

FACTORS INFLUENCING SECOND-GENERATION SELF-EMPLOYED'S DECISION TO CONTINUE FAMILY BUSINESS IN 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 building. The outer ring of the logo contains the university's name in Thai script at the top and in English at the bottom.

SOPHONWICH MARAPRYGSAVAN

**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF MANAGEMENT
COLLEGE OF MANAGEMENT
MAHIDOL UNIVERSITY
2023**

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Thematic paper
entitled
**FACTORS INFLUENCING SECOND-GENERATION SELF-
EMPLOYED'S DECISION TO CONTINUE FAMILY
BUSINESS IN THAILAND**


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

on
28 April, 2024




.....
Mr. Sophonwich Maraprygsavan
Candidate


.....
Assoc. Prof. Randall Shannon,
Ph.D.
Advisor


.....
Assoc. Prof. Astrid Kainzbauer,
Ph.D.
Chairperson


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


.....
Asst. Prof. Manjiri Kunte,
Ph.D.
Committee member

ACKNOWLEDGEMENTS

I express my sincere gratitude to Assoc. Prof. Randall M. Shannon for his invaluable guidance and insightful feedback throughout the development of this thematic paper. His expertise and unwavering support have been instrumental in shaping the direction and quality of this work. I would also like to extend my heartfelt thanks to my classmates in the master's degree program for their camaraderie and intellectual exchange, which have enriched my academic journey and contributed to the refinement of my ideas.

Furthermore, I am deeply grateful to my parents for their unconditional love, encouragement, and unwavering support throughout my academic pursuits. Their belief in my abilities has been a constant source of motivation, and I am truly fortunate to have them by my side.

Lastly, I acknowledge the contributions of all individuals, institutions, and agencies that have provided assistance or cooperation during this thematic paper. Your collective efforts have been integral to the completion of this endeavor, and I am profoundly grateful for your support.

Sophonwich Maraprygsavan

**FACTORS INFLUENCING SECOND-GENERATION SELF-EMPLOYED'S
DECISION TO CONTINUE FAMILY BUSINESS IN THAILAND**

SOPHONWICH MARAPRYGSAVAN 6549073

M.M. (ENTREPRENEUR MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: ASSOC. PROF. RANDALL SHANNON, Ph.D., ASSOC. PROF. ASTRID KAINZBAUER, Ph.D., ASST. PROF. MANJIRI KUNTE, Ph.D.

ABSTRACT

This thematic paper explores the factors influencing second-generation self-employed individuals' decisions to continue their small to medium-sized family businesses in Thailand. Drawing upon empirical data collected from 100 participants, the study investigates the intricate interplay between intrinsic motivations, such as personal interest and commitment to family legacy, and extrinsic factors, including market forces and regulatory environments. The findings underscore the significance of adaptive strategies and financial resilience in navigating market fluctuations and ensuring the long-term sustainability of family businesses.

Moreover, the research highlights the importance of succession planning and the need for policy interventions to support family business continuity. By providing insights into the decision-making processes of family business owners, this paper contributes to a deeper understanding of the dynamics shaping entrepreneurial endeavors in Thailand's business landscape.

**KEYWORDS: FAMILY BUSINESS CONTINUITY/ SECOND-GENERATION
SELF-EMPLOYED/ MARKET FORCES/ SUCCESSION PLANNING/
THAILAND**

32 pages

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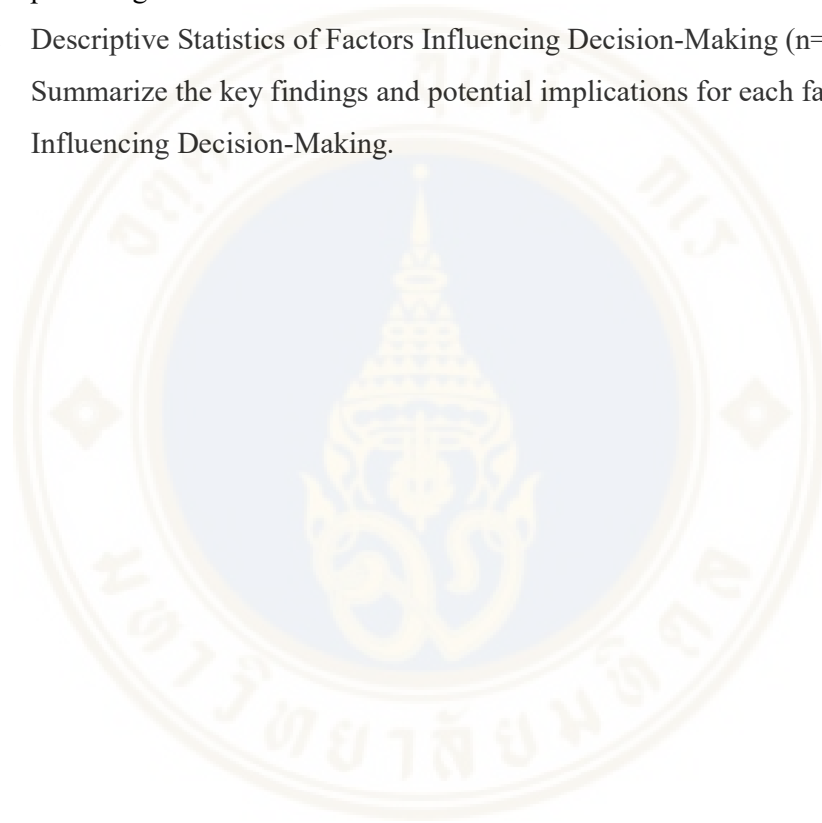
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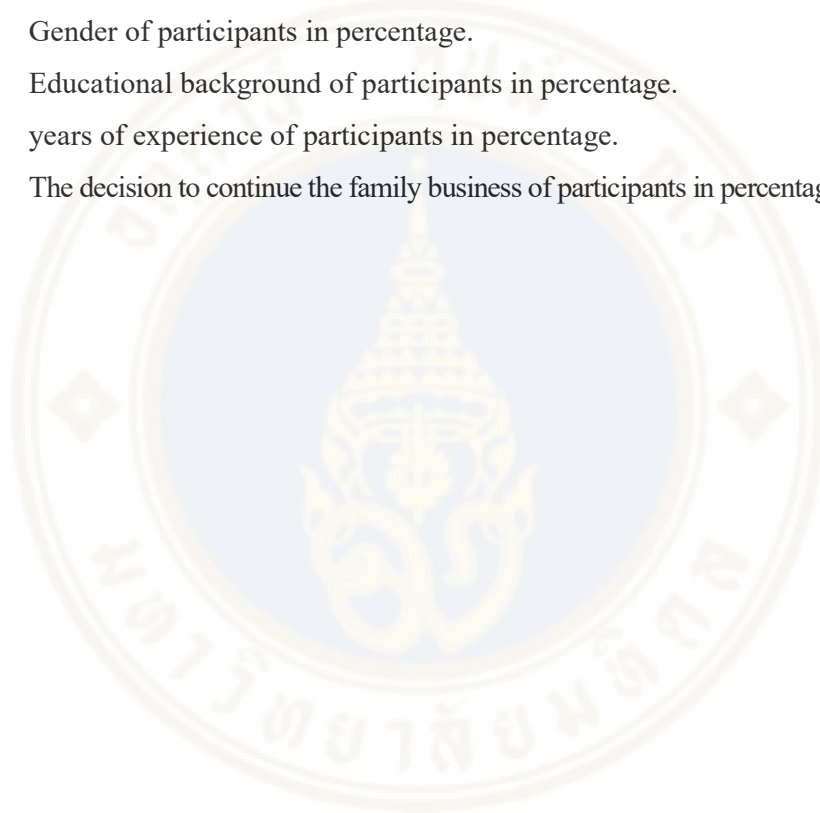
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CHAPTER I

INTRODUCTION

1.1 Introduction

Family business is the backbone of the landscape of self-employment in Thailand (Changwong, 2018). These small to medium-sized family businesses not only contribute significantly to the nation's GDP (Thai Chamber of Commerce, 2020) but also promote tradition, innovation, and resilience (Siripruchyanun, 2019). However, the disruption from digitalization, evolving market trends, and the decision-making process of self-employed in sustaining their family business become complex and difficult to decide (Heng, 2021).

Understanding the factors that influence self-employed people's decisions to continue their small to medium-sized family business in Thailand is essential for several reasons. Firstly, these businesses are crucial in driving economic growth (Wongchan, 2017), providing employment opportunities (Asian Development Bank, 2020), and promoting socioeconomic development within local communities (Bangkok Post, 2019). Second, as Thailand continues to integrate into the global economy, family businesses face unprecedented challenges and opportunities that require a deeper understanding of the factors that shape their survival (Rugman & Verbeke, 2021). Finally, exploring the complicated dynamics of self-employed s' decisions decision-making not only enriches academic discourse but also offers practical insights for policymakers, industry stakeholders, and aspiring self-employed alike (Tongroswad, 2018).

This research attempts to explore and analyze the multiple factors that affect self-employed people's decision to hold on to their family businesses in the Thai context (Phitthayapap, 2020). By examining the interplay of internal and external influences, such as family dynamics, succession planning, market forces, regulatory frameworks, and cultural norms, this study attempts to provide an extensive understanding of the challenges and motivations that influence self-employed continuity (Khomvilai, 2019). This study aims to offer significant insights into entrepreneurship, family business

management, and Thailand's economic development through empirical research and theoretical analysis (Pramon, 2021).

As we start this academic journey, it is interesting to recognize the importance of family businesses not only as economic entities but also as embodiments of heritage, identity, and intergenerational responsibility (Suwanphun, 2018). By shedding light on the intricate web of factors that influence self-employed s' decisions, this study seeks to illuminate the path to sustainable entrepreneurship and enduring family legacy in the vibrant landscape of the Thai economy (Klinsrisuk, 2020).

1.2 Research questions

1. What are the key factors that influenced self-employed decisions to continue their small to medium size family business in Thailand?
2. What are the personal motivations or stories behind the decision to continue or not continue the family business?

1.3 Research Objective:

1. To identify the process of and factors that affect decision-making by self-employed in continuing their family business.
2. To understand how entrepreneurs decide when creating new ventures and to compare that between family businesses and non-family businesses.

CHAPTER II

LITERATURE REVIEW

The decision to continue a family business across generations is a critical issue facing self-employed worldwide. Research shows that the longevity of family businesses is precarious, as only a few of them are successfully continued beyond the third generation (Lee-Chua, 2014). This phenomenon highlights the importance of understanding the factors that influence succession and continuity in family businesses.

A cornerstone of family business research is to recognize the unique interplay between family dynamics and business operations. Ward (1991) emphasizes the importance of effective succession planning and family cohesion for the continuity of family businesses. This view is echoed by Mahto et al. (2014), who introduce the concept of "continuation commitment", which emphasizes the family's commitment to maintaining the business across generations.

Scholars have looked at the intricacies of succession intentions and commitment in family businesses. Studies by Sharma and Irving (2005) and Chan et al. (2020) shed light on the antecedents and consequences of successor commitment and emphasize the role of personal values, aspirations, and socio-cultural contexts. Understanding these internal motivations is central to the design of succession strategies and the promotion of business continuity.

External factors also have a significant influence on the development of family businesses. European Family Businesses (2012) emphasizes the impact of regulatory frameworks, market dynamics, and industry upheavals on the sustainability of companies. In addition, Stoilkovska (2011) explains the challenges posed by globalization, technological progress, and competitive pressure, which require adaptable strategies for family businesses to succeed in a changing landscape.

Cultural nuances play a crucial role in shaping self-employed decisions in the family context. Merchant (2017) examines the factors that influence the continuity of family businesses in Indian SMEs, highlighting the interplay of cultural values,

traditions, and socio-economic dynamics. Similarly, Tandra et al. (2022) evaluated the impact of self-employed education and family business background on the intention to continue family enterprises among Indonesian students, highlighting the relevance of cultural heritage and educational experiences.

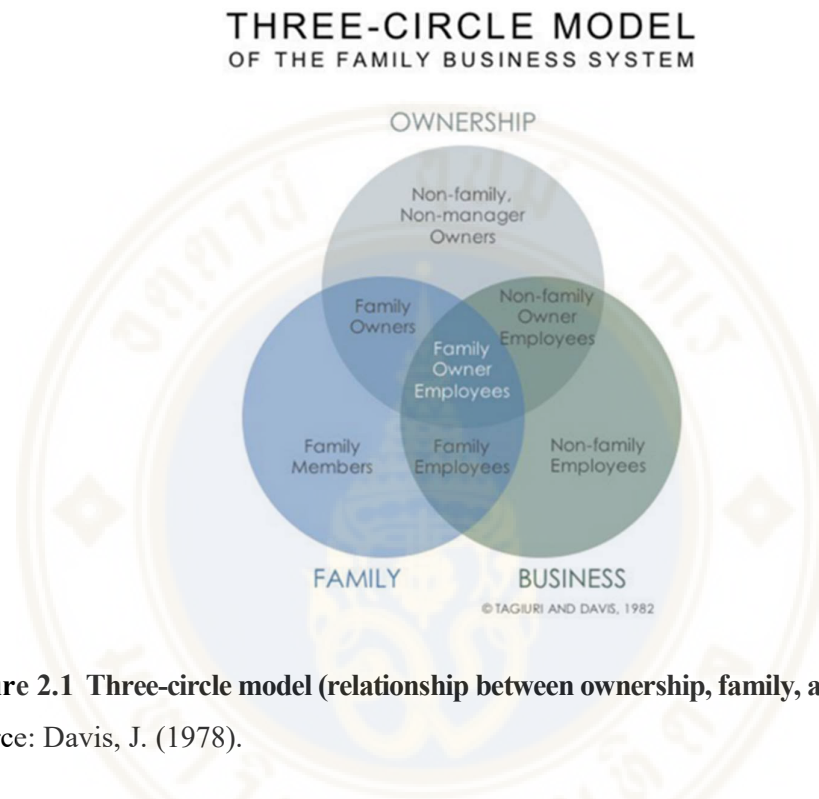


Figure 2.1 Three-circle model (relationship between ownership, family, and business)

Source: Davis, J. (1978).

As a synthesis of these perspectives, Davis (1978) presents the three-circle model, which integrates the family, ownership, and business systems and provides a holistic framework for understanding the complex dynamics of family businesses. This model emphasizes the need to align and balance these areas to promote a lasting self-employed legacy. The Model defines seven interest groups. Each group has its own beliefs, concerns, goals, and ways of thinking. The Framework helps us to understand that every individual's point of view is significant and should be taken into account to contribute to the business. No one position is more significant than another but the numerous viewpoints must be merged to establish the future path for the company.

In summary, it can be said that the literature reveals a complex interplay of internal and external factors that influence the self-employed decisions to continue

family businesses. By unraveling the complexities of succession planning, family dynamics, cultural influences, and market pressures, scholars offer valuable insights into the challenges and opportunities associated with the continuation of family businesses across generations.



CHAPTER III METHODOLOGY

3.1 Research Design

This study adopts a quantitative research design to systematically investigate the factors influencing self-employed decisions to continue their small to medium-sized family businesses in Thailand. Quantitative methods were employed to collect numerical data, facilitating statistical analysis and enabling the generalization of findings to a larger population.

3.2 Sampling

3.2.1 Population

The population of interest comprised self-employed individuals who are in the second generation of family businesses in Thailand.

3.2.2 Sample Size

A sample size of 100 participants was targeted for this study. This sample size was determined based on statistical power calculations to ensure adequate representation and sufficient statistical power for analysis.

3.3 Data Collection

3.3.1 Questionnaire Development

A structured questionnaire was developed based on the research objectives and literature review findings. The questionnaire included closed-ended questions designed to gather quantitative data on various factors influencing decision-making in family businesses.

3.3.2 Data Collection Procedure

The questionnaire was administered electronically using online survey platforms such as Google Forms. Participants were contacted through various channels, including email, social media, and professional networks, and invited to participate in the study. The data collection process was conducted over a specified period to ensure consistency and minimize biases.

By employing this methodology, robust quantitative data was gathered, enabling the analysis of factors influencing self-employed decisions in family businesses in Thailand.

3.4 Variables and Measures

3.4.1 Dependent Variable

- Continue the business
- Initiate a new business venture
- Not continue or start a business

3.4.2 Independent Variables

- Personal motivations
- Succession planning strategies
- Market forces
- Regulatory frameworks

- Cultural norms
- Socioeconomic factors

Each independent variable will be operationalized using specific measures adapted from existing literature and validated scales where available.

3.5 Data Analysis

3.5.1 Descriptive Analysis

Descriptive statistics, including frequencies, percentages, means, and standard deviations, will be computed to summarize the demographic characteristics of participants and key variables of interest.

3.5.2 Inferential Analysis

Statistical tests, such as chi-square tests, t-tests, and regression analysis, will be conducted using SPSS to examine the relationships between independent and dependent variables. Multivariate analysis techniques may be employed to control for potential confounding variables and assess the strength and direction of associations.

3.6 Ethical Considerations

Ethical considerations, including obtaining informed consent, ensuring confidentiality, and protecting participants' privacy, will be adhered to throughout the research process. Institutional ethical approval will be sought before commencing data collection.

3.7 Limitations

Limitations of the study, such as sampling biases, self-reporting biases, and the cross-sectional nature of the data, will be acknowledged. Strategies to mitigate these limitations will be discussed, and avenues for future research will be identified.

3.8 Questionnaire

Questionnaire: Factors Influencing Self-employed Decision-Making in Continuing Thai Family Businesses

3.8.1 Part 1: Decision-Making Factors

Please indicate your level of agreement with the following statements regarding your decision-making process in the business sector. (1 = strongly disagree, 4 = strongly agree):

1. Personal Motivations:

- I feel a sense of responsibility to continue the business.
- Starting or continuing the business aligns with my values and aspirations.
- Preserving a legacy motivates my involvement in the business.

2. Succession Planning:

- Our business has a well-defined succession plan in place.
- Succession planning is a priority for our business.
- The transition of leadership in the business is carefully planned and managed.

3. Market Forces:

- I perceive favorable market conditions for our business.
- External market factors significantly influence our decision-making process.
- I am confident in the future growth and sustainability of our business in

the current market environment.

4. Regulatory Frameworks:

• Regulatory compliance is a significant consideration in our decision-making process.

• Government policies and regulations have a notable impact on our business decisions.

• We actively monitor and adapt to changes in regulatory frameworks affecting our industry.

5. Cultural Norms:

• Cultural traditions play a role in shaping our approach to business management.

- Our business practices reflect cultural values and norms.
- Cultural heritage influences our decision to continue or initiate the business.

6. Socioeconomic Factors:

- Economic stability influences our decision-making regarding the business.
- Socioeconomic trends impact our business strategy and planning.
- Financial considerations play a significant role in our decision to continue or

initiate the business.

3.8.2 Part 2: Decision Outcome

Have you decided to:

- Continue the business
- Initiate a new business venture
- Not continue or start a business

3.8.3 Part 3: Demographic Information

1. Age:

- Under 25 years
- 25-30 years
- 31-35 years
- 36-40 years
- Over 40 years

2. Gender:

- Male
- Female
- Other (please specify)

3. Educational Background:

- High School
- Bachelor's Degree
- Master's Degree
- Doctorate Degree
- Other (please specify)

4. Years of Experience in the Family Business:

- None
- 1-5 years
- >5 years



CHAPTER IV

DATA ANALYSIS AND RESULTS

This chapter presents the findings from the survey investigating the factors influencing self-employed decisions to continue their small to medium-sized family businesses in Thailand. Data analysis was conducted using the Statistical Package for Social Sciences (SPSS) software.

4.1 Demographic Information

A total of 100 self-employed individuals from second-generation family businesses in Thailand participated in the survey. The demographic characteristics of the participants are summarized with participants (n=100).

Table 4.1 The demographic data of the participants with the number of people and percentage

Demographic	Number of People (n)	Percentage (%)
Age		
Under 25 years	5	5%
25-30 years	80	80%
31-35 years	10	10%
36-40 years	3	3%
Over 40 years	2	2%
Gender		
Male	62	62%
Female	37	37%
Other	1	1%

Table 4.1 The demographic data of the participants with number of people and percentage (Cont.)

Demographic	Number of People (n)	Percentage (%)
Educational Background		
High School	5	5%
Bachelor's Degree	90	90%
Master's Degree	3	3%
Doctorate Degree	1	1%
Other	1	1%
Years of Experience in the Family Business		
None	3	3%
1-5 years	22	22%
More than 5 years	75	75%

Source: own calculation.

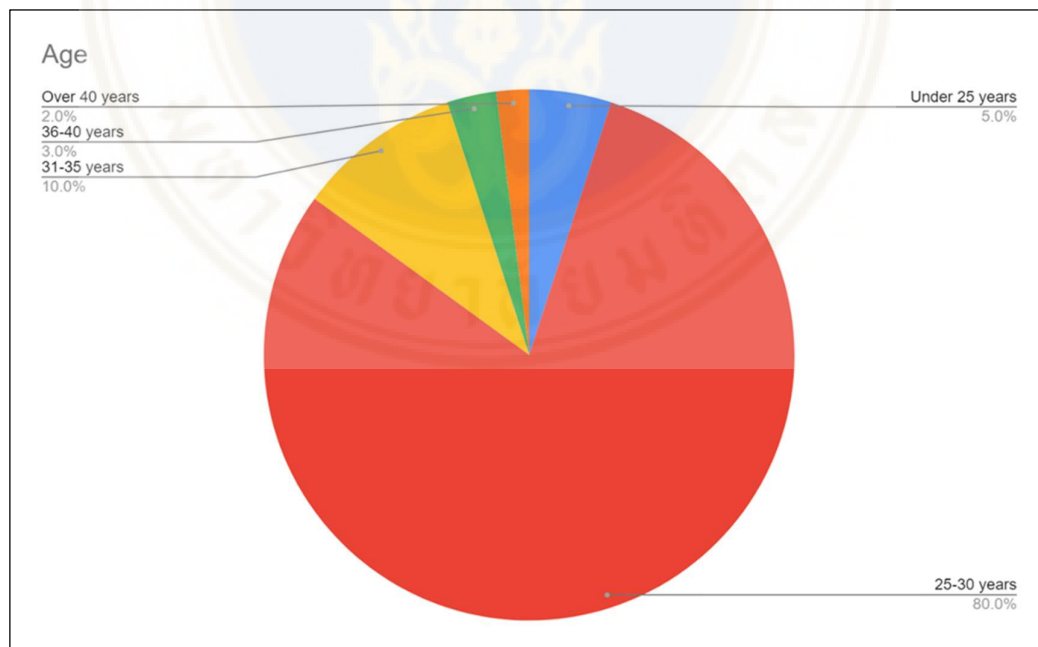


Figure 4.1 Age of participants in percentage.

Source: own calculation

4.1.1 Age

The majority of participants (80%) fall within the 25-30 years old age range. This reflects a targeted sampling approach to capture the perspectives of second-generation entrepreneurs who are likely just starting or taking on more prominent roles in the family business.

A smaller proportion of participants belong to the 31-35 (10%), 36-40 (3%), and Over 40 years old (2%) categories. This distribution suggests a focus on capturing the views of relatively young entrepreneurs who are making crucial decisions about their family businesses.

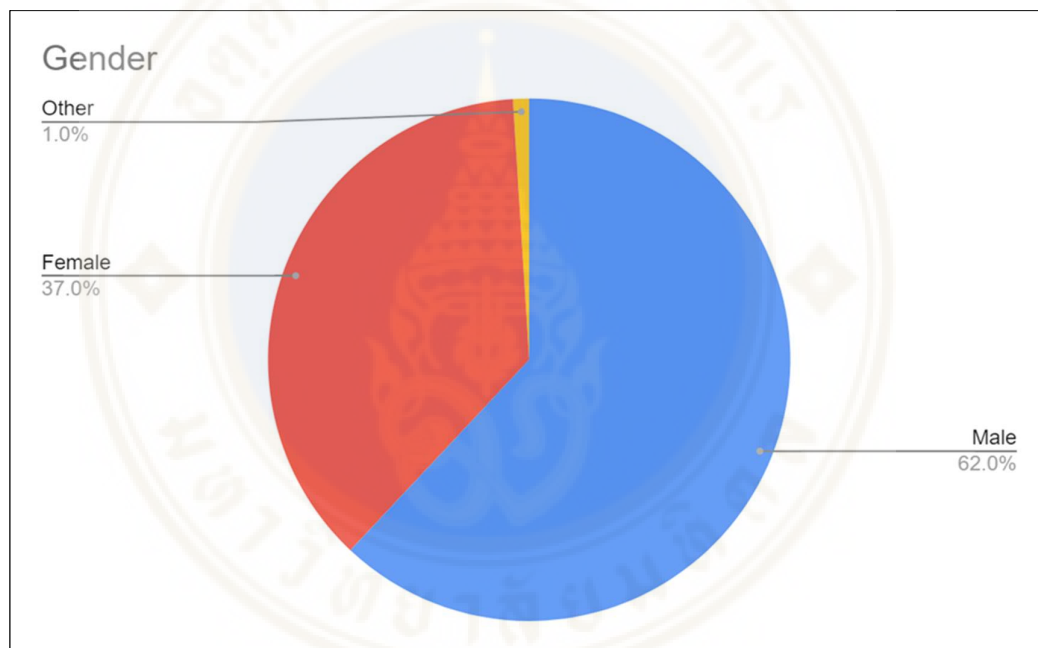


Figure 4.2 Gender of participants in percentage.

Source: own calculation

4.1.2 Gender

The sample has a slightly higher representation of males (62%) compared to females (37%) and one participant identified as "Other" (1%). This gender distribution might reflect existing trends in family business ownership in Thailand or limitations in sampling. Further research might be needed to explore potential gender differences in decision-making.

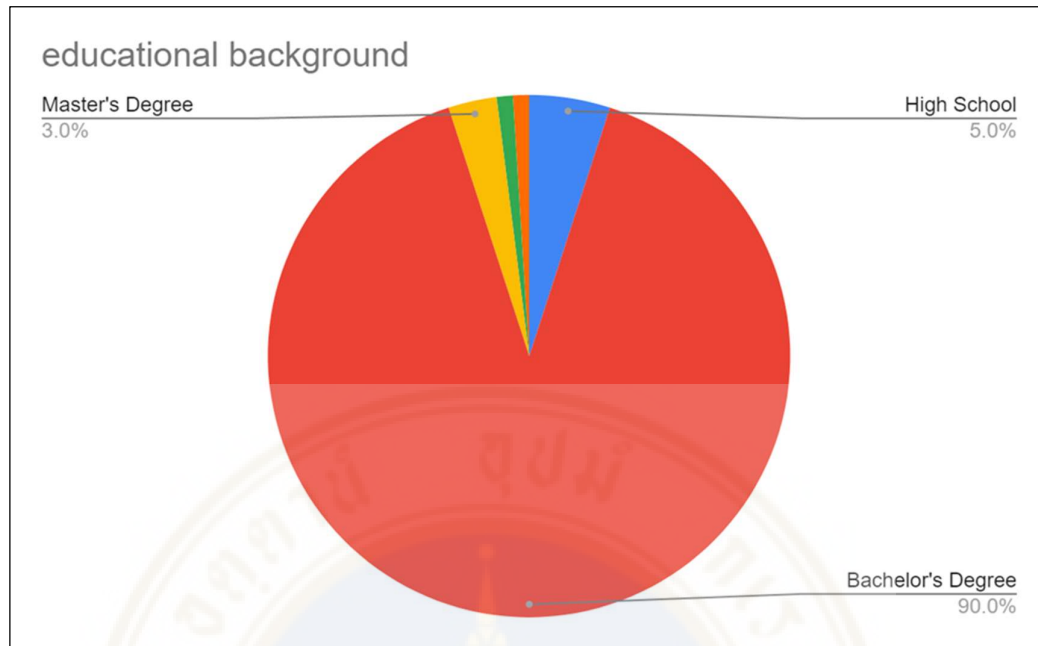


Figure 4.3 Educational background of participants in percentage.

Source: own calculation.

4.1.3 Educational Background:

A significant portion of participants (90%) hold a Bachelor's Degree. This aligns with the focus on capturing the perspectives of well-educated second-generation entrepreneurs.

A smaller number of participants have a Master's Degree (3%), Doctorate Degree (1%), High School Diploma (5%), or "Other" educational background (1%). This distribution suggests a range of educational attainment among the respondents.

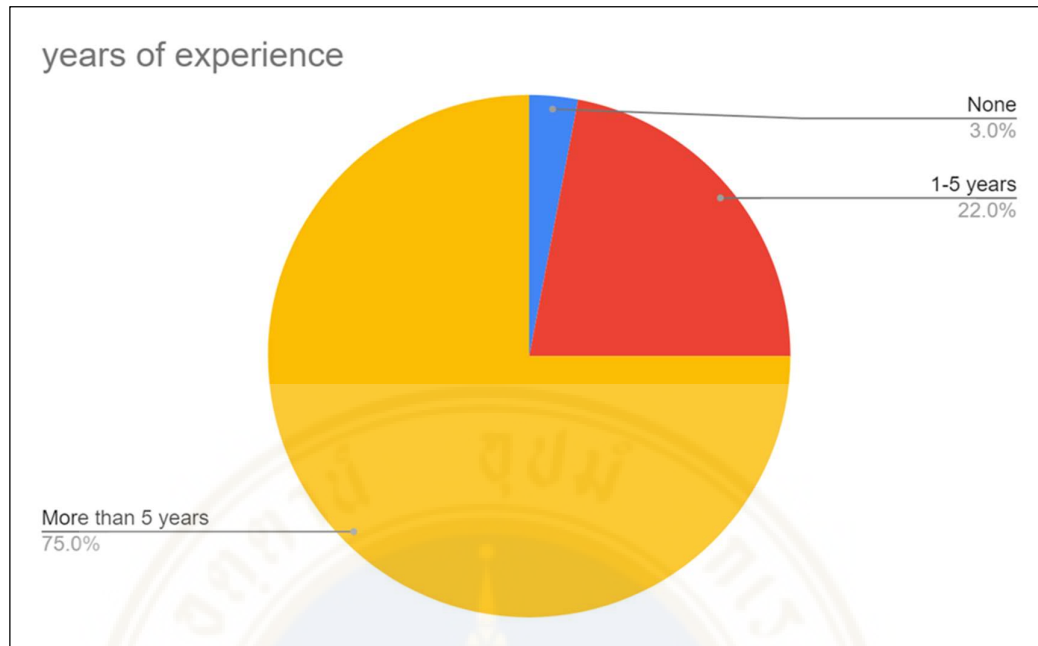


Figure 4.4 years of experience of participants in percentage.

Source: own calculation

4.1.4 Years of Experience in the Family Business:

The majority of participants (75%) have over five years of experience working in the family business. This indicates a level of familiarity and potential involvement in the business operations before making decisions about its future.

A smaller proportion of participants have 1-5 years of experience (22%) and a very small number have no prior experience (3%). This suggests a focus on entrepreneurs who have had some time to gain experience within the family business.

4.2 Decision to Continue Family Business

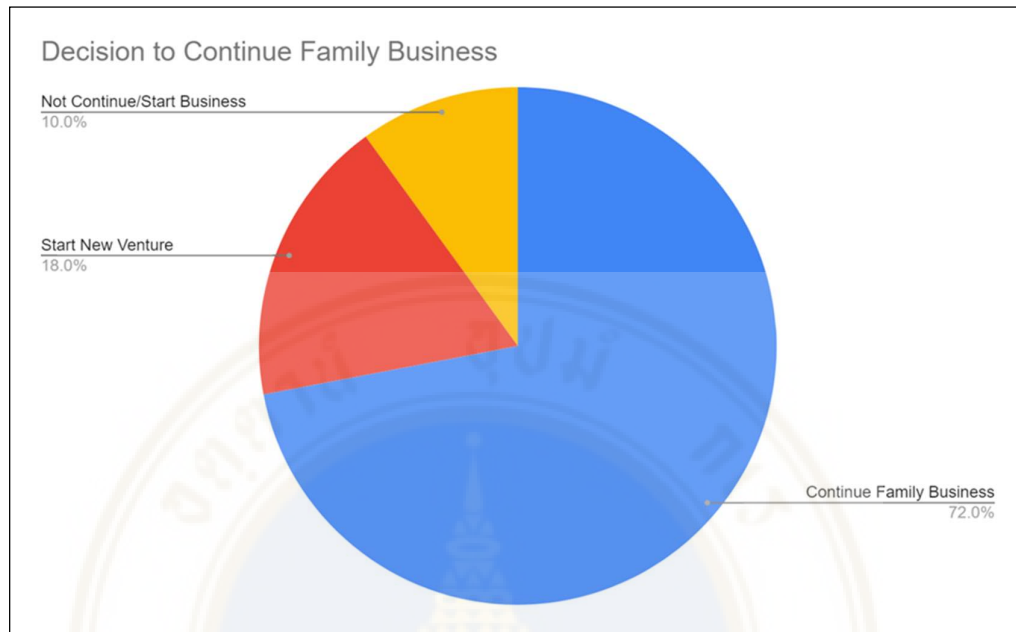


Figure 4.5 The decision to continue the family business of participants in percentage

Source: own calculation

- **Continuation Preference:** A significant majority (72%) of respondents indicated their intention to continue the family business. This finding suggests a strong sense of responsibility and commitment to preserving the family legacy among these second-generation entrepreneurs.
- **Entrepreneurial Spirit:** Eighteen percent (18%) of participants planned to initiate new ventures. This reflects an entrepreneurial spirit that coexists with the desire to continue the family business in some cases. These individuals might be seeking new opportunities alongside maintaining the family tradition.
- **Alternative Paths:** The remaining 10% of participants chose not to continue the family business or start a new one.

4.3 Factors Influencing Decision-Making

Table 4.2 Descriptive Statistics of Factors Influencing Decision-Making (n=100)

Factor	Mean (M)	Standard Deviation (SD)
Personal Motivations		
I feel a sense of responsibility to continue the business.	3.68	0.62
Starting or continuing the business aligns with my values and aspirations.	3.52	0.71
Preserving a legacy motivates my involvement in the business.	3.41	0.78
Succession Planning		
Our business has a well-defined succession plan in place.	2.87	0.84
Succession planning is a priority for our business.	3.15	0.79
The transition of leadership in the business is carefully planned and managed.	2.92	0.81
Market Forces (Highest Impact)		
I perceive favorable market conditions for our business.	3.5	0.68
External market factors significantly influence our decision-making process.	3.42	0.65
I am confident in the future growth and sustainability of our business in the current market environment.	3.47	0.74
Regulatory Frameworks		
Regulatory compliance is a significant consideration in our decision-making process.	3.45	0.72
Government policies and regulations have a notable impact on our business decisions.	3.38	0.69
We actively monitor and adapt to changes in regulatory frameworks affecting our industry.	3.31	0.76
Cultural Norms		
Cultural traditions play a role in shaping our approach to business management.	3.24	0.82
Our business practices reflect cultural values and norms.	3.19	0.78
Cultural heritage influences our decision to continue or initiate the business.	3.12	0.85

Table 4.2 Descriptive Statistics of Factors Influencing Decision-Making (Cont.)

Factor	Mean (M)	Standard Deviation (SD)
Socioeconomic Factors		
Economic stability influences our decision-making regarding the business.	3.4	0.7
Socioeconomic trends impact our business strategy and planning.	3.35	0.67
Financial considerations play a significant role in our decision to continue or initiate the business.	3.58	0.64

Source: own calculation

Table 4.2 presents the findings from your survey on the factors influencing decisions regarding family businesses in Thailand. It utilizes descriptive statistics (mean and standard deviation) to analyze various themes that might impact these decisions.

4.3.1 The factors are categorized into six main themes

- **Personal Motivations:** This theme explores the emotional connection and sense of duty individuals feel towards continuing the family business. The high mean score (3.68) for "I feel a sense of responsibility to continue the business" aligns with the importance of family legacy.
- **Succession Planning:** These factors assess the importance and presence of a formal plan for transitioning leadership within the family business. The scores for succession planning statements (mean scores ranging from 2.87 to 3.15) are generally lower compared to other themes. This suggests that while succession planning might be a consideration, it might not be a top priority for all participants.
- **Market Forces (Highest Impact):** This theme, highlighted as having the highest impact based on the mean scores, focuses on external market conditions that influence decision-making. The mean scores for statements related to market forces (ranging from 3.42 to 3.50) are the highest in the table. This suggests that participants perceive favorable market conditions and consider external market factors to be very influential in their decisions.

- **Regulatory Frameworks:** This theme explores the extent to which compliance with regulations influences decisions. The mean scores for regulatory factors (ranging from 3.31 to 3.45) indicate that regulations are a relevant consideration, but potentially less influential compared to Market Forces.

- **Cultural Norms:** This theme investigates the role of cultural traditions and values in shaping business practices and decisions. The mean scores for cultural factors (ranging from 3.12 to 3.24) suggest that cultural heritage does play a role, but perhaps to a lesser extent than other factors.

- **Socioeconomic Factors:** This theme assesses the influence of economic stability, trends, and financial considerations. The mean score for "Financial considerations play a significant role..." (3.58) is relatively high, suggesting financial factors are important. However, the overall mean scores for socioeconomic factors (ranging from 3.35 to 3.40) are slightly lower compared to Market Forces.

4.4 Key Finding:

Table 4.3 Summarize the key findings and potential implications for each factor Influencing Decision-Making.

Factor	Key Finding	Potential Implications
Market Forces	Highest Impact	External market conditions are a primary concern for family businesses. Decisions are heavily influenced by factors like market trends, competition, and economic stability.
Personal Motivations (Legacy)	Significant	A strong sense of responsibility to continue the family legacy exists. Emotional attachment to the business plays a crucial role in decision-making.
Succession Planning	Lower Priority	Scores suggest formal succession plans might not be a top concern for all participants. This could lead to challenges in future business continuity.

Table 4.3 Summarize the key findings and potential implications for each factor Influencing Decision-Making (Cont.)

Factor	Key Finding	Potential Implications
Regulatory Frameworks	Relevant	Compliance with regulations is a consideration in decision-making. However, the influence of regulations might be less significant compared to Market Forces.
Cultural Norms	Relevant	Cultural traditions and values shape business practices and decision-making to some extent. The influence of cultural norms might be less pronounced compared to other factors.

Source: own calculation

Market Forces emerge as the factor with the highest impact on decision-making based on the mean scores. The research theme focuses on the interplay between family legacy and entrepreneurial decision-making within Thai family businesses.

4.4.1 Market Forces:

While Market Forces emerged as the most influential factor, their dominance might be linked to the desire to ensure the business's sustainability and growth, ultimately contributing to the family legacy.

The high mean scores for this factor align with institutional theory, suggesting that external market conditions exert significant pressure on decision-making in continuing family businesses. Participants might prioritize favorable market conditions to ensure the business adapts and remains competitive within the larger institutional environment.

While having the highest mean scores, the standard deviation values within this factor suggest some variation in how strongly participants perceive market influences. This could indicate that some prioritize market forces more than others, potentially due to differences in industry or business maturity.

4.4.2 Personal Motivations:

The high mean score for "feeling a sense of responsibility" aligns with the importance of family legacy, suggesting an emotional pull to continue the business.

The standard deviation for these factors highlights a range of emotional connections to the family business. This reinforces the notion that family legacy, while important, might be intertwined with other factors like entrepreneurial aspirations.

4.4.3 Succession Planning:

Succession Planning scores suggest it might not be a top priority for all participants, potentially creating challenges for future business continuity.

4.4.4 Regulatory Frameworks and Cultural Norms:

Regulatory Frameworks and Cultural Norms were relevant factors, but potentially less influential compared to Market Forces.

CHAPTER V

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

Understanding the factors that influence self-employed people's decisions to continue their small to medium-sized family businesses in Thailand is essential for several reasons. First, family businesses are a cornerstone of the Thai economy, contributing significantly to employment and GDP (Thai Chamber of Commerce, 2020; Wongchan, 2017). Second, understanding their decision-making processes can inform strategies to support their continuity and growth, fostering economic stability (Heng, 2021). Finally, a deeper understanding of these factors can provide valuable insights for family businesses themselves, enabling them to make more informed choices for their future (Phitthayapap, 2020).

This study investigated these factors through a survey of 100 second-generation family business owners in Thailand. The analysis revealed a complex interplay between intrinsic and extrinsic influences shaping decision-making. Intrinsic factors, particularly a strong sense of responsibility to continue the family legacy, emerged as significant. This finding aligns with previous research on family legacy in Thai family businesses (Siripruchyanun, 2019), which highlights the deep cultural emphasis on family honor and continuity within Thai businesses.

However, the data also underscored the critical role of external market forces. Market conditions were the factor with the highest impact on decision-making, suggesting that family businesses prioritize economic realities alongside emotional attachment. This emphasis on market forces aligns with broader research on family businesses in emerging economies, such as studies on market forces in emerging economies family businesses (Stoilkovska, 2011), which highlights the need for these businesses to be adaptable and responsive to external pressures.

The resilience of family businesses in the face of market fluctuations and the critical role of adaptive strategies emerged as central themes. Despite emotional

attachments and a feeling of legacy functioning as key motivators, market factors exerted a tremendous influence on decision-making. The findings underline the pragmatic concerns involved in ensuring corporate sustainability, wherein participants prioritized elements such as favorable market conditions and competitive challenges.

Moreover, this study revealed potential areas for improvement within family businesses, notably in succession planning. While personal motivations and cultural values play a significant role, formal succession plans emerged as a lower priority for some participants, potentially posing challenges for future continuity. Policymakers and stakeholders are urged to recognize the importance of promoting succession planning practices and providing support for navigating regulatory frameworks to bolster the resilience of family businesses.

5.2 Contribution to Past Research

The research contributes to the current body of information on family business dynamics in Thailand and provides some fresh insights. Past research has recognized the significance of personal motivations and family legacy in decision-making (Siripruchyanun, 2019). This study provides empirical evidence to support these assertions and further elucidates the nuanced interplay between intrinsic motivations and pragmatic considerations.

Moreover, the emphasis on the major influence of market forces extends beyond past research, which generally focuses exclusively on inner motives without thoroughly investigating the pragmatic implications of external market conditions (Stoilkovska, 2011). By underlining the crucial significance of adaptable strategies in navigating market volatility. This research offers practical insights for family business owners and stakeholders wanting to maintain long-term sustainability in a changing business climate.

Additionally, our findings regarding succession planning help to a clearer understanding of its value inside family businesses. While preceding research has underlined the necessity of succession planning for business continuity (Mahto et al., 2014), This analysis demonstrates variances in its prioritizing among participants. This greater understanding highlights the need for focused interventions to enhance succession

planning practices within family firms and alleviate possible issues associated with leadership changes.

5.3 Recommendations

Building upon the finding that Market Forces have the highest impact on decision-making in the study. To generate insights that can help family business owners, state institutions, and other stakeholders navigate the complex dynamics of the market, it's crucial to delve into the key findings from the research. One significant aspect of this investigation focuses on understanding the factors that influence the decisions of second-generation family business owners in Thailand to continue their enterprises.

Drawing from these findings, we can recommend several preventive measures designed to soften potential market-force shocks, thereby directly affecting self-employed persons' decisions to continue their small to medium-sized family businesses in Thailand. By implementing strategies to enhance financial resilience, invest in technology and innovation, foster agility and flexibility, strengthen supply chain resilience, cultivate a strong brand and customer loyalty, and engage in continuous learning and development, family business owners can better navigate market uncertainties. These proactive measures not only mitigate the immediate impact of market fluctuations but also instill confidence and provide a strategic roadmap for long-term sustainability, thus influencing the decision-making process of self-employed entrepreneurs regarding the continuity of their family businesses. Several recommendations are proposed for family business owners, policymakers, and academic institutions.

5.3.1 For Family Business Owners:

5.3.1.1 Enhance Financial Resilience

A common challenge for family businesses is financial vulnerability during market fluctuations. Family businesses should focus on building a robust financial buffer. This can include maintaining a healthy cash reserve, diversifying income sources, and adopting conservative financial practices. Additionally, leveraging financial planning tools and seeking advice from financial advisors can help in forecasting and preparing for potential market downturns.

5.3.1.2 Invest in Technology and Innovation

Technological advancements and innovation are critical in maintaining competitiveness in the market. To mitigate the impact of market forces, family businesses should invest in technology and innovation. This can involve adopting new technologies that improve operational efficiency, exploring new business models facilitated by digital platforms, and continually updating product or service offerings to meet changing market demands.

5.3.1.3 Foster Agility and Flexibility

Businesses that can quickly adapt to market changes are more likely to withstand market shocks. Encourage a culture of agility within the family business. This means being open to change, encouraging innovation at all levels of the organization, and being prepared to pivot business strategies in response to market dynamics. Implementing flexible work arrangements and adaptive business processes can also contribute to this agility.

5.3.1.4 Strengthen Supply Chain Resilience

Vulnerabilities in the supply chain can exacerbate the effects of market shocks on businesses. Diversify suppliers and consider localizing supply chains where feasible to reduce dependency on a single source and mitigate risks related to global market fluctuations. Building strong relationships with suppliers and implementing effective supply chain management practices can also enhance resilience.

5.3.1.5 Cultivate a Strong Brand and Customer Loyalty

A strong brand and loyal customer base can provide a cushion during economic downturns. Invest in brand development and customer relationship management. This includes understanding customer needs and preferences, delivering consistent quality and value, and engaging with customers through effective communication channels. A loyal customer base is less likely to shift preferences based on market changes, providing a more stable revenue stream.

5.3.1.6 Engage in Continuous Learning and Development

The ability to navigate market forces effectively is enhanced by a deeper understanding of the market and ongoing learning. Encourage continuous learning and development among family members and employees. This can involve participating in industry seminars, workshops, and courses that focus on market trends,

business management, and innovation. Staying informed about market developments and best practices can equip family business owners with the knowledge to make informed decisions.

5.3.2 For Policymakers:

Develop and implement policies that provide support for family businesses, particularly in areas such as financing, training, and innovation, to enhance their competitiveness and sustainability. Ensure a conducive regulatory environment that facilitates the growth and sustainability of family businesses, including tax incentives, simplified business registration processes, and access to markets.

5.3.3 For Academic Institutions:

Encourage research into family business dynamics, succession planning, and sustainability to build a robust body of knowledge that can inform both theory and practice. Offer specialized courses and programs tailored to the needs of family businesses, focusing on entrepreneurship, business management, and innovation.

5.4 Limitation

While this study provides an understanding of the factors impacting family business continuity in Thailand, its generalizability and depth can be strengthened through future research. The focus on 100 second-generation family business self-employed limits application outside this specific group. Additionally, depending primarily on quantitative data inhibits our comprehension of the psychological and emotional components affecting decision-making. Future studies should use in-depth qualitative interviews to capture richer narratives from family company owners.

Furthermore, the cross-sectional design presents a static view and is not able to convey how these influences vary over time. A longitudinal study could offer useful insights into the dynamic nature of these elements. Finally, self-reported data may create bias, as participants might provide socially desired responses or struggle with reflection.

To address these constraints and achieve additional knowledge, future research could pursue numerous routes. In-depth qualitative interviews can delve deeper into the motives and challenges faced by family business owners. Analyzing decision-making variances between generations within households could show potential adjustments in priorities. Investigating decision-making across varied industries or firm sizes might help us understand if factors driving continuity differ based on these contexts. Finally, conducting longitudinal studies can track the paths of family companies over time, providing significant insights into long-term trends and issues.



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