

**UNDERSTANDING THE KEY FACTORS TO HOW A HOTEL IN  
THAILAND EMBRACED SUFFICIENCY ECONOMY  
PHILOSOPHY AND SURVIVED THE COVID-19 CRISIS:  
A SME HOTEL IN BURIRAM, AKELADA HOTEL**



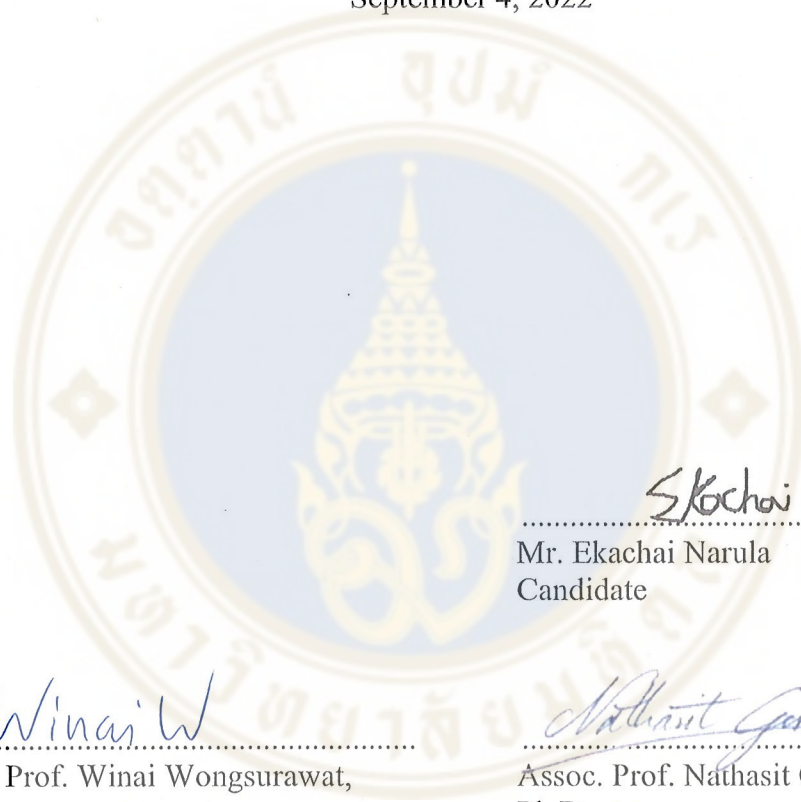
**A THEMATIC PAPER SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENT FOR  
THE DEGREE OF MASTER OF MANAGEMENT  
COLLEGE OF MANAGEMENT  
MAHIDOL UNIVERSITY  
2022**

**COPYRIGHT OF MAHIDOL UNIVERSITY**

Thematic paper  
entitled  
**UNDERSTANDING THE KEY FACTORS TO HOW A HOTEL IN  
THAILAND EMBRACED SUFFICIENCY ECONOMY  
PHILOSOPHY AND SURVIVED THE COVID-19 CRISIS:  
A SME HOTEL IN BURIRAM, AKELADA HOTEL**

was submitted to the College of Management, Mahidol University  
for the degree of Master of Management

on  
September 4, 2022



*Ekachai N.*

Mr. Ekachai Narula  
Candidate

*Winai W.*

Assoc. Prof. Winai Wongsurawat,  
Ph.D.  
Advisor

*Nathasit Gerdsri*

Assoc. Prof. Nathasit Gerdsri,  
Ph.D.  
Chairperson

*Vichita Ractham*

Assoc. Prof. Vichita Ractham,  
Ph.D.  
Dean  
College of Management  
Mahidol University

*Pabhawan Suttiprasit*

Pabhawan Suttiprasit,  
Ph.D.  
Committee member

## ACKNOWLEDGEMENTS

The successful completion of this research paper would not have been possible if I didn't have great ongoing valuable support and encouragement. Firstly, I would like to sincerely express my gratitude to my thematic paper advisor, Assoc. Prof. Winai Wongsurawat, Ph.D., who advised me through this research paper and was always open to a discussion whenever I was in need of further clarifications. Through the clarifications I received, it helped stay on track with the right focus until the completion of my research paper. Overall, I am truly honored to have had Assoc. Prof. Winai Wongsurawat, Ph.D., as my advisor.

Secondly, I would like to sincerely say a word of thanks to Khun Chris, General Manager of Akelada hotel, the hotel that is the case study of this research. Khun Chris granted me the permission to write about the story of how Akelada hotel adopted Sufficiency Economy Philosophy as well as the permission to organize in-depth interview with him and the employees of the hotel as well. Khun Chris devoted his time to share interesting stories and great insights with me about how his hotel adopted the Sufficiency Economy Philosophy.

Finally, I would like to say thank you to every instructor, staffs, and friends at CMMU as well as my family members for their support and recommendations through completion of this research paper. The encouragement I received from everyone throughout kept me motivated to achieve the final completion of this research paper.

Ekachai Narula

**UNDERSTANDING THE KEY FACTORS TO HOW A HOTEL IN THAILAND EMBRACED SUFFICIENCY ECONOMY PHILOSOPHY AND SURVIVED THE COVID-19 CRISIS: A SME HOTEL IN BURIRAM, AKELADA HOTEL**

EKACHAI NARULA 6449059

M.M (MARKETING AND MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: ASSOC. PROF. WINAI WONGSURAWAT, Ph.D., ASSOC. PROF. NATHASIT GERDSRI, Ph.D., PABHAWAN SUTTIPRASIT, Ph.D.

ABSTRACT

The pandemic that had started back in the year of 2020 has made many several SMEs and Small businesses especially within the hospitality industry in Thailand to drown badly and forced them to closed down due to the high loads of financial debts they owed. Although many were forced to closed down, there sure were ones that have survived. There was one SME Hotel in Buriram province in particular that survived through using the concept of Sufficiency Economy Philosophy (SEP) which, comes from the inspiration from sustainability. In addition, Sufficiency Economy Philosophy indeed interestingly also does have a relation to some of the SDGs that the United Nations has plans for our world to achieve the goals by 2030 as well. The purpose of this paper therefore aims to study how has Akelada hotel applied SEP and to identify the key factors that lead to a successful application of SEP within the hotel. The research methodology will be executed via qualitative research through conducting in-depth interviews with five respondents, that has connection to the SME hotel being studied. Lastly, the findings from this research aims to provide one conclusive framework that will act as one method for other SMEs or other Small businesses within the hospitality industry to have the idea on how they could apply SEP concept into reality within their business operations.

KEY WORDS: Sufficiency Economy Philosophy / Thai SME / Leadership / Staff Development / Pricing Strategy / Innovation Strategy / Stakeholder Satisfaction

40 pages

## CONTENTS

	<b>Page</b>
<b>ACKNOWLEDGEMENTS</b>	<b>ii</b>
<b>ABSTRACT</b>	<b>iii</b>
<b>LIST OF TABLES</b>	<b>vi</b>
<b>LIST OF FIGURES</b>	<b>vii</b>
<b>CHAPTER I INTRODUCTION</b>	<b>1</b>
<b>CHAPTER II LITERATURE REVIEW</b>	<b>5</b>
2.1 Definition of SME	5
2.2 Sufficiency Economy Philosophy	5
2.3 Effective Leadership	8
2.4 Staff Development	9
2.5 Pricing Strategy	10
2.6 Innovation Strategy	11
2.7 Stakeholder Satisfaction	11
<b>CHAPTER III RESEARCH METHODOLOGY</b>	<b>12</b>
3.1 Research Design	12
3.2 Research Scope	12
3.3 Data Collection and Selected Interviewees	13
3.4 Interview Questions	15
<b>CHAPTER IV FINDINGS AND ANALYSIS</b>	<b>21</b>
4.1 Success from Sufficiency Economy Philosophy Analysis	24
4.1.1 Effective Leadership	26
4.1.2 Staff Development	27
4.1.3 Pricing Strategy	29
4.1.4 Innovation Strategy	29
4.1.5 Stakeholder Satisfaction	30

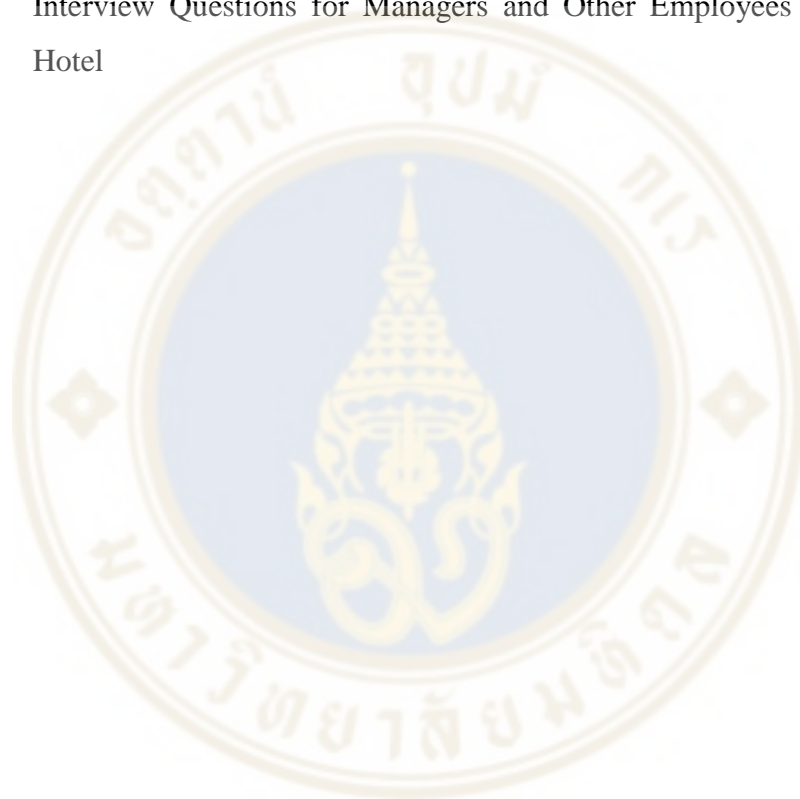
**CONTENTS (cont.)**

	<b>Page</b>
<b>CHAPTER V CONCLUSIONS AND RECOMMENDATIONS</b>	<b>31</b>
5.1 Conclusion	31
5.2 Limitation of this study	33
5.3 Recommendation	34
<b>REFERENCES</b>	<b>35</b>
<b>BIOGRAPHY</b>	<b>40</b>



## LIST OF TABLES

<b>Table</b>		<b>Page</b>
3.1	Interviewees' Information	14
3.2	Interview Questions for the General Manager of the Hotel	16
3.3	Interview Questions for Managers and Other Employees of the Hotel	18



## LIST OF FIGURES

<b>Figure</b>		<b>Page</b>
2.1	Sufficiency Economy Philosophy Framework	7
2.2	Maslow Hierarchy of Needs	10
5.1	Conclusive Framework	33





## **CHAPTER I**

### **INTRODUCTION**

For the past many years and until today, small and medium-sized enterprises or in short SMEs played a strong and significant role for the Land of Smiles, Thailand's economy. A lot of us may not be aware of but according to the Office of SMEs promotion, in the year of 2018, SMEs in Thailand compromised to the amount of 99.8% of all companies (ADB Institute, 2020). The number is significantly high and could be clearly analyzed that SME contributes so much into Thailand's Gross Domestic product or GDP on the whole. It is known that the labor forces SMEs hire and the GDP that it contributes to, is what drives our Thai economy. The SMEs can be divided into many industry sectors and one of the sectors that is also the focus for this research paper, is the hospitality industry. Why hospitality industry? First of all, the hospitality industry is one key important industry sector for Thailand. The hospitality industry by itself its known to act as a major contributor with a 21.9% towards the overall Thai GDP in the year 2019 nevertheless, it rapidly declined to 6.78% of the Thai GDP in 2020 from the harsh pandemic that occurred (Clarke, 2021). The total number was approximately a 15.12% drop in the GDP within a year and it effected the Thai economy a lot moreover, it resulted in many several SMEs stepping out of the race instead of continuing their businesses' operations. When the pandemic hit, Thailand's country borders was announced closed completely with acceptance of no tourist plus the closure of local business, it sure resulted in a decrease of the purchasing power parity during that period. This was one of factors several SMEs couldn't hold on to business operations. One of other the factors that caused SMEs or small businesses to end their journey of business is because, the large financial debts payment that is there for them to carry. Even though SMEs has a big play in the country's economy, their finance budget may not be as much as large enterprises, as a result, when the number of sales volumes decreased strikingly during the pandemic, it was simply the end of the line for them.

Although stories of SMEs that couldn't go on through the pandemic was abundant and sure did it effected the economy to a great extent, as we know how SME is important to the Thai economy. Nonetheless, there were SMEs that survived through various fascinating methods within the hospitality industry and one in particular survived as they had adopted the Sufficiency Economy Philosophy (SEP) concept. Why is Sufficiency Economy Philosophy interesting? The Sufficiency Economy Philosophy (SEP) is a concept that is known and originated in Thailand however, it hasn't really much been used openly and widely within the hospitality industry. The Sufficiency Economy Philosophy (SEP) interestingly is one framework that has a strong linkage or a purpose towards sustainability development (Sufficiency Economy Movement Sub-Committee, 2007). Sustainability development is important nowadays as it has an interrelatedness to what the United Nations also tries to focus on by setting up the 17 Sustainable Development Goals to achieve the goals by the year of 2030 as well. SEP concept shares principles that are related to the SDGs set by the United Nations such as, sustainable economic growth, sustainable production, and sustainable consumption (TICA-Thaigov, 2020). Linking through the SDGs, the world's sustainability market and its trend is forecasted to also be growing as 2030 approaches hence, SEP concepts adoption is one method towards where SMEs in the hospitality industry can seek as a method in adoption towards sustainability development.

Adding on, the other reason to why Sufficiency Economy Philosophy (SEP) is a good concept to be applied for SMEs in hospitality industry is because it teaches the firms to practice "Sufficiency", the first word from the name of the philosophy. Sufficiency actually stresses the concept of not doing something too much or too less but rather in a moderate level towards every single action that one may take, and through this it is believed to also help a firm have a sufficient protection from any shocks from both internal or external means (Mongsawad, 2010). Shocks from the internal factors here could convey to any internal issues within the firm itself like human capital or employee's issue, financial issues, stakeholders' management, etc. While as the external factors are external issues, like the Covid-19 pandemic that caused several SMEs to close their business down as well as any particular macroeconomical issues. Therefore, understanding the SEP concept is engrossing for the hospitality industry as the industry is one of the few main industry prone in meeting with internal shocks or external shocks

more often. Some of the previous shocks that have affected hospitality industry a lot before is known to be the Tom Yum Kung crisis and Thailand's political issues in the past. Sufficiency Economy Philosophy could be the beneficial answer for SMEs to practice and know so they can protect themselves from future shocks that lies ahead.

Clearly Sufficiency Economy Philosophy can benefit the world we live in and that is why the writer is truly inspired and is keen to explore what are the key factors towards the application of SEP within the hospitality industry. Prior through the pandemic time, the writer has heard of too many news about employees within the SME of the hospitality sector that have lost their job through during the period too. The writer wouldn't want SMEs in the hospitality industry to face the same issues in the future and that is why the writer is motivated on writing this case study of a hotel located in Buriram that have successfully adopted the Sufficiency Economy Philosophy (SEP). The writer objectives from this research have aims to provide one framework that will act as one method for other SMEs or other Small businesses within the hospitality industry to have the idea on how they could apply Sufficiency Economy Philosophy concept into reality within their business operations.

This SME hotel that will be studied is located in Buriram province, aside from being known to apply Sufficiency Economy Philosophy, they also have won a silver award for the World Responsible Tourism Awards in the year of 2021 as well. As the hotel won the award amidst during the pandemic, is the key reason to what motivated the writer to choose this particular hotel as the case study for his research paper. The name of the hotel that the writer is studying a part of this case study is Akelada hotel. The writer briefly was aware that Akelada hotel adopts SEP through the hotel's General Manager, Khun Chris, who once attended as a guest in one of the writer's class at College of Management, Mahidol University. The writer then approached Khun Chris via social media to seek his permission, to explore the key factors to how he adopted SEP, through this research paper. Adding on, the value added of studying a hotel located in Buriram that applied SEP is also that the location of hotel is not at one of Thailand most touristic cities. As we may be aware of, Thailand most touristic cities that comes primary to people's mind are usually ones like Phuket, Chiangmai, Pattaya, Huahin, etc. Akelada hotel is located in the province of Buriram as part of Nang Rong district and is

a province not known to attract as much tourist like others but, still was able to survived through the pandemic through their application of the SEP concept.

Overall, this paper would have great value for current owners or new entrepreneurs that are operating business as SMEs or Small businesses within the hospitality industry. As our world continue to head on into the uncertain future ahead, new internal or external shocks would be assured to appear and it will certainly be unpredictable. Sustainability development through the concept of Sufficiency Economy Philosophy would be one method towards easing off any bad storm. SMEs or Small businesses within the Hospitality industry in Thailand could apply a sustainable framework like SEP, as it's important to maintain this industry for its continuous significance as a key piece of Thailand's economy for a long time ahead.



## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Definition of SME**

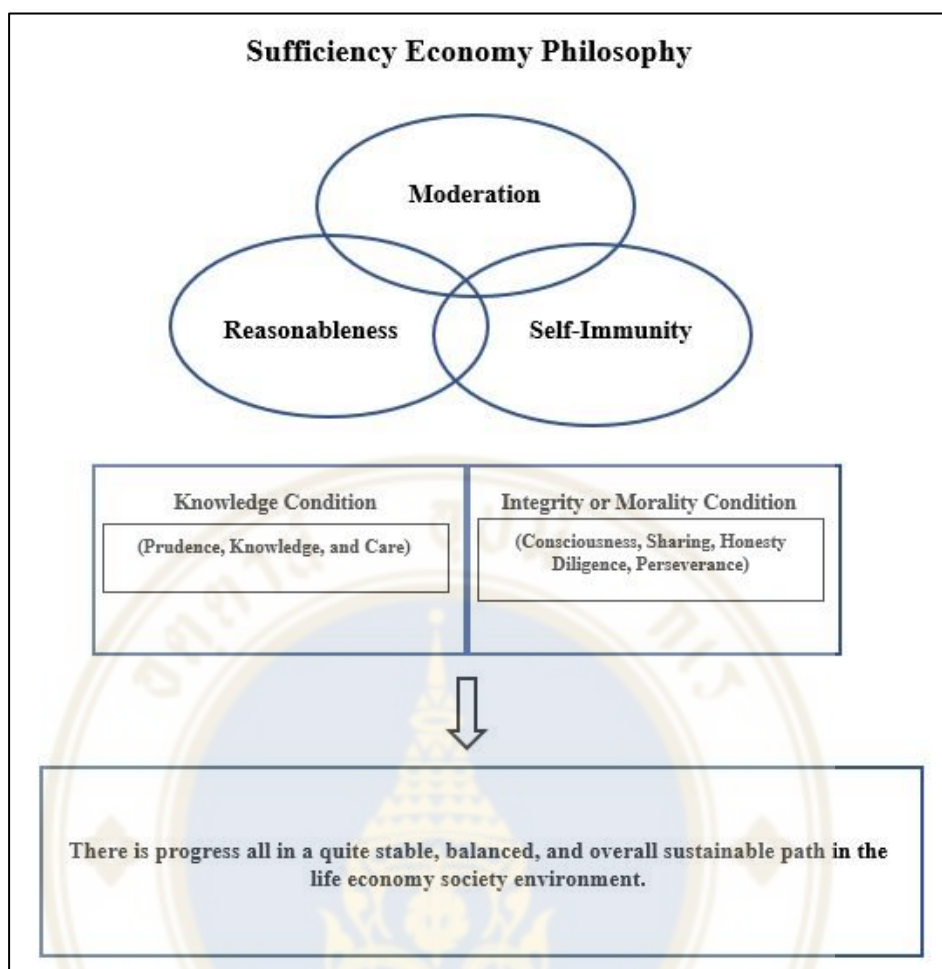
Prior to looking and understanding more in-depth towards Sufficiency Economy Philosophy concept, let's first understand the definition of SME as it will be the focus for this study. In the world today, SME as a full name is known to be called as small and medium size enterprises. SMEs actual definition around the world actually vary by country depending on several reasons like the economic or social position. Aside from looking at the economic or social position, SMEs usually also have several indexes implemented to define them. Hence, some of the indexes could be categorized by looking at the volume of an SMEs yearly sale, the total ownership of assets, the total headcount of employees within the firm, etc. Overall, the best way to understand if your firm is considered as an SME, information should be gathered on what indexes is classified by each country. For Thailand, the Thai Ministry of Industry has created indexes to identify a Thai SME if the SME has less than two hundred million baht of fixed capital and two hundred employees as well. The term of fixed capital here as part of the indexes does not include any property or land the SME may own (Rujirawanich, Addison, and, Smallman, 2011).

#### **2.2 Sufficiency Economy Philosophy**

The SEP or Sufficiency Economy Philosophy have been in Thailand past for many years now since, his Majesty King Bhumibol Adulyadej, shared the philosophy to we Thais' during December of 1997. The word Sufficiency Economy, focuses on what we call the middle path and believes that it is the path everyone can follow. In this case, the middle path can be followed by a single individual, our families, or even the community that we are living with. In addition, the sufficiency economy can be applied to the nation level as a choice of strategy to prevent from any unavoidable

shocks that may approach at any time. On the other hand, the word Sufficiency by itself would have a definition as to be in a moderate level with anything one may do and as well as that, there is a need to look out for any shocks from either internal or external through having the right protection (Mongsawad, 2010).

Under the Sufficiency Economy Philosophy there are three major components that also acts as the principles for the philosophy. The three principles are known as moderation, reasonableness, and self-immunity which, is presented on figure 2.1 below. The three major principles of the Sufficiency Economy Philosophy are known to have a linkage or being interconnected. The first principle, moderation, has a definition of how people should make a living. One can follow moderation if one lives by doing everything at a moderate level not to an extreme level and one should follow the middle path (Mongsawad, 2010). The second principle is known as reasonableness which has a definition that through any action one may take an assessment towards that action must be undertaken as well as, understanding the potential outcome or effects of those action (Suttipun and Arwae, 2020). The second principle is link and has correlation to when one can reflect themselves and are able to be mindful of one's own action (Von Feigenblatt, Pardo, and Cooper, 2021). The third major principle which is self-immunity is linked mainly to resiliency and how one or the firm is able to manage any type of unforeseen shocks that they may come across (Arpanatikul et al., 2021).



**Figure 2.1 Sufficiency Economy Philosophy Framework – Source: (Pavarolanwittaya et al., 2007)**

As per the figure 2.1 above, aside from the three major principles mentioned during the previous paragraph, there are two other conditions that is required to make Sufficiency Economy Philosophy work. The other two conditions are known as the knowledge condition and the morality condition. Firstly, knowledge simply is defined to be that one should have an understanding of the work that one is doing, in a specific area of action (Suttipun and Arwae, 2020). While as, the morality condition refers to the virtues one has for work such as, perseverance, honesty, and Integrity. Once one is able to integrate the major three principles and the two conditions, the ability to reach a balanced and sustainable path in the way one lives will be there (Mongsawad, 2010).

Adding on to the Sufficiency Economy Philosophy, there are certainly advantages of the usage of the philosophy for its usage in Thailand. SEP is a philosophy

that comes from the traditional values from we Thais moreover, the philosophy by itself is very flexible to be dealt with through any given scope of situation. Furthermore, it is one approach that can be implemented towards enterprises by any sizes or sectors also, whether the enterprise is small or large as well (Von Feigenblatt, Pardo, and Cooper, 2021). The Philosophy have been applied to business organizations before and some of the previous practices business have used SEP through their organization would be the following, not maximizing their short-term profitability, employees are what they are concerned of, they seek innovation plus have support it throughout the organization, concern for the stakeholders, risk management is done through diversifying products or service, and lastly they have a strong and steady organizational culture (Kantabutra, 2014).

### **2.3 Effective Leadership**

To understand the key factors on how SME or Small businesses in hospitality industry can apply Sufficiency Economy Philosophy, the writer wants to understand several factors that can be of influence included under the literature review. Leadership within an organization has always been important as it can influence the success of an organization. From previous research studies, it has been found that there is a linkage on factors like the strategy for change, the influential capability, and form of power on one being an effective leader (Kotter, 1999). Moreover, it has been said that most companies that do not have a leader with the characteristics to influence employees, is seen to move in a slow pace and often lose track on their goals. Overall, leadership has high importance for many factors such as direction setting, building employee's motivation, and maximization of the companies' performance (Kotter, 2006).

Every leader has their leadership style towards becoming an effective leader and some of the few leaderships theory widely known today would be Transactional leadership and Transformational leadership. *Transactional leadership*, is a leadership style that has several of its own limitation and considered to be focused on basic exchanges between two parties. The two parties for the exchange are usually the leader and the follower. Transactional leadership as a style has three main behaviors as part of



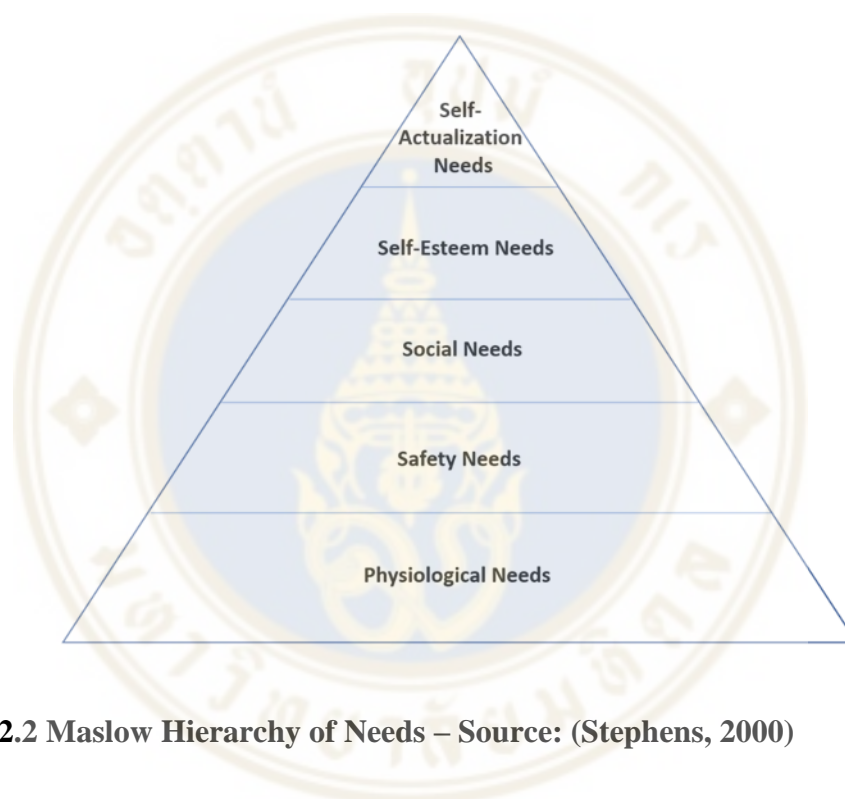
the style which is known as contingent reward, management by exception active, and management by exception passive. Firstly, contingent reward simply mean that the follower is rewarded with money or incentive as per completing what the follower is obligated to do based on the contract. On the other hand, management by exception active is define to be when the leader constantly monitors the follower's action of work through a quite proactive manner however, management by exception passive is define as when the leader is being reactive or simply wait for problems to unfold before stepping in to take action (Puni et al., 2021).

*Transformational leadership*, is a leadership style that the leader act in a way to seek the best for his/her followers, the community, and the organization. There are four behavioral components under the transformational leadership style which are idealized influence, inspirational motivation, intellectual stimulation, and lastly individualized consideration. Firstly, idealized influence is defined as that the leader acts to be role models for followers to look up to. The leader must be able to influence followers by his charisma and able show followers that the leader's has strong focus, confidence, and great values in what he is attempting to do for the organization or company (Puni et al, 2021). Secondly, inspirational motivation is achieved if the leader is able to set an attractive vision and able to communicates the vision with full passion (Hater and Bass, 1988; Bass and Riggio, 2006). Thirdly, intellectual stimulation is a leadership behavior that the leader is able to challenge followers to solve problems creatively and the followers are able to provide opinions or their input on solutions towards the problem as well. Lastly, individual stimulation is the component that involves leader's coaching ability to coach followers and also a focus to understand followers' personal needs. The personal needs focus on what followers wants to do to learn in order to grow with the organization (Puni, et al, 2021).

## **2.4 Staff Development**

Staff development is defined to be the development of employees' capabilities through official training that the employer has financially invested for. Training is one way for employee to learn and should be available to all the employees

in the organization (Kantabutra and Saratun, 2013). Training does provide employees with more knowledge but, does it provide employees or linke with the utmost level of motivation. The writer therefore, will include Maslow's hierarchy of needs motivation theory through this research, which includes five factors known as physiological needs, safety needs, social needs, self-esteem needs, and self-actualization needs, as part of this research as well (Maslow, 1943). The figure 2.2 will present the five factors from Maslow's hierarchy of needs that will be included for this research.



**Figure 2.2 Maslow Hierarchy of Needs – Source: (Stephens, 2000)**

## **2.5 Pricing Strategy**

Pricing strategy has been drawn from strategic marketing planning theory and is define as a plan the company have created through the usage of their price instrument. As part of pricing strategy there are the pricing practices which, helps execute the plans formed into practice (Ingenbleek and Van Der Lans, 2013) Pricing strategy has been seen as an important tool for a firm success especially through the ability to set an optimal price (Danziger et al., 2006).

Pricing is one part of the marketing theory known as the 4 P's and today there are several types of pricing strategies available, some to which are known as competitive pricing, customer value pricing, new product pricing, penetration pricing, cost-based pricing, etc, (Noble and Gruca, 1999).

## **2.6 Innovation Strategy**

The variable innovation is defined here to be a brand-new idea that have never been applied for usage at an organization or a firm before (Yuliana et al., 2021). Innovation is considered to be the development of new services or ideas that occur internally from within the company itself or externally (Ellitan, 2009). Furthermore, one service is viewed to be an innovation strategy for the firm if it is able to be implemented at an economical value and if the satisfaction level it provides is of quality (Nemati et al., 2010).

## **2.7 Stakeholder Satisfaction**

The term stakeholder satisfaction comes from the stakeholder experience with the firm or organization and the overall judgement the stakeholder has had from the experience (Bhattacharya et al., 2009) Overall, the satisfaction derives from a comparison one person give towards a service received and what was expected (Kotler, 2003). If expectation of the service is high, the satisfaction would eventually be high as well. There have also been research mentioning that the enhancement of a SMEs' sustainability or survival in the longer term can come from having stakeholder satisfaction (Avery and Bergsteiner, 2011; Kantabutra and Suriyankietkaew, 2013).

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

This research paper aims to answer the key factors towards how SMEs or Small businesses in the hospitality industry can apply SEP which, makes this exploratory research by its nature. As the writer wants to explore key factors, the research techniques that should be used would most be fitting through a qualitative research methodology. The primary research data has been collected and retrieved solely through the usage of in-depth interviews with formation of open-ended questions. Usage of in-depth interviews with open-ended questions provided interviewees with room to share and express an intense amount of rich information as well as, their strong feelings upon the questions asked as well. In addition, in-depth interview allows the writer to observe verbal behavior and expressive behavior of interviewees as well. As a result, in-depth interviews allowed the writer to explore the main insights of the true key factors underneath the iceberg towards how Akelada hotel located in Buriram province used SEP as part of their business, as it's the case study for this thematic paper. The sampling method that the writer uses for primary research data gathering is through judgement sampling. Aside from primary research, the writer has also depended on secondary research data from previous researches that have been studied on related topics to be of additional information and to act as a review when the writer draws the findings from the interviews.

#### **3.2 Research Scope**

Since the research applies qualitative research methodology and is focused on mainly one specific case study of the SME hotel in Buriram province that applied Sufficiency Economy Philosophy (SEP) and that, the writer wants to understand the key factors to how SEP was applied within the business successfully. Therefore, the key

focus of this research will be inclusive of only 5 respondents selected for an in-depth interview which, are divided as 1 respondent being the General Manager of his family-owned hotel, 2 respondents holding the managerial position within that hotel, and 2 respondents being other employees that holds an operational level position within the hotel. The 5 respondents will provide information from various perspective from the difference in their positions to answer the key factors on how SEP is applied with the SME hotel. Aside from that, the in-depth interview would primarily focus on only 5 key factors towards understanding how Akelada hotel in Buriram province applied SEP within their business. The 5 key factors the writer have included from secondary data research under the literature review will be analyzed through the in-depth interviews are factors inclusive of effective leadership, staff development, pricing strategy, innovation strategy and lastly, stakeholder satisfaction. The writer chose to focus only on 5 key factors so that the writer can understand the deep relationship it has towards application of SEP towards a SME or small business in hospitality industry. Furthermore, the scope of the research is a focus of only one SME hotel's case study as there is the limitation of time and, that is also why only 5 key factors would be what the writer wants to include under his findings.

### **3.3 Data Collection and Selected Interviewees**

SMEs or Small businesses within the hospitality industry that applies SEP are rare to find and, this is main reason towards why the writer's data collection is focused on and from only one SME hotel in Buriram province. Data collection was from primary research through in-depth interviews by asking via open-ended questions in a semi-structured interview format with all 5 respondents of various position within the hotel and through secondary research data retrieved through e-databases under literature review section. The in-depth interviews were all done through the online meeting method via Zoom and the total length of the interview with most respondents took roughly 30 minutes however, the interview with 1 respondent took 1 hour. Moreover, all data that has been collected via in-depth interview with the 5 respondents was scheduled during the 3rd week of June 2022. The five selected interviewees' brief information and introduction would be written through the short paragraphs below. In

addition, the table 3.1 listed below will present some of the brief information combined like, the name of the interviewee, the job title, when the interview took place, where it took place as the location, and how long was the interview.

**Table 3.1 Interviewees' Information**

<b>Interviewee's Name and Age</b>	<b>Interviewee's Job Title</b>	<b>Interview Date and Time</b>	<b>Location</b>	<b>Duration</b>
Chris – Age 42	General Manager	June 16, 2022 (3 pm)	Online Format (Zoom)	1 hour
Praew – Age 26	Sales and Marketing Manager	June 18, 2022 (2pm)	Online Format (Zoom)	30 minutes
Jiraya – Age 26	Assistant Manager for HR, Finance, and Accounting	June 19, 2022 (10 am)	Online Format (Zoom)	30 minutes
Suphawat – Age 50	Font Office Executive	June 19, 2022 (9:30 pm)	Online Format (Zoom)	30 minutes
Nuchari – Age 33	Font Office Executive	June 20, 2022 (5:30 pm)	Online Format (Zoom)	30 minutes

First and foremost, as per table 3.1 listed above, the very first interviewee was Chris. He is the General Manager of Akelada hotel which, the hotel is his family-owned hotel. So, he actually is considered as one of the owner of the hotel as well. Chris took over the position of General Manager at Akelada hotel completely on his own just 3 years ago, as before that, he has 20 years' experience in corporate life as a sales and marketing executive across Asia. Chris has worked in Samsung Electronics in Korea, taking care of emerging markets at Dell, worked in Microsoft as well as, in Apple too. Even though his full-time involvement with the hotel began three years ago, as the hotel is of his family, he is very much a part of the hotel ever since it started ten years ago in 2012. Chris is one person that is also very much involved in leading Akelada hotel to apply Sufficiency Economy Philosophy not long after the hotel started back in 2012.

The second interviewee was Praew and she is currently the Sales and Marketing Manager at Akelada Hotel. Praew has been with Akelada hotel for 4 years already as she joined the hotel after she newly graduated. She is responsible for majorly the sales activity in terms of quarterly target as well and planning marketing tactics

including pricing at Akelada Hotel. As 4 years at Akelada, she has seen how applying Sufficiency Economy Philosophy acted out and helped Akelada survive the pandemic. Furthermore, the third interviewee was with Jiraya, who is an Assistant Manager for HR, Finance, and Accounting at Akelada hotel. Jiraya mainly looks after all the financial activities planning for the hotel, the employment process, benefits that are given to employees, as well as the payment of salary for the employees. Jiraya has already been working with the hotel for 3 years after she graduated from university which, was right before the pandemic started. Akelada hotel was actually was her first full time job after she graduated.

The fourth interviewee was Suphawat, who works as one of the operational level position as a front office executive at the hotel. Suphawat has been working with Akelada hotel for nearly ten years already which was very close to since the hotel newly opened back in 2012. He is one of the very first few employees of the hotel that joined since the business began. Suphawat is mainly involved in helping out customers enquiries and being present at the reception area for a lot of the hotel's operational work. He has seen how the concept of Sufficiency Economy Philosophy slowly evolved into practice through the years at the hotel and how good the philosophy has been for the hotel, himself, and other employees too. Lastly, the final interviewee was another operational level position employee who also work as a front office executive at hotel, having a similar responsibility like Suphawat. The interviewee's name is Nuchari. Nuchari has worked for Akelada hotel for 3 years already and before working at the hotel she had some sales experience working with her family as well. Even though Akelada was the first hotel she worked for, she shared that her previous experience in sales made it easy to adapt on to various operational tasks at the hotel which includes, servicing customers at the hotel.

### **3.4 Interview Questions**

Since the research paper focuses on a case study of an award-winning SME hotel located in Buriram province that uses Sufficiency Economy Philosophy therefore, in order to understand the key factors, the interview questions for the respondent's would vary depending on the interviewee's position at the hotel. The interview questions

for the General Manager of the hotel would be created as one set with inclusive of questions to also understand Sufficiency Economy Philosophy concept's practical usage within the hotel plus questions to understand his thoughts on the key factors as per the research topic as well. While as, the focus of interview questions for the two managers and two other employees would have a main focus only towards understanding the key factors of how the hotel they worked for apply SEP successfully. The two set of interview questions would be shown as per the two set of tables below.

**Table 3.2 Interview Questions for the General Manager of the Hotel**

Topic:	Questions:
<b>1.Introduction</b>	1.1 Could you provide me with an introduction about yourself and your personal background? 1.2 Could you provide me with an introduction about Akelada hotel and hotel's brief background? 1.3 Why did Akelada hotel opened and started in Buriram province and not other touristic cities?
<b>2. SME</b>	2.1 Why would you categorize Akelada hotel to be considered as an SME Hotel?
<b>3. Sufficiency Economy Philosophy</b>	3.1 What had inspired you with the decision to study the framework and apply Sufficiency Economy Philosophy at Akelada hotel? 3.2 How had Akelada hotel applied Sufficiency Economy Philosophy practically towards the hotel based on the three components under SEP's framework, Moderation, Reasonableness, and Self-Immunity? 3.3 How had Akelada hotel applied Sufficiency Economy Philosophy practically towards the hotel based on two other conditions of the SEP framework, Knowledge and Morality Condition? 3.4 Could you share some success stories within Akelada hotel after SEP have been applied, what are some of the changes? Also, how did SEP help Akelada hotel survive crisis like the pandemic?



**Table 3.2 Interview Questions for the General Manager of the Hotel (cont.)**

<b>Topic:</b>	<b>Questions:</b>
<b>4. Effective Leadership Variable</b>	<p>4.1 What is your view on leadership when you were applying Sufficiency Economy Philosophy in your hotel?</p> <p>4.2 How would you describe your leadership style at Akelada hotel while implementing SEP?</p> <p>4.3 As the general manager at Akelada hotel when applying SEP, was there a vision that you have set for employees and did you have any method to inspire them to follow the vision?</p> <p>4.4 How would you describe the way you responded to employees when they approach you with problems during the time SEP was being implemented at the hotel?</p> <p>4.5 Did you used to have any coaching sessions with your employees on about SEP or for their personal goals development as their leader?</p>
<b>5. Staff Development Variable</b>	<p>5.1 Did there used to be hotel events for the employees or official trainings you organized for SEP practice at Akelada hotel, if yes please share more?</p> <p>5.2 What would you say was your strategy you use to motivate all your employees to adapt and practice Sufficiency Economy Philosophy at the hotel?</p>
<b>6. Pricing Strategy Variable</b>	<p>6.1 Through applying SEP at the hotel, did you have to make a change towards your hotel room pricing? If yes, could you share how did you have to change?</p> <p>6.2 Do you think applying Sufficiency Economy Philosophy have an influence on the price one can set for business in hospitality industry like Akelada hotel? Please provide your answer why?</p>

**Table 3.2 Interview Questions for the General Manager of the Hotel (cont.)**

<b>Topic:</b>	<b>Questions:</b>
<b>7. Innovation Strategy Variable</b>	7.1 What are the innovations (brand-new business ideas) that was applied towards Akelada hotel once you started implementing Sufficiency Economy Philosophy?  7.2 Based on your experience, what were the key reason why the new innovated business ideas related to SEP concept, worked out well for Akelada hotel?
<b>8. Stakeholder Satisfaction Variable</b>	8.1 What have been the major on-going support for or from stakeholders towards Akelada hotel since Sufficiency Economy Philosophy was applied and how do you feel about the on-going support stakeholders have been giving you?

The table 3.2 created above is an inclusive of all the interview questions to ask the General Manager or Akelada hotel. The next table 3.3 created below would be an inclusive of the questions to ask the two managers and two other employees that are currently working at Akelada hotel. The writer has used all the questions listed from both tables through the interview sessions however, through a semi-structured manner.

**Table 3.3 Interview Questions for Managers and Other Employees of the Hotel**

<b>Topic:</b>	<b>Questions:</b>
<b>1. Introduction</b>	1.1 Could you provide me with an introduction about yourself and your personal background?  1.2 How long have you been working at Akelada hotel and what is your current position?
<b>2. Sufficiency Economy Philosophy</b>	2.1 How did you feel when Akelada hotel applied Sufficiency Economy Philosophy?  2.2 Could you share some success stories you know about Akelada hotel after SEP have been applied, what are some of the changes you have seen? Also, how did SEP help Akelada hotel survive crisis like the pandemic?

**Table 3.3 Interview Questions for Managers and Other Employees of the Hotel (cont.)**

<b>Topic:</b>	<b>Questions:</b>
<b>3.Effective Leadership Variable</b>	<p>3.1 What is your view on leadership role at Akelada hotel, when Sufficiency Economy Philosophy was being applied?</p> <p>3.2 When you used to have problems and approach your boss while SEP was being applied, how would you describe the way your boss help you deal with those problems?</p> <p>3.3 Did there used to be a coaching session on SEP and session for developing your personal goals at Akelada hotel, and how you feel about it?</p>
<b>4. Staff Development Variable</b>	<p>4.1 Did there used to be hotel events for the employees or official trainings that was organized for SEP practice at Akelada hotel, if yes please share more?</p> <p>4.2 What would you describe as the main motivation you received from all Akelada hotel that made you want to adapt and practice Sufficiency Economy Philosophy at the hotel?</p>
<b>5. Pricing Strategy Variable</b>	<p>5.1 Through SEP being applied at the hotel, did you notice any significant change towards the hotel room pricing or services overall? If yes, could you share how did it change?</p>
<b>6.Innovation Strategy Variable</b>	<p>6.1 What are the innovations that you have seen (brand-new business ideas) that was applied towards Akelada hotel since implementing of Sufficiency Economy Philosophy started?</p> <p>6.2 How did you feel about the new innovated business ideas related to SEP that was applied and did you feel it worked out well for Akelada hotel?</p>
<b>7. Stakeholder Satisfaction Variable</b>	<p>7.1 What have you seen has been the major on-going support for or from stakeholders towards Akelada hotel since Sufficiency Economy Philosophy was applied and how do you feel about the ongoing support stakeholders have been continuously giving Akelada hotel?</p>

As per the tables above, the beginning open-ended questions is solely used to ask about respondent's background in order to gain several demographic information about the respondent as well. In addition, through each interview session, the writer has made sure to also provide an official statement mentioning the key purpose of interview's data collection to be used with full confidentiality for educational purposes only. Providing the confidentiality statement, built a certain level of trust from the interviewee's side and they were more open to share their deep feelings and strong opinions of key factors influencing SEP at the hotel, through the interviews.



## **CHAPTER IV**

### **FINDINGS AND ANALYSIS**

Behind every decision made there is usually a story behind and so it was the same for Akelada hotel and their reason in applying Sufficiency Economy Philosophy. From the interview with the General Manager, Chris, he did share the motivational factors towards how his family decided to apply SEP within the hotel and how the concept of SEP was applied in practical basis through the in-depth interview. Aside from that, the facts retrieved through all the other interviews was also definitely very interesting and the findings will be thoroughly analyzed in details through this chapter nevertheless, the writer would like to start of the chapter with a brief introduction of the hotel and why it is considered as a SME hotel.

Akelada hotel is a small and medium size own hotel in Nong Rong district of Buriram province, the hotel consists of only 60 rooms with 4 meeting rooms, for small conventions. The hotel was established and began their business in 2012 and has been running for around 10 years till date. Today, the hotel is functioning with only 12 employees and, Chris did share during the interview that their revenue size is much small when compared to medium or large hotels with 300 rooms and up. As pervious research studies states, the indexes that categorize a business to be a SME from the Thai Ministry of Industry is if the business has less than 200 million baht in fixed capital and if business have less than 200 employees, Akelada hotel therefore fits in the context as a SME hotel (Rujirawanich, Addison, and, Smallman, 2011).

Prior to starting Akelada hotel, Chris shared that his family owned only a hospital earlier in Buriram and with the result from the economic crisis in the year 1997, it made things to become very aggressive for them in managing the hospital afterward. The government changed the policy on reimbursement of pension and insurance and the other ongoing investments for them thus, made running only hospital alone to became quite overwhelming after the crisis. They therefore had to scale down on the size of their hospital few years after and with the thought of not wanting to lay off employees, they

began the establishment of Akelada hotel. The hotel was a diversification business strategy decided as the family members knew hospitals and hotels does have a similarity in terms of its concept of operating and the hotel will be able to accommodate employees from the hospitals, that they didn't want to lay off. The story behind the motivation of applying Sufficiency Economy Philosophy at Akelada hotel itself actually came from what the family faced during economic crisis of 1997. Moreover, the Sufficiency Economy Philosophy itself also actually originally was shared to Thai people during 1997. Chris shared strong feelings that from the crisis, his family's mindset changed in a direction which they did rather want to do business that gives social benefit to the environment and one that they didn't have to over invest or get loan from the bank. This inspired Chris in heading forward to study the concept of SEP and saw that the philosophy has a similarity or simply correlates towards the teaching to the Buddhist way of living too. Therefore, he was eagerly motivated with the decision to use the philosophy to be embedded in every action or decisions at Akelada practically, several months after the business newly started.

From the interview with Chris, the analysis of how Sufficiency Economy Philosophy is applied practically into Akelada hotel based on the framework figure 2.1 under literature review chapter are as follows. Based from the three major principles of SEP, firstly *Moderation*, was easily adopted simply by Akelada hotel through not being too aggressive in terms of any business actions even in investments and to be humble even when training employees. The action of the hotel is same as to what Moderation meant from past research, to live by doing everything at a moderate level, not to do something that extreme, and follow the middle path (Mongsawad, 2010). Secondly, *Reasonableness*, was practically practiced by decision makers or any other employees by constantly always checking with themselves whether a decision that is about to be decided on should be done right now or not, plus knowing it's effects. Hence, when the hotel started the organic farming behind the hotel area to serve customers at breakfast, Chris had to be reasonable on what he could plant that fit their soil quality and not to invest a lot to plant something that doesn't fit to their context currently, like producing apples or avocados for instance. Apples or avocados wouldn't be their strength of what they could produce on the farm, due to their soil quality. From the words of Chris himself, he said, "*Reasonableness can be achieved if a business look to act or decide*

*on something that is within their strength or capability.*” His actions were simple and practically what reasonableness meant as past research states that, through any action one may take an assessment must be undertaken to know the outcome or effects of those action (Suttipun and Arwae, 2020). Thirdly, the last major principle *Self-Immunity*, was practiced through the hotel by not asking for loans from bank to invest in any area of hotel or its operational work. The examples given is whether to renovate, execute any expansion project, or even invest in marketing, they decided strictly in only using their own hotel revenue as the main source of capital. The reason to this is because, for any unpredicted shocks that may occur, the pressure to work just to give interest and all the money back to bank would be quite difficult. The hotel’s action towards self-immunity links directly towards the definition from past research which states, self-immunity is how one firm is able to manage type of unforeseen shocks that they may come across (Arpanatikul et al., 2021). So, Akelada hotel’s action to manage unforeseen shocks through not taking on bank loans, is how they have financial stability today.

As the three major principles has been discussed, to make SEP framework work, the two other conditions known as knowledge and morality condition has to be applied also. Coming from the in-depth interview with Chris, he shared his thoughts on both the condition starting off with the *Morality Condition* which is practiced at the hotel through having complete integrity and honesty with business partners, suppliers, and customers. He embedded a practice that when the hotel purchases any sort of goods from suppliers, the purchase is done through a standard price with strictly no forcing of suppliers to sell at cheaper price. On the other hand, honesty is managed with a standard of having a lost and found box available to provide assurance for customers that there is a protocol to manage any misplaced items at the hotel, in prevention of stealing. In addition, the hotel keeps honesty to customers to not create any advertisement that is too fancy or present ads beyond expectation of what hotel can offer. Through this technique, customers are satisfied as they receive exactly what was advertised to them. The morality condition practically practiced at the hotel has the correct definition as per what was define through previous research, which is to have virtues for work that includes perseverance, honesty, and integrity. (Mongsawad, 2010). The other condition as part of SEP, the *Knowledge Condition*, is practiced in a way since the beginning as Chris and his family aren’t new to the industry and have a certain level of knowledge

prior already. Hospitals and hotels as mentioned, have a similar concept in operations as they both have rooms just, one is for patients and one is for consumers that visit for vacations. Therefore, Chris shared that they have internal ideas and IT systems that they were able to utilize as a strength and as such, is considered as knowledge. Nonetheless, having capability and potential to learn can improve the knowledge condition is also necessary, as when Chris started embedding SEP at Akelada hotel, he was able to use his experience from his work in sales and marketing as well as experience from the hospital to apply it as knowledge too. Overall, the idea behind knowledge condition shared by Akelada hotel fits the definition from past research which is, one should have an understanding of the work one is doing, in a specific area of action (Suttipun and Arwae, 2020).

#### **4.1 Success from Sufficiency Economy Philosophy Analysis**

Through of all the 5 interview sessions, the writer had gathered and analyzed the success that Akelada hotel had when they applied SEP and what all they did to survive Covid-19 pandemic recently too. All of the interviewees answered through the same theme of words and expression during the interview that, SEP was a success for Akelada hotel. Several success stories were shared and one of them was that the hotel saw a large amount of repeated customer visited the hotel which, simply means that customer satisfaction was high. The tangible outcome of high customer satisfaction could be seen through the good reviews the hotel received from Agoda and Booking.com. Adding up to high customer satisfaction, other involved success at the hotel includes high level of happiness from the community nearby in Buriram province, as they were also very satisfied with SEP being applied in the hotel. When looking at the crisis like Covid-19 pandemic that affected the industry by a lot, including Akelada hotel, the success story to why they survived by using Sufficiency Economy Philosophy came from not getting pressured through any sort of bank loans, as one important factor. From the words of Jiraya herself, she also said, *“When Covid came it barely had much effect on our hotel as when compared to other hotel because there were no loans taken to run the hotel at all, so it made financial payments easy as there were not interests required to pay.”* In addition, all interviewees also mentioned that not paying interest



or loans gave staff time to be able to come together and brainstorm which, allowed them to help bring in all of their strengths to diversify the hotel's revenue streams to survive. The principles of SEP came into practical use for example, as the hotel had a small organic farm as part of the 100-acre land behind the hotel for 6 years already, they applied what they learned with SEP principles that is to use one own strength and endowment, and created their own kitchen facility. Akelada began side by side to running the hotel, started using the vegetables or fruits from the farm and produced fresh food as well as processed food to sell during the pandemic. Deciding to use produce from farm fits the reasonableness principle of SEP too. They used the kitchen of the hotel to create Phad Thai Set, Dried Bananas, Thai Chilli paste, and etc. The products were sold via both offline and online channels to people in Buriram and other provinces. This was one method of adding revenue streams during the pandemic. Aside from that, during the pandemic, if anything happens to one employee in terms of getting Covid, operational work of the hotel would be deeply affected. So, the other success story was adapting staff's mindset to learn extra task through multitasking. Instead of reducing working hours or closing half of the hotel if one tested positive, staffs had the chance to rotate on different work areas they haven't done before and there is ongoing training for staffs too. For instance, a Food & Beverage staff can also work in the reception. So, the hotel can always operate throughout the pandemic, as all employees are able to replace each other's task. All in all, through the selling of organic products from farm being adopted, process on multitasking capability for the staffs, and other training involved, Chris brought all evidence together as a case to present to World Travel Market in London. The hotel then received their ultimate success from applying SEP philosophy, as achieving a silver award for the World Responsible Tourism Award in 2021. This proof that the success of Sufficiency Economy Philosophy practice at Akelada hotel is recognized by an international standard. The writer will now be shifting to discuss and analyze the similarity in the theme of answers received to identify which are the key factors on how did Akelada applied SEP at the hotel from the 5 variables being researched, starting with effective leadership on the next paragraph.

#### 4.1.1 Effective Leadership

According to all the 5 interviews, a theme from all the answers provided, lead to an interpretation that leadership is significantly important on how the hotel applied Sufficiency Economy Philosophy. One answer from the words of Praew herself, she said, *“I find leadership really important because is the leader who sets the direction towards where the hotel should be headed to.”* All other interviewees also had the same answers with the word *important* said out in their view of effective leadership as a reason on how Akelada were able to apply SEP. Aside from viewing that effective leadership is important, the writer was able to draw up an analysis on the leadership style actually practiced at Akelada hotel, from the interview answers. Akelada hotel leader, Chris, is analyzed to apply both transactional leadership and transformational leadership to be an effective leadership and successfully apply Sufficiency Economy Philosophy at the hotel. First and foremost, Chris does provide salary to his employees for the work they do, which means he gives his employees a contingent reward. Secondly, it has been realized through the interview that Chris manages through a management by exception in active style because, he constantly monitors his employees work quite proactively like the definition from past research (Puni et al., 2021). One answer from the words of Chris himself, he said, *“As the work in hotel has to stick to strict protocol and level of standard of procedure, I have to manage my employees by following up with them more often during a weekly basis.”* So, for transactional leadership, Chris uses contingent reward and management by exception in active style behavior. In terms of transformational leadership style, the leader Chris has a specific attractive vision where he communicates to all his employees during the town hall meeting every month with aim that he wants, *“Akelada hotel to be a quality hotel that focus on social business not only for the hotel to be better off but, also society needs to be better off too.”* The evidence that there is attractive vision and specifically that it is communicated with full passion, states that the leader follows the first behavior component of transformational leadership, inspirational motivation (Hater and Bass, 1988; Bass and Riggio, 2006). Chris also is able to be a great role model to employees with his quote *“Seeing is Believing”*, where he is able to present how Sufficiency Economy Philosophy is practiced during the monthly town hall meeting also, by always being happy in front of customers so that his staffs follow him and treat customers well too. Furthermore, he

goes forward to help the society in many ways to show his employees that he follows the vision through different CSR activities, setting the community-based tourism project, and other various donations activities. It illustrates his ability to influence employees and have charisma as a role model to make employees look up to you which, is the second behavioral component of transformational leadership known as idealized influence. (Puni et al, 2021). During the monthly town hall meeting, it was also shared through the interview that Chris allows his employees to discuss challenges or difficulties they are facing. The floor is open for them to talk to him and rather than he has to give the solutions right away, he chooses to challenge his employees to be the one to come up with the decision. One answer from Praew herself, she said, *“Chris will let employees to go think of solutions like option 1,2,3 and then employees can have the chance to discuss the pros and cons of each solution with Chris, before the solution is finalize.”* In general, he is able to discuss pros and cons linking to whether the solution is reasonable according to SEP concept or not as well. Through the presence of leader able to challenge followers to solve problem creatively, intellectual stimulation is practiced at Akelada hotel (Puni et al., 2021). Moving towards the last behavioral component of transformational leadership which is, individualized consideration, aside from town hall meetings there are separate coaching sessions to help employees minimize mistakes plus know how to use SEP in decision making. There are also trainings to allow employees to reach personal goals like English language classes, training for employees to improve service quality, and also there is a yearly meeting to measure KPI or personal development goals. Overall, it can be concluded that every behavioral component of transformational leadership is practiced at Akelada hotel.

Adding on, the practice with combining both transactional and transformational leadership have been studied through past research that it may enhance effective leadership and, it certainly did for Akelada hotel (Aarons, 2006).

#### **4.1.2 Staff Development**

Staff development was considered another key factor that appeared to be how SEP was applied at Akelada hotel. All 5 interviewees shared that there are training for employees in development of their knowledge and ability to work at the hotel and is viewed to be important for helping them apply SEP. There are certain training where

external experts train hotel employees about service quality, provide English classes, and several other hotel operations tactics, via the offline or online platform. During the pandemic, all training was forced to be done through online via the Zoom platform only. One answer from Nuchari herself, she said, *“The experts that come and train us are one that work in different areas of the hospitality industry, we have experts from hotel too but once we also had one from Thai Airways to teach us about service quality too.”* The writer further found out through the interviews that although there isn't a specific training topic that emphasizes fully on SEP concept as a topic alone, it is rather that the philosophy is more like the part of all training and is also constantly taught by Chris whenever any decision is made within the hotel. In addition, it was discovered that the knowledge employees grasp through training about various topics and about Sufficiency Economy Philosophy, even though employees may not get it a 100%, they are motivated to apply and use SEP at the hotel. The writer therefore tried to link employees' high motivations with Maslow hierarchy of needs and through the writer's analysis it can be concluded that Akelada hotel does reach all five needs under Maslow hierarchy of needs. First of all, salary is provided and there are flat rooms for hotel staffs that need a place to stay which ensure, physiological need is provided. Secondly, through the interview Chris did say that, *“I give budget for employees to buy insurance even during the pandemic and look after staffs well who fall sick or ill too, hence providing all meals and medicine for staff who got infected with Covid-19.”* From what Chris shared, states that safety need is there at the hotel. Thirdly, social need, is there as through what Suphawat shared during the interview, *“There are town hall meetings monthly where employees get together, CSR donation activities for all employees at the hotel to participate also, and a few get together event like new year party yearly, where we celebrate like one family.”* The fourth and fifth needs which are self-esteem needs and self-actualization needs are there through all the trainings provided and can be emphasized that there is through what Praew said that *“There are meetings twice a year to measure each employee's KPI targets and results and personal development goals meeting on a yearly basis as well too.”* In short, staff development is an important factor on how Akelada applied SEP nonetheless, the high motivations employees had, supported the hotel to be successful in applying SEP.

### 4.1.3 Pricing Strategy

Once the writer moved on to ask the questions in related towards pricing strategy, all of the interviewees said in a similar theme of answers that, Sufficiency Economy Philosophy through its moderation concept does has an influence on a hotel not to charge too high price but, depending on the hotel context and standard too. However, since there are several pricing strategies available in theory, it is actually an open space of what the hotel wants to set as its pricing strategy. There is not a focus on one specific strategy needed in order to apply SEP successfully, it only matters that as long as the pricing strategy selected does not aim for too of a high profit level markup. One of the information from the interview about Akelada's pricing is the following, Jiraya said, *"Since Akelada is in Buriram province also, pricing is set not too expensive so it doesn't make our customer think that the hotel is overcharging and price value is not right to the standard of the hotel."* Considering all interviews altogether, the writer overall interprets that pricing strategy is not viewed as a key factor to how Sufficiency Economy Philosophy is applied at Akelada hotel.

### 4.1.4 Innovation Strategy

Innovation Strategy is defined as a brand-new-idea that have never applied before at an organization, from the literature review (Yuliana et al., 2021). Through the interview sessions, the writer was able to analyze that the innovation strategy is an important key factor towards how Akelada applied SEP. Firstly, the strategy to practically use the Sufficiency Economy Philosophy as a brand-new-idea practice did require a good strategy. Chris shared during the interview that *"When he decided to apply SEP as a new idea within Akelada hotel, a long-term orientation of strategy is required because, if you think in the short term, you can't practice SEP."* Chris shared that, the result of SEP doesn't come right away, it does take time. Secondly, the other aspects of innovation strategy at the hotel significantly seen during the pandemic, it was the principles from SEP that was used in the hotel's decisions to seek ways for new revenue streams. For instance, the hotel was able to analyze that it was reasonable to take fresh bananas to process as dry bananas or process from rice to produce Phad Thai set as part of a brand-new idea. Akelada could apply the idea as in relation to Sufficiency Economy Philosophy because, employees have knowledge, willingness to do in

collaboration, and they have their endowment as crops from their own farm. Also, the creation of community-based tourism project within the community was all part of innovation strategy derived from decision making with an influence from SEP. The hotel created trip packages to attract domestic tourists to visit the hotel during the pandemic with collaboration to visit local villages so tourist can see the volcanic soil dye, visit Thai silk village, and see how they do reed mat weaving. Lastly, the other innovation strategy to increase revenue during the pandemic was bringing OTOP clothes to sell at the hotel lobby which, are clothes from the community, by one village called Charoensuk in Buriram itself.

#### **4.1.5 Stakeholder Satisfaction**

The last variable the writer analyzed through the interview, is to understand the importance of stakeholder satisfaction and if it is a key factor towards how the hotel applied Sufficiency Economy Philosophy. From the interview with Chris, he first shared a clear thought related towards internal stakeholder satisfaction as he said, *“In terms of internal stakeholders, employees are happy to work and his family who own it, also are satisfied with the business performance.”* On the other hand, in terms of external stakeholder satisfaction, through all the interview sessions, interviewees all shared that the community does talk positively about the hotel and how Akelada brought Sufficiency Economy Philosophy into use. Aside from that, the community around are delighted with the ongoing collaboration of the community-based tourism project, how Akelada constantly gives idea to the community on how to produce souvenir to attract tourists to Buriram, the several CSR activities Akelada does for the community, and lastly, how the hotel support local suppliers by purchasing majority of their hotel’s amenities from them. Apart from the community, customers at the hotel are also delighted of being able to visit organic farms when they are staying at the hotel, being served with organic food from the farm during breakfast, and experiencing their stay at the hotel with an expectation exactly to what was advertised. On the whole, external stakeholder satisfaction level is high as from what was interpreted from all the five interviewees. From that being the case, stakeholder satisfaction would be seen as another important factor on how the hotel applied Sufficiency Economy Philosophy.

## CHAPTER V

### CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Conclusion

Overall, as the study of this research paper is to understand the key factors on how SME or Small business in the hospitality industry can apply Sufficiency Economy Philosophy, the writer chose to conduct a case study base on one hotel in Buriram known as Akelada hotel, in search of answers towards the main key factors. Through using in-depth interviews with 5 interviewees as part of a qualitative research methodology, the writer interpreted that the following listed 4 key factors below is needed as to how SME or Small business in hospitality industry can apply SEP successfully, based on what was analyzed and found from the case study on Akelada hotel

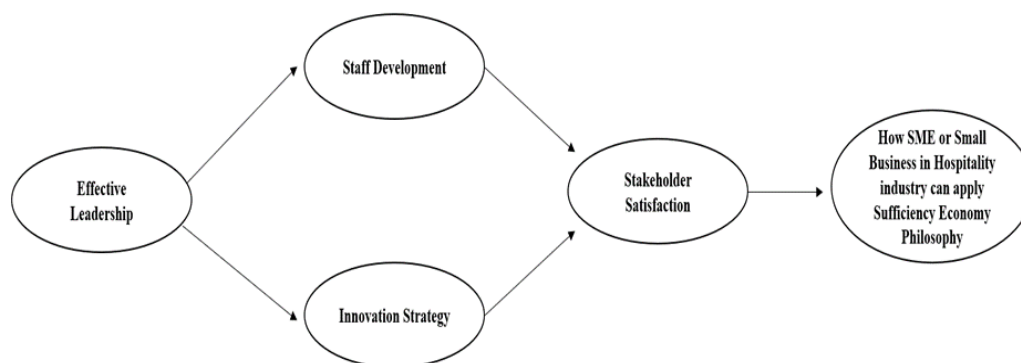
1. *Effective Leadership*
2. *Staff Development*
3. *Innovation Strategy*
4. *Stakeholder Satisfaction*

Adding on to the 4 key factors listed above, through the interviews there are certain additional interesting findings to be used as a conclusion to a final drawn-up framework. There was a specific theme of answer that appeared from all the interview and significantly spoken by words from the interview with the General Manager, Chris, that was *“I think that leadership is very important to an SEP organization context as there should be a long-term orientation to practice SEP. If you look at profit at monthly or yearly basis sometimes you won’t invest in terms of staff development because of the cost. SEP doesn’t show up results in 1 or 2 months but it takes a few years to show the real result. Therefore, I see leadership as the starting point of SEP as the leader needs to be able to communicate vision to every stakeholder that which direction a hotel is heading.”* The thoughts shared by Chris on having long-term orientation, is linked to being sustainable and is what will exist by using Sufficiency Economy Philosophy,

when applied with SME or Small business as well. From past research, it has also been researched that enterprises that are sustainable embeds a view that is long-term within their enterprises (Kantabutra and Avery, 2013). Therefore, speaking of having long-term orientation, it can start by having an effective leader that has the mindset to adopt and use SEP, just exactly as how Chris confirms it when he shared that leadership is the very starting point to how he applied SEP. Thus, leadership can be called as a linkage towards other parts just like how it is said that leadership, is importance for several factors such as direction setting, building employee's motivation, and maximization of the companies' performance (Kotter, 2006).

Consequently to leadership being identified as the starting point to how SEP is applied, the writer can conclude the findings from this case study on Akelada hotel as per the figure 5.1 below. The figure 5.1 concludes the key factors in a simple framework starting with effective leadership, then with effective leadership, it is how the organization can be led to further develop productive action plan methods for staff development like training and a well thought out tactical innovation strategy. Through great implementation of good innovation strategy and high motivations being built by employees through fruitful staff development, stakeholder satisfaction eventually can be achieved. All of the important key factors could be seen to be framed out on the conclusive framework as on figure 5.1, and it was what the writer interpreted from all the theme of answers received through all interview sessions combined. One added point towards the importance in having stakeholder satisfaction within a SME is that, enhancement of a SMEs' sustainability or survival in a long term can come from stakeholder satisfaction (Avery and Bergsteiner, 2011; Kantabutra and Suriyankietkaew, 2013). Once all the 4 key factors are built up on the conclusive framework as per figure 5.1, is then where the conclusion is, as it the final answer acting as one potential method to how SME or Small business in hospitality industry can apply Sufficiency Economy Philosophy within their business.





**Figure 5.1 Conclusive Framework**

## 5.2 Limitation of This Study

Since the purpose of this research paper was aim to understand the key factors on how SMEs or Small businesses in the hospitality industry can apply Sufficiency Economy Philosophy, the study was specifically based on a single case study of a hotel in Buriram known as Akelada hotel, that had applied SEP themselves. Furthermore, the writer has chosen to focus on specially five factor variables to be studied through a qualitative research method only. That being said, the limitation of this study and the result received can act as only a potential framework for SMEs or Small businesses in hospitality that wants to apply Sufficiency Economy Philosophy, as it is a case study of one specific SME hotel. If the writer was to continue this research paper for a thesis level later on, the writer would focus on seeking and finding a number of more SMEs or Small businesses in hospitality industry that applied SEP out there, so the writer can have the desired larger sample size of SME organization and test the factor variables via mix method research. The result of the research with a larger sample size at the thesis level then can be used as a comparison with the result from this research paper, to check if there are other key factors to be added and studied upon. In addition, the writer would also be able to test whether the key factors concluded from this research is the same and whether it has a significant correlation when researched in a larger scope and sample size, via the mix method research.

### 5.3 Recommendations

Sustainability as a part of their development is what a lot of organizations today may be looking for, which, also matches to the utmost purpose to what Sufficiency Economy Philosophy aims to eventually achieve (Jairak et al, 2015). On top of that, as already mentioned, SEP can be applied with most of the SDGs the United Nations plan to achieve by 2030 (TICA-Thaigov, 2020). Having a strategy to follow the SDGs would benefit not only your organization but the world on the whole, and it can be done in one way through applying the concept of Sufficiency Economy Philosophy. Thus, the writer would end this research paper with recommendations of a potential method based on the conclusive framework of figure 5.1, with steps created by the key factors found to how owners of SME or Small business in hospitality industry can implement SEP. The writer recommends any owner of SME or Small business in hospitality industry who is inspired to implement SEP to focus on building effective leadership as the very first step and, use a combination of transactional and transformational leadership practice to present the idea within your business. Secondly, use your leadership influence to continuously develop good action plan for productive staff development through training, but most importantly, accept the cost it may have. The cost is all a part of the long-term orientation requires to effectively apply SEP, as results takes time and does not appear right away. Staff development through training forms up the knowledge condition and morality condition as per the other condition of the SEP framework as well as, increase employees' motivation, as what was found through this case study. Thirdly, influence of leadership is required in applying of a good innovation strategy which with upright strategy, a successful transition in embedding SEP practice to the business is easier. In addition, for any innovation strategy that should to be decided on, thoughts on all the three SEP major principles involving moderation, reasonableness, and self-immunity should be accounted for. Last but not the least, combine all three factors to continuously make stakeholders' satisfied, both internal and external stakeholders. Once all of the key factors have been gelled in together as per the steps the writer recommended, would be ultimate point in where your SME or Small business can successfully embed Sufficiency Economy Philosophy with your business operations.

## REFERENCES

- Aarons G.A. (2006). Transformational and transactional leadership: association with attitudes toward evidence-based practice. *Psychiatric services* (Washington, D.C.), 57(8), 1162-1169. <https://doi.org/10.1176/ps.2006.57.8.1162>.
- ADB Institute. (2020, July 2). Empowering Thai smes to join Global Value Chains: Policy priorities under covid-19. Retrieved June 2, 2022, from <https://www.asiapathways-adbi.org/2020/07/empowering-thai-smes-join-global-value-chains-policy-priorities-under-covid-19/>.
- Arpanatikul, M., Unsanit, P., Rujiwatthanakorn, D., Sakunhongsoophon, S., Lumdubwong, A., & Choeychom, S. (2021). Participation in self-care based on the sufficiency economy philosophy among midlife women in Thailand. *Health & social care in the community*, 29(3), 756-765
- Avery, G.C. and Bergsteiner, H. (2011), *Sustainable Leadership: Honeybees and Locusts Approaches*, Routledge, New York, NY
- Bass, B.M. and Riggio, R.E. (2006)., *Transformational Leadership*, Lawrence Erlbaum Associates, Mahawah, NJ
- Bhattacharya, C.B., Korschun, D. and Sen, S. (2009), “Strengthening stakeholder-company relationships through mutually beneficial corporate social responsibility initiatives”, *Journal of Business Ethics*, Vol. 85, pp. 257 – 272
- Clarke, M. F. J. (2021, December 21). *Is Thailand facing a labour shortage in the Hospitality & Tourism Industry?*. <https://www.bangkokpost.com>. Retrieved June 2, 2022, from <https://www.bangkokpost.com/business/2235607/is-thailand-facing-a-labour-shortage-in-the-hospitality-tourism-industry->
- Danziger, S., Israeli, A. and Bekerman, M. (2006), “The relative role of strategic assets in determining customer perceptions of hotel room price”, *Hospitality Management*, Vol. 25 No. 1, pp. 129-145

## REFERENCES (cont.)

- Dominique-Ferreira, S. and Autunes, C. (2020), “Estimating the price range and the effect of price bundling strategies: An application to the hotel sector”, *European Journal of Management and Business Economics*, Vol. 29 No. 2, pp. 166-181. <https://doi-org.ejournal.mahidol.ac.th/10.1108/EJMBE-04-2019-0066>.
- Ellitan, L. (2009). Manajemen Inovasi (Transformasi Menuju Organisasi Kelas Dunia). *Researchgate Publications*, 3 (February 2009), 8-12. [https://www.researchgate.net/publication/339042917\\_Manajemen\\_Inovasi\\_transformasi\\_menuju\\_organisasi\\_kelas\\_dunia](https://www.researchgate.net/publication/339042917_Manajemen_Inovasi_transformasi_menuju_organisasi_kelas_dunia)
- Hater, J.J. and Bass, B.M. (1988), “Superiors’ evaluations and subordinates’ perceptions of transformational and transactional leadership”, *Journal of Applied Psychology*, Vol. 73 No. 4, pp. 695-702.
- Ingenbleek, P.T.M. and van der Lans, I.A. (2013), “Relating price strategies and price-setting practices”, *European Journal of Marketing*, Vol. 47 No. 1/2, pp. 27-48. <https://doi-org.ejournal.mahidol.ac.th/10.1108/03090561311285448>.
- Jairak, K., Praneetpolgrang, P. and Subsermsri, P. (2015), “Information technology governance practices based on sufficiency economy philosophy in the Thai university sector”, *Information Technology & People*, Vol. 28 No. 1, pp. 195-223. <https://doi-org.ejournal.mahidol.ac.th/10.1108/ITP-10-2013-0188>.
- Kantabutra, S. and Avery, G. (2013) “Sustainable leadership: honeybee practices at leading Asian practices at a leading Asian industrial conglomerate”, *Asia-Pacific Journal of Business Administration*, Vol.5 No.1, pp. 36-56. <https://doi-org.ejournal.mahidol.ac.th/10.1108/17574321311304521>
- Kantabutra, S. and Saratun, M. (2013), “Sustainable leadership: honeybee practices at Thailand’s oldest university”, *International Journal of Educational Management*, Vol. 27 No. 4, pp. 356-376. <https://doi-org.ejournal.mahidol.ac.th/10.1108/09513541311316304>.

## REFERENCES (cont.)

- Kantabutra, S. and Suriyankietkaew, S. (2013), “Sustainable leadership: Rhineland practices at a Thai small enterprise”, *International Journal of Entrepreneurship and Small Business*, Vol.19 No. 1, pp. 77-94.
- Kantabutra, S. (2014), “Measuring corporate sustainability: a Thai approach”, *Measuring Business Excellence*, Vol. 18 No. 2, pp. 73-88. <https://doi-org.ejournal.mahidol.ac.th/10-1108/MBE-02-2013-0015>. Download as RIS.
- Kotter, J.P. (1999), Best of HBR: What Leaders Really Do, 1st ed., *Harvard Business Review Press*.
- Kotler, P. (2003), Marketing Management, 11th European ed., *Prentice Hall*, Boone, NC.
- Kotter, J.P. (2006), Best of HBR: HBR’s 10 Must Reads on Change, Leading Change, Why Transformation Efforts Fail, *Harvard Business Review Press*.
- Maslow, A.H. (1943), “A theory of human motivation”, *Psychological Review*, Vol. 50, pp.394-5.
- Mongsawad, P. (2010, June 1). *The Philosophy of the Sufficiency Economy: A Contribution to... - ESCAP*. Retrieved June 3,2022, from <https://www.unescap.org/sites/default/files/apdj-17-1-5-Mongsawad.pdf>.
- Nemati, A. R., Khan, K., & Iftikhar, M. (2010). Impact of innovation on customer satisfaction and brand loyalty, a study of mobile phones users in Pakistan. *European Journal of Social Sciences*, 16(2), 307-314.
- Noble, P.M. and Gruca, T.S. (1999), “Industrial pricing: theory and managerial practice”, *Marketing Science*, Vol. 18 No. 3, pp. 435-54.
- Pavarolanwittaya, S. Wongsothorn, A., Teepanart, P., Manomaiviboon, P. and Feng, W. (2007). A New Philosophy in the Global World: Sufficiency Economy: *100 Interviews with Business Professionals*, Thai Chamber of Commerce.

## REFERENCES (cont.)

- Puni, A., Hilton, S.K. and Quao, B. (2021), “The interaction effect of transactional-transformational leadership on employee commitment in a developing country”, *Management Research Review*, Vol. 44 No. 3, pp. 399-417. <https://doi-org.ejournal.mahidol.ac.th/10.1108/MRR-03-2020-0153>, Download as RIS.
- Rujirawanich, P., Addison, R. and Smallman, C. (2011), “The effects of cultural factors on innovation in a Thai SME”, *Management Research Review*, Vol. 34 No. 12, pp. 1264-1279. <https://doi-org.ejournal.mahidol.ac.th/10.1108/01409171111186397>.
- Savetpanuvong, P., Tanlamai, U. and Lursinsap, C. (2011), “Sustaining Innovation in Information Technology Entrepreneurship with a Sufficiency Economy Philosophy”, *International Journal of Innovation Science*, Vol. 3 No. 2, pp. 69-82. <https://doi-org.ejournal.mahidol.ac.th/10.1260/1757-2223.3.2.69>.
- Stephens, D.C. (Ed). (2000), *The Maslow Business Reader. Abraham H. Maslow*, John Wiley & Sons, New York, NY.
- Sufficiency Economy Movement Sub-Committee (2007), “Sufficiency economy implications and applications”, Retrieved June 2,2022. available at: [www.nesdb.go.th/Md/book/booksuff\\_eng.pdf](http://www.nesdb.go.th/Md/book/booksuff_eng.pdf).
- Suriyankietkaew, S. (2022), “Effects of key leadership determinants on business sustainability in entrepreneurial enterprises”, *Journal of Entrepreneurship in Emerging Economies*, Vol. ahead-of-print No. ahead-of-print. <https://doi-org.ejournal.mahidol.ac.th/10.1108/JEEE-05-2021-0187>.
- Suttipun, M., & Arwae, A. (2020). The influence of Sufficiency Economy Philosophy Practice on SMEs’ Performance in Thailand. *Entrepreneurial Business and Economics Review*, 8(2), 179-198.

## REFERENCES (cont.)

- TICA-Thaigov (2020, August 29). *Tipp theme: Sufficiency economy philosophy*. Retrieved June 2, 2022., from <https://tica-thaigov.mfa.go.th/en/content/tipp-theme-sufficiency-economy-philosophy?page=5f4e1d96fdf0d627941cb8c2&menu=5f47b13f0e6be43ad279d15a>.
- Von Feigenblatt, O. F., Pardo, P., & Cooper, M. (2021). Sufficiency Economy Philosophy (SEP); Thailand's Emic Approach to Governance and Development as Evidence of an Asian-value Oriented Inclusive Leadership Management Philosophy. *Journal of Asia Pacific Studies*, 6(2), 289-299.
- Winit, W. and Kantabutra, S. (2017), "Sustaining Thai SMEs through perceived benefits and happiness", *Management Research Review*, Vol. 40 No. 5 pp. 556-577. <https://doi-org.ejournal.mahidol.ac.th/10.1108/MMR-04-2016-0083>.
- Yuliana HAPSARI, Usep SUHUD, & Saparuddin MUKHTAR. (2021). Influence of Service Quality, Innovation, Price, Promotion on Customer Satisfaction and Customer Loyalty. *Accounting & Finance/ Oblik i Finansi*, 93, 125-134. [https://doi-org.ejournal.mahidol.ac.th/10.33146/2307-9878-2021-3\(93\)-125-134](https://doi-org.ejournal.mahidol.ac.th/10.33146/2307-9878-2021-3(93)-125-134).