the business more than competitors.

In summary, knowing investors’ concern and offer what they want seem necessary for the company leader. A lot of stocks were sold immediately after the demoralizing news of company leader was published. The stock price significantly decreased from the reflection of a huge number of stocks were sold so the equity of that company will drop automatically. On the other side, companies in SET THSI Index recuperate by announcing good news related to their leaders. That is the reason why strong leadership is needed in stock provider companies not only to inspire internal worker but also influence the investors from outside.

This thematic paper is going to research how the investors concern in company leader which they are going to invest for the long term. This study can apply as the reference tools for both stock provider and stock buyer. Beginning with the benefits to the stock provider, the board of company can use this study as a tool to find the talent who supposed to be the next leader in the future. The company can perceive the expectation of leadership from the investors by choosing and preparing the next leader for the future or help the present leaders to adjust themselves to meet investors’ need. Secondly, this study benefits the stock investor in order that the investor can see the other investors’ perspectives in leaders of stock provider company and use it as a tool to make a decision before buying stocks.

1.1 Research Question

This study concentrates only in the SET market and aims to find a critical related factor between investor and leader of stock provider company. For example, what the investor consider in leadership is and what the key characteristics the investors look for the company leader are in case they want to invest for the long term. This study has an implication towards investment period and the key element that investors consider for buying and holding stock such as leadership style, and sustainability investment.

1.2 Research Objectives

The purposes of this study are to identify the critical factors of company leaders and explain how the leaders can apply those factors to persuade the investors to buy and hold the stock.

1.3 Research Scope

The methodology of this study is qualitative research by doing an in-depth interview with five investors who have invested in SET THSI Index companies more than one year because they tend to invest in the company which has a governance leader.

CHAPTER II

LITERATURE REVIEW

Everything is related to the stock market. The investors will look for the best of the best company before investing. Therefore, the leaders of stock provider company should have both great leadership and knowledge in stock investment. The purpose of this chapter aims to study the related research and information from various sources about stock investments include leadership theories which help to scope factors and characteristics of the leaders that the investors concern in narrow and definition of sustainability stock that appropriate for long term invest.

The chapter starts with the relationship between leadership and external support, stock investment, ESG standard, and SET THSI Index. And conclude with leadership theories which can identify study factors in a further interview.

2.1 The relationship Between Leadership and External Support

The definition of leader and leadership are different. John C. Maxwell (2012) believe that “Everything rise and fall on leadership”, it means that the individual leaders can drive the organization to be better or worst in position by influencing the follower inside an organization to follow them. The more an organization was led by a great leader, the higher performance the organization gets instead of leading by a bad leader. Leaders have to look for people around themselves to create the personnel and teamwork inside an organization and find opportunity from outside such as economy issue, resources, and luck. A great leader is a person who led a firm, an organization or a business over a normal and uncertain situation. Therefore, she or he has to be an expertise in political and doing legally and ethical things to meet with others expectation. An effective leader needs the self-confidence for decision making, encourage others, and taking responsibility for any actions (Silbiger, 2012).

Neither transactional nor transformational leader can be an effective leader without charisma. Charismatic leadership can be explained by thinking about leaders who can induce their subordinate to act and do what they want like a magical process of identification (Sashkins, 2003). It is a priority of the company to have a leader who is an expert in arts to influence people to archive company target. Not only getting internal support but charismatic leadership also brings support from external spectators. A study of Francis J. Flynn and Barry M. Staw in 2004 found that charismatic leadership tends to increase investment when buying stock during the difficult period of external environments like economy crisis and the company which led by charisma leader tend to have a higher investment when compared to the other company in the same industry.

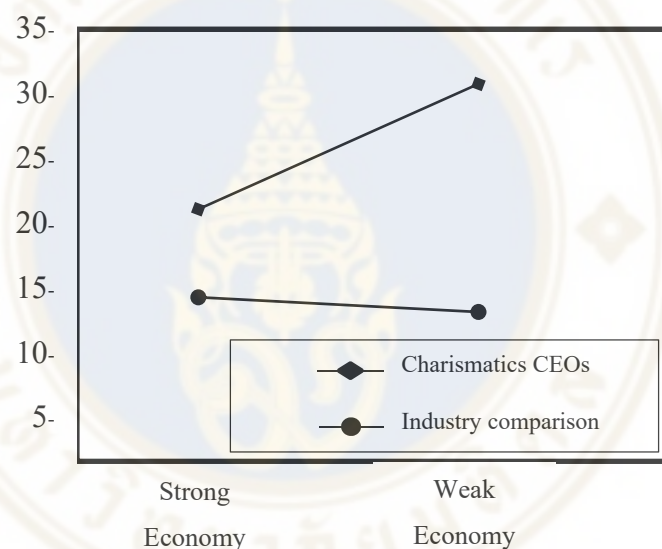


Figure 2.1 The impact of charismatic leadership and economic conditions on stock price appreciation

Source: Adapted from “Lend me your wallets: The effect of charismatic leadership support for an organization” by Francis J. Flynn and Barry M. Staw, 2004, Strategic Management Journal, 25, p. 315.

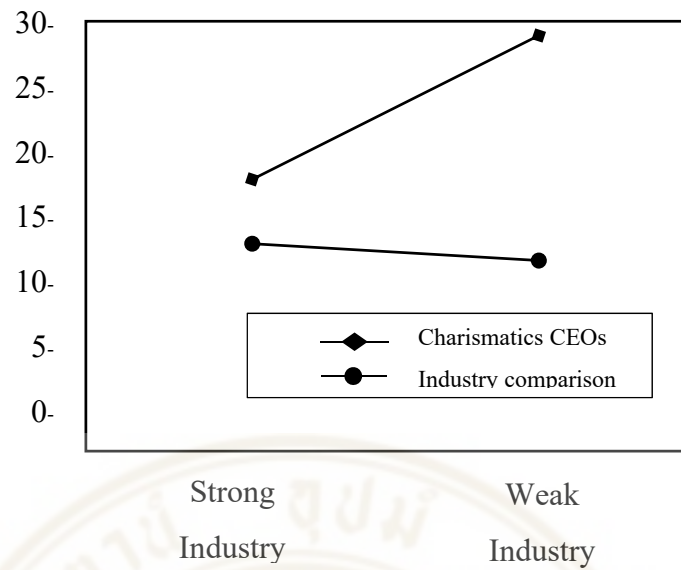


Figure 2.2 The impact of charismatic leadership and economic conditions on stock price appreciation

Source: Adapted from “Lend me your wallets: The effect of charismatic leadership support for an organization” by Francis J. Flynn and Barry M. Staw, 2004, *Strategic Management Journal*, 25, p. 315.

The researcher assumes that a charismatic leader can influence outside investors to buy and hold stock. However, charisma has a limited positive effect somewhere. Some research has shown that narcissistic leaders also have similar behavior with charismatic leaders, but the narcissistic leaders are lack of governance management, corruption and a focus on personal goal more than organization goal. For example, Hitler is very successful in influencing people to follow his disastrous vision. In short, charisma can use in good and bad ways. (Robbins and Judge, 2017). To make it clear the leadership is like a leader's health if the leaders have good health then the others in the company tend to be healthy as well. (Maxwell, 2012)

2.2 Screening Process of Stock Investment

Stock investment is one kind of business that the investor needs to know the characteristic and framework of it. The stock investor must have self-discipline, can set the goal and follow the plan to achieve the target result same as every kind of business. Some investor takes the stock investment like a retail shop by buying wholesale price and sell at a higher price in many small groups of stock. Therefore, they can gain some benefit from their investment while some investor approaches the stock market to maintain their financial dream. There are a few reasons such as

- Plan for retirement
- Plan for kind's study cost
- Avoid tax
- To be heritable for someone they love

As a result, the long term investment relies on proper planning and knowledge (Larson, 2000). In order to pick the right stock, management and ownership become the specific factors which the investor can select by using CAN SLIM as a method for selecting the winner stock. This method was developed by William O'Neil, the famous author of "How to make money in stock" in 2009. C-A-N-S-L-I-M are the beginning letter of 7 factors which can identify the good stock to buy.

The CAN SLIM can divide into basic requirements as follow:

Table 2.1 The definition of CAN SLIM method (O'Neil, 2009)

Acronym	Word	Clarify
C	Current quarterly earnings per share	At least 18 to 20 percent increase of earning per share in the recent quarter compared to a report of the same quarter last year.
A	Annual earnings per share increase	The annual earnings per share should have been steadily increasing every year when compared to the previous 5 years.

Table 2.1 The definition of CAN SLIM method (O'Neil, 2009) (cont.)

Acronym	Word	Clarify
N	New product, service or management	After spending the time to build the old phase, new product, service or management can show the opportunity for better performance. The stock price may high, so the investor should buy when the price is close to a high or new thing is coming.
S	Shares outstanding	To analyze supply and demand in the stock market. The outstanding stock is expected to have the least available shares than the worst one.
L	Leader or laggard	There are many stocks sell in the same sector within the stock market. The investor should prefer the top range stock rather than the lowest one.
I	Institutional sponsorship	Institutional sponsorship refers to ownership of stock. One stock should have owned between 3 to 10 institutions. The investor should avoid a stock that has owned by too many institutions.
M	Market direction	The good stock may decline value related to the market situation. The investor should understand that market direction can interrupt the whole stock price. So knowing market behavior and its direction are the basic skills that required to stock investment.

2.3 ESG Standard and SET THSI Index: Definition and Related information

After getting critical ideas of leadership and the process of screening stock to invest. We can see some related area that the investor would consider in the leadership of a stock provider. This part of literature review is going to examine the stock which have strong leadership in Stock Exchange of Thailand (SET). Consequently, Environmental, Social and Governance (ESG) is a criterion which guarantees that stock has potential in marketing and tend to be sustainability stock. To reach ESG standard, an organization must operate its business by concern natural. The environment concerns about spending, wasting energy, and pollution management, impact on natural resource and animal harmful. The social concerns about focusing on the relationship between the company and its stakeholders such as community around firm, suppliers, employees, and customer. It would be better if you know that the company does business by buying at a reasonable price and sale to its customer at a fair price or not because the company also hire its employee base on fairness rate and share its profit to improve society around its firm. Lastly, the governance concerns with leadership, internal management, shareholder concern and executive pay base on ethical (Chakronpipat, 2018). Until a recent year, ESG criteria used in SET by setting the SET THSI Index or Thailand Sustainability Investment that identify the sustainable stock in Thai market. THSI has the same concept as the Dow Jones Sustainability Indices (DJSI). Both of them have foundation on ESG standard to encourage the company to thinks for the future of environmental, society and ethics along with the economic growth. Moreover, the company should be an extension of the current annual Thailand Sustainability Investment list, provide free-float at least twenty percent, the trading ratio is higher than zero point five percent at least 9 from 12 months of the review period, has market capitalization more than five-thousand million baht and has no limit for the number of stocks in the index (SET, 2017).

2.4 Related Between Leader, Investor and Sustainable Stock

Managing by great leadership is key success pillar to push the company to be sustainable in the future. As a study, leadership was referred in both of CANSLIM method and SET THSI Index. Therefore, leaders need to know how to play an important role to make the investor trust in the company and understand the way to develop sustainability to influence the investor. Normally, the investor tends to buy and hold stock for a long time more than a year. He or she trends to spend time on study foundation of stock before buying in huge number (Siegel, 2005). Also, the foundation of an organization needs a leader to drive the company's vision, strategy, and social involvement.

In order to drive the company to reach ESG standard, leaders must understand the concept of sustainability stock especially in SET market.

In 2018, the list of the THSI companies that based on ESG standard as follow:

Table 2.2 Thailand Sustainability Investment 2018 announced on 17th October 2018

SET Listed Companies		Resources	
Agro & Food		BAFS	BANGKOK AVIATION FUEL SERVICES PCL.
CFRESH	SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED	BANPU	BANPU PUBLIC COMPANY LIMITED
CPF	CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED	BCP	BANGCHAK CORPORATION PUBLIC COMPANY LIMITED
GFPT	GFPT PUBLIC COMPANY LIMITED	BGRIM	B.GRIMM POWER PUBLIC COMPANY LIMITED
HTC	HAAD THIP PUBLIC COMPANY LIMITED	BPP	BANPU POWER PUBLIC COMPANY LIMITED
PM	PREMIER MARKETING PUBLIC COMPANY LIMITED	EA	ENERGY ABSOLUTE PUBLIC COMPANY LIMITED
STA	SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED	EASTW	EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PCL.
TVO	THAI VEGETABLE OIL PUBLIC COMPANY LIMITED	EGCO	ELECTRICITY GENERATING PUBLIC COMPANY LIMITED

**Table 2.2 Thailand Sustainability Investment 2018 announced on 17th October 2018
(cont.)**

SET Listed Companies		Resources	
Consumer Product		IRPC	IRPC PUBLIC COMPANY LIMITED
S & J	S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED	PTG	PTG ENERGY PUBLIC COMPANY LIMITED
Financials		PTT	PTT PUBLIC COMPANY LIMITED
BAY	BANK OF AYUDHYA PUBLIC COMPANY LIMITED	PTTEP	PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED
BBL	BANGKOK BANK PUBLIC COMPANY LIMITED	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING PUBLIC CO.,LTD.
KBANK	KASIKORNBANK PUBLIC COMPANY LIMITED	SCG	SAHACOGEN (CHONBURI) PUBLIC COMPANY LIMITED
KKP	KIATNAKIN BANK PUBLIC COMPANY LIMITED	TOP	THAI OIL PUBLIC COMPANY LIMITED
NSI	NAM SENG INSURANCE PUBLIC COMPANY LIMITED	TTW	TTW PUBLIC COMPANY LIMITED
SCB	THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED	Service	
TISCO	TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED	AOT	AIRPORTS OF THAILAND PUBLIC COMPANY LIMITED
TMB	TMB BANK PUBLIC COMPANY LIMITED	BEM	BANGKOK EXPRESSWAY AND METRO PUBLIC COMPANY LIMITED
Industrials		BWG	BETTER WORLD GREEN PUBLIC COMPANY LIMITED
AH	AAPICO HITECH PUBLIC COMPANY LIMITED	CENTEL	CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED
IRC	INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED	CPALL	CP ALL PUBLIC COMPANY LIMITED

**Table 2.2 Thailand Sustainability Investment 2018 announced on 17th October 2018
(cont.)**

SET Listed Companies		Resources	
IVL	INDORAMA VENTURES PUBLIC COMPANY LIMITED	HMPRO	HOME PRODUCT CENTER PUBLIC COMPANY LIMITED
PCSGH	P.C.S. MACHINE GROUP HOLDING PUBLIC COMPANY LIMITED	JWD	JWD INFOLOGISTICS PUBLIC COMPANY LIMITED
PTTGC	PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED	NYT	NAMYONG TERMINAL PUBLIC COMPANY LIMITED
SAT	SOMBOON ADVANCE TECHNOLOGY PUBLIC COMPANY LIMITED	TBSP	THAI BRITISH SECURITY PRINTING PUBLIC COMPANY LIMITED
SNC	SNC FORMER PUBLIC COMPANY LIMITED	Technology	
SSSC	SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED	ADVANC	ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED
TSC	THAI STEEL CABLE PUBLIC COMPANY LIMITED	DELTA	DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
TSTH	TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED	DTAC	TOTAL ACCESS COMMUNICATION PUBLIC COMPANY LIMITED
Property & Construction		INTUCH	INTOUCH HOLDINGS PUBLIC COMPANY LIMITED
AMATA	AMATA CORPORATION PUBLIC COMPANY LIMITED	PT	PREMIER TECHNOLOGY PUBLIC COMPANY LIMITED
CK	CH. KARNCHANG PUBLIC COMPANY LIMITED	SYNEX	SYNNEX (THAILAND) PUBLIC COMPANY LIMITED
CPN	CENTRAL PATTANA PUBLIC COMPANY LIMITED	THCOM	THAICOM PUBLIC COMPANY LIMITED
DRT	DIAMOND BUILDING PRODUCTS PUBLIC COMPANY LIMITED	TRUE	TRUE CORPORATION PUBLIC COMPANY LIMITED

Those are the company which meet the assessment of ESG standard. They have ability to be sustainability stocks that SET would recommend the investor to buy and keep in long run. In this case, it can prove that leaders in the SET THSI Index companies have capability to inspire their people inside company. The question is what are the characteristic, behavior, or subject in company leader that the investor considers before become a shareholder in the company.

2.5 The related Leadership Theory

The last section of literature aims to find a keys characteristic and how a leader inspires people. Secretan (2004) suggest that everybody needs to be inspired by some person at the same time we are the inspiration of someone. To appreciate the effect of inspiration the great leader must know how to inspire people around him or her as well. Inspiration can build from relationship that may come from friendship, family, corporation, community and country. The leader can make the better world by the power of inspiration. Whereas sustainability cannot success by law, same as we cannot force people to love another one. It needs fully support from board director and committee to drive every factor. It is challenge for the leader to develop an organization, citizen and environment around company. However, many leadership theories can access external character, internal emotional intelligent and leadership style. Silbiger (2012) suggests that The Leadership VCM Model can be the tool to identify leader's personal profile. The VCM Model can divide into three important characteristics as follow:

- Vision
- Commitment
- Management Skills

Every leader exhibits these pillars in different proportions and non-particular mix in best patterns. It is depending on the nature of the job of each company and individual. For example, Steve Jobs had sweeping visions when he starts to make a personal computer that easy to use for human in 1980s and continue his vision to grow up his business by producing user-friendly technology. But sweeping visions may not work in the accounting profession that needed management skill and commitment to work as key success

Leadership Patterns of Vision, Commitment and Management:

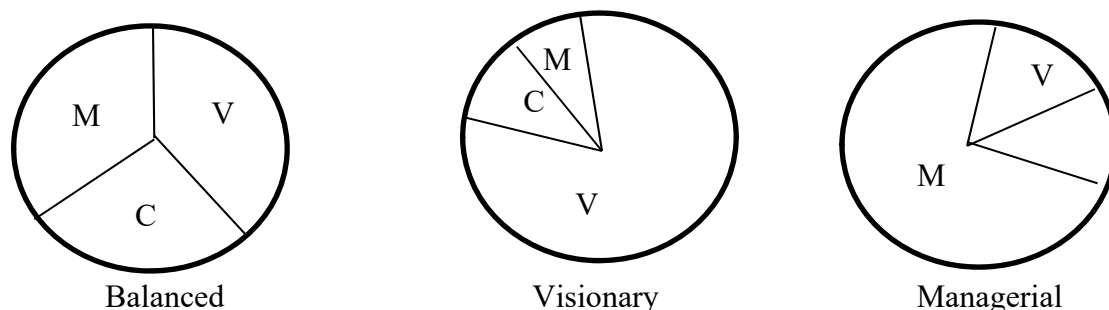


Figure 2.3 The Leadership Patterns of VMC model

Source: Adapted from Sillbiger, (2012) “The Ten Day MBA, 4th Edition”, p131.

Another interesting model that may link to influence people is an individual trait of the leader which can explain by trait theory of leadership. Even many professors can prove that leadership is made not born. But most of the investor knows the company and its leader via news and other media. So, the attribute of the leaders would be an important factor that appear to others in the beginning phase. Robbins and Judge (2016) mention about the detail of trait theory of leadership focus on personality and trait of leader. This theory was established by Thomas Carlyle in 1800s. The theory aims to explain leadership based on personal qualities and characteristics. There are seven competencies of effective leaders that related to trait theory as follows:

Table 2.3 Leadership trait theory

Leadership trait	Description
Drive	The internal motivation of leader to accomplish the goal
Leadership motivation	The power of leaders in socialized to lead other people in the organization to accomplish the team's goal
Integrity	The leader's truthfulness to translate words into deeds.
Self-confidence	The ability to believe in leadership and make the other impress and feel confident to follow
Intelligence	The leader's capability that above-average abilities to process a hard work

Table 2.3 Leadership trait theory (cont.)

Leadership trait	Description
Knowledge of business	The understanding of leadership in a business environment and find the opportunity for business
Emotional Intelligent	Ability to monitor one self's emotional and know how to express in front of people

Source: Adapted from “Organizational Behavior” by Steven L. Mcshane and Mary Ann Von Glinow, (2003). p418.



CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

From literature review in Chapter II, there are some research and article that shown how leadership relates to stock investment. This part of study is going to explore more about the factor that the stock investor concerns about leadership in stock provider company in long term investment by using qualitative method. This method can support exploring and understanding of the finding areas as well. The study will focus on finding key characteristic of leaders which the investor looking for by in-depth interviewing with the investor who usually buys and holds stock in SET THSI Index company. Because of this index was recommended by SET as sustainability stocks which appropriate for long term investment., so the researcher can know opinion of interviewee from answer, tone of voice and reaction.

The target investor would be asking by a set of questions that were created as open-ended questions to see the idea that lead investor to buy SET THSI stock and how the investor concerns in the leadership of leader in stock provider which they buy and hold, include with the factor of a company leader that makes them impress and trust. All questions were desired based on CAN SLIM Method, Leadership VCM Model and Leadership Trait theory. At the end of this section, the researcher expects to combine the answers from all interviewees to answer how much they concern in company leader, factors in leadership that they concern in their investment and end with recommendation for the leader of companies who provide stock.

3.2 Sample and Data Collection

The researcher assumes areas that investor expect from leader of stock provider company as a primary source for this study. The answers from stock investors in SET THSI Index are the key factors to identify how they concern in the leadership of stock company.

The sample group are five stock investors who have investment experience in SET THSI companies. The sample criterial are following:

- The sample must invest in SET THSI Index more than one year.
- The invest volume of holding stock should not less than five hundred stocks.

Because of the long term investment determined by invest huge number in a year period.

- However, gender, age, work position, and other factors would not affect this study.

The researcher plan to interview and find the sample group by using convenience sampling and purposive sampling method. Collecting data by using convenience sampling, the researcher visited to Maruey Knowledge & Resource Center at The Stock Exchange of Thailand and find three investors who matched the criteria as a sample group. For the purposive sampling the researcher will interview with the two investors who meets the requirements and have access to information easily. The samples information are as below:

- The sample information from purposive method:

1. Name: Mr. Pasakorn Lohachinda

Interview Channel: Telephonic interview

Location: Interviewee's resident in Satun, Thailand.

Date: 26th February 2019

Interview time: 19.00-19.40 p.m.

Investment Information: He has two years' experience in SET market. He has hold 700 TISCO (TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED) stocks for around one-and-a-half-year.

2. Name: Mr. Chaturong Kaewkhao.

Interview Channel: Face to face interview

Location: Na-Langu café, Satun, Thailand.

Date: 1st March 2019

Interview time: 13.30-14.30 p.m.

Investment Information: He has invested in SET market and holding 2,600 STA (SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED) stocks around two and half years. Mr.Chaturong has around two to three years' experience.

- The sample information from convenient method:

1. Name: Ms.Puree Surathitimetakul

Interview Channel: Face to face interview

Location: Maruey Knowledge & Resource Center at Thme Stock Exchange of Thailand

Date: 4th March 2019

Interview time: 10.20 – 10.55 a.m.

Investment Information: She has ten years' experience in investment in SET market and holding more than ten-thousands of PTT (PTT PUBLIC COMPANY LIMITED) stocks and another ten- thousands of AOT (AIRPORTS OF THAILAND PUBLIC COMPANY LIMITED) stocks since her start investment until now.

2. Name: Mr.Krit Nubthong

Interview Channel: Face to face interview

Location: Maruey Knowledge & Resource Center at The Stock Exchange of Thailand

Date: 4th March 2019

Interview time: 11.15 a.m. – 12.15 p.m.

Investment Information: He has three years' experience investment in SET marker. He was an investment consultant for two years and does his own business last year but still hold more than five thousand stocks of IVL (INDORAMA VENTURES PUBLIC COMPANY LIMITED) and eight thousand stocks of BEM (BANGKOK EXPRESSWAY AND METRO PUBLIC COMPANY LIMITED) until now.

3. Name: Ms. Ruwida Dhorlar

Interview Channel: Face to face interview

Location: Maruey Knowledge & Resource Center at The Stock Exchange of Thailand

Date: 4th March 2019

Interview time: 13.45 – 14.30 p.m.

Investment Information: She has one-year experience in stock investment by holding six hundreds of CPF (CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED) stocks one of SETTHSI Index Company.

3.3 Instruments

As per information above, the guideline for interview questions to find out the concern area in leadership of stock investors would be comprised of two parts as follows:

Question of stock investor (The sample group)

• Part 1: Personal information of interviewee to confirm that she or he is the right sample

1. How long have you invested in SET market?
2. How many stock do you buy per time?
3. Do you know SET THSI Index?
4. If yes, what stocks do you hold for too long? How long?

• Part 2: The opinion to leader of stock provider company

1. What are the factors that influence you to buy and hold stock for long term? How?

2. How many percentages do you concern about the leader of the stock provider company?

3. Do you know the leader of the company you invest?

4. Who is the leader in stock provider company that you impress? Why?

5. Do you think leadership is another key factor that influence you to buy stock?

6. If yes, please explain; if no, please reveal the key factors that influence you to invest.

7. If you heard bad news about the company leader that they lack of ethics or do something illegal. How you will react to that news? Will you still buy that stock?



CHAPTER IV

DATA ANALYSIS

According to the answers from interview. There are several relative areas between investors, investment and their concern in company leaders. All of interviewees share different perspectives in leadership of stock provider company. Almost of interviewees do not consider ESG standard and do not know SET THSI Index even though they have invested in THSI companies for long time. Even though, they still looking for the best company to invest. Mr. Passakorn, Mr.Krit and Ms. Puree show the same factors that influence them to buy stock which are company financial statement and ranging in market. All of the interviewees concern in dividend per share a lot. They said dividend yield is the main income of long term investment. Consistent to CAN SLIM method which explain elements of good stock that investor should consider to buy. The primary factors that majority interviewees concern before buying stock would be

- C- Current quarterly earnings per share
- A- Annual earnings per share increase
- S-Shares outstanding
- L- Leader or laggard
- M-. Market direction.

However, N-New product/service or management was not mentioned and only one of five interviewees, Ms. Chaturong agree that I- Institutional sponsorship is a very important factor to influence him to buy and hold stock. Mr. Chaturong gives fifty percent to consider company owner. He usually studies board director of every companies that he invested, but others interviewee do not see company leader as a key factor that influence them to buy stock. Although, there are three from five interviewees tend to sell stock immediately after they hear bad news about top management of the company. So, the investors see company leader as a supplementary factor when they buy stock, but the company leader can turn to very important factor that makes investors stop holding their stock when bad news about him or her was released in publish.

In this chapter, data were analyzed to explore areas that investor concerns in leadership which can influence them to buy and hold the stock. To illustrate, there are 4 areas that investor consider in leader of stock provider company as following:

4.1 Leader's trait

All interviewees answer with the similar answers. They want to keep their money in the company which lead by the leader who has good social image, trustable and ability to motivate people during climate situation. Those answers can refer to the leadership trait theory. Especially, Mr. Chaturong said "I impress Mr. Veerasith Sinchareonkul, Chairman of Risk Management Committee of Sri Trang Agro-Industry Public Company Limited. He leads the company pass the negative profit issues and get highest profit in last year by his ability to transfer the company with high innovation". Mr. Chaturong sees Mr. Veerasith's trait as the important factor that influence him to bought and hold stock until now. While, Ms. Puree, Ms. Ruwida and Mr. Pasakorn also give answer which related to trait theory. They suggest that they expect to see company leader who have strong trait as following:

- Intelligence and has ability to make the right decision
- Has high skill and task competency
- Can achieve company goal with high motivation
- Has ability to lead people by motivate them to work
- Trustable and ethical
- Adaptability and flexibility
- Good emotional control

"I will not invest in the company that has bad news about its leader because I think poor leadership can lead the company to an unsustainable situation in the future. It's not a good idea to invest in a company like this", said Mr. Pasakorn. Especially, he does not want to support the leader who lack of ethics, he said. The unethical leader may cause the company bad images. He supports that "The unethical leader may lead to bad company image", said Mr. Pasakorn. While, Ms. Ruwida mentions that "If the leader can do illegal things personally in real life, she or he tends to do the same thing

in business”. She does not support the illegal business. Mr. Chaturong also mentions about the social concern that he will not keep his money in the company which leads by an unethical person even lack off emotional control issue is still impact on his investment. He will not keep his money in the company which lead by unethical person.

However, Mr.Krit and Ms.Puree will hold stock for a while to see direction of issue. Mr. Krit said “It is an opportunity to buy stock in the company which has bad news. If news impact to leader personally but the company projects still move on and has no problem to the financial statement because the other investors tend to sell stock in huge number, so the stock price will fell in that time”. He also gives an interesting idea about this issue. He thinks that the bad news of company leader tends to impact traders who buy and sell stock for the short term than it does to the investors., but he will not support to the fake leader. “There are many company leaders who lie to the investor to raise the funding. Because they do not keep their promise, they lost the investors' trust.”, said Mr.Krit. While, Ms. Puree said ““I focus on investments in monopoly business. So bad news of a company leader does not affect the company's performance in the long run”. She usually invests in the companies which have no competitor in market and get great support from government, so leadership is not effect to her investment any more.

Almost of the answer highlight in ethical leadership. Being loyal to stakeholders buy providing value to them can influent them to pay loyal back to the company. Doing what advertising has been promised and courage of conviction can build a trust relationship., So sincere is a key word of ethical one. The company leader must give clear communication to company’s shareholder because every changing is risk of relationship between company and stakeholder. (Smith & Milligan, 2011)

4.2 Visionary Leader

One of the subtle factors influencing the investors to invest in stocks somehow relates to the idea of Visionary Leadership. As mentioned by Mr. Krit in his interview states that he looks for leader who have ability to drive or lead the company to achieve its future directions. The impression of Mr. Krit towards Mr. Plew Trivisvavet, Vice Chairman of the Board Directors and Chairman of Executive Committee Bangkok

Expressway and Metro Public Company Limited. “He has high governance and good charismatic. I would like to follow him after reading his article in a magazine. I feel that his vision is an important factor he uses to manage his companies. So he can expand the big company like CH. Karnchang Public Company Limited into many businesses.”, said Mr. Krit. According to Mr. Krit answer, the investor also sees visionary leader in VMC model and Charisma leadership as the expectation characters that can influence the investor to invest in the company.

As in works of Goleman et.al., (Goleman& McKee, 2002) they describe a leader as visionary one which transcends its followers to their common shared dreams. These leaders allow their subordinates to see the bigger picture about the company. This kind of leadership allows the transformation of the organization and its position in market wisely. Likewise, they have very strong hold over their values and drives the actions of the leaders. A leader with strong values concentrates on the people, the working aspects and the world at large and showcases its worthiness by building the images of how they work.

4.3 Generation of Leader

The study of Rudolph, Rauvola and Zacher in 2017 found that differentiation of leader’s generation can refer to different value, attitude and expectation of work. The baby boomer (1945-1964) and generation X (1965-1980) leaders tend to have different concern in job security, job satisfaction and reward preferences. The different generation also lead to different developing skill and work performance needed of leader self. As per the statement of Mr. Chautrong, he motioned that “The company led by the new younger generations seems to be moving much faster and more forward in terms of growth and profitability”. He projects his interest of investment into stocks also depending on the generation of leader that leads the organization. He finds it more favorable to invest in company which is led by younger leader than the older ones as he believes they have more drive and have great knowledge to lead the company.

As in the works of (Bruter & Harrison, 2009) where they made a comparison of the moral mind of the members in party with the younger and the elder members as leaders. They found that the younger members who are going to be the leaders are more

idealistic than the elder members. The younger members value their membership more, as well as are keen to give proper meaning and direction to their life. Thus, it is found that the younger members would-be leaders are found to be more moral minded. In the areas of professional mindedness also they found that the young leaders at such an age where they are focus and serious about their professional future strongly and works extra hard upon its attainment.

4.4 Family Business Ownership

The strength of family business ownership are harmony, trust and satisfaction. The family business leader will invest his or her energy for highest profit to the company. Combination of knowledge, point of view and skill from generation to generation within family. It can support growth model of company. From the beginning goal that focus on family need, but the result from harmony of family members will turn to good operation of company in the out side view. (Ward, 1997)

As per the statement from Mr. Chaturong he feels that the company that is family business oriented and is managed by the family members and as its leaders. Such firms tend to payout high dividends for the shares. That can be related with the proper management, careful planning and steering the company to right path as a lot is at stake for such leaders when managing the company. “The company which is family business and manage by family member trends to give high dividend because it is the right way that the owner can transform company money into their pockets”, said Mr.Chaturong. It pains, as well as alerts the leader more to be cautious in wrong investments and taking too much high risks.

According to study of Jon I, Martinez, Bernhard, S. Stohr, Bernando F. Quioga (2007) it indicates that the family business owners and its leaders garner their efforts and have the tendency of focusing on the long term sustainability and horizons in business. This is because the family members are the leader’s of the organization who have greater interest in long term sustainability and growth of company more than the shareholders. The investment the family owned business leaders make are more efficient and high risk averted as the leaders are more cautious. They want to pass on the business from one generation to another thus a lot of effort and cautionary measures

taken to sustain the business. Their research also concluded that the family-controlled firms led by the family as its leaders have superior performance over the no-family controlled businesses. The reason behind the family led business outweighing the non-family is due to the ability of the leaders to professionalize their management styles, ability to scrutinize and understand pressure of the market and the mindfulness of the accountability they behold to the business and shareholders. Thus these leaders overcome their status-quo of traditional art of business and convert their power and engagement in business into strength and growth.



CHAPTER V

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

There are many factors inside the company that affects investor confident from both internal and external the company. The external factor such as economic is difficult to control and it will impact the whole industry, but the internal one will directly impact to an organization. The example of internal factors are financial statement, profit forces, management team, and company leader. A leader is a person who plays an important role to manage and lead the organization to achieve the goals. Most decisions will be made by the leader such as vision, mission, and strategy. Those are the direction that will shape the organization will be in the future. The direction of the company is important information that investors use to analyze the company. While investment in a successful company is the popular financial planning for people who want to have stable money and expect to gain more in the future. Francis J. Flynn and Barry M. Staw, (2004) have shown that charismatic leadership can affect to increasing investment during the difficult period., but leading company in this era only the charisma leadership is not enough for influent the investor. Therefore, stock provider company should know the area in leadership that the investor concern and prepare the good talent who supposed to be next leader in the future for highest benefit to the company. This study also benefits to the investors that they can see another factor that impact to their investment from other investors perspective. This study done by in-depth of five interviewees who invest in SET THSI Index company more than one year because SET announced that THSI companies can refer to good leadership which have high potential to invest in long term. Stock in THSI company also present outstanding performance. All of SET THIS Index companies are leaders in SET marker.

From studying, almost of interviewees do not use SET THSI Index as a tool to make decision. The key factors would be financial statement, market position of company compare to industry and market direction. They tend to concern in leadership

in secondary factors when they make decision to buy stock, but company leadership can impact to their investment after unexpected news comes. The investor will sell stock that they hold as soon as possible after hear bad news about company leader. Definitely, factors that leader can influent investor to hold investment are

- Leader's trait
- Visionary leader
- Generation of leader
- Family business ownership

The investors would like to hold investment in company which lead by good trait and visionary leader because they believe that good trait and visionary leader is a part of high governance leader who can lead the company achieve the goal ethically with good company image in social. Including with impress in new generation leader can lead the company during crisis situation by using innovation and higher energy. And, family business which lead by family member also considerate point of investor. They refer to the family business will give a higher dividend yield and have stronger management team than competitors.

In conclusion, even though the investors do not concern leadership as primary factor that they consider before buying stock but bad leadership can effect to their selling stock. Almost of investor will sell stock after they see some bad news about leader of company which they invested. The investors believe that bad leadership refer to bad management. The bad management can effect to operation inside company and social view from outside the company. The leader who have good trait and focus on vision tends to impress the investors to buy and hold stock for long time. Likewise, some investors interest to invest in company which lead buy family member. Therefore, leader behavior, vision express, trustable, emotional control and ethical is impact to confident in company. The company should prepare the talent employee or the potential next leader who have skills to manage work inside the organization include with strong trait and vision focus to influence the outside investor. In the other hand, the investor should study CAN SLIM method as a decision making tool and invest in the company which operate based on ESG standard because the ESG standard will support good governance leader who tends to do business under ethical and legally to prevent an unsustainability investment.

5.2 Limitations and Future Study

This study focus on studying about investors' concern point in company leaders and what are the factors that they concern in company leader. It done by in-depth interviewing five investors who invest in SET THSI Index more than one year. There are two limitations of this study include with number of sample and study scope. To begin with number of sample. The further research should increase number of sample in investor side because every investor tends to concern in different areas. Therefore, the future researcher may find the different answer from this research by increasing number of investor. Following this, the researcher recommends to study in larger scope by research in other stock marker. The future researcher may find the interesting with investors' perspective in company leader which has different external factor with SET. For example, New York stock exchange, London stock exchange, Tokyo stock exchange and Shanghai stock exchange because the different culture and economic policy may lead to the different concern point in leader individual.

5.3 Recommendations

This study has learnt that nowadays, investors tend to see company leader as a supplementary factor when they buy stock, but company leader can be a factor that makes investor decide to sell their stock. When bad news about company leader was released in publish. Therefore, stock provider company can increase opportunity to maintain investment from shareholder by sharing positive information about its leader sincerely. Also, the company leader should be aware that his or her action can directly impact to the organization. Even, the investor trend to like young generation leader but the old generation leader also convinces the investor by present adaptability and innovation skill. Furthermore, preparing future leader is also important for sustainability business. The future leader should be chosen and trained with leadership trait theory such as leader's behavior, vision express, trustable, emotional control and ethical concern to influence the investors.

On the other hand, the investors should study more about stock analysis process before buying stock for their highest benefit. Sometime, consideration in company financial statement, stock price, or market position are not enough for sustainability

investment. There are many factors can effect to both short term and long term investment. Company leadership also appears as a factor that affect to investor confidence. For this reason, CAN SLIM model and SET THIS Index which mention to company leadership were established.

Finally, risky capital is common thing in investment. However, the investors must try to decrease risk as much as they can for their sustainable investment. The investor can use some method that proper for long term investment like CAN SLIM model or study SET THSI Index for analyst the best stock. All things considered in internal and external factors. Leader is an important person of company. The company supposed to find the best leader that investors need for future benefit. Although, the investors tend to less focus in leadership before buying stock but if there are negative news about company leader occurs, the investors will sell their holding stock in short time., So the company leader should study and follow leadership trait theory and try to be visionary leader to meet investors need.

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Appendix A: Investors' Perspectives of Company Leadership in the Stock Exchange of Thailand

Name of interviewee.....

Invest experience..... Years

The longest stock that hold names..... period.....Years

Date of interview.....Contact /Email.....

Time.....Place.....Time of interview.....

Question guide line	Key respond	Note
1. What are the factors that influence you to buy and hold stock for long term? How?	Sustainable stock/ ESG standard	
2. How many percentages do you concern about the leader of the stock provider company?	Leader concerns	
3. Do you know the leader of the company you invest?	Leader concerns	
4. Who is the leader in stock provider company that you impress? Why?	Name of company leader and reason	

Question guide line	Key respond	Note
5. Do you think leadership is another key factor that influence you to buy stock?	The Leadership /EQ/ Trait/ Inspiration	
6. If yes, please explain; if no, please reveal the key factors that influence you to invest.	The Leadership VCM Model/Trait/Inspiration	
7. If you heard bad news about the company leader that they lack of ethics or do something illegal. How you will react to that news? Will you still buy that stock?	Vision/Motivation Leader concerns	