UTCC International Journal of Business and Economics (UTCC IJBE)
Volume 11 Number 1, April 2019

EXAMINATION OF CSR DIMENSION AND MANAGERIAL STYLE IN THAILAND: A BEHAVIORAL PERSPECTIVE

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Abstract

Scholarly research on the topic of corporate social responsibility has witnessed a dramatic increase over the last decade**.** However, there is still limited knowledge of organization antecedent to CSR, specifically on the important of managerial styles in shaping corporate social responsibility activities**.** This study adopts the behavioral approach theory **(**relationship-oriented and task-oriented**)** to explore the role of manager in determining the extent to which firm engaged in different dimensions of CSR**.** Based on the data collected from 179 firms in Thailand, relationship-oriented managerial style is found to be significantly associated with employee and community dimensions of CSR**.** In contrast, task-oriented managerial style is significantly associated with economic dimension of CSR**.** The study provides theoretical contribution to the link between behavioral theory of leadership and CSR**.** The result contributes to CSR and leadership literature by demonstrating that an individual behavior of a manager is significant to the practice of different dimensions of CSR**.**

Introduction

Ever since the beginning of 2000s, with rapid changes in technological advancement, economic development, social and environmental concerns around the world, Corporate Social Responsibility (CSR) has become a popular subject among leaders and members of all social segments alike (Virakul et al., 2009). CSR is a growing area of interest for academics and practitioners in both theory and practice. Despite a growing body of research on CSR, there are still limited knowledge of organizational antecedents to CSR, specifically on the important of leadership styles in shaping the organizational strategies and CSR activities (Groves and Larocca, 2011; Waldman and Siegel, 2008). Although important contributions have been made to explore the related topics as ethical and responsible leadership and importance of ethical behavior to an organization, there is a room for more explanations into the role of leadership in CSR (Brown & Trevino, 2006; Doh & Stumpf, 2005; Maak & Pless, 2006).

The objective of this research is to addresses the research gaps by investigating the relationship between different managerial styles and various CSR dimensions. Specifically, we adopt behavioral approach to leadership – task-oriented behavior and relationship-oriented behavior. The paper provides significant contributions to the literature of leadership and CSR. As Waldman et.al (2006) suggested for more studies of leadership and CSR at the lower unit of analysis (e.g. divisional level). This study fills in the gap by focusing our unit of study at management level. Prior literature indicates that there is still a limited knowledge on the important of leadership style in shaping the CSR strategies. Therefore, our study extends the theory literature on behavioral approach and CSR by determining the relationship between behavioral approach to leadership (relationship-oriented and task-oriented) and CSR dimensions (employee, community, and economic). The paper also provides more insights into the practice of CSR from the perspective of Thai companies and as subsidiary of foreign companies in Thailand.

The structure of this article is as follows. The article begins with the theoretical background by providing the discussion on the topic of CSR and behavioral approach to leadership. An explanation of hypothesis development is explained in the next section. After this, the results of the study are presented follow by discussion and conclusion.

Theoretical background and hypotheses development

Corporate social responsibility (CSR)

According to the World Business Council for Sustainable Development CSR can be defined as the “continuing commitment of business to behave ethically, to contribute to economic development, and to improve the quality of life of the workforce, local community and society”.

Corporate Social Responsibility (CSR) has been emerging as a significant international business requirement practiced by global companies across the industries (Young and Thyil, 2009). Businesses worldwide are increasing their commitment to human rights and ethics to become more economically, environmentally and socially responsible (Kanji & Chopra, 2010). In the past, businesses around the world are operated based on the classical approach of shareholders' theory. The primary goal of the firm is to maximize the shareholders' wealth. By being ethical and considering positive externality problems into account will generate extra cost for the firm (Walley and Whitehead, 1994; Palmer et al, 1995, Shleifer, 2004). Firms are seen as instruments of creating economic value for the shareholder and are not required to act ethically (Greenwood, 2001). Snider (2003) argue that business exists to serve the greater community as well as direct beneficiaries of the company's operations and demand that business act more ethically and responsibly (Snider et al. 2003). Since then the concept of CSR has been practiced by business worldwide.

Lee (2008) classifies the evolution of CSR theory into four stages starting from Bowen (1953), who first theorized the relationship between business and society and defines CSR as "the business obligation to align the objective of firms with the values in the society". The emphasis of CSR study has been communicate through the concept of corporate citizenship, stewardship, business responsibilities, ethics, and social obligation. In 1970s, the new rationale of CSR study has emerged based on the enlightened self-interest model (Ackerman, 1973; Fitch, 1976). The enlightened self-interest recognizes the company can generate profit and become competitive by fulfilling the social and environmental responsibilities. Later in 1980s, the dominant theme of CSR study is on Corporate Social Performance with the integration of three-dimensional model of economic, social, and environmental (Carroll, 1979). This is to follow by the dominant theme of stakeholder theory and strategic management. Stakeholder theory place less emphasis on economic and social goal of corporation but give more importance on the responsibility of firm (economic and non-economic) to the critical stakeholders. Since then from the year 2000s, the study of CSR has been focus more on the concept of global citizenship in which business must be socially responsible to meet legal, ethical, and economic responsibilities.

According to stakeholder theory, the survival of business depends on the ability to satisfy its stakeholders and balance the needs of different stakeholder groups. Stakeholders can be identified based on their ownership, rights, or interest in a business and its activities, past present or future. Businesses have responsibility to behave ethically and become socially responsible towards all their stakeholders (Akgeyik, 2005).

Although, CSR is a well-established concept to the European and North American nations, individuals and organizations still have different conceptual understanding of the definitions, dimensions and classification of CSR (Welford, 2005). Variations in cultures, social and institutional backgrounds are likely to affect managerial practices of CSR in different countries. Matten and Moon (2008) found that European companies are less explicit in communicating their CSR activities compared with companies in the United States. Based on the reviews of western and Chinese literatures, Xu and Yang (2010) find both similarities and differences on the CSR dimensions between the two cultures. Both cultures emphasized on six CSR dimensions known as: economic responsibility, legal responsibility, environmental protection, people focused, customer focused, and charity. Two distinctive CSR dimensions from the western context that were found in China are “Good Faith” and “Social Instability”.

In Thailand, the concept of CSR has advanced over the past years but appears to be vague and lacks of misunderstanding among large companies (Kraisornsuthansinee and Swierczek, 2006). In the past, most CSR activities in Thailand involve activities in relation to corporate philanthropy and community involvement by offering donation to religious causes, offering scholarship, fund-raising, and donation to help victims of disaster. After 2007, CSR practice in Thailand shifted towards good corporate governance, business ethics, and sustainable development (Srisuphaolarn, 2013). In 2009, Virakul (2009) conducted a research on CSR award winning companies in Thailand and finds that there is no clear strategic policy of CSR from the executive level. There is also still lack of commitments and leadership from the CEO and top management on the practice and implementation of CSR. Appendix 1 shows the comparison of Thai CSR dimensions with Chinese and western CSR dimensions in detail. The comparison indicates that Chinese and Western CSR cover more extensive aspects than Thai CSR.

Leadership behavioral approach

Leadership style is an important element in influencing and shaping CSR activities (Brown & Treviño, 2006; Groves and Larocca, 2011; Waldman and Siegel, 2008). Waldman et al. (2006) explore the transformational leadership factor of CEO in the US and Canadian firms and find that intellectual stimulation leadership is the significant predictor of firm’s propensity to engage in CSR activities. There are also various studies conducted to determine the relationship between other leadership styles and CSR. These include the study of transactional leadership, visionary leader, participative leadership, and reflective leadership (Szekely & Knirsch, 2005; Walman et al. 2006; Ketola; 2006; Quinn & Dalton; 2009). However, the review of literature of leadership style and CSR indicates that the attempts to study behavioral perspective of leadership and CSR dimensions are still limited. Therefore, this paper adopts the behavioral approach to leadership. Behavioral approach offers a conceptual map on the understanding of the complexities of leadership. It has also been used widely as a model to teach managers to be better leaders. Substantiated research studies validate the basic tenets of behavioral approach (Northouse, 2016).

Behavioral approach to leadership is the approach that emphasizes on the behavior of the leader. It focuses exclusively on what leader do and their actions. The approach originated from three different lines of research: the Ohio State studies, the University of Michigan studies, and the Managerial Grid by Blake and Mouton. Earlier studies were done in the late 1940s at the Ohio State University and University of Michigan. The later study was done in 1960s by Blake and Mouton on Managerial Grid. The results indicate that leadership is composed of two general kinds of behaviors: *task oriented behavior* (or initiation of structure or production oriented) and *relationship behavior* (or consideration or employee oriented) (Northouse, 2016; King and Lawley, 2013).

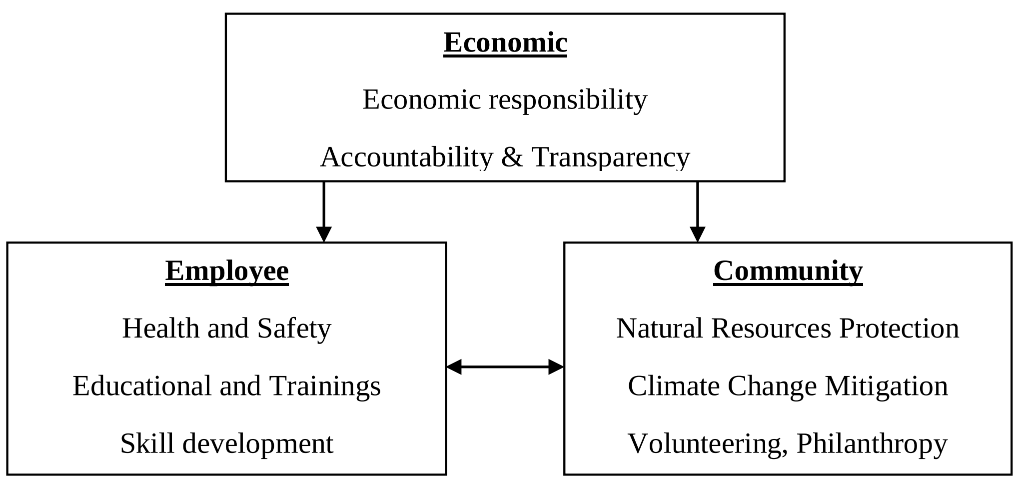
Task oriented behavior stress on goal accomplishment and often set concrete objectives for organizations. Leaders that are task oriented look for high levels of productivity. They favor in initiation, clarification, and organization of both people and activities to meet objectives. The focus of task oriented manager is on tasks and provides clear instructions, deadlines, and expectations. On the contrary, relationship oriented leaders emphasize on human relations by focusing on the importance of having followers feeling satisfied, comfortable and motivated. Relationship oriented leaders prefer to accomplish the goals through encouragement, personal development, coaching, mentoring and understanding the needs, interests and problems of their followers (Blake and Mouton, 1964; Northouse, 2016; King and Lawley, 2013). Appendix 2 lists the differences between relationship behaviors and task behaviors in details.

Behavioral approach and CSR dimensions

Nowadays, there exist various structures of CSR activities **(**Pirsch et al., 2007**).** Due to wide range of CSR tactics used by firms and a multi-dimensional nature of CSR **(**Waddock and Graves, 1997; Carroll, 1979**)**, scholars have distinguished among different types of CSR**.** For instance, Uddin et al. (2008) classify CSR into three dimensions: economic, social and environment. Base on the Thai context, Janamrung and Issarawornrawanich (2015) also divide CSR into 3 dimensions: employee, environment and community dimensions.

The CSR classification in this paper is based on the combination of stakeholder theory together with dimensions of prior literature. Stakeholder theory divides stakeholder groups into external and internal stakeholders. Internal stakeholders are groups within the organization, such as employees. External stakeholders are groups of people or entities from outside the organizations that are affected by organizational decisions and actions, such as the community. The three CSR dimensions adopted in this paper are economics, employee, and community.

Economic CSR is firm's economic responsibility, accountability, and transparency of their actions towards its stakeholders. It considers both direct and indirect impacts on the organization's competitive advantage and financial performance. Employee CSR refer to social responsibility of company towards the employees within the organization. Employees are the company's principle asset and play the vital roles in supporting and carrying out the execution of business strategies (King and Lawley, 2013). As they evaluate and react to CSR, employee's development (internal skill, personal growth, career advancement) is considered to be crucial. Yet, employee dimension still receives limited attention (Aguilera et al., 2007; Rupp et al., 2006). Welford (2005) reports that CSR engagement of Asian business on the employee dimension is less than business in Europe and North America. Lastly, community CSR refers to the contribution of business to well being of community and to its external stakeholder. Community CSR addresses the responsibility toward the social and environment concerns e.g. community development, protection and conservation of natural resources, and mitigation of environmental problems (Uddin et al., 2008).).). Figure 1 presents the three CSR dimension



Source: Uddin et al (2008)

Figure 1 The three dimensions of CSR

Collectivist people perceive helping others as personally desirable and obligatory, which indicates a good basis for socially responsible behavior (Janoff-Bulman and Leggatt, 2002; Chen et al., 2001). Relationship-oriented mangers focus on the satisfaction, motivation and the general well being of their employees (Chen et al, 2001). They approach subordinates with a strong emphasis on human relation, taking interests in promoting personal growth, providing good working conditions, establishing good relationships, and provide special attention to employees' needs (Bowers & Seashore, 1966; Blake and Mouton, 1964). Hence, the concern for establishing and having good relations with employees function on the basis of values held dear for employee CSR and expand beyond merely internal stakeholder to include community CSR. Good cooperation and CSR are synonymous. The cooperative principle exists at the core of CSR (Carrasco, 2007). With task-oriented orientation, managers are concerned with achieving organizational goals. It involves activities such as attention to policy decisions and organizational growth (Bowers & Seashore, 1966; Blake and Mouton, 1964). The characteristics are that they are less concerned with people and the community, and more on accomplishing the goals of firms. It is possible to view task-oriented as high masculinity. Steensma et al. (2000) show that individuals with masculine behavior display lower appreciation of cooperative strategies. Tice and Baumeister (2004) suggest that masculinity inhibits helping behaviors. In a prior empirical study, it was found that masculinity has a significant negative effect on environmental performance (Ringov and Zollo, 2007). Task-orientation may be a reflection of an aspect of individualism (Triandis, 1993). Despite the low appreciation for establishing good cooperation and relationships with employees and the society, individualism is still found to have a positive impact on CSR (Vitell and Paolillo, 2004). Therefore, we expect a positive relationship with economic CSR due to the focus on achieving organizational goals of managers who are more oriented toward task behavior. It is difficult to derive well-grounded hypotheses due to lack of prior research investigating the relationship of managerial style and CSR using behavioral approach to leadership. We conjecture the hypotheses as follows:

H1: The relationship between relationship-oriented behavior and employee CSR is positive.

H2: The relationship between relationship-oriented behavior and community CSR is positive.

H3. The relationship between task-oriented behavior and economic CSR is positive.

Methodology

Context

In Thailand, a study by Yodprudtikan (2009) shows that a majority of Thai firms (50%) have already initiated and engaged in some forms of CSR activities. Another 15% have shown impressive progress, while the other 35% have just learned about CSR. In general, most firms view CSR as beneficial particularly to help firms build community trust and goodwill (Prayukvong and Olsen 2009).

CSR activities of Thai firms often engage in are philanthropy and employee volunteering. The concept of CSR that are prevalent and practiced in Thailand is heavily influenced by its social and religious context (Shinnaranantana *et al*. 2013). As Thailand is *patron-client* culture, where the higher ranked members of the society provide the welfare and donation to the lower rank (Asian Development Bank Institute, 2007). The practice of giving according to the Thai tradition is done through merit making, charity, sponsoring, sharing, volunteering and philanthropy. Donations of firms in Thailand are often for the foundations established by King Rama IX and the royal family of Thailand to show the support of the initiatives and the respect towards the monarchy (Prayukvong and Olsen 2009). Prachayakorn (2010) reports among Asian country CSR is view as the same concept of philanthropy. Consequently, 80% of CSR activities of publicly listed firms in Thailand are often in the form of donations to charities (Association of Thai Registered Companies, 2008).

With the introduction of other types of CSR activities from multinational enterprises (MNEs) located in Thailand, the concept of CSR has become more familiar and expanded beyond voluntary activities and philanthropy. (Prayukvong and Olsen 2009).

Data collection procedure

The data are collected from 173 firms listed in the Stock Exchange of Thailand and the Market for Alternative Investment (MAI). A pre-test was conducted prior to check for validity, clarity, and relationships among major variables. The questionnaire was sent out to all publicly listed firms in Thailand. The classification of firms is divided into two groups: Thai firms and foreign subsidiaries of multinational enterprises (MNEs) from Japan, United Kingdom, and United States of America. To prevent the potential bias of the questionnaire, extra information is obtained from company's websites, annual reports, and Thailand's Department of Business Development (DBD) of the Ministry of Commerce. A cover letter, a questionnaire, and a detailed instruction on how to answer the questions are sent to manager that is directly responsible for the company's CSR.

Sample

Table 1 Descriptive statistics on industry and firm's country of origin

Industry	Sectors	Country USA	UK	Japan	Thailand	Total (%)
Agro & Food industry	Agribusiness, Food & Beverages	1	1	1	7	**5.78**
Consumer products	Fashion, Home & office products, Personal products & pharmaceuticals	5	2	4	2	**7.51**
Financials	Banking, Finance & securities, Insurance	0	3	0	8	**6.36**
Industrials	Automotive, Industrial material & machinery, Paper and printing material, Petrochemicals & chemicals, Packaging,, Steel	11	2	17	11	**23.70**
Property & construction	Construction material, property fund & REITs, Property development	0	0	3	15	**10.40**
Resources	Energy & Utilities, Mining	1	1	0	4	**3.47**
Services	Commerce, Healthcare services, Media & publishing, Professional services, Tourism & leisure, Transportation & logistic	9	7	12	17	**26.01**
Technology	Electronic components, Information & communication technology	6	1	5	9	**12.14**
Electric appliances	Electric Appliances	1	0	7	0	**4.62**
Total (%)		**16.65**	**9.83**	**28.32**	**42.20**	**100**

Table 1 presents the classification of company by industry. Base on the 172 firms, 42.2 percent are Thai firms and 57.80 are foreign subsidiary. The average establishment age of firms is 38.31 years. The classification of firm by industry is presented in Table 1. The industry and sector categorization is as according to SET industry category (SET, 2015), with an addition of electric appliances industry.

Respondents

From the total number of respondent, 40.70 percent of the sample is men and 59.30 are women. Majority of the respondent (52.33 percent) graduated with a Bachelor Degree, 45.35 percent with a Master, 1.16 percent the PhD graduation and 1.16% percent with other types of educational degree. Of these, 21.51 percent are expose to the international culture and receive their education abroad, mainly from countries such as Australia, New Zealand, USA, UK, China, France, Japan, India and Germany. The average age of the respondent is 35.75 years. The youngest participant is 22 years old and the oldest is 61 years old. Respondents from the age group 31-40 years old represents the highest percentage of the total sample (41.04 percent).

Dependent variable

The construction of dependent variable used in this study is adopted from Janamrung and Issarawornrawanich (2015)'s and Hillman and Keim (2001)'s. To ensure content validity of the instrument and the fit of CSR construct to the Thai context, items are based on comprehensive review prior literatures on CSR and other sources namely: the Corporate Social Responsibility Guideline from the CSR Institute of the Stock Exchange of Thailand, and the Kinder, Lydenberg and Domini (KLD) dataset. To further confirm content validity, five CSR experts (CSR managers and CEOs of firms) were asked to check the preliminary list of items. Items are placed randomly to reduce halo response problem (Thorndike 1920). Respondents are asked to rate different items base on a scale ranging from 1 (strongly disagree) to 9 (strongly agree). Ten items are used to inquire respondents about different aspects of their firms' CSR projects and activities.

To construct different dimensions of CSR, the study is base on stakeholder theory of internal and external stakeholders. Hence, the three dimensions of CSR are adopted in this paper: employee, community and economic.

Employee CSR is operationalized with two items (e.g. help firms obtain and retain good employees), community CSR with four items (e.g., have made surrounding environment better or mitigated environmental impacts), and the economic CSR is operationalized with four items (e.g., increase in direct economic value (i.e., sales) generated by CSR programs). To operationalize the dimensions, the paper follows Hillman and Keim (2001)'s approach, where different CSR dimensions are rated on a scale. The scores are determined by the summation across different items for each CSR dimension.

Explanatory variables

The two most commonly used questionnaires to measure management style of task-oriented behavior and relationship-oriented behavior have been the Leader Behavior Description Questionnaire (LBDQ) (Stogdill, 1963) and the Managerial Grid or Leadership Grid (Northouse, 2016). The original Ohio State studies' LBDQ has more than 1,800 items with 150 questions (Hemphill and Coons, 1957). With such extensive number of questions from the LBDQ, the assessment of leadership style in this paper is based on 18 items. Each respondent was asked to rate each item based on a 5-point Likert scale. Nine items measures relationship-oriented behavior, while the other nine items evaluate task-oriented behavior (Blake and McCanse, 1991). Answers are assigned scores based on Blake and Mouton (1964)'s Managerial grid. The Cronbach's alpha value for internal consistency test is 0.78 for the relationship-oriented and 0.70 for task-oriented, above the threshold of 0.7, signifying the reliability and internal compliance of the scale.

The confirmatory factor analysis is conducted based on the 18 items to determine the appropriateness of proceeding with two separate measures. By comparing a single-factor versus a two-factor model, the result indicates that task-oriented behavior and relationship-oriented behavior should be examined separately. Moreover, the result from t-test of difference shows that the means of relationship-oriented group and task-oriented group are different, consistent with the Ohio State studies view these two behaviors as distinct and independent. Task oriented and relationships oriented are thought of not as two points along a single continuum, but as two different continua and the degree to which a leader exhibits one behavior is not related to the degree to which he or she exhibits the other behavior (Northouse, 2016).

Baczek (2013) indicates that Thai leaders possess similar characteristics as other global leaders. However, the major difference lies in its traditions. Maintaining a good and strong relationships play a significant role in the Thai society. The tradition with high emphasis is the concept of *Bunkhun* and *Namjai*. *Bunkhun* is referred to the need and obligation to take care of those who are more inferior. *Namjai* is showing a consideration for others (Roongrerngsuke and Liefooghe, 2012). Close relationship is very significant. In organizational setting, not only that employees need to work hard, but also they must show gratitude for the superiors (such as leaders, managers, supervisors). At the same time, the superiors should pay respect and show understanding for their subordinates. The result indicates that the mean value for relationship-oriented is higher than task-oriented, consistent with prior works, implying current leaders still stay true to the traditional values of *Bunkhun* and *Namjai*.

Control variables

The control variables for this study are size, industry and country variables. Due to factors associated with a theory of firm perspective on CSR (Waddock and Graves, 1997; McWilliams and Siegel, 2000), the study includes measures of lagged profitability as a control variable for firm size. The size of the firms has an impact on their socially responsible behaviour (McWilliams and Siegel 2001). To help reduce survey bias from relying on one set of questionnaire, data on firm size is taken from annual the Thai government database and annual reports. Firm size is based on net profit earned. Industry dummy variable is also in the analyses based on the industry categorization of the Stock Exchange of Thailand (SET). Hofstede and Hofstede (2005) show that culture and ideology of a country affect behaviours. Cultural tendencies and characteristics shape expectations of the role of business (Welford, 2005), causing perceptions, concepts and practices of CSR to form and develop in their own ways (Rajanakorn, 2012). Therefore, the country dummy is also included. The characteristics of firms' CSR are also included as the control variable. Prior study states that the characteristic of CSR of a particular firm influences their type of CSR practice (Lantos, 2001; Waldman et al., 2006). A lagged measure of CSR is included, which is a dummy representing prior engagement of CSR. Lastly, the dummy on whether or not firms have financial resources allocated for CSR is included as another control variables.

Results

At the time of the survey administration, 87.86 percent of firms are engaged in CSR. Majority of company (85.53 percent) receive the allocation of financial resources (approximately 0 to 1 percent of the company's net income) for their CSR projects. In terms of their understanding, the concept of CSR is seen to encompass many issues ranging from sustainability, business ethics, morality, to monetary donations, with activities related and unrelated to core business. Table 2 presents excerpts based on the understanding of CSR from companies in nine industries in our sample.

Table 3 presents the result for descriptive statistic and the correlation coefficient for the variables used in the regression analysis. The variance inflation factors (VIFs) are in the range of 1.28-4.33 with the mean of 2.31, indicating no evidence of multicollinearity. Moreover, both types of management style are positively correlated with the three dimensions of CSR ($r = 0.23$, $p < 0.05$ for relationship-oriented and employee CSR; $r = 0.29$, $p < 0.05$ for relationship-oriented and community CSR; and $r = 0.21$, $p < 0.05$ for relationship-oriented and economic CSR; $r = 0.15$, $p < 0.05$ for task-oriented and employee CSR; $r = 0.20$, $p < 0.05$ for task-oriented and community CSR; and $r = 0.23$, $p < 0.05$ for task-oriented and economic CSR, respectively). Concerning control variables, lagged CSR are positively correlated with community CSR ($r = 0.25$, $p < 0.05$) and economic CSR ($r = 0.25$, $p < 0.05$), consistent with prior work. Moreover, firm's financial allocation for CSR is positively correlated with only community CSR ($r = 0.24$, $p < 0.05$) and economic CSR ($r = 0.19$, $p < 0.05$), but not with employee CSR. Interestingly, firm size does not correlate with any variables. A plausible explanation can be that firms of all sizes in this sample engage in CSR.

Table 2 Excerpts on the understanding of CSR on selected firms from 9 industries.

No.	Industry	Info	Position	Age	Understanding of CSR
1	Argo & Food Industry	UK Subsidiary	CSR Manager	31	*"CSR is about sustainability. Everything we do for CSR must be sustainable and really helps those in need, not just for corporate public relations"*
2	Consumer Product	US subsidiary	CSR Manager	32	*"CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families and of the local community and society at large*"
3	Financials	Thai Publicly Listed Firm	CSR Manager	41	"*CSR is being accountable for all stakeholders in which you drive profitability for your business. This includes business, environmental and social dynamics. This is in order to create a balance among the society, firms and different stakeholder groups"*
4	Industrials	Japanese Subsidiary	HR Manager	41	"*CSR is having firms operate with no or minimal impacts to the society*"
5	Property & Construction	Japanese Subsidiary	HR and Administration Manager	30	*"CSR is to pay attention to all those who are directly and indirectly affected by our business operations. We need to reduce negative impacts on those groups."*
6	Resources	Thai Publicly Listed Firm	CSR Directors	53	*"CSR is referred to the fact that the firm must take care of all stakeholders who are involved whether they are the society, community or the environment. We need to think about our impacts at community-level as well as national-level, using the concept of 'Care, Share, and Respect' to those who are affected by our business operations"*
7	Services	Japanese Subsidiary	CSR Manager	42	*Firms must behave in socially responsible manner. Conduct activities to help and support the society, both for internal stakeholders (such as employees) and external stakeholders (such as the society, youth, shareholders, and business partners*

8	Technology	US Subsidiary	CSR Manager	44	*"CSR means a firm has to take into considerations the effect of its business operations on its stakeholders whether they are shareholders, employees, customers, partners, society and the environment"*

Table 3 Descriptive statistics for the variables of interest

	Mean	**Std . Dev.**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Employee CSR	12.2486	3.2940	1.0000							
Community CSR	26.2659	6.3456	0.7005*	1.0000						
Economic CSR	23.3006	6.1305	0.7445*	0.7214*	1.0000					
Relationship-oriented	7.3121	0.7890	0.2393*	0.2941*	0.2101*	1.0000				
Task-oriented	7.2254	0.7369	0.1583*	0.2082*	0.2325*	0.7382*	1.0000			
Firm size	62.3000	231.6612	0.0164	0.0946	0.1142	0.1318	0.0997	1.0000		
Lagged CSR	0.8786	0.3275	0.1251	0.2562*	0.2586*	0.0485	-0.0305	0.0998	1.0000	
Financial allocation for CSR	0.7803	0.4152	0.1422	0.2408*	0.1905*	0.1466	0.0450	0.1004	0.4868*	1.0000

*p < 0.05

Table 4 presents the result of the hierarchical regression analyses**.** Hierarchical regression is used because of the conjecture that managers' task-oriented behavior or relationship-oriented behavior may influence difference CSR dimensions, in addition to factors associated with a theory of the firm perspective on CSR. With a two-step procedure, the control variables are included in the first step. To test perform the hypothesis testing, task-oriented and relationship-oriented are added in the second step of the analyses.

Table 4 Regression results testing hypotheses

	Model 1 : Employee CSR		**Model 2 : Community CSR**		**Model 3 : Economic CSR**	
	Step 1	**Step 2**	**Step 1**	**Step 2**	**Step 1**	**Step 2**
Relationship-oriented		1.1229**		2.0306**		0.3783
Task-oriented		-0.1593		0.3060		1.8325**
Lagged CSR	1.1212	1.2106	3.5208**	3.8051**	4.3465**	4.7658***
Financial allocation	0.7115	0.3569	2.2115**	1.4821	0.7026	0.3036
Firm size	0.0007	0.0003	0.0013	0.0006	0.0038*	0.0032*
Consumer products	-0.9879	-1.4157	0.0872	-0.8570	-1.9992	-2.6852
Financials	-0.5240	-1.1004	0.1216	-1.2013	-2.9245	-4.0097
Industrials	-0.1637	-0.5125	-0.8509	-1.6154	-2.7986	-3.3406
Property & construction	-1.5683	-1.9519*	-1.1597	-1.9068	-3.1064	-3.4051
Resources	-2.9154*	-3.4408*	0.5171	-0.6025	-7.4823**	-8.1978**
Services	-0.4932	-0.8722	-1.2803	-2.1238	-2.9358	-3.5655*
Technology	0.1213	-0.4596	-0.5229	-1.8801	-2.8854	-4.0540*
Electric appliances	-1.8442	-2.0704	-1.4966	-1.8901	-3.5816	-3.6082
US	-1.2132	-1.1770	-2.2756	-2.3473	-1.0285	-1.4518
UK	-0.4202	-0.1150	-0.8067	-0.2744	-0.4171	-0.3767
Japan	-0.7794	-0.7009	-1.6623	-1.5860	-0.9801	-1.1622
Constant	11.8395**	5.26539*	23.2693**	7.2562	22.1851***	6.8776
R^2	0.08	0.13	0.10	0.17	0.11	0.18
F	1.02	4.87***	1.34	6.75***	1.46	5.87***

***$p < 0.01$, **$p < 0.05$, *$p < 0.10$

Table 4 present the positive relationship between relationship-oriented managers with employee CSR (Model 1) and community CSR (Model 2). The empirical evidence supports Hypotheses 1 and 2. The coefficient of task-oriented behavior in Model 3 is positive and significant. Hypothesis 3 is supported. There is a positive relationship between managers who are task-oriented and economic CSR. A few key patterns emerge. Consistent with Waldman et al. (2006), we find the coefficients of lagged CSR to be positive and significant for Model 2 and 3, signifying the importance of prior engagement in CSR. Financial allocation for CSR is only positive and significant with community CSR. To test for robustness, a different specification for the dependent variable is used. Instead of using the summed scores, the average score of all items for each dimension is used as another proxy.

Discussion and conclusion

The results confirm the predictions of the relationship between different types of managerial styles and different CSR dimensions. There is a positive relationship between relationship-oriented behavior to the employee and community CSR dimension but not with economic CSR. Manager plays a crucial role in the formulation of company's CSR policy. CSR policy of a company reflects the values held by individual that is mirrored through his/her own management style (Waldman et al., 2006; Hemingway and Maclagan, 2004; Carroll, 1991; Wood, 1991). As such, the values held by individual managers become an antecedent factor of CSR behavior (Jaakson et al. 2009). This indicates that the relationship oriented manager appear to understand the needs of the employee and the society better than task-oriented manger. Managers who are more inclined towards relationship-oriented behavior appears to understand that CSR can be used as an integral part of the firm's strategy to behave ethically in a responsible manner to both internal (employee) and external stakeholder (community and the environment). Therefore to ensure that company's CSR reflects to the responsibility of firms toward all stakeholders, company must take into accounts of the management style of their manager. To strategically engage in various dimensions of CSR, company is required to consider the possible factor explaining the style of the responsible manager as the result demonstrate that an individual behavior of a manager (i.e., task-oriented or relationship-oriented) is positively associated with different CSR dimensions.

Although the study provides significant theoretical contribution to the study of leadership and CSR, there are several limitations to be considered. Firstly, the empirical results are based on a relatively small sample size and are limited to only publicly listed firms. Thus, the study is considered to be exploratory. Future research could broaden the sample size to include privately held firm and small and medium enterprise (SMEs) as the play major role in to the Thai economy, which deserve detail analysis. Approximately 90 percent of firm in Thailand are SMEs, employing approximately 80.4 percent of the country workforce (Yoshino et al., 2015). Secondly, other variables could be added as additional control variables. For instance, a measure of lagged CSR dimension firms engage in or prior CSR performance could be add as controls. Lastly, the study can contain some biases due to the use of a self-reported survey particularly with the topic of CSR, which could provoke social desirability bias among the respondents. To solve this problem, other methods such as supplementing questionnaire with secondary data could be employed in order to mitigate the problem of biases.

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Appendix

Appendix 1 Comparison of Thai CSR dimension with Chinese and Western dimensions (Authors’ Own, Yu and Xang, 2010)

Dimensions	Thai	Chinese	Western
Economic responsibility :			
Create wealth and profit	☐	☐	☐
Provide valuable products	☐	☐	☐
Economic growth/efficiency	☐	☐	☐
Ensure corporate sustainability	☐	☐	☐
Technology Process & Innovation	☐	☐	☐
Legal responsibility			
Abide by law	☐	☐	☐
Environmental protection			
Environmental protection	☐	☐	☐
Reduce environmental deterioration	☐	☐	☐
Forest Restoration	☐	☐	☐
Investment on renewable energy	☐	☐	☐
Energy conservation and efficient resource utilization	☐	☐	☐
Customers			
Consumer safety rights & interest	☐	☐	☐
No False Advertisement	☐	☐	☐
Information disclosure	☐	☐	☐
Genuine goods at fair prices	☐	☐	☐
Social donation and charity- :			
Active towards underprivileged social groups, culture, education, arts	☐	☐	☐
Donation for disaster relief	☐	☐	☐
Organ and Blood Donation	☐	☐	☐
House building for under privileged	☐	☐	☐
Shareholders			
Profit Transparency	☐	☐	☐

Good Governance	☐	☐	☐
Protecting interest of the shareholders	☐	☐	☐
Employees			
Internal skill development	☐	☐	☐
Equal opportunities	☐	☐	☐
Health and Safety	☐	☐	☐
Employment			
Occupational Development in rural area	☐	☐	☐
Increase job opportunities, reemployment to ease national employment	☐	☐	☐
Job opportunities for disabled	☐	☐	☐
People-focused			
School development education (primary to highschool)	☐	☐	☐
Awareness of family bond	☐	☐	☐
Banned of child labor	☐	☐	☐
Equality			
Gender equality	☐	☐	☐
Racial equality	☐	☐	☐
Good faith			
Business Ethics	☐	☐	☐
Operate in good faith & honor of contract	☐	☐	☐
Social stability and progress			
Ensuring social stability and harmony	☐	☐	☐
Promote Social Progress	☐	☐	☐
Patriotism	☐	☐	☐
Promote national prosperity	☐	☐	☐

Source: Author's Own, Yu and Xang (2010)

Appendix 2 The differences between relationship behaviors and task behaviors

	Relationship behaviors	Task behaviors
Leadership style	Listens to the subordinates, encourages participation, has a friendly manner that aims to enhance self-esteem, and builds and environment of trust, warmth, and concern .Social sensitivity	Focuses on the task, provide clear expectations, instructions and deadlines, focusing on maintaining standards
Leader's focus	Towards satisfying emotional and social needs of employees	Towards goals
Inspired by	Human relations theory	Taylorism
Theory X or Y	Theory Y	Theory X
Leader's primary aim	Increased satisfaction	Higher production
Potential problems	Lower production	Increased turnover, absenteeism and grievances of employees

Source: King and Lawley (2013)

INFLUENCE OF JOB CHARACTERISTICS ON PROMOTIVE VOICE BEHAVIOR

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Abstract

The objective of this paper is to clarify the influence of job characteristics on promotive voice. Based on the reviews of relevant research, this paper proposes that the theoretical hypothesis that various dimensions of job characteristics are positively related to promotive voice. In order to test the hypothesis, the questionnaires were designed on the basis of widely accepted mature scales to carry out paired questionnaire survey of superiors and subordinates by stratified sampling according to different types of job positions in 24 enterprises. 437 sets of data were collected and then analyzed by the statistic software SPSS to verify the hypothesis. As a result, the survey data supported the hypothesis of positive correlation between different dimensions of job characteristics and promotive voice. Therefore, this paper proposes to improve job characteristics to enhance promotive voice for organizations.

Keywords: Promotive voice, Job characteristics, Work design

Introduction

Rapid growth of mobile internet in recent years has changed the way people get information and the speed of information spreading. On the one hand, the knowledge stored by an individual become increasingly limited. On the other hand, it becomes more and more difficult to limit information spreading. The way that enterprises are usually managed on basis of information asymmetry and knowledge advantage encounters increasing challenges. From the perspective of voice, the prerequisite of voice lies in that the employee has better judgment than his or her superior, whether it is promotive voice or prohibitive voice (Liang & Farh, 2008). Obviously, the development of mobile internet helps improve the voice ability of employees. Whether it is based on the EVL (exit-voice-loyalty) model (Hirschman, 1970) or EVLN (exit-voice-loyalty-neglect) model (Rusbult & Farrell, 1988), impeded channel for voice is detrimental to enterprises. Particularly in recent years, many factors such as dramatic change of external environment and application of new technology in management, call for the reform and innovation in organizations. The voice from employees becomes increasingly important for the development of organizations in the process of innovation. The employees' promotive voice about how to improve the strength of the enterprise to form core competitiveness becomes particularly urgent. Up to date, there are few studies on promotive voice. Promotive voice and prohibitive voice used to be collectively called voice behavior (Liang & Farh, 2008). Therefore, studies focusing on voice behavior can provide reference for this research. In practice, it seems that there are differences in promotive voice from employees of various job positions. For instance, promotive voices are more frequent for the positions with higher requirements for innovation, while there are in general less promotive voices for the positions with routine job duties. There is no systematic research on the influence of job characteristics on promotive voice among the existing studies. Thus, this study attempts to improve the employee's promotive voice from the perspective of job characteristics with an aim to contribute to studies on voice behavior and to provide theoretical reference for enterprises to improve work design to facilitate promotive voice from employees.

Literature review and hypotheses

Voice behavior

Existing academic studies on voice behavior are mainly involved in three perspectives: the individual, the organization and the leadership. Studies from the perspective of individuals mainly focus on the effect of individual psychological factors (LePine & Van Dyne, 1998; Frese, Teng & Wijnen, 1999; Premeaux & Bedeian, 2003; Fuller, Barnett, Hester, Relyea & Frey, 2007; Duan Jinyun & Wei Qiujiang, 2012; Duan Jinyun & Zhang Qian, 2015), individual demographic characteristics （LePine & Van Dyne, 1998; Detert & Burris, 2007; Stamper & Van Dyne, 2001, and individual personality characteristics (LePine & Van Dyne, 2001; Crant, Kim, & Wang, 2011; Nikolaou, Vakola, & Bourantas, 2008) on voice behavior. The researches from the perspective of organizations focus on organizational justice (Morrison & Elizabeth, 2011), organizational security and organizational culture (Farh, Hackett, & Liang, 2007; Hsiung, 2012) etc. And the studies from the perspective of leadership mainly concern different styles of leadership, including transformational, authoritarian, ethical and humble leadership (Detert & Burris, 2007; Janssen &Van Yperen, 2004; Ma Guimei et al., 2014; Ran Xia & Yang Qian,2015).

Hirschman first proposed in 1970 that the reason for the resignation and voice of employees lies in their dissatisfaction with the organization (Hirschman, 1970) and thus built the EVL (exit-voice-loyalty) model. However, Vandewalle, Van Dyne and Kostova (1995) regard voice as an extra-role behavior and believe that as an organizational citizenship behavior voice behavior is active and good for the organization, which is different from the view point of Hirschman. As a result, the academic studies on voice behavior adopt different research approaches based on the above two views.

Similar to the researches of promotive voice, Motowildo, Borman and Schmit (1997) define voice behavior as a constructive interpersonal communication to improve the organizational environment when they study individual differences under varied situations and tasks. Van Dyne and LePine (1998) define voice behavior as constructive suggestions made by employees to improve the organization and such suggestions may be denied due to their challenges to the status quo. They hold that voice is a constructive promotive behavior which brings innovative power to the reform of enterprises (LePine & Van Dyne, 1998). They later refine the definition as a constructive interpersonal communication of employees to improve the status quo and hold that such employee behavior is spontaneous (LePine & Van Dyne, 2001). They clarify that voice behavior is a reform-oriented and constructive communication committed to improve the status quo as an organizational citizenship behavior. Similarly, De Dreu and Van Vianen (2001) hold that voice is an innovation-oriented organizational citizenship behavior to finish task and express opinions. Van Dyne, Ang and Botero (2003) define voice behavior as an act of expressing opinions and comments based on cooperative motivation. Detert and Burris (2007) define it as a behavior of providing information to supervisors in order to improve organizational performance.

Laing and Farh (2008), Liang, Farh, C.I. and Farh,J.L.(2012) integrate the two different views on voice behavior and put forward two types of voice behavior: promotive voice and prohibitive voice. Promotive voice is regarded as employees’ expression of new ideas or suggestions for improving the overall functioning of the work unit or organization. Prohibitive voice describes employees’ expressions of concern about work practices, incidents, or employee behavior that is harmful to the organization. They also developed and modified the scale.

This proposal is widely recognized by scholars and their scale is widely adopted. The scale they make is often applied in the measurement of voice behavior, particularly in the Chinese cultural context.

Job characteristics

As a core concept of work design, job characteristics is one of the most classical concepts in business management. Scholars have long discussed the influence of job characteristics on job performance (Tyagi, 1985; Oldham & Cummings, 1996; Fried & Ferris, 1987;Wang Zhong, Xiong Liguo & Guo Huan,2014),on job satisfaction (Colarelli, Dean, & Konstans, 1987;Noor Azzah & Rudzi, 2010; Ali et al., 2014;Hsu & Liao, 2016), on health of employees (Charkhabi, Alimohammadi, & Charkhabi, 2014), on work input (Katrinli, Atabay, Gunay, & Guneri, 2009;Yang Hongming & Liu Yaozhong, 2012) and on organizational citizenship behavior (Krishnan et al., 2010) and so on. While voice is a kind of organizational citizenship behavior, there are so far no systematic and specific studies on the influence of job characteristics on employees' voice behaviors.

There are different scales for the measurement of job characteristics. Hackman and Oldham (1980) created the scale of JDS (Job Diagnostic Survey) to measure job characteristics, including the five core dimensions (skill variety, task identity, task significance, autonomy and feedback) and two auxiliary dimensions (others' feedback and cooperation). There are 21 questions in total, with 3 questions for each dimension. Idaszak and Drasgow (1987) analyzed the JDS scale and found there were reverse questions causing problems in the factor analysis. Therefore, they revised the reverse scoring questions to create the revised JDS (JDS-R), with positive description for all questions. The scale still includes five core dimensions (skill variety, task identity, task significance, autonomy and feedback) and consists of 15 questions with 3 questions for each dimension. Later academic studies show that JDS-R is more accurate than JDS and thus become more widely used. For now, JDS-R created by Idaszak and Drasgow (1987) remains the most widely used scale for the measurement of job characteristics.

Hypotheses

Based on the five dimensional divisions of job characteristics proposed by Hackman and Oldham (1980), the effects of skill variety, task identity, task significance, autonomy and feedback on promotive voice are respectively analyzed.

The first dimension: skill variety. When a job requires more varieties of skills, the employees tend to have better understanding and perception of the job and improvement of job than their superiors and thus are more capable of offering promotive voice. Based on the organization member exchange theory, the employees' voice is regarded as a dedication to the organization, or expected reward from the organization or a return to previous support and care from the organization. There will surely be more promotive voice if the employees are more capable.

The second dimension: task identity: For a job with clearer task identity, the employee may have more profound understanding of the cohesion of work procedures, of the influence of work procedures on outcome and of the bottleneck of work performance than the superiors and thus is more capable of offering voice. Based on the organization member exchange theory, it is predictable that employees are more likely to make promotive voice when they have the stronger voice ability, such as how to overcome the bottleneck of task performance and how to improve performance via enhancing cohesion of work.

The third dimension: task significance. In general, the more important a job is, the more influence the natural outcome will exert on the organization and the larger impact on employees. In another word, the more important an employee's work is, the larger influence his/her outcome will have on the organization and him or herself. Based on the organization member exchange theory, the organization's reward to employees and the improvement of organization in turn will benefit the employees. Thus, it could be inferred that the more important a job is, the employees are more inclined to make promotive voice.

The fourth dimension: autonomy. The higher autonomy an employee has in the job, he or she would have better understanding of the work outcome and approaches to the work and is more likely to attribute the work performance to individual factors such as hard work and good capacity. In addition, since the work relies more on the employee autonomy, the employee tends to have better understanding of the job, stronger sense of fulfillment and satisfaction with the work. Noticeably, they tend to have better voice capacity. Based on the organization member exchange theory, the employee tends to make more promotive voice in return for the autonomy given by the organization and for the corresponding sense of fulfillment.

The fifth dimension: feedback. Feedback helps employees understand the correlation between the work and the outcome. It is conducive to improving the working methods, working capacity and sense of fulfillment and finally enhances capacity of promotive voice. Thus, the more feedback is received, employees tend to make more promotive voice.

Therefore, the author proposes the following hypotheses:
H1： Skill variety is positively correlated to promotive voice.
H2： Task identity is positively correlated to promotive voice.
H3： Task significance is positively correlated to promotive voice.
H4： Autonomy is positively correlated to promotive voice.
H5： Feedback is positively correlated to promotive voice.

Research design

Scale selection

This research accepts the definition of Hackman and Oldham (1975) for job characteristics referring to the properties or features of a job or a task which consists of five dimensions: skill variety, task identity, task significance, autonomy and feedback.The JDS-R scale created by Idaszak and Drasgow (1987)is adopted to measure the five dimensions of job characteristics.The scale consists of five dimensions: skill variety, task identity, task significance, autonomy and feedback.

According to the definition of Liang and Farh (2008), promotive voice is defined as employees' expression of new ideas or suggestions for improving the overall functioning of the work unit or organization. It is measured by the question items about promotive voice in the scale revised by Liang et al. (2012).

Data collection

The core content of the questionnaire is based on the aforementioned scales. The control variables refer to the design rules for questionnaires of relevant research. In order to avoid the homologous error, data is collected by pairing the superiors and the subordinates. Therefore, the questionnaire is divided into the superior questionnaire and the subordinate questionnaire.The superior questionnaire measures the dependent variable, namely, the promotive voice behavior of the subordinates. In order to achieve better differentiation, each copy of supervisor questionnaire simultaneously evaluates about four subordinates in the form of filling scores. The subordinate questionnaire measures the independent variables and control variables, namely, job characteristics such as age, gender, education level, etc. with the form of checking the scores. Coding was used in the questionnaire to record the pairing information.

The employees and their direct supervisors of 24 enterprises of the provinces where the researchers were located were selected for the questionnaire survey. Stratified sampling was conducted according to the types of job. A total of 482 sets of questionnaires were distributed. 459 sets were retrieved and 437 were finally obtained with 22 invalid sets eliminated. The effective rate is 95.2%. Among the effective questionnaires, 173 (39.6%) were from men and 264 (60.4%) from women; 9 (50.1%) aged 25 and below; 159 (36.4%) aged 26-35; 53 (12.1%) were 36-45 years old, and 6 (1.4%) were older than 45. For the highest education level, 11 (2.5%) graduated from junior high school and below, 155 (35.5%) from high school or secondary school, 235 (53.8%) from university, and 36 (8.2%) as postgraduates.

Result

Reliability and validity tests

With reference to the reliability test method of Wu Minglong (2010), SPSS19.0 was used to test the reliability of the scale. The results showed that the coefficient α of skill variety, task identity, task significance, autonomy, and feedback were respectively 0.800, 0.845, 0.818, 0.848, 0.904. The coefficient α of promotive voice is 0.925. All the values reached the ideal level.

Factor analysis was used to judge the validity of the scale. SPSS19.0 was used for data analysis. According to the opinions of Wu Minglong's (2010): If the KMO is higher than 0.5, factor analysis can be made. And only when Bartlett's spherical test reach the significant, factor analysis can be carried out. The MSA should be higher than 0.5. The commonality of question items should be higher than 0.20. The factor loading should be greater than 0.50. The results of analysis are shown in Table 1.

Table 1 Test results of the validity of the questionnaire.

Scales/dimensions	Questions	MSA	Commonality	Factor loading	KMO	Sig
Skill variety	JC01	.603	.799	.906	.639	.000
	JC02	.852	.529	.894		
	JC03	.596	.820	.727		
Task identity	JC04	.723	.754	.906	.711	.000
	JC05	.664	.821	.869		
	JC06	.762	.723	.850		
Task significance	JC07	.718	.727	.881	.710	.000
	JC08	.676	.776	.853		
	JC09	.746	.702	.838		
Autonomy	JC10	.750	.745	.897	.723	.000
	JC11	.687	.804	.868		
	JC12	.740	.753	.863		
Feedback	JC13	.718	.845	.943	.725	.000
	JC14	.820	.785	.919		
	JC15	.667	.890	.886		
Promotive voice	VB01	.920	.703	.928	.843	.000
	VB02	.839	.860	.892		
	VB03	.857	.734	.880		
	VB04	.808	.796	.857		
	VB05	.812	.775	.838		

Data description

The means, variances, and correlations of the independent variables and dependent variables are shown in Table 2. As Table 2 reveals, the dimensions of job characteristics are all related to promotive voice. Their correlation coefficients are all lower than 0.7, indicating no collinearity, which provide the basis for further analysis.

Table 2 Means, Standard Deviations, Coefficients Alphas and Correlations

Variables	Means	Standard deviations	V1	V2	V3	V4	V5	V6
Skill variety	3.2563	.87420	.)800(					
Task Identity	3.7201	.80450	.454**	.)845(				
Task significance	3.5423	.84708	.288**	.544**	.)818(			
Autonomy	3.3043	1.02331	.393**	.618**	.460**	.)848(		
Feedback	3.7918	.84459	.373**	.582**	.532**	.577**	.)904(	
Promotive voice	3.4785	.83353	.210**	.179**	.211**	.206**	.271**	.)925(

Note: indicates significant at 0.05 level (two-tailed), ** indicates significant at 0.01 level (two-tailed), within the parenthesis is the coefficient Alphas.*

Hypotheses testing

The software SPSS was used to make linear regression analysis of the correlation of job characteristics and promotive voice**.** With reference to Wu Minglong **(**2013**)**, first layer of independent variables is occupied by control variables, and the second layer is occupied by dimensions of job characteristics**.** The results are shown in Table 3**.** The dependent variable is promotive voice. The independent variable M1 stands for skill diversity, M2 task identity, M3 job significance, M4 autonomy, and M5 feedback.

Table 3 Regression results of promotive voice on various dimensions of job characteristic

Control variables	**Dependent variable :promotive voice**				
	M1	**M2**	**M3**	**M4**	**M5**
Age	.187**	.171**	.176**	.135*	.135*
Gender	.139**	.121**	.125**	.120*	.097*
Educational	.061	.071	.086	.076	.096*
Current company tenure	.-110	-.084	-.060	.-073	.-086
Independent variables	.205**	.154**	.197**	.167**	.242**
R^2	.098**	.083**	.098**	.085	.113**
ΔR^2	.038**	.022**	.037**	.025	.052**
F	7.814**	6.465**	7.781**	6.686	9.135**
ΔF	18.056**	10.450**	17.870**	11.697	25.500**

Note: indicates significant at 0.05 level (two-tailed), ** indicates significant at 0.01 level (two-tailed)*

As Table 3 shows, after controlling the influence of demographic variables, the five dimensions **(**skill diversity, task identity, job significance, autonomy, and feedback**)** of job characteristics all significantly affect the promotive voice from employees**.** Therefore, H1, H2, H3, H4, and H5 have all been verified, indicating that all dimensions of job characteristics are positively related to promotive voice**.**

Discussion and conclusion

This study examines the influence of job characteristics on promotive voice and is in line with the topic of concern of international scholars in this field. The results of empirical analysis show that the five dimensions of job characteristics are positively related to promotive voice. Compared with early scholars' concerns on variables such as age, gender, educational level, and leadership style and so on, this study explains the difference in employees' promotive voice from a new perspective. It supports the opinion emphasized by Krishnan et al. (2010) that job characteristics have significant positive impact on the organizational citizenship behaviors of employees. Thus this study expands and deepens existing research on voice behaviors.

The empirical analysis verifies that organizations can enhance employees' promotive voice by means of improving job characteristics. Concrete suggestions are provided as follows in terms of five dimensions of job characteristics.

In terms of skill variety, organizations can improve skill variety according to the ability of employees, so as to give full play to various job skills of employees. However, excessive requirements for skill may lead to opposite effect.

In terms of task identity, organizations should weigh efficiency and quality. Although task division can bring about improvement in efficiency, it may also reduce the subjective initiative of employees. In the rapidly changing external environment, organizations should avoid subtle division of tasks to prevent employees from making an overall judgment on the basis of one-sided viewpoint. Proper task identity is conducive to offering promotive voice by employees.

In terms of task significance, it is indeed difficult to change the importance of a job position, but an employee's awareness of the importance of his/her job is not unchangeable. The practices such as supervisors' concerns about the employee's job and the timely recognition of the importance of the employee's job in public will enhance the employee's consciousness of importance of his/ her job and will further improve promotive voice.Therefore, supervisors or leaders of organizations need to bring about effective measures to enhance employees' awareness of the importance of the job.

In terms of autonomy, the organization should try its best to improve employees' job autonomy within the allowable range. As Sun Tzu’s view, "A field commander must decide even against king's orders.", the present study believes that in the complex changing environment, employees need to have adequate autonomy to deal with uncertain situations. In addition to improving performance, autonomy will also enhance employees' promotive voice.It is generally believed that autonomy may lead to deviant behaviors such as absenteeism and private activities. But the organic combination of goal orientation and autonomy can ensure that employees achieve desired performance and can also avoid employees' abuse of autonomy to cause deviant behaviors at work.

In terms of feedback, the organization should improve as much as possible the feedback speed and feedback content in order to enhance employees' promotive voice.In specific applications of feedback, the feedback of video games is considered as one of the most important incentive mechanisms. From points encouragement to progress bar, it has formed a strong attraction to participants. With the continuous development of electronic technology, various electronic wearable devices have fully applied the concept of feedback and gained extensive popularity. For example, measuring the indexes of running people has become part of the life of many sports enthusiasts. And these methods of applying new technologies to improve feedback should be the object of learning for organizations.

Research limitation and future research

Research limitations

Although adopting ways such as classic scales, paired data to ensure the reliability and validity of the research, this study has the following limitations:

Firstly, limitation in terms of industry. Because job characteristic is the antecedent variable, individuals with differences in job characteristics are selected as samples. These samples are taken in dozens of companies in various industries. Therefore, the division and characteristics of the industry are not thoroughly considered. Although the results of the study verified most of the hypotheses, the differences between the industries have not been analyzed and discussed, so the application of the research results in specific industries cannot be judged.

Secondly, limitation in terms of organizational influence.The current related research suggests that factors such as organizational atmosphere, organizational identity, interpersonal relationship, and management style all have influence on voice behavior. However, the above factors were not included in the questionnaire for the feasibility of the research. When the data was analyzed, there is no control over the influence of the organizational level on voice behavior. Although several enterprises have been investigated, the differences between organizations may partially offset the impact of organizational factors on voice, but they cannot ensure that organizational-level influences are completely avoided.

Lastly, limitation in terms of source area of samples. All samples were collected from the Guangxi Zhuang Autonomous Region of China, and the City of Baise under the jurisdiction of Guangxi was the main sampling site. However, located in the southwestern border of China, Guangxi, especially Baise, is a remote mountainous area inhabited by impoverished ethnic minority. The employees in this area are less active, but relatively simple in the coastal areas of

China, the customs are relatively simple and honest compared to those of coastal area**.** The enterprises and employees in Guangxi must be affected by the aforementioned environment**.** The results of this study were based on Guangxi data and whether they can be used in other regions still need to be verified**.**

Future research

Considering the limitations of research, we can conduct follow-up studies in three aspects in the future: Firstly, research can be conducted to examine the samples of the same industry after an industry is selected. Analyze whether the influence of job characteristics of the industry on enhancing promotive voice is significant. Secondly, control the factors that influence the promotive voice at the organizational level, such as organizational atmosphere, organizational identity, and interpersonal relationship. Analyze whether the hypotheses of the relation between job characteristics and promotive voice can be verified. Finally, based on the design of this study, sampling can be conducted in different regions with distinctive features to observe whether the results are significant and analyze the influence of specific regional scenarios on the relationship between job characteristics and promotive voice.

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UTCC International Journal of Business and Economics (UTCC IJBE)
Volume 11 Number 1, April 2019

EFFECTS OF PARTNERSHIP QUALITY ON OUTSOURCING SUCCESS FROM PERSPECTIVE OF SERVICE PROVIDERS: EMPIRICAL STUDIES ON TRANSLATION SERVICE ORGANIZATIONS IN CHINA

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Abstract

Service outsourcing develops increasingly in some attractive outsourcing destinations, e.g. China, India, and ASEAN countries. However, most previous studies on the effect of partnership quality on outsourcing success focused mainly from the perspective of client organizations by ignoring their counterpart, service providers. This research analyzed this issue from the perspective of service providers by utilizing the theories of Resource-based Theory (RBT) and Resource Dependence Theory (RDT). Questionnaires from 173 translation service organizations in China were collected. The results showed that the factor of commitment in a partnership had positive effects on the outsourcing success, the antecedent factor of cooperation had positive effects on building trust and reaffirming commitment between the parties involved, and the antecedent factor of mutual dependence had positive effects on building trust and reaffirming commitment but a negative effect regarding potential conflict. Further, the factor of commitment had partial mediating effects on the relationship of cooperation and outsourcing success as well as the mutual dependence and outsourcing success. The conclusions drawn from the above results implied that the management of service provider organizations should improve in terms of partnership quality with clients so as to achieve greater outsourcing success.

Keywords: Partnership quality, Outsourcing success, Translation service organizations, Resource-based theory, Resource dependence theory

Introduction

The emerging outsourcing industry has been generated under the environment of globalization featured with increasing social and economic interconnection for the purposes of reducing costs, optimizing product chain, and increasing competitive capacity of core-businesses. Developing countries, e.g. China, India, ASEAN countries have been affected by globalization through strengthening their manufacturing and service sectors, which helped drive the rapid growth of outsourcing (Chalamwong, 2014). Nowadays, outsourcing has assumed an increasingly important role in service industries, e.g. tourism industry, finance supporting, human resource management, language service etc. (Promsivapallop, Jones, & Roper, 2015) China and ASEAN countries are the most attractive destinations for developed countries' offshore service outsourcing (Tomiura, Ito, & Wakasugi, 2011). Translation services, as a necessary part of service outsourcing, has also developed significantly by functioning as a fundamental service of businesses' globalization and internationalization efforts. At the end of 2011, the output relating to the assistance and support from translation services in China produced a total value of US$23.52 billion in the fields of international trade, absorbed FDI, investment abroad, international contracts, and cultural communications, respectively (Guo, 2012).

As a result, researchers have focused their attention more and more on this fast-growing and industry that has been developing on a large-scale (Yao & Si, 2016). Some researchers focused on the translation documents management (Chen, 2015; Pu & Gao, 2014; Wang, Yan, & Zhang, 2011; Wang & Zhang, 2014). Others have studied the specific techniques utilized in the process of translation (Guan & Xiong, 2015; Serhani, Jaffar, Campbell, & Atif, 2011; Zhang, 2009). However, the nature of translation services has not been further explored, i.e. a kind of service outsourcing, which can be traced from the definition of translation management, in that 'it refers to a translation organization or system that provides translation services and value-added services by using its own resources through a professional translation process or work process, including major aspects-such as project management, process management, human resources management, client maintenance, quality management, risk control etc. (Guan & Xiong, 2015)

More and more researchers have started to pay more attention to aspects such as the success of outsourcing outside from economic ones arguing that the nature of the client-provider relationship is of high importance (Grover, Cheon, & Teng, 1996). Some researchers from developing countries, e.g. Thailand have conducted empirical studies and testified that the theories concerning more about economic aspects were not suitable for the conditions of developing countries (Promsivapallop et al., 2015). Considering issues of the partnership quality and outsourcing success, some studies have been conducted (Lee, Huynh, Chi-wai, & Pi, 2000; Lee & Kim, 1999, 2003). However, very limited research has considered the service providers' viewpoint mainly due to the difficulty in conducting cross-cultural studies and generating unbiased findings, and yet successful outcome depends on both the client and provider (Mao, Lee, & Deng, 2008).

Based on the abovementioned perspectives and by reviewing the nature of outsourcing, i.e. the resource complementarity and alliance which indicate theories relating to resources should be studied. Furthermore, the studies on partnership quality should be investigated among the relevant organizations instead of individuals. Resource-based Theory (RBT), which mainly focuses on internal resources and Resource Dependence Theory (RDT), which focuses on the external resources of organizations, would both be suitable theories to implement when analyzing outsourcing issues. Although some researchers have adopted RBT to study issues relating to outsourcing (Espino-Rodríguez & Padrón-Robaina, 2006; Grant, 1991; Gurung & Prater, 2006), it's rare to combine RBT and RDT together to analyze the effectiveness of partnership quality on outsourcing success.

Thus, this research aimed to study how did partnership quality affect outsourcing success from the perspective of service providers. Another purpose of this study was to explore the specific effects of partnership quality on outsourcing success in developing countries, e.g. China. The findings of this research study have offered some pragmatic and pervasive suggestions to those outsourcing provider organizations and their clients for better cooperation from the perspective of partnership quality.

Literature review

Resource-based theory (RBT)

Through further studies on previous research studies that have adopted a resource-based view (Wernerfelt, 1984), Barney paid attention to the competitive nature of resources which are not homogeneous and mobile in the market and then put forward his own review of resources. The two assumptions relating to firm-based resources are based on the foundation of the logic of RBT. (1) In the same industry, different firms can possess different resources. Such kind of heterogeneity assumption will lead to some firms taking advantage of their special resources in order to complete certain tasks better than others (Peteraf & Barney, 2003). (2) If the special resources that the firms possess are difficult to transact among other firms, then the firms who own resources can maintain their competitive status for a long time, i.e. the resource immobility assumption (Barney & Hesterly, 2012). As a brief conclusion, the logic of RBT is that if a firm possesses valuable resources that few other firms have, and if these other firms find it too costly or difficult to imitate these resources, then the firm controlling these resources can likely generate 'more economic value than the marginal (breakeven) competitor in its product market', thus achieving a sustained competitive advantage (Barney & Clark, 2007).

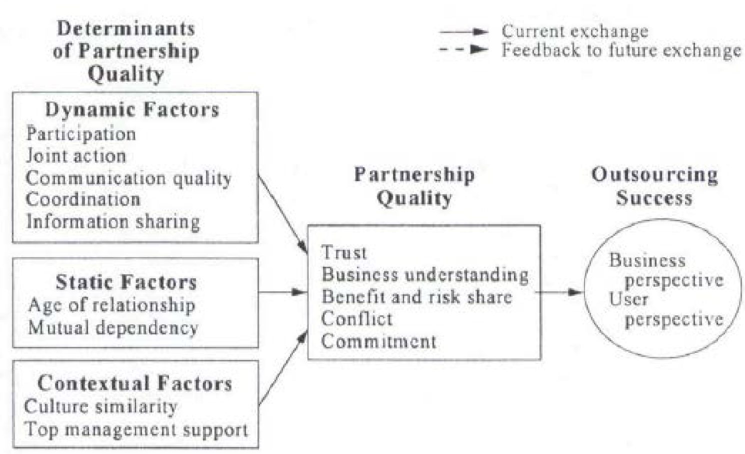
Resource dependence theory (RDT)

To understand the definition of RDT, the core concept of 'organizations' should be elaborated clearly. RDT defines organizations as settings 'in which groups and individuals with varying interests and preferences come together and engage in exchanges' and also recognizes the fact that 'once established, patterns of interaction are likely to persist' (Pfeffer & Salancik, 1978). There are five basic arguments of RDT: (1) the fundamental units for understanding intercorporate relations are organizations; (2) organizations are interdependent on other organizations; (3) uncertainty causes organizations to be dependent upon each other; (4) organizations take actions to manage external resources and continuously produce new interdependence; and (5) these new interdependences produce inter-organizational power which will affect certain organizational behaviors. RDT analyses inter-organizational behavior in terms of the requirements for survival and acquiring resources that affect the organization as a unit (Pfeffer, 1987).

Model of partnership quality and outsourcing success

The original model of partnership quality and outsourcing success (See Figure 1) was created by Lee and his fellow researchers who have adopted the theories of Social Exchange Theory and Power-Political Theory from the social viewpoint (Lee & Kim, 1999). They argued that the social theories can explain the relationship between organizations through two mechanisms, i.e. trust and power. While social exchange theory used the concept of trust to explain interactions between participants, power-political theory relies on the power derived from offering valuable resources that few other sources can provide (Lee & Kim, 1999). Besides the social theories, management theories can also be applied in studying issues relating to outsourcing because it is a process of resources distribution, utilization, collaboration and optimization. Therefore, RBT which analyzes the issues relating to internal resources and capabilities of one organization and RDT which analyzes external relationship between organizations will be suitable for this study. The details of each variable and integration of RBT and RDT with these variables have been elaborated in the following Table 1.

In the research of Lee and his fellow researchers, they distinguished trust, business understanding, benefit and risk share, conflict and commitment as the components that comprise partnership quality. According to the study results, partnership quality is affected by several factors including participation, communication quality, knowledge sharing, age of relationship, mutual dependence, and top management support (Lee & Kim, 1999). However, this model took partnership quality as a whole without specific analysis on each dimension involved, e.g. the relationship between participation and trust, or the relationship between trust and outsourcing success etc. Based on the abovementioned theories, i.e. RBT and RDT, and from the perspective of service providers, this research supposed the internal management, cooperation and mutual dependence have consisted the antecedent factors of partnership quality which affected its characteristic factors, i.e. trust, commitment and conflict, as a result, the outsourcing success should be influenced by all these factors. This research adapted the original model in which the relationship between each variable would be elaborated (see Table 1).



Source: Lee and Kim (1999)

Figure 1 Lee's model of partnership quality and outsourcing success

Table 1 Definitions of variables and integration with RBT/ RDT in this research

Constructs	Variables	Definitions	Integration with RBT/RDT
Antecedent variables of Partnership quality	**Internal Management**	Stock of human capital, organizational capital and management capabilities including top management support to fulfil outsourcing assignments	RBT views organizations as collection of various types of resources and capabilities which result in competitive advantage when they are valuable, inimitable, rare and non-substitutable. Human capital and organizational capital are the two key resources one firm can possess. While management capabilities and top management support serve as a composite of several possible capabilities that one organization can generate and deploy (Lahiri & Kedia, 2009).
	Cooperation	Process of working together to identify and implement the best possible solutions besides just adhering to requirements	According to the five arguments of RDT, organizations aim to decrease the uncertainty through mutual cooperation in which groups and individuals with varying interests and preferences come together and engage in exchanges (Pfeffer, 1987).
	Mutual Dependence	Recognition by both partners in an exchange relationship that the relationship provides benefits greater than either partner could attain alone or with some other partner	RBT argues that if an organization possesses valuable resources that other organizations find it too difficult to imitate, then the organization has the power to control the relationship. What's more, RDT supports that organizations will tend to be influenced by those who control the resources they require (Pfeffer & Salancik, 2003).
Characteristic variables of partnership quality	**Trust**	Degree of confidence and willingness between partners	RDT treats organizations as units to analyze inter-organizational behavior in terms of the requirements for survival and acquiring resources. The trust is the fundamental factor to influence inter-organizational behavior and relationship (Pfeffer, 1987).
	Commitment	Degree of the pledge of relationship	Further studies of RDT show that the environment is the source of uncertainty which changes as how

		continuity between partners	distributing of critical resources in the environment (Nienhüser, 2008).
	Conflict	Degree of incompatibility of activities, resource share, and goals between partners	According to RDT, if one organization owns more resources, which means it has more power and less connections between other actors, thus the uncertainty will be reduced due to the decrease of conflicts (Pfeffer & Salancik, 2003).
Dependent variable	**Outsourcing Success**	Meeting the clients' needs through satisfactory fulfilment of various contractual requirements	According to RBT, outsourcing should emerge successfully when the service providers capitalize on its heterogeneity resources to obtain competitive edge over rival organizations that are not able to generate, acquire, or effectively bundle and deploy similar useful resources (Lahiri & Kedia, 2009).

Hypotheses development

Antecedent variables of partnership quality and trust

It has been argued that trust is an important aspect in the development and success of inter-organizational relationships (Anderson & Weitz, 1989; Hart & Saunders, 1997; Mohr & Spekman, 1994; Morgan & Hunt, 1994; Ring & Van de Ven, 1994; Zaheer, McEvily, & Perrone, 1998). Trust is a kind of belief that one party will fulfil the requirements through future actions to satisfy the other party (Zaheer & Venkatraman, 1995) and is not unnecessary for the governing of the relationship (McEvily, Perrone, & Zaheer, 2003).

Some factors consisting of internal management, namely human capital and organizational capital are the critical foundations to build trust. The employees' background, esp. the capabilities cultivated and educated through professional training is an important human capital which will facilitate the interactions with the clients for further understanding of the requirements from them. Level of capital investments including infrastructure and human capital is an essential factor to build up trust between the clients and providers among service outsourcing fields in that it will offer the clients more advanced technological and human supports and then achieve lasting trust from the clients (Kirilov, 2012).

Inter-organizational trust is built based on dynamic cooperation between organizations (Ganesan, 1994; Ring & Ven, 1989). When cooperation methods have been planned, structured, and routinized, the clients and the providers will know mutual expectations (Mohr & Sohi, 1996).

Mutual dependence is one of the characteristic of service outsourcing relationship in that there are unclear outcomes or even the specific steps to achieve them with potential disputes and opportunism. Trust between the clients and providers is the key to resolve problems generated from the partnership (Kale, Singh, & Perlmutter, 2000). Thus, the following hypotheses have been put forward:

H1a: *The internal management of service provider organizations will have positive effects on the trust of their clients.*

H1b: *The cooperation of service provider organizations will have positive effects on the trust of their clients.*

H1c: *The mutual dependence of service provider organizations will have positive effects on the trust of their clients.*

Antecedent variables of partnership quality and commitment

Commitment is a kind of relational norms which will direct both the service clients and providers to a long-term orientation. And in which the flexibility will encourage adjustments when changes occur in the environment, the other factor of solidarity will foster the partners to focus more on their common responsibilities and interests instead of their own purposes and benefits (Jap & Ganesan, 2000). When both parties are willing to and committed to this relationship, the behaviors of them will encourage ongoing contributions to the relationship (McKeen & Smith, 2001).

Good internal management with higher-level human capital will generate more and more new ideas and knowledge. As a result, the providers can own the capabilities to serve their clients with further understanding of the requirements, standards, and future deliverables year-on-year (Budhwar, Luthar, & Bhatnagar, 2006; Mehta, Armenakis, Mehta, & Irani, 2006; Ramachandran & Voleti, 2004). Another important characteristic which can reflect good internal management is management capabilities, e.g. clearly illustrated norms, systems and structure, will allow providers to control and leverage the employees' behaviors in the aspects like transitioning, executing and delivering business processes and obtaining overall management of the whole service process (Martín-de-Castro, Navas-López, López-Sáez, & Alama-Salazar, 2006; Subramanium & Youndt, 2005).

Cooperative actions should be guided by mutual objectives (Anderson & Narus, 1990), which will result in successful working partnerships. In other words, if one partner's actions have been influenced by the other one's actions, this party will increase the need to participate in the issues of specifying roles, responsibilities, and expectations.

The mutual dependence relationship has been inevitably influenced by the relative dependency suggested by Anderson and Narus (1984). The parties need each other's complimentary assets and skills to achieve their respective goals (Gundlach & Cadotte, 1994; Henderson, 1990; Kanter, 1994). Thus, the following hypotheses have been drawn out:

H2a: *The internal management of service provider organizations will have positive effects on the commitment of their clients.*

H2b: *The cooperation of service provider organizations will have positive effects on the commitment of their clients.*

H2c: *The mutual dependence of service provider organizations will have positive effects on the commitment of their clients.*

Antecedent variables of partnership quality and conflict

The traditional view (1930s to 1940s) argued that any conflict is harmful and must be avoided (Robbins, Millett, Cacioppe, & Waters-Marsh, 2001). However, it cannot deny that disagreements will exist in organizations even within successful partnerships (Anderson & Weitz, 1989).

The organizations who pay attention to internal management, e.g. creating some efficient mediating mechanisms can defuse and settle the disagreements instead of allowing conflict to negatively affect the partnership with their clients (Anderson & Weitz, 1989). Cooperation will lead to bilateral governance to the projects, which helps to curb opportunistic tendencies that may reduce the investments of resources both parties have put into. The clients and providers would like to get involved in the counterpart's activities in order to minimize the risks (Heide & John, 1990).

It should be noticed that mutual dependence is one of the criteria for effective inter-company relationships (Henderson, 1990; Kanter, 1994). Gundlach and Cadotte (1994) found that increasing dependence between exchange partners promotes cooperation rather than conflict. If the balance has switched to one party, then the other party will be judged as more dependent, which may generate some negative effects. Thus, in this research, we suppose that the higher the degree of mutual dependence, the lower level of conflict will happen. Therefore, we propose that:

H3a: *The internal management of service provider organizations will have negative effects on the conflict of their clients.*

H3b: *The cooperation of service provider organizations will have negative effects on the conflict of their clients.*

H3c: *The mutual dependence of service provider organizations will have negative effects on the conflict of their clients.*

Partnership quality and outsourcing success

As the development of the researches on the measurements of outsourcing success, a variety of types have been incorporated such as business impact, user satisfaction, economic benefits, technology improvement, and commercial options (DiRomualdo & Gurbaxani, 1998; Saunders, Gebelt, & Hu, 1997). The consideration on the cost saving is not the only standard to judge the success, quality operationalization through organizational benefits is a trend that researchers pursue (Lee, Miranda, & Kim, 2004).

The perception of success eventually relies on the degree that one partner consider the comfort and trust with the other partner (Babar, Verner, & Nguyen, 2007; Carmel & Agarwal, 2006; Sabherwal, 1999). Trust supposes that a partner will undertake behaviors leading to positive outcomes instead of unexpected results (Han, Lee, & Seo, 2008). Commitment is viewed as a mutual belief that both partners will maintain an ongoing relationship and expect the common goals will be achieved (Han et al., 2008), thus, it is also viewed as a cornerstone in long-term business relationships and a key factor which will influence the relational success (Dwyer, Schurr, & Oh, 1987; Morgan & Hunt, 1994). Conflict occurs in all business processes like the goal planning, operation procedure, and contract execution (Kern & Willcocks, 2002). However, from a long-term orientation, working along with conflicts and resolving different problems will strengthen outsourcing relationships (Kern & Willcocks, 2002). Then the hypotheses have been supposed as follows:

H4a: *The trust of service provider organizations on their clients will positively affect their business perspective of outsourcing success.*

H4b: *The commitment of service provider organizations on their clients will positively affect their business perspective of outsourcing success.*

H4c: *The conflict of service provider organizations on their clients will negatively affect their business perspective of outsourcing success.*

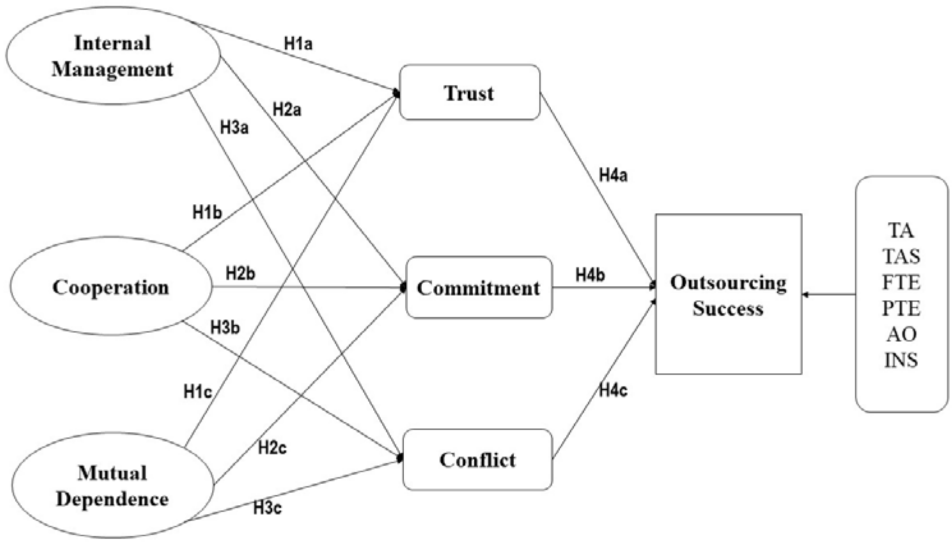


Figure 2 Conceptual model of this research

***Notes**: TA-Total assets, TAS-Total annual sales, FTE-Number of full-time employees, PTE-Number of part-time translators, AO- Age of organization, INS-Industries mainly serve for*

Methodology

Measurement development and estimating technique

All the variables (outsourcing success, trust, commitment, conflict, internal management, cooperation and mutual dependence) were measured by adopting a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5). The IBM SPSS Statistics version 21.0 and SmartPLS 2.0 were employed in this study.

Outsourcing success

Lee and his fellow researchers adapted the measurement aspect of the existing instrument (Grover, Cheon, & T.C.Teng, 1996) used to assess the degree of achieving strategic, economic, and technological benefits of outsourcing (Lee & Kim, 1999). This research adopted both measurements of them from the perspective of providers, thus, only business perspective has been applied.

Characteristic variables of partnership quality

The items of trust were adapted from the perspective of providers (Mao et al., 2008) based on the original items (Lee &

Kim, 1999). The items of commitment were mainly adapted from the original ones (Lee & Kim, 1999) by adding another one (Goles & Chin, 2005). The items of conflict were mainly adapted from the original ones (Lee & Kim, 1999) by adding an additional one (Goles & Chin, 2005).

Antecedent variables of partnership quality

The items of internal management were integrated the original items (Lee & Kim, 1999) with an additional one (Lahiri & Kedia, 2009). All items of cooperation were adapted from the original ones (Lee & Kim, 1999). The items involved in mutual dependence were adapted from the original ones (Lee & Kim, 1999) and the ones of other researches (Chu & Wang, 2012; Mao et al., 2008).

Control variables

The control variables involved in this study, i.e. registered capital, total annual sales, number of full-time employees, number of part-time employees, age of the organizations, and major industries served, were measured according to the current conditions of Chinese translation service organizations (Guo, 2012, 2015).

Sample and data collection

Since the original scales are all written in English, the questionnaire has been translated into Chinese for the convenience of completing in those organizations in China (Hult, Ketchen, Griffith, Finnegan, Gonzalez-Padron, Harmancioglu et al., 2008). The Chinese version has been translated into English one again and by comparing it to the original one that they have the same meaning.

There is no access to specific information about translation organizations in China as there are no publicly listed organizations that have disclosed their details to society (Guo, 2015). A self-established database containing basic information of 926 translation organizations in China was created. The author sent emails to the translation organizations one by one according to the database. The most important issue noticed is that the respondents must be executive officers such as client managers, project managers and general managers who have experience to deal with issues of partnership.

Finally, a total of 173 answered questionnaires were collected and were deemed as valid; these were from the original 926 translation organizations in which the questionnaires were distributed to, which accounts for a response rate of 18.68%. Because there has not been any similar previous studies, the *Investigation and Report on Translation Service Industry in China-2014* issued by the official department of China Translation Association who has only collected 120 valid questionnaires around the whole country (Guo, 2015). The details have been listed as following Table 2. The result showed that most translation organizations in China are small-and-medium-enterprises. The registered capital of 122 organizations (70.5%) are below RMB1,000,000, which is also one of the characteristics of translation industry for it is not necessary to invest a great in capital for developing. The number of staff also reflects such kind of condition for 130 organizations (69.4%) have less than 50 full-time employees. Most translation organizations are young entities with the age of establishment of below 5 years (41.6%) and between 6-15 years (35.8%). The characteristic of small-and-medium scales of translation industry in China is outstanding and there is a great space for them to develop in the aspect of broaden the economy scales.

Table 2 Descriptive statistics

Items	Frequency	Percentage
1. Size of the organization (registered capital)		
< RMB500,000	64	37.0%
RMB500,001 -1,000,000	58	33.5%
RMB1,000,001 -5,000,000	26	15.0%
> RMB5,000,000	25	14.5%
2. Total annual sales of last year		
< RMB1,000,000	71	41.0%
RMB1,000,001-5,000,000	59	34.1%
RMB5,000,001 -10,000,000	18	10.4%
> RMB10,000,000	25	14.5%
3. Number of full-time employees (including full-time translators)		
< 20	75	43.4%
21- 50	45	26.0%
51 - 100	25	14.5%
> 100	28	16.2%
4. Number of part-time translators		
< 50	90	52%
51-150	36	20.8%
150-500	27	15.6%
> 500	20	11.6%
5. Age of the establishment		
< 5 years	72	41.6%
5 - 15 years	62	35.8%
16 - 25 years	22	12.7%
> 25 years	17	9.8%

6. Industries mainly serve for		
Energy suppliers	38	22.0%
Service suppliers in scientific research and IT	33	19.1%
Finance	22	12.7%
Manufacturing	28	16.2%
Education	15	8.7%
Entertainment	4	2.3%
Public departments	10	5.8%
Others	23	13.3%
Total	173	100%

Results analyses

Factor analyses

The reliability of each item should be tested and constructed due to the fact that they have been adapted from pre-existing items. All of the Cronbach alpha coefficients of the results exceed the suggested value of 0.70 (Fornell & Larcker, 1981) and composite reliabilities are above 0.70 (Gefen & Straub, 2005), which means that the reliability of all variables is rated as satisfactory. Convergent validity is assessed in terms of average variance extracted (AVE) which should be above 0.50 (Fornell & Larcker, 1981). The results suggest acceptable convergent validity (see Table 3).

Table 3 Reliability and convergent validity

Variables	CR	AVE	Cronbach's α
Internal Management	0.933	0.567	0.923
Cooperation	0.936	0.532	0.927
Mutual Dependence	0.892	0.581	0.853
Trust	0.900	0.563	0.873
Commitment	0.937	0.714	0.918
Conflict	0.941	0.843	0.907
Outsourcing Success	0.933	0.608	0.920

***Notes**: CR-Composite Reliability, AVE-Average Variance Extracted*

Discriminant validity is assessed mainly by comparing the square root of the AVE of each construct with the correlations between the focal construct and other constructs. A higher square root of AVE than the correlations with other constructs for each individual construct indicates discriminant validity (Fornell & Larcker, 1981) which has been shown in Table 4.

Table 4 Discriminant validity

	CF	CM	CP	IM	MD	OS	TR
CF	**0.918**						
CM	-0.263	**0.845**					
CP	-0.127	0.653	**0.729**				
IM	-0.001	0.510	0.727	**0.687**			
MD	-0.214	0.694	0.723	0.593	**0.762**		
OS	-0.259	0.706	0.712	0.532	0.633	**0.780**	
TR	-0.337	0.654	0.611	0.470	0.689	0.567	**0.750**

Note*: square root of the variance extracted is shown on the diagonal of each matrix in bold; inter-construct correlation is shown off the diagonal. CF-Conflict, CM-Commitment, CP-Cooperation, IM-Internal Management, MD-Mutual Dependence, OS-Outsourcing Success, TR-Trust*

Model evaluation and regression analysis

Correlation among variables

Bivariate correlations among variables are analyzed by using Pearson correlation coefficients. This correlation analysis was performed to explore the one-on-one relationships between key variables. Results from correlation analysis are presented in Table 5.

Table 5 Correlation among variables

	IM	CP	MD	TR	CM	CF	OS	RC	TAS	FTE	PTE	YR	IN
IM	1												
CP	.721**	1											
MD	.570**	.698**	1										
TR	.402**	.529**	.639**	1									
CM	.500**	.641**	.689**	.620**	1								
CF	-.005	-.116	-.223**	-.395**	-.260**	1							
OS	.528**	.699**	.614**	.513**	.686**	-.261**	1						
RC	.046	.064	.013	-.083	.043	.081	.113	1					
TAS	.134	.181*	.105	-.010	.176*	.054	.134	.678**	1				
FTE	.044	.050	.032	.017	.063	-.043	.104	.592**	.605**	1			
PTE	.229**	.238**	.090	.036	.130	.096	.173*	.389**	.479**	.399**	1		
YR	.084	.106	.105	.057	.102	.052	.053	.385**	.509**	.535**	.407**	1	
IN	.098	-.009	-.067	.038	.024	-.024	.038	.051	-.049	-.002	.098	-.090	1

***. Correlation is significant at the 0.01 level (2-tailed).*

**. Correlation is significant at the 0.05 level (2-tailed).*

Notes: *IM-internal management; CP-cooperation; MD-mutual dependence; TR-trust; CM-commitment; CF-conflict; OS-outsourcing success; RC-registered capital; TAS-total annual sales in last year; FTE-full time employees; PTE-part time translators; YR-years of establishment; IN-industry mainly serve for*

To check the possible problem of multicollinearity among all variables in each equation, the Variance Inflation Factor (VIF) statistics should be evaluated and the values in this research below 3.3 imply no serious multicollinearity issue (Hair Jr, Anderson, Tatham, & William, 1995).

Regression analysis results

The regression results showed that 6 hypotheses were significantly supported and the rest of other 6 ones were not significantly supported (see Table 6). The details of regression analysis results have been shown in Figure 3. Further, commitment has partial mediating effect on the relationship between cooperation and outsourcing success as well as mutual dependence and outsourcing success.

Table 6 Conclusion of hypotheses testing

Hypotheses	Results
H1a: Internal management →(-) Trust	Not supported
Cooperation :H1b→Trust (+)	Supported
Mutual dependence :H1c→Trust (+)	Supported
H2a: Internal management →(-) Commitment	Not supported
Cooperation :H2b→Commitment (+)	Supported
Mutual dependence :H2c→Commitment (+)	Supported
H3a: Internal management →(+) Conflict	Not supported
Cooperation :H3b→Conflict (-)	Not supported
Mutual dependence :H3c→Conflict (-)	Supported
H4a: Trust → (+) Outsourcing success	Not supported
Commitment :H4b→Outsourcing success (+)	Supported
Conflict :H4c→Outsourcing success (-)	Not supported

The regression results can be concluded briefly as follows. The significantly supported H1b (β=0.293, p=0.029) and H1C (β=0.538, p<0.000) showed that cooperation and mutual dependence of service provider organizations positively affected the trust of their clients. The three factors of internal management, cooperation and mutual dependence together have explained 41.8% of the trust of the translation organizations to their clients. Trust establishing between partnership needs cooperative activities made by both partners to plan, decide and execute the operations.

Besides, the significantly supported H2b (β=0.374; p=0.001) and H2c (β=0.459; p<0.000) showed that cooperation and mutual dependence of service provider organizations positively affected the commitment of their clients as well. The three factors of internal management, cooperation and mutual dependence together have explained 51.2% of the commitment of the translation organizations to their clients. Previous studies have supported that cooperation and interdependence between the outsourcer and the service provider increases, thus, greater trust and commitment were resulted in (Ali & Khan, 2014).

The significantly supported H3c (β=-0.421; p=0.006) showed that mutual dependence of service provider organizations negatively affected the conflict of their clients, which has testified studies conducted by other scholars (Goles & Chin, 2005; Lee & Kim, 1999). The three factors of internal management, cooperation and mutual dependence together have explained 6.2% of the conflict of the translation organizations to their clients.

The significantly supported H4b (β=0.568; p<0.000) showed that commitment of service provider organizations positively affected the business perspective of their outsourcing success. The three factors of trust, commitment and conflict together have explained 48.3% of the outsourcing success of the translation organizations to their clients.

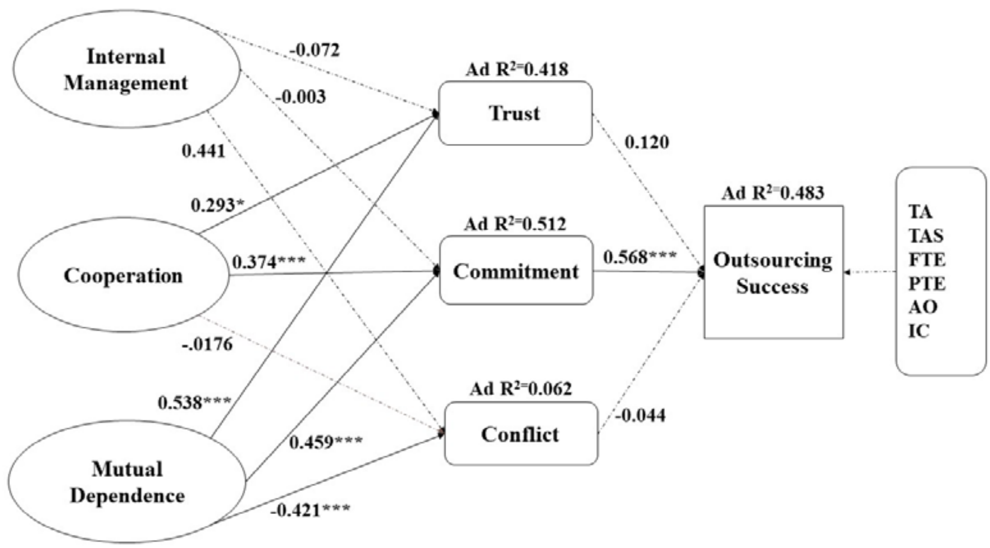


Figure 3 Regression analysis results

***Notes**: Ad R^2-Adjusted R Square, TA-Total assets, TAS-Total annual sales, FTE-Number of full-time employees, PTE-Number of part-time translators, AO- Age of organization, INS-Industries mainly serve for. Unstandardized beta coefficients are reported; *** p <0.001, ** p<0.01, *p<0.05; Solid lines represent significant coefficients*

Mediating effects

Following the procedure suggested by James, Mulaik, and Brett (2006), the mediating effects of partnership quality between antecedent factors and outsourcing success were tested. According to the opinions of Hair, Hult, G.T.M., Ringle, and Sarstedt (2014), the variance accounted for (VAF) is more suitable when applied to test the mediating effects between antecedent variables and dependent variable. The following Table 7 has shown the significant direct and indirect effects which are available to be calculated the mediating effects. The formula to calculate the variance accounted for (VAF) is shown as following Figure 4. If the final percentage is below 20%, it is can be said that there is no mediating effect. If the final percentage is between 20% and 80%, it can be judged there is a partial mediating effect. Finally, if the percentage is above 80%, a full mediating effect should be concluded (Hair et al., 2014).

Table 7 Total effects

Relationship	Effect
1. Mediating effect of CM on CP and OS	
CP→CM (direct effect 1)	0.3116**
CM→OS (direct effect 2)	0.5823***
CP→OS (indirect effect)	0.228**
2. Mediating effect of CM on MD and OS	
MD→CM (direct effect 1)	0.4638***
CM→OS (direct effect 2)	0.5823***
MD→OS (indirect effect)	0.3727***

Notes*: CP-Cooperation; CM-Commitment; OS-Outsourcing Success; MD-Mutual Dependence*

Resource: *SmartPLS 2.0*

$$\text{VAF} = \frac{\text{direct effect 1*direct effect 2}}{\text{direct effect 1*direct effect 2+ indirect effect}}$$

Figure 4 VAF formula

The results of calculating the two mediating effects are as follows: (1) The mediating effect of 44.31% has shown that commitment had a partial mediating effect on cooperation and outsourcing success. The cooperation of both the providers and clients enhanced the mutual understanding of the counterpart's position and the commitment made by the two partners. (2) The mediating effect of 42.02% has shown that commitment had a partial mediating effect on mutual dependence and outsourcing success. Commitment played a role as a partial mediator between the effects of mutual dependence on the outsourcing success in that shared knowledge between the two partners decreased any misunderstanding and even potential conflicts.

Discussions and implications

General discussions

Cooperation affects the degree of trust. 'Mutual monitoring, especially in its initial stages, clearly emerges from project managers' deliberate reflection on and implementation of these communication processes' (Olohan & Davitti, 2015) was beneficial for the interactive and dynamic trust building between service provider organizations and their clients. Mutual dependence mainly relying on the knowledge sharing influences the degree of trust that service provider organizations have in their clients. The purpose to exchange and share knowledge is to understand each other and complete outsourcing assignments to a higher standard.

As what Henderson (1990) has been mentioned, commitment reflects how the parties view the relationship will be sustained over time. During the whole cooperative process, problems can be resolved through certain cooperation mechanisms established by the service provider organizations based on the mutual comprehension of commitment. Efficient cooperation improved both parties' willingness to devote their resources in order to sustain an ongoing relationship to achieve better commitment (Fontenot & Wilson, 1997). Previous studies argue that 'to improve user satisfaction, clients found that providers need to show more commitment' (Kern, 1997). However, mutual dependence which affects commitment positively focuses more on the unavailability of alternative from the perspective of service providers.

Conflict is usually generated from misunderstandings on some issues through the process of outsourcing. Mutual dependence featured with frequent knowledge sharing reduced such kind of misunderstandings not only on the background knowledge relating to the outsourcing assignments, but also on the managerial ideologies of both the client organizations and provider organizations.

Theoretical implications

This study has implied that among the outsourcing providers, external resources are more important in terms of their surviving and developing. The factor of mutual dependence has played a key role in the relationships between antecedents and characteristics, i.e. mutual dependence and trust, commitment and conflict. Therefore, RDT is suitable to be applied to analyze the inter-organizational relationships and partnership quality in specific circumstances. Although the results have not been supported statistically, internal management should be deemed as an important internal resource which will affect the inter-organizational relationships accordingly and explore the potential applications of RBT.

Managerial implications

It's suggested for the managers that better partnership quality should be accessed through the following ways.

Improve cooperation

There are three important ways to improve cooperation between service providers and their clients. Firstly, because coordination ensures that client organizations devote resources to managerial decisions, concerning external physical assets, to effectively handle day-to-day operations. Managers are therefore encouraged to strive for the coordination with their clients via process integration. It is necessary for managers to analyze the conditions and features of each outsourcing assignments, thus devote appropriate resources in the relationships to effectively and efficiently services. Secondly, managers must understand that there should be open and frequent communication between service providers and clients because proper communication facilitates negotiation and the transfer of information and resolves possible conflicts in any outsourcing relationship. Managers should therefore insist on timely and creditable communication channels. Thirdly, discussions on the plans will be beneficial the process of cooperation. Outsourcing strategies might not be viewed positively by service clients because of the fear of losing control over the process. Thus, the roles and responsibilities between service providers and clients should be defined clearly. Service-level agreements are effective guideline to govern the service provider-client relationships.

Establish mutual dependence

Service provider organizations should build up the mutual dependence with their clients. On one hand, managers can work on different fronts, such as investigating a client's market and industry characteristics, knowing the procedure of a client's operations, or investing in the relationship through long-term and frequent communications. Managers should work with the clients to mutually adjust the plans and actions of each other to match outsourcing tasks and relationships by taking advantage of the client's complementary resources and leveraging them by considering how the outsourcing service capabilities, operating procedures, and business processes can be aligned. On the other hand, knowledge sharing can improve information processing capabilities in complex and uncertain situations. Thus, managers should enhance the level of knowledge sharing in order to increase information resources between the partners and improve the visibility of the cooperation process, which leads to flexibility and responsiveness in the service outsourcing.

Mitigate conflicts

Some effective conflict resolutions that managers can now adopt: seeking solutions that work for both partners instead of blaming each other; being transparent about all relevant knowledge for better understanding of the counterpart's conditions; actively protecting each other's commercial interests for long-term cooperation; ensuring appropriate communication methods and efficient coordination mechanism.

Foster commitment

The performance of contract and resolution of conflict are the two important aspects to fulfil the commitment. One of the essential job for those client managers, project managers or even general managers is how to push their clients to perform the prescribed agreements, promises and supports. Managers should foster commitment in terms of encouraging more integrating activities such as the sharing of long-range plans, benefit and risk sharing, mutual problem solving and information exchange.

Conclusion and limitations

This research has studied the effects of partnership quality on outsourcing success from the perspective of service providers, e.g. translation organizations in China. The theories of RBT and RDT have been adopted to form the theoretical base to analyze internal and external resources and environment on the level of inter-organizations. The model of partnership quality and outsourcing success has been conducted and modified from the perspective of service providers. Commitment has great influence compared to other factors of trust and conflict. The indirect relationships of cooperation and outsourcing success and mutual dependence and outsourcing success mediating through commitment also highlight the important role commitment plays in the whole translation outsourcing procedure.

Some aspects have not been studied and should be focused on in future studies. For example: (1) this study was only conducted from the perspective of outsourcing service providers without their counterparts' perspectives taken into consideration simultaneously; (2) the research adopted mainly a quantitative method without a qualitative approach or mixed methods. It can be considered that obtaining the deep and specific opinions from some of the respondents could not be achieved on all occasions.

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UTCC International Journal of Business and Economics (UTCC IJBE)
Volume 11 Number 1, April 2019

THE GROWTH OF FAMILY BUSINESS FIRMS LISTED IN THE STOCK EXCHANGE OF THAILAND

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Abstract

This objective of this study is to compare the growth of family business firms listed in the Stock Exchange of Thailand (SET) to those not being family businesses (Non-FB). Firms being classified as family businesses are those 1) being founded by the family, 2) with at least one family member being one of the top five directors and 3) with family members (everyone as a whole) being Strategic Shareholder. The variables examined are market capitalization, revenue, and earnings before interest and tax (EBIT). The data are extracted from the SETSMART database of SET. The Compound Annual Growth Rate (CAGR) for the period 2008-2017 is calculated and compared. The family business firms are found to exhibit higher CAGR for market capitalization, revenue, and EBIT compared to the Non-FB and the entire market.

Keywords: Family business, Market capitalization, Revenue, EBIT, CAGR

Introduction

It is widely recognized that family businesses have considerable influence on the economy of countries all over the world. The success of family businesses is closely related to the competence of family members and management of non- family members combined with specific characteristic of flexibility and timely decision making. The operation of family businesses may seem to be difficult but it also provide opportunity and its own specific competitive advantage contributing to its success. In Asia family businesses are important parts of several economies. The leadership potential and the working of internal organization often draw attention from the media in the form of news articles, opinions, surveys and reports on various issues such as CEO succession process, family in-fighting and change of ownership (Chi- Nien, 2017). By the nature and practices of family businesses to maintain the spirit of entrepreneurship, innovation and continued growth, they have exerted considerable impact on the current world economy. For the family members, the sustainable growth of the businesses is a good indicator of their vision for the future and their attention to the welfare of employees and family members, enhancing the determination of family members to work for the family and the business (EY and Kennesaw State University, 2014). For the succession of family business firms with no family members able to take over the leadership role, the transformation into a public company listed in the stock exchange could be an option that would attract qualified professional managers to run the business in order to achieve the objective of maintaining the business while transferring the wealth of the family from one generation to the next sustainably (Viriyakulkij, 2011). As a listed company in the stock exchange, the firm could access addition long- term capital, increasing flexibility in the ability to utilize several financing instruments. It would also provide respectable image and trust. These are means to create opportunities and growth extension for the business.

Even with the current adverse economic situation and fast changing environment, the family business firms are still vibrant and achieve their aggressive objectives. Their success in recent years has led them to establish mechanism, methods and plans to drive operational efficiency and to handle the complex relationship between the business and the family in order to achieve sustainable growth into the future. The approaches for efficiency improvement include the selection of appropriate governance mechanism, the balance of family interest and business interest, and open communication (European Family Businesses and KPMG Enterprise, 2017). In the case of Thailand, over 80 percent of firms are family business firms covering every business sector and industry. More than 20 firms are in the SET50 with market capitalization of over 30 percent of SET50. This is consistent with the study of Price Waterhouse finding that 80 percent of firms in Asia have grown from family firms, while over 40 percent of top 500 firms in the U.S. are family firms.

Thus family businesses are important parts of the economy of every country and the world economy (Ministry of Industry, 2016). Based on the definition of family business employed by the University of the Thai Chamber of Commerce (UTCC), family business firm account for 49.06 percent of average market capitalization of all firms listed in the SET in 2017 at 26,441.89 million Baht (SET, 2018).

Even though the family firms play very important role in the national economy, their growth could be restricted through their various weaknesses such as: 1) Insufficient differentiation of assets, liabilities and other items between those belonging to the business from those of the family; 2) lack of explicit management policy and procedures relying more on the person than the system; 3) decision making often based on relationship more than logic or appropriate principles; 4) from investor's perspective, family business firms would incur the risk of owners/executives making decision contradicting to the interest of small shareholders. It may be concluded that the major weakness of Thai family business firms is the maintenance of balance between the operation of business and relationship among members of the family; the loss of this balance could jeopardize the growth of the business to the point of failure (Ministry of Industry, 2016). At present, it is apparent that several family firms could not survive to the next generation which is a sign of failure. This is an issue to be investigated in order to identify the factors involved and appropriate recommendations for solutions and to strengthen the existing firms toward further growth (European Family Business and KPMG Enterprise, 2017).

Even with the determination to push forward and the current satisfactory growing trend of their business coupled with the cautious approach to guard against impending risks, the family firms still need to identify and assess potential obstacles as well as appropriate solutions for long-term growth by maintaining their competitive advantages and increasing opportunity for growth in the future. The Family Business Study Center of the University of the Thai Chamber of Commerce, is therefore, paying great interest in these issues and decides to examine the performance of family business firms listed in the SET. There are several indicators of performance available such as operational growth, profitability, profits, returns on investment, stock price, etc. (INSEAD, 2002). In this study, the focus is on the operational growth as measured by the Compound Annual Growth Rates (CAGR) of Market Capitalization, Revenue, and Earnings Before Interest and Tax (EBIT). The period chosen is during 2008-2017. The firms listed are grouped into Family Business (FB) and Non-Family Business (Non-FB). The growth rates would reflect the operational efficiency of FB firms listed in the SET.

Objectives

This objective of this study is to compare the operational growth rates of FB firms and Non-FB firms listed in the SET.

Research hypothesis

The operational growth rates of FB firms differs from those of Non-FB firms listed in the SET.

Scope of study

This study is limited to the CAGRs of Market Capitalization, Revenue, and Earnings Before Interest and Tax (EBIT) for the periods 2008-2017 of firms listed in the SET since 2007.

Literature review

The stock exchange in Thailand started in July 1962 as a limited partnership and changed into a limited company under the name of "Bangkok Stock Exchange" in the following year. It had to dissolve later due to the lack of support from the government and insufficient knowledge and understand of the general public regarding the role of capital market at that time. Although the operation of the Bangkok Stock Exchange was not successful, the concept of forming an orderly market for securities with the formal support of the government had gained widespread interest from the public. Thus in 1974 the Securities Exchange of Thailand Act B.E. 2517 was enacted to set up a central place for the trading of securities as well as to promote savings and domestic capital mobilization. The Act was revised in 1975 to allow the investment of savings fund in the Exchange by the amendment of appropriate legal provisions. The Securities Exchange of Thailand was thus officially open for trading on 30 April 1975. Its name was later changed to "The Stock Exchange of Thailand" (SET) on 1 January 1991 with the tasks of being secondary market for trading of common stocks of listed companies and public capital raising. The Exchange is currently operated under the Securities and Exchange Act B.E. 2535 (The Stock Exchange of Thailand, 2018)

The succession of family business could be undertaken in several ways to achieve the main objective of maintaining and transferring wealth as well as the legacy of the founding generation to successive generations. The approaches for the transferring of wealth vary from the grooming of family member heirs to take over the business or the recruitment of professional executives to the sale of the business to convert the accumulated wealth into cash. Securitization of family business firm stock for trading in the stock exchange would be a middle ground between the two extremes. The succession decision of a FB firm would indicate the owner's personal view which is best recognized by each individual business goals. Beside business goals, the owner would have to take into consideration the goals of the family. The advantage and disadvantages of being a listed company in the stock exchange are as follows

(Viriyakulkij, 2011)

Advantages	Disadvantages
Business	
1.Source of fund raising, good for firms during expansion of business, reducing cost of capital and lowering debt.	1.Reduced ownership proportion, sharing profits with other shareholders.
2.Borrowing money without any guarantor .	2.Must abide by rules and regulations of SET and auditing agencies, with added costs.
3.Increased trustworthiness in the view of loaner, suppliers, customers, employees and the society .Able to attract capable persons to work with including younger generation family members	3.Certain data must be open to the public and audited by central authorities such as the S.E.C .Loss of freedom in executive activities
Family	
1.As a channel for family members to exit by no longer holding shares (selling in the market)	1.Shares easily sold by family members with high risk of hostile takeover.
2.Share price is market determined, reducing conflict among family members.	2.The value of business varies with economic condition and market sentiments probably unrelated to the business.
3.Management is transparent, clear by “central committee "reducing conflicts within the family.	3.Decision making process involves more layers and could be slower.

Upon being a listed company allowing the public and various investment funds to purchase its shares in order to mobilize additional capital for the operation, a service provided by the SET is the compilation of basic information about the company in the form of a Fact Sheet for initial consideration of investors. The information in the Fact Sheet include the Balance Sheet, Income Statement, Cash Flow Statement, Financial Ratios and Value Assessment Tools. The core of financial statement is the Balance Sheet. A strong Balance Sheet would allow the firm to growth healthily in the long-run. The Balance Sheet provides two important information, namely the sources of capital and the use of capital the change of each items could signify the direction of the business. For example, an increased in fixed asset would indicate the recent investment in new projects. For large firms with continuing expansion of operations, this item would increase along with sale revenue but for small firms with large investments once in a while, the news report for these proposed investments and their starting dates could be reviewed. If they are deemed to be viable projects, capital funding for the investment would be forthcoming (Chorvichit, 2015). The SET also make available information on Financial Ratios of listed companies in various Accounting Form compiled in a database called SETSMART capable of being accessed by interested investors.

There are several approaches to evaluate the performance of a business, one of which would be to examine its financial performance. For listed firms, the often used indicators are Stock Market Performance, Tobin' s Q, Return on Equity, or Return on Asset (Jaskiewicz, 2006). The financial performance could also be measured from two different angles either through accounting-based or marketing-based. The accounting measures would rely on historical data of previous years and could extend back very far and be more detailed (Nicholson and Kiel, 2003). The measure of profitability ratios could cover Return on Asset, Return on Equity or Return on Sales, combined with a number of other financial ratios.

Machek, Martin, and Jiri (n.d.) found that the business performance had often be measured by Profitability Ratios such as Return on Assets (ROA), Return on Equity (ROE), or Return on Sales (ROS) together with other financial ratios, namely Liquidity, Asset Management, Leverage (ratio of changes in net profit to changes in sales); or Market Value Indicators, such as Market-to-Book Ratio. On the other hand, the research by Credit Suisse Research Institute (2017) indicates that the important parameters for the determination of pay package for top executives were long-run financial and non-financial indicators most popular of which were Sales or Earnings Growth over several years. The use of Sale growth to measure business performance would be used because it is easily accessible. In this study, the measurement of business growth would examine the growth rates of Market Capitalization, Revenue, and Earnings Before Interest and Tax during 10 years period of 2008-2017, because the transparent continuity of the series and indicative trend of business.

Research methods

The sample for this research is the firms listed in the Stock Exchange of Thailand (SET) since 2007. There are a total of 375 firms breaking down into 184 Family Business firms (FB) and 191 Non-Family Business Firms (Non-FB). This excludes the securitized capital Funds and firms being suspended (SP). The criteria for being classified as FB are those making the Family the controlling interest according to the definition given by the Family Business Study Center, UTCC, as follows:

1) Being the Founding Family,
2) At least one of the family member being one of the fop 5 directors

3) Family members (all combined) being the Strategic Shareholder

<u>Remark</u>: Strategic Shareholder, as defined by the S.E.C., "Controlling Interest" means: (1) The holding of greater than 50 percent of voting shares of the juristic person (2) the control of majority votes at the Meeting of shareholders of the juristic person either directly, indirectly or by other means (3) the control of appointed and removal of at least half of the directors either directly or indirectly.

The data for the comparative investigation of growth rates are compiled from the SETSMART database of the SET for the period 2008-2017, focusing on the Compound Annual Growth Rate (CAGR) the formula being:

$$CAGR = \left(\frac{\text{Ending Value}}{\text{Beginning Value}}\right)^{(1/\text{No. of Years})} - 1$$

The Beginning Value is the value at the beginning of the period, and the Ending Value is the value at the end of the period. No. of Years is the total years of the period being studied. This ratio would measure the average returns of investment over a given period. In addition to being the annual growth rate, it is also considered the "smoothed" returns rate because it reflects the constant growth per year from a base year. The period under study of 2008-2017 is thus utilizing 2007 as the base year.

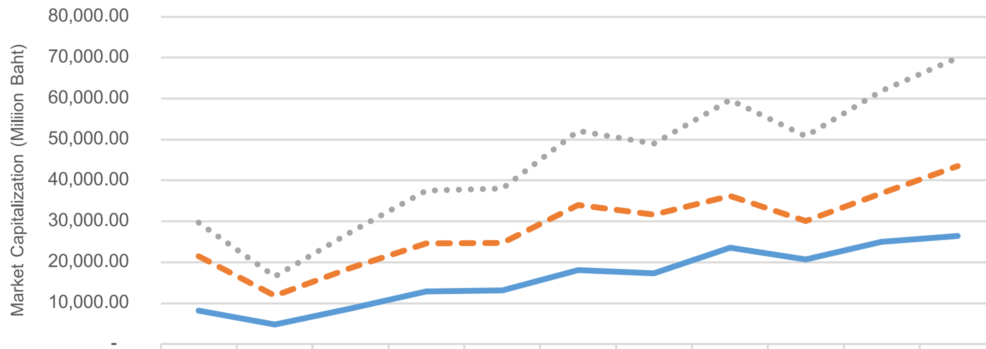
Research results

The analysis of growth rate of Family Businesses listed in the SET comparing the CAGR during 2008-2017 taking 2007 as the base year between those of FB firms and Non-FB firms, as well as the entire market brought the following results:

On market capitalization

Average market capitalization of firms during 2007-2017

With respect to Market Capitalization (Figure 1), the average market capitalization of FB firms is lower than that of Non-FB firms; and both exhibit an increasing trend over the years consistent with the rising trend of the entire market.

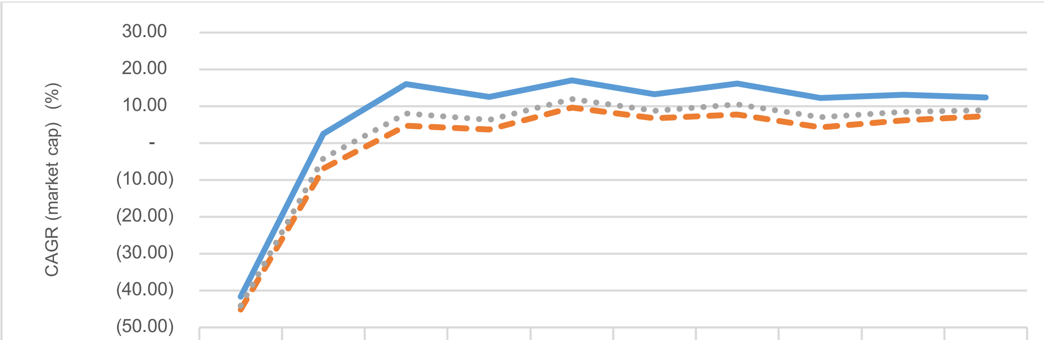


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
FB	8,238.80	4,807.59	8,657.60	12,831.82	13,186.71	18,087.83	17,340.33	23,564.64	20,743.75	24,967.78	26,441.79
Non-FB	21,491.88	11,779.45	18,642.62	24,656.81	24,798.03	34,026.86	31,687.62	36,159.31	30,092.77	36,877.82	43,513.69
Total	29,730.69	16,587.04	27,300.22	37,488.63	37,984.74	52,114.68	49,027.95	59,723.95	50,836.52	61,845.60	69,955.48

Figure 1 Trends of Average Market Capitalization of Firms 2007-2017

Compound annual growth rate (CAGR) of market capitalization during 2008-2017

For the period 2008-2017 the computed CAGR of Market Capitalization (Figure 2) of FB firms are higher than those of Non-FB firms for one to ten years even with a negative value for 2008 but increasing afterwards to a maximum of 17.03 percent for the five year period up to the year 2012 compared to the 9.62 percent of the Non-FB firms for the same period . Similarly in 2017, the annual average over 10 previous years for the FB group, although at 12.37 percent lower than the maximum, is still higher than that of Non-FB group at 7.31 percent .The growth rate for the entire market is at 8.93 percent.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
FB	(41.65)	2.51	15.92	12.48	17.03	13.20	16.20	12.23	13.11	12.37
Non-FB	(45.19)	(6.86)	4.69	3.64	9.62	6.68	7.72	4.30	6.18	7.31
Total	(44.21)	(4.17)	8.04	6.32	11.88	8.69	10.48	6.94	8.48	8.93

Figure 2 CAGR of market capitalization for 2008-2017

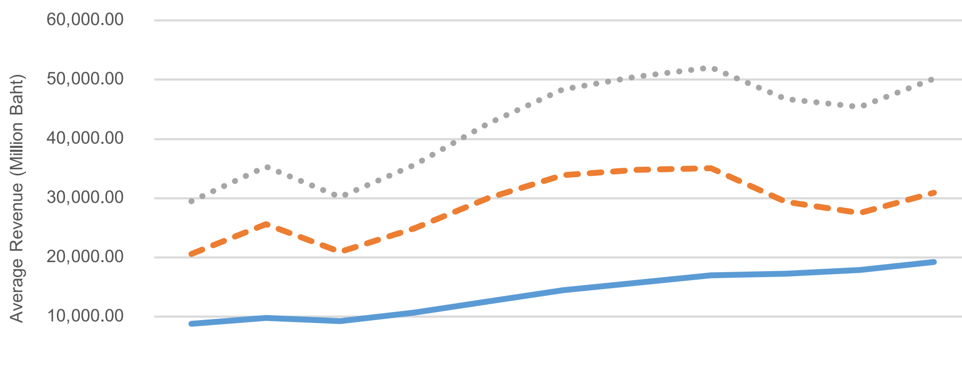
The Market Capitalization CAGRs breaking down by industries (Figure 3) show that for the sectors of Agro & Food Industry, Services, Consumer Products, Resources, and Industrials, those of FB group are higher than the Non-FB group; while for the sector of Technology they are lower for the period 2008-2012 and higher for the period 2013-2017. For the sector of Property & Construction, the CAGR for the FB group are lower during the period 2008-2013 and rise above those of Non-FB group during the period 2014-2017; while for the Financials sector those of FB group are lower through the 10 years.

Figure 3 Market capitalization CAGR by industries during 2008-2017

On revenue

Average revenue of FB and non-FB firms in the SET during 2007-2017

Figure 4 shows the average revenue of FB firms to be lower than those of Non-FB firms for all the years under investigation with an increasing trend in line with the entire market.

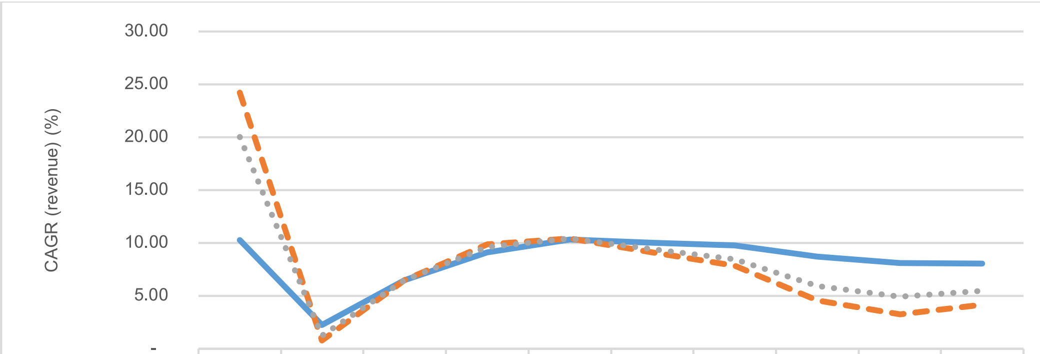


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
FB	8,857.91	9,770.67	9,262.56	10,702.60	12,562.36	14,479.25	15,723.37	17,034.31	17,283.88	17,860.92	19,256.69
Non-FB	20,610.82	25,606.89	20,927.07	24,895.29	30,031.07	33,866.55	34,801.78	35,050.64	29,450.36	27,538.57	30,929.27
Total	29,468.73	35,377.57	30,189.63	35,597.89	42,593.43	48,345.79	50,525.15	52,084.95	46,734.23	45,399.49	50,185.96

Figure 4 Average revenue of FB and non-FB firms in the SET during 2007-2017

CAGR of revenue for the period 2008-2017

With respect to the CAGR of Revenue (Figure5), those of FB group exhibit higher growth rates than those of Non- FB group and the entire market in 2009 and during 2013-2017, but lower for the four years of 2008, 2010, 2011 and 2012. The overall average is considered higher for the FB group and substantially higher especially for the 8-10 year period of 2015-2017 with 8.71, 8.10 and 8. 07 percent respectively compared to those of Non-FB group of 4.56, 3.27 and 4.14 and of the entire market of 5.93, 4.92 and 5.47.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
FB	10.30	2.26	6.51	9.13	10.33	10.04	9.79	8.71	8.10	8.07
Non-FB	24.24	0.76	6.50	9.87	10.44	9.12	7.88	4.56	3.27	4.14
Total	20.05	1.22	6.50	9.65	10.41	9.40	8.48	5.93	4.92	5.47

Figure 5 Revenue CAGR of FB and non-FB firms during 2008-2017

Breaking down by industry of the Revenue CAGR (Figure 6), CAGR for the FB group are higher in the sector of Agro & Food Industry, Technology, and Resources for the 10 year period; while in the sector of Services the growth rates for the FB group are lower during 2008-2012 and higher during 2013-2017. In the sector of Financials, Industrials and Property & Construction, the growth rates of the FB group are lower than those of the Non-FB group but not as much as those in the Consumer Products sector

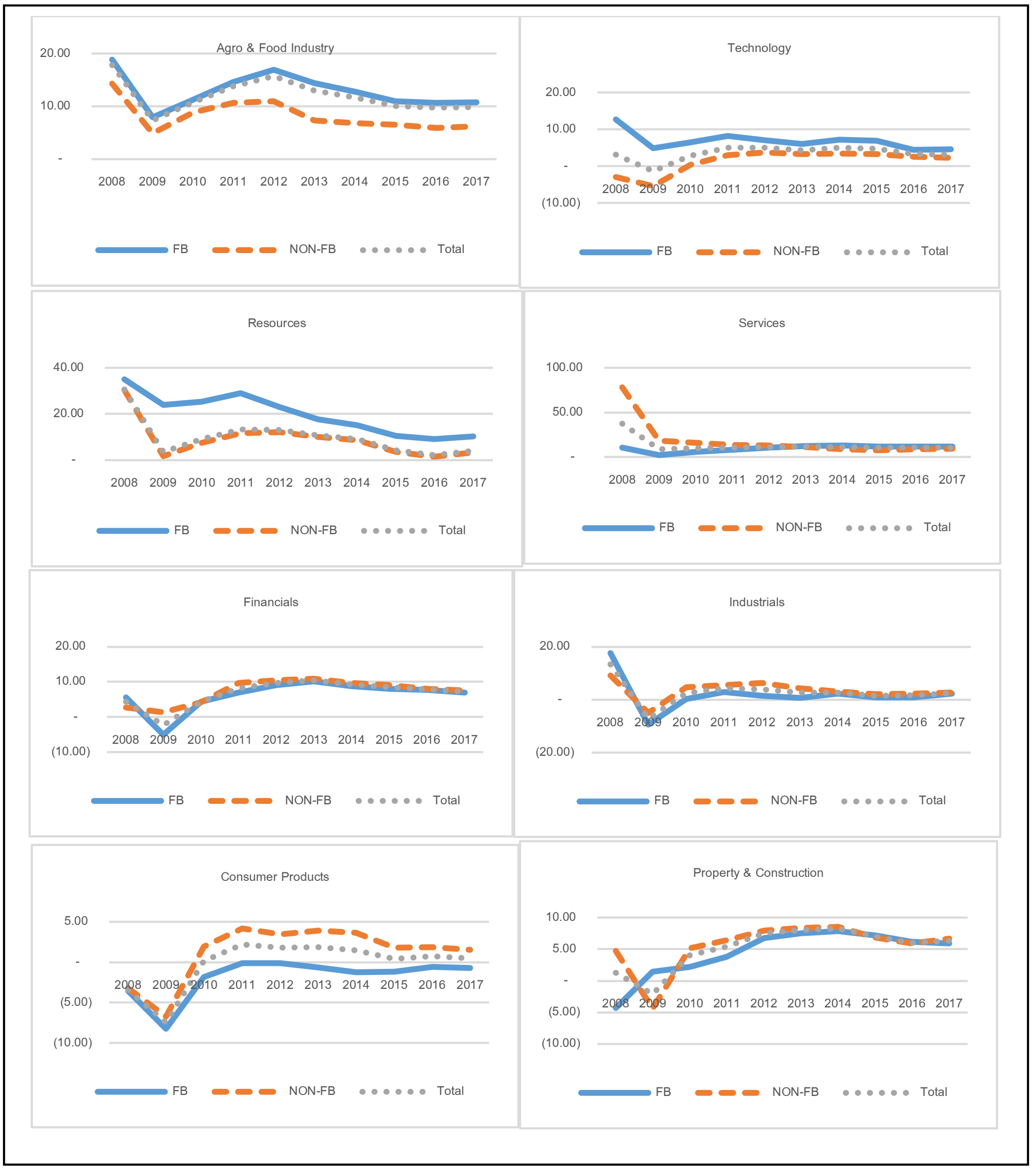
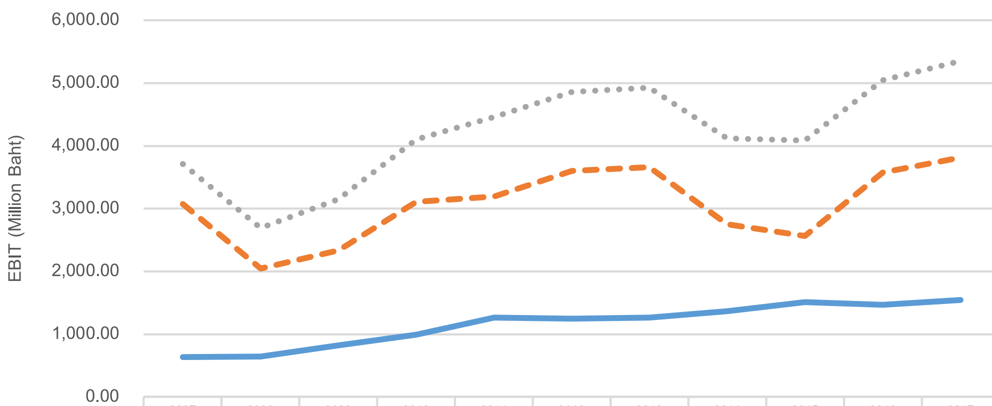


Figure 6 Revenue CAGR of FB and non-FB firms by industries during 2008-2017

Earnings before interest and tax (EBIT)

Average EBIT of FB and non-FB firms in the SET during 2007-2017

The average EBITs of FB groups (Figure 7) are lower than those of the Non-FB group, but with an increasing trend throughout the period. Those of the Non-FB and the entire market also exhibit an rising trend but with some fluctuation.

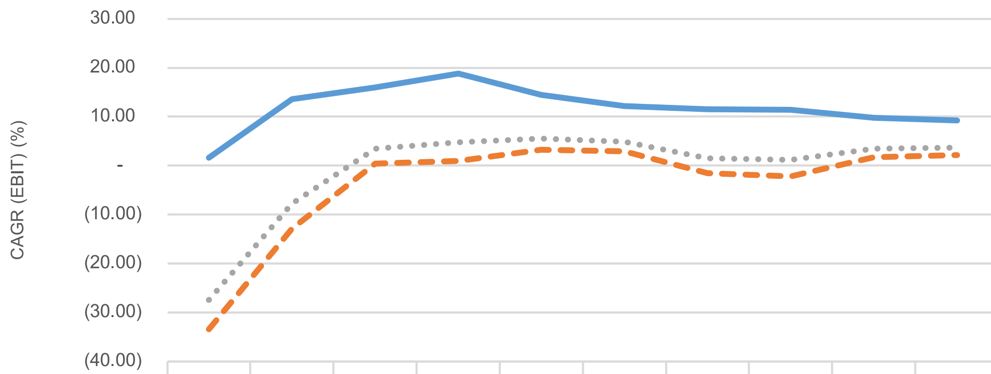


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
FB	637.66	648.16	822.95	993.88	1,268.69	1,251.26	1,266.96	1,364.89	1,516.21	1,472.54	1,544.11
Non-FB	3,073.86	2,044.57	2,332.82	3,110.68	3,194.35	3,604.11	3,663.92	2,754.59	2,569.21	3,572.87	3,811.62
Total	3,711.52	2,692.73	3,155.77	4,104.56	4,463.04	4,855.37	4,930.88	4,119.48	4,085.42	5,045.42	5,355.73

Figure 7 Trends of Average EBIT of FB and Non-FB Firms during 2007-2017

CAGR of EBIT of FB and non-FB firms for 2008-2017

The CAGR of EBIT (Figure 8) of the FB group are found to be higher than those of the Non-FB group for the annual average of one year to ten years. The highest value is at 18.77 percent for the 4 year period calculated for 2011, while the highest value for the Non-FB group is at 3.23 percent for the 5 year period calculated for 2012 substantially lower than that of the FB group for the same period of 14.43 percent. For the whole 10 year period in this study, the value for the FB group is at 9.15 percent higher than the 2.17 percent for the Non-FB group and 3.74 percent for the entire market.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
FB	1.65	13.60	15.94	18.77	14.43	12.12	11.48	11.44	9.75	9.25
Non-FB	(33.49)	(12.88)	0.40	0.97	3.23	2.97	(1.55)	(2.22)	1.69	2.17
Total	(27.45)	(7.79)	3.41	4.72	5.52	4.85	1.50	1.21	3.47	3.74

Figure 8 CAGR of EBIT of FB and Non-FB Firms during 2008-2017

Breaking down by industry of the CAGR (Figure 9), in the sectors of Agro & Food Industry, Resources, Services, Consumer Products, and Property & Construction, the values for the FB group are higher than those of the Non-FB group for the whole period. In the Technology sector the values for the FB group are higher only for the average over 4, 8 and 10 years calculated for 2011, 2015 and 2017 respectively. In the sector of Industrials the values for the FB group are lower the 10 year period. As for the Financials sector the data are incomplete for the calculation.lower the 10 year period. As for the Financials sector the data are incomplete for the calculation.

Figure 9 CAGR of EBIT of FB and non-FB firms by industry during 2008-2017

Conclusion and discussion

The computed CAGR of Market Capitalization, Revenue and EBIT during 2008-2017 of FB group in the SET are found to be higher than those of the Non-FB group. One of the major reasons for this is the better performance of family businesses resulting from their long-run approach contributing to stable growth(Graham, 2017). Most investment analysis would attribute this to the long-term approach to capital investment for profits rather than the focus on quarterly or annual profits. FB firms tend to take research and development seriously by investing this out of their earnings and more than other firms in general consistent with their long-run approach. They would mobilize capital for their growth naturally more than borrowing and tend to reduce their net liabilities (Credit Suisse Research Institute, 2017). According to the research by Credit Suisse Research Institute (2017), there is a positive correlation between marketing performance and the fact that the firm is owned by the founder or family members. In comparison with business firms in general, family firms earn stronger revenue and EBITDA (Earnings before interest, tax, depreciation and amortization) growth; higher profit ratio and better returns on cash flows. These better performance is evident in every region worldwide. The research also pointed out that the daily supervision of the firms by the family or the participation in the company executive committee was associated with the performance of the business to a greater extent than the proportion of shareholding by the founder or family members.

In addition, there are four variables related to the performance of family firms, namely, ownership and control, strategy and form of governance, long-run approach and human resource. These factors contribute to operational outcomes in various ways by: 1) on agency cost efficiency, the management by family member would reduce the problem of appointed agents; 2) on leadership efficiency, the improvement of leadership from centralized decision making to a more flexible and lower cost of transaction; 3) on stakeholder efficiency, the increased confidence, loyalty and incentives from executives, employees and customers; 4) on long-run perspective, investment and growth decision not restricted by pressure of quarterly reports (European Monitoring Centre on Change, 2002).

Breaking down by industries the advantage of higher CAGR with respect to Market Capitalization, Revenue and EBIT of FB firms does not apply for some sectors. For the Finance sector Market Capitalization growth and Revenue growth are lower; while for the Property & Construction, Industrials and Consumer Products sectors, Revenue growth are lower. And for the Industrials sector the EBIT growth also are lower. These could be the consequence of the different competitive environments of each sector as well as the different characteristics of family firms in those sectors. These negative factors include: 1) the objective of not maximizing profit running the risk of debt servicing and thus lower growth rate; 2) different prioritizing of goals focusing on non-financial ones such as security and succession; 3) ineffective operation due to the need for maintenance of family control and succession issue leading to inappropriately non- market based decision of the executives; 4) minimal innovation and slow adaptation caused by family members having to follow traditionally successful business practices (European Monitoring Centre on Change, 2002).

Certain research pointed out that FB firms generally perform better than other firms, but their performance would be poorer under successive generations of successors (Ehrhardt, Nowak and Weber, 2005). This is confirmed by McConaughy and Phillips (1999) finding that firms managed by successive heir would earn profit lower than firms run by the founder and the performance would differ depending on the stage of the company life cycle. It is supported by Arosa et al. (2010) finding that independent directors do not improve the performance of family business, and the value of the firms would be created when the founders hold the post of CEO or being Chairman with the appointment of outside CEO. In contrast, the succeeding heir would diminish firm value upon taking over as CEO or chairmanship (Villalonga and Amit, 2006). Rivers (2017) found that there are 3 factors obstructing the growth and sustainability of family business being: 1) lack of a common vision between the owner and firm leadership causing never ending conflict; 2) leadership uncertainty due to the possibility that the next generation leaders would be as efficient the current one; 3) lack of basic foundation consisting of system, procedures and standards of operations needed for expansion of business into the future. These may be the consequence of the firm growth beyond the capability of the leader and the deficient financial skill. The factors affecting the growth of the family firms are both internal and external to the business.

Recommendations

The growth of Family Business firms could be measured in several ways. The indicators used here being Market Capitalization, Revenue and EBIT are only basic variables. Several other factors are relevant to the growth and performance of business and should be taken into consideration. For more in depth analysis, further studies should look at family specific variables such as generation of successor, CEO, proportion of share ownership by family members, company directorship, decision making authority, etc. to compare growth and performance in other aspects. Qualitative research should be undertaken in at the same time to gain greater reliable and valid results.

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UTCC International Journal of Business and Economics (UTCC IJBE)
Volume 11 Number 1, April 2019

TOURIST EXPECTATION AND SATISFACTION WITH LI JIANG OLD CITY

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Abstract

Purpose - The purpose of this research is to study the tourist expectation and satisfaction with Li Jiang old city, and the relationship between tourist satisfaction and loyalty. The objective is 1) To study the tourists' satisfaction of Li Jiang old city. 2) To study the Tourists' expectation of Li Jiang old city. 3) To explore the relationship between tourist behavior and tourist satisfaction. 4) To explore the relationship between tourist expectation and satisfaction. 5) To explore the relationship between tourist satisfaction and tourist loyalty.

Design/methodology/approach - This study uses the quantitative research method, through the form of questionnaire and distributing 400 questionnaires to the tourists who travel to Li Jiang old city, and distribute questionnaires at Li Jiang airport, bus station and train station. The data analysis uses the descriptive and inferential statistics. The inferential statistics includes f-test, correlation and regression. Descriptive statistics can analyze the demographic, such as age, gender, education level, monthly income, occupation and marital status.

Finding - The result of correlation analysis shows that 17 items out of 20 items were found to relate to tourist expectations and satisfaction with the old Town of Lijiang. All factors of tourist satisfaction were found to relate to all factors of tourist loyalty. In addition, the result of regression analysis found that the aspects of tourist infrastructure have strongest affect on tourist satisfactions, the aspects of price and value have strongest affect on tourist loyalty.

Practical implications - The government should protect ancient and unique buildings or build more unique buildings and promote the creation of more traditional handicrafts. In addition, the government should control the number of tourists to protect the environment, plant more trees, and build drainage facilities.

Originality/value - The research result can provide the Li jiang government to develop the tourism industry of the old Town of Li jiang and attract more tourists.

Keywords - Li Jiang old city, tourist experience, tourist satisfaction, tourist loyalty

Paper type - Research paper

Introduction and problem statement

The tourism industry is the largest contributor to the development of the social economy, which can improve the quality of life of local residents. The cultural values of a country are unique features that serve as the competitive advantages over other countries (Hofstede, 2001). Culture has become the aim of tourism in the 20th century, which means tourism is a type of culture (Urry, 1990). Culture tourism interact is a basic motivation for tourism. Cultural tourism, which depends on destinations that are full of culture, is an important aspect of international tourism in the present day (WTO, 2004). It is the biggest and fastest-growing form of tourism in the tourism industry (Gezici & Kerimoglu, 2010; Ferhan, 2010) because it allows tourists around the globe to enjoy and learn about different cultures in different places. The World Tourism Organization (WTO) released a report in 2004 that says cultural tourism involves people traveling to cultural destinations and studying the performing arts, festivals and cultural activities, visiting heritage sites and enjoying local life. Cultural tourism is a form of leisure tourism to enjoy local culture and customs.

Culture tourism includes special experiences of tourists and interesting things related to local culture, such as art, customs, religious beliefs and activities, food and drama or dance. Meanwhile, natural history tourism involves learning about the ecological environment, such as animals and plants. Activities related to sports and agriculture can also be considered aspects of cultural tourism (Galdini, 2007; Richards, 1996).

Yunnan, a province in southwestern China, has rich resources and culture. The tourism industry of the province has been developing since 1978. In 1995, the government named tourism the main industry of Yunnan. This was an important strategic decision for the province and ensured that the tourism industry accesses the “second”. Yunnan has many types of tourism resources, including scenic spots, cultural relics, historical sites and ethnic culture. The Old Town of Lijiang is an ethnic culture resource (Zhou, 1999). The ethnic culture of Lijiang is Naxi culture, and people of this ethnicity only live in Lijiang. Tourists who want to enjoy Naxi culture can visit the town. The Old Town of Lijiang not only contributes to the tourism resources of Yunnan, but also the tourism economy of the province. On December 4, 1997, the success of the town was confirmed as it was named a World Cultural Heritage Site by UNESCO (United Nations Educational, Scientific and Cultural Organization), because Lijiang old city has excellent and representative cultural attributes (Li et al,. 2008).

Data in table 1 from the Tourism Department of Lijiang shows that the income of the province from tourism has increased every year. In 2008, the total income is 69.54 ten million Chinese Yuan, which of foreign exchange is 14830.59 ten thousand dollars and domestic tourism income are 59.45 ten million Chinese Yuan. After five years, the income of tourism is increasing to 278.66 ten million Chinese Yuan, the foreign exchange is 35768.62 ten thousand dollars and domestic tourism income are 256.51 ten million Chinese Yuan. It is total increased to 209.12 ten million Chinese Yuan in five years, and it is a huge income contributed by Lijiang.

Table 1 The Year of 2008-2013 total tourism income in Lijiang city

Years	Total income (ten million yuan)	Growth (%)	Foreign exchange (the thousand yuan)	Growth (%)	Domestic tourism income (ten million yuan)	Growth (%)
2008	69.54		14830.59		59.45	
2009	88.66	27.49	17084.13	15.2	76.99	29.5
2010	112.46	26.84	20222.47	18.37	98.71	28.2
2011	152.22	35.36	25367.98	25.44	135.73	37.51
2012	211.21	36.69	28886.14	13.13	192.96	39.44
2013	278.66	32.17	35768.62	23.83	256.51	32.94

(Data Source: Lijiang tourism department website http://www.ljta.gov.cn/)

The number of Chinese and foreign tourists visiting Lijiang has also increased during year of 2008-2013 (Figure 1). Therefore, ensuring the satisfaction of tourists who visit the town is crucial to the continued increase in tourists. In turn, this will contribute to the economic growth of the town and influence the tourism industry of the province.

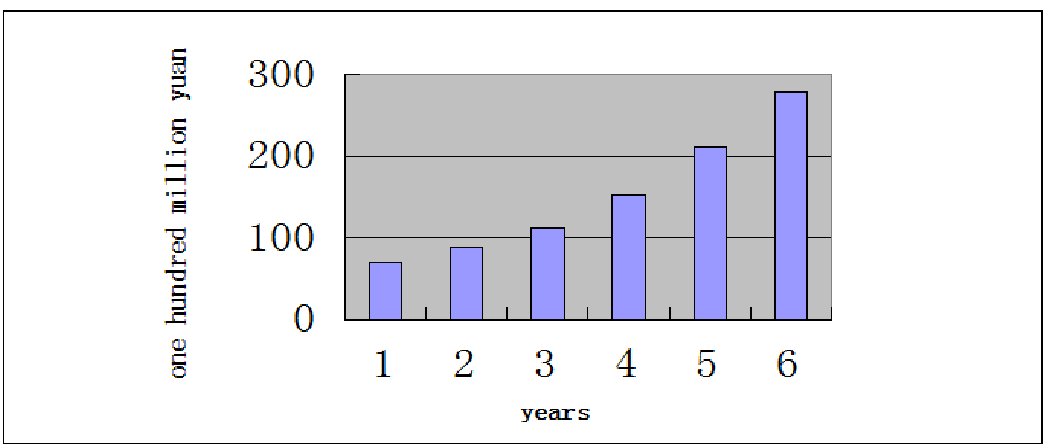

Figure 1 The Year of 2008-2013 total tourism income in Lijiang city

(Data Source: Lijiang tourism department website http://www.ljta.gov.cn/)

Since then, the large number of Chinese and foreign tourists visiting the town have made huge contributions to its economy. However, this has also led to a number of problems, such as: First, loss of traditional culture. Modernization, the inheritance of traditional Chinese culture and restrictions on the flow of migrants have had an immense influence on the local culture, traditional handicrafts and customs and unique buildings of the town. A large number of tourists and businessmen, as well as construction projects, have also led to significant changes. Second, damage to the environment. The rapid development of tourism to Lijiang has brought good economic benefits, but also damaged the environment of this ancient town. Problems include a large amount of trash generated by visitors and water pollution. Third, excessive commercialization. The popularity of Lijiang has attracted a large amount of investment in stores concentrated in the downtown area. There has been too much focus on the commercialization of this ancient town. Visitors can feel the strong commercial atmosphere and more modern goods are sold instead of traditional arts and crafts. Fourth, Incomplete infrastructure. During the peak of the tourism season, the labor force of the town is not big enough to accommodate tourist and bus routes are not very reasonable. Also, there are an insufficient number of trash bins in the town, which leads to tourists littering. Fifth, simplified entertainment. The main form of entertainment in the town involves viewing nature. During the evening, tourists often flock to the local bar street. Entertainment is too simple and cannot meet the needs of tourists. Sixth, incomplete prices. Due to ignorance, tourists are often forced to pay high prices. Based on these problems, it is important to study the relationship of tourist expectation, satisfaction and loyalty.

Literature review and hypotheses

The relationship between tourist behavior and satisfaction

Tourist behavior is an important aspect of planning and marketing activities for tourists (Choibamroong, 2006). Kolter (1999) shows that customer behavior is influenced by:1) cultural standards such as social class; 2) social standards such as family and status; 3) personal standards such as age, lifestyle and occupation; and 4) psychological standards such as motivation, perceptions, beliefs and attitudes. Poon (1994) researched European tourists found in particular 60% of German tourists, and think that appreciating nature is the main appeal and biggest significance of going on vacation. Wang et al. (2010) researched the intention of tourists to revisit a cultural heritage site in Lukang, Taiwan. They found that behavior of tourists includes the opportunity to enjoy culture, visit unique heritage sites and spend leisure time. Parlett, Fletcher and Cooper (1995) studied “the impact of tourism on the old town of Edinburgh” and found that some tourists visit the town because of its attractions.

The relationship between tourist expectation and satisfaction

Expectation is defined as the possibility that a given action will be followed by a specific result (Matteson, 1993). It can also be defined in terms of the needs or desires of consumers, and the expectations of consumers should be considered before a provider decides to offer a service (Millan &Esteban, 2003). Tourists assess their feelings about a destination by comparing their expectations before and after their experience then make up their minds about whether or not they will visit the destination again (Oliver&Swan,1989; Yuan&Jang, 2008). Aliman (2014) researched the expectations, perceived quality and value and preconceived notions of destinations, as well as thetas is faction of tourists, in Langkawi. It was found that the expectations of tourists have a positive correlation with their satisfaction. Del Bosque and Martin (2008) explored the cognitive and psychological effects of the expectations and actual experiences of tourists and found that the expectations and loyalty of tourists influence tourist satisfaction. Hence, understanding the expectations of tourists is crucial to ensuring their satisfaction (Stevens, 1992).

The relationship between tourist satisfaction and loyalty

Loyalty can be defined as the commitment of a consumer to continue to purchase a particular product or service (Oliver, 1999). An important element of success in the tourism industry is the intent of tourists to revisit destinations (Lin&Morais, 2009). Shoemaker and Lewis (1999) state that loyal consumers are more likely to provide free advertising among their network of friends, relatives and other potential consumers. Countless researchers have explored the importance of the revisit intention of tourists because it produces more long-term economic benefits and positive effects than the initial visit (Baker & Crompton, 2000). The indicators of tourist loyalty in many studies are revisit intention and recommend intention (Niininen et al., 2004; Chen&Gursoy, 2001). Philips et al. (2013) studied the relationship between the perceptions, perceived value and satisfaction of tourists with destinations and their revisit intention. The results of this study showed that the perceptions of tourists of a destination have a direct influence on their perceived value and revisit intent. Additionally, the perceptions of tourists have an indirect influence on their satisfaction and intent to recommend a destination to others. Repeat visitors are also attracted by positive perceptions. Sara, Joan and Maria (2010) studied factors that influence repeat visits by tour groups to sun and sand destinations. They found that the biggest factor that influences repeat visits to a destination is overall satisfaction and the most important factor was the perceptions of tourists. Juan et al. (2012) analyzed the travel experiences of tourists, their intent to return to a destination and whether or not they would recommend the destination to others. They state that the overall satisfaction of tourists influences their intent to return to a destination and recommend it to others. Furthermore, prices have a positive impact and perceptions of danger have a negative impact on tourist loyalty. Chi and Qu (2008) researched Eureka Springs in Arkansas to understand tourist loyalty to the destination and the relationship between the perceptions of the destination, the attributes of tourists and their overall satisfaction found that the satisfaction of tourists and a positive influence the loyalty of tourists to a destination. Lee, Jeon and Kim (2011) studied Chinese tourists in South Korea to analyze the cause and effect relationship between the motivation behind tourism, expectations of tourists, quality of tourism, tourist satisfaction, complaints of tourists and tourist loyalty. They found that satisfaction influences tourist loyalty and the more tourists complain the less loyal they are. Based on this, tourist loyalty can be divided into revisit intention and recommend intention. Positive experiences of tourists will produce revisit intention and positive word-of-mouth communication will influence friends and relatives (Chi&Qu, 2008).

Hypothesis:

H1.0: There is no relationship between tourist behavior and tourist satisfaction.

H1.1: There is a relationship between tourist behavior and tourist satisfaction.

H2.0: There is no relationship between tourist expectation and tourist satisfaction.

H2.1: There is a relationship between tourist expectation and tourist satisfaction.

H3.0: There is a relationship between tourist satisfaction and tourist loyalty.

H3.1: There is a relationship between tourist satisfaction and tourist loyalty.

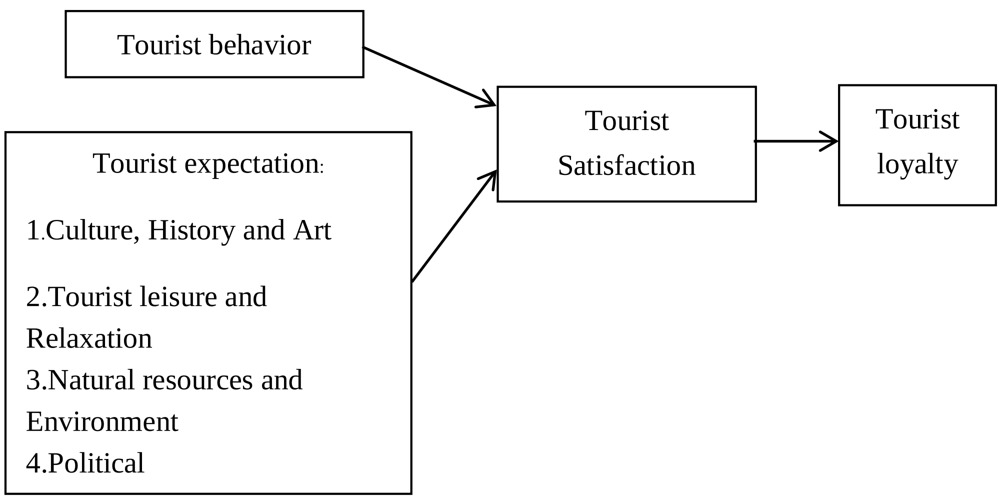

Figure 2 Conceptual framework

Population and sample

The purpose of this study is to study the tourist satisfaction with cultural tourism, and select Lijiang old city as a cultural destination. The population of this study is the tourists who came to visit in Lijinag city, according the information data from the Tourist of Administration of Lijiang city website. The average tourist arrivals Lijiang city in past 7 years is 1,312.96 ten thousand people in an average year. The sample size of this study is based on the formula recommended by Yamane (1973) as below:

$$n = N / 1+Ne^2 \qquad (1)$$

Where, n is size of sample, N is population of sample, e^2 is probability of error.

So, with e=5%, The sample size of the study is:

$$n = 13{,}129{,}600 / (1+13{,}129{,}600(0.05)^2)$$

$$n=399.987$$

$$n \approx 400$$

The sample size of this study is about 400 tourists who visited Lijiang city

Research instrument

The questionnaire is base on the conceptual framework and designed in Chinese and English language. This questionnaire has 5. Part 1 is tourist expectation, this part is designed to explore the tourist expectation about destination attribution before tourists' trip which includes 20 items and gather them into 6 groups, which is 1) Culture, history, and art ; 2) Tourist leisure and relaxation: 3) Natural resources and environment; 4) Political; 5) Tourist infrastructure; 6) Price and value. This part measured the tourist expectation level by a five-point scale (1= Strongly disagree, 2=Disagree, 3= Neutral, 4=Agree, 5= Strongly agree). Part 2 is Tourist satisfaction, and this part is to study the tourist satisfaction with destination attribution in Lijiang old city after their trip of Lijiang old city. The questions in this part same with part 1. This part is measured by a five point scale (1 = Very dissatisfied, 2=Dissatisfied, 3=Neutral, 4=Satisfied, 5= Very satisfied). Part 3 is tourist loyalty, this part have 5 questions about tourist revisit intention and positive word of mouth to get the tourist loyalty with Lijiang old city. This part is measured by a five point scale (1= Strongly disagree, 2=Disagree, 3= Neutral, 4= Agree, 5= Strongly agree). Part 4 is tourist behavior, this part is tourist behavior, including the purpose of visit, tourism type, modes of transport, how long you plan to travel, visit frequency, length of stay, spend money, information source, shopping place, main activity. Part 5 is Demographic, this part about demographic includes age, education level, monthly income, occupation, and marital status.

Data collection

Data collection of this study is collected by questionnaire. The questionnaire will distribute 400 questionnaires to respondents by random sampling, and distribute in three place where is Lijiang railway station, Lijiang bus station and Lijiang airport, because the plane, the railway and the road are the three modes of transport to Lijiang, it is easy to get the valuable and reliable data of the tourists who travel to Lijiang old city.

Data analysis

The data analysis uses the descriptive and inferential statistics. The descriptive statistics includes mean, standard deviation, minimum and maximum. Descriptive statistics is to analyze the demographic, such as age, gender, education level, monthly income, occupation and marital status. In addition, descriptive statistics is also to analyze the tourist behavior, such as objective of travel, tourism type, modes of transportation, information source, shopping place. The inferential statistics includes f-test, correlation and regression. This study uses f-test to analyze the tourist behavior with tourist satisfaction and uses correction and regression to analyze the relationship between the tourist expectation and tourist satisfaction, the relationship between tourist satisfaction and tourist loyalty.

Result

Descriptive analysis

In the descriptive statistics, the result shows the demographic of the sample group of this study consisted of Chinese women between the ages 21-30 who hold a bachelor’s degree and are married, employed and earn a monthly income of 4,000- 6,000RMB (Chinese yuan). The main objective of this study was to relax with friends/relatives, group, railway, plan to travel during 4-6 days, the length of stay in Li Jiang old city is less than 1 week, spend money during 3,001-5,000 RMB, information origin from the internet, the main activity is appreciated of an ancient building.

The result of the effect of behavior on satisfaction

Table 2 Analysis of the effect of behavior on satisfaction by one-way ANOVA

Tourist behavior		**SS**	**MS**	**R**	**F**
Main objective	Between Group	13.645	3.41	0.000	7.89
	Within Group	170.92	0.43		
	Total	185.57			
Tourism type	Between Group	1.54	1.54	0.068	3.34
	Within Group	183.03	0.46		
	Total	184.57			
Transportation	Between Group	1.25	0.62	0.260	1.35
	Within Group	183.32	0.46		
	Total	184.57			
The length of plan	Between Group	7.5	2.5	0.001	5.59
	Within Group	177.1	0.45		
	Total	184.6			
Travel times	Between Group	4.39	2.20	0.008	4.84
	Within Group	180.18	0.454		
	Total	184.57			
Length of stay	Between Group	8.40	4.20	0.000	9.47
	Within Group	176.17	0.44		
	Total	184.57			
Spend money	Between Group	3.11	0.78	0.151	1.69
	Within Group	181.46	0.46		
	Total	184.57			
The information origin	Between Group	11.34	2.84	0.000	6.47
	Within Group	173.23	0.44		
	Total	184.57			
The shopping place	Between Group	0.09	0.09	0.655	0.20

	Within Group	184.48	0.46		
	Total	184.57			
The main activity	Between Group	8.06	2.01	0.001	4.51
	Within Group	176.51	0.45		
	Total	184.57			

In the one - way ANOVA test, it shows that type of tourism, modes of transportation, expenses and shopping locations did not influence tourist satisfaction. In contrast, main objective, travel time, travel frequency, length of stay, origin of information and main activities did influence tourist satisfaction.

The result of correlation and regression analysis

Table 3 The Analysis of the relationship of tourist expectation and tourist Satisfaction by Using Pearson Coefficient Correlation

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11	S12	S13	S14	S15	S16	S17	S18	S19	S20
E1	.339**	.314**	.293**	.236**	.186**	.133**	.251**	.213**	.207**	.304**	.200**	.193**	.198**	.180**	.170**	.138**	.124**	.150**	.132**	.138**
E2		.315**	.210**	.150**	.097	.077	.194**	.120**	.151**	.212**	.148**	.155**	.167**	.191**	.115*	.074	.054	.107*	.066	.082
E3			.338**	.202**	.183**	.090	.233**	.169**	.228**	.351**	.206**	.215**	.215**	.179**	.104**	.063	.066	.107*	.057	.039
E4				.292**	.257**	.155**	.174**	.208**	.257**	.286**	.180**	.224**	.265**	.244**	.190**	.175**	.144**	.137**	.112*	.151**
E5					.336**	.208**	.148**	.167**	.203**	.215**	.144**	.204**	.217**	.224**	.160**	.171**	.074	.157**	.140**	.108**
E6						.343**	.193**	.177**	.166**	.119**	.209**	.078	.146**	.206**	.204**	.239**	.285**	.186**	.235**	.186**
E7							.230**	.195**	.177**	.241**	.119*	.115**	.196**	.154**	.075	.025	-.008	.002	.014	.019
E8								.231**	.195**	.285**	.119*	.220**	.275**	.144**	.103*	.058	.058	.072	.060	.053
E9									.231**	.281**	.163**	.178**	.227**	.102**	.114*	.132**	.104*	.067	.062	.072
E10										.384**	.225**	.198**	.206**	.168**	.066	.079	.041	.047	.025	.086
E11											.142**	.189**	.159**	.209**	.104*	.093	.040	.122*	.068	.105*
E12												.210**	.226**	.233**	.112**	.089	.030	.045	.000	.075
E13													.251**	.160**	.132**	.170**	.080	.095	.054	.086
E14														.180**	.163**	.136**	.201**	.201**	.218**	.105*
E15															.217**	.201**	.202**	.202**	.286**	.181**
E16																.368**	.320**	.302**	.373**	.250**
E17																	-.033	.046	.017	.038
E18																		.036	.069	.118*
E19																			.081	.063
E20																				.121*

***correlation is significant at 0.01level (2-tailed)*

**correlation is significant at 0.05level (2-tailed)*

In the correlation test, the results show: 1) There is a relationship between the expectation with rich culture and the satisfaction with rich culture at 0.01 significant level. 2) There is a relationship between the expectation with unique building and the satisfaction with unique building at 0.01 significant level. 3）There is a relationship between the expectation with distinctive history and the satisfaction with distinctive history at 0.01 significant level. 4) There is a relationship between the expectation with traditional customs and the satisfaction with traditional customs at 0.01 significant level. 5) There is a relationship between the expectation with traditional handicraft and the satisfaction with traditional handicraft at 0.01 significant level. 6) There is a relationship between the expectation with enjoying the bar street and the satisfaction with enjoying the bar street at 0.01 significant level. 7) There is a relationship between the expectations with Lijiang old city and a great place for soothing the mind and the satisfaction with Lijiang old city is a great place for soothing the mind at 0.01 significant level. 8) There is a relationship between the expectation with Lijiang old city is a great place for refreshing the body and the satisfaction with Lijiang old city is a great place for refreshing the body at 0.01 significant level. 9) There is a relationship between the expectation with nice climate and the satisfaction with nice climate at 0.01 significant level. 10) There is a relationship between the expectation with beautiful scenery and the satisfaction with beautiful scenery at 0.01 significant level. 11) There is a relationship between the expectation with quite place and the satisfaction with quite place at 0.01 significant level. 12) There is a relationship between the expectation with safety place and the satisfaction with safety place at 0.01 significant level. 13) There is a relationship between the expectation with friendly resident and the satisfaction with friendly resident at 0.01 significant level. 14) There is a relationship between the expectation with wide choice of accommodations and the satisfaction with wide choice of accommodations at 0.01 significant level. 15) There is a relationship between the expectation with wide selection of restaurants and the satisfaction with wide selection of restaurants at 0.01 significant level. 16）There is a relationship between the expectation with wide variety of shop facility and the satisfaction with wide variety of shop facility at 0.01 significant level. 17）There is no relationship between the expectation with reasonable price for food and the satisfaction with reasonable price for food. 18）There is no relationship between the expectation with reasonable price for accommodation and the satisfaction reasonable price for accommodation. 19）There is no relationship between the expectation with good bargain shopping and the satisfaction with good bargain shopping. 20）There is a relationship between the expectation with good value for money and the satisfaction with good value for money at 0.05 significant level.

Table 4 The Analysis of the relationship of tourist satisfaction and tourist loyalty by Using Pearson Coefficient Correlation

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10	S11	S12	S13	S14	S15	S16	S17	S18	S19	S20	L1	L2	L3	L4	L5
S1	1	**	**	0.**	0.**	0.**	0.**	0.**	0.**	0.**	0.**	0.43**	0.46**	0.46**	0.44**	0.43**	0.4**	0.4**	0.38**	0.**	0.**	0.34**	0.34**	0.4**	0.43**
S2		1	**	0.**	0.**	0.**	0.**	0.**	0.**	0.**	0.**	0.38**	0.42**	0.47**	0.43**	0.4**	0.36**	0.35**	0.34**	0.44**	0.46**	0.39**	0.32**	0.41**	0.37**
S3			1	0.**	0.**	0.**	0.**	0.**	0.**	0.**	0.**	0.4**	0.47**	0.43**	0.45**	0.38**	0.35**	0.36**	0.37**	0.45**	0.45**	0.36**	0.42**	0.45**	0.41**
S4				1	0.**	0.**	0.**	0.**	0.**	0.**	0.**	0.42**	0.49**	0.52**	0.48**	0.44**	0.41**	0.39**	0.44**	0.51**	0.46**	0.33**	0.34**	0.4**	0.39**
S5					1	0.**	0.**	0.**	0.**	0.**	0.**	0.39**	0.49**	0.56**	0.55**	0.56**	0.44**	0.43**	0.47**	0.49**	0.45**	0.37**	0.41**	0.41**	0.4**
S6						1	0.**	0.**	0.**	0.**	0.**	0.39**	0.39**	0.46**	0.48**	0.52**	0.46**	0.4**	0.46**	0.46**	0.4**	0.28**	0.39**	0.45**	0.4**
S7							1	0.**	0.**	0.**	0.**	0.6**	0.61**	0.52**	0.5**	0.42**	0.41**	0.44**	0.39**	0.53**	0.56**	0.41**	0.32**	0.38**	0.43**
S8								1	0.**	0.**	0.**	0.59**	0.55**	0.47**	0.5**	0.46**	0.41**	0.44**	0.42**	0.56**	0.55**	0.38**	0.34**	0.36**	0.45**
S9									1	0.**	0.**	0.43**	0.34**	0.39**	0.39**	0.36**	0.34**	0.35**	0.35**	0.39**	0.39**	0.34**	0.27**	0.28**	0.35**
S10										1	0.**	0.57**	0.52**	0.45**	0.45**	0.35**	0.35**	0.38**	0.31**	0.43**	0.53**	0.45**	0.23**	0.31**	0.41**
S11											1	0.56**	0.5**	0.47**	0.51**	0.47**	0.39**	0.46**	0.43**	0.53**	0.51**	0.4**	0.32**	0.32**	0.47**
S12												1	0.66**	0.49**	0.49**	0.46**	0.44**	0.49**	0.44**	0.55**	0.59**	0.42**	0.29**	0.31**	0.45**
S13													1	0.58**	0.5**	0.45**	0.43**	0.47**	0.45**	0.54**	0.58**	0.48**	0.31**	0.29**	0.45**
S14														1	0.68**	0.59**	0.47**	0.54**	0.46**	0.59**	0.48**	0.4**	0.37**	0.38**	0.41**
S15															1	0.72**	0.56**	0.51**	0.56**	0.63**	0.49**	0.34**	0.46**	0.43**	0.5**
S16																1	0.64**	0.55**	0.62**	0.62**	0.43**	0.27**	0.45**	0.45**	0.48**
S17																	1	0.71**	0.72**	0.64**	0.41**	0.16**	0.49**	0.49**	0.53**
S18																		1	0.75**	0.68**	0.4**	0.24**	0.5**	0.48**	0.53**
S19																			1	0.71**	0.42**	0.21**	0.52**	0.45**	0.46**
S20																				1	0.57**	0.31**	0.46**	0.49**	0.55**
L1																					1	0.57**	0.31**	0.37**	0.47**
L2																						1	0.22**	0.27**	0.32**
L3																							1	0.74**	0.67**
L4																								1	0.68**
L5																									1

***correlation is significant at the 0.01 level (2- tailed).*

In the correlation test, the result shows: 1) There is a relationship between the tourist loyalty in suggesting friends/relatives and the tourist satisfaction in all aspects at 0.01 significant level. 2) There is a relationship between the tourist loyalty in sharing positive experience and the tourist satisfaction in all aspects at 0.01 significant level. 3) There is a relationship between the tourist loyalty in revisit during one year and the tourist satisfaction in all aspects at 0.01 significant level. 4) There is a relationship between the tourist loyalty in revisit during two year and the tourist satisfaction in all aspects at 0.01 significant level. 5) There is a relationship between the tourist loyalty in first choice in the future and the tourist satisfaction in all aspects at 0.01 significant level.

Table 5 The analysis of the relationship between tourist expectation and satisfaction by regression.

	Unstandardized Coefficients		**Standardized Coefficients**	**t**	**Sig.**	**R^2**	**F**	**Sig.**
	B	Std. Error	Beta					
(Constant)	.207	.112		1.852	.065	0.864	417.394	0.000
X1	.055	.029	.049	1.932	.054			
X2	.065	.023	.061	2.826	.005			
X3	.398	.022	.436	18.218	.000			
X4	-.045	.025	-.046	-1.782	.076			
X5	.461	.018	.576	24.969	.000			
X6	.003	.022	.003	.123	.902			

Based on the table 4.4.1, the liner equation is: $\mathbf{Y} = 0.207 + 0.055\mathbf{X_1} + 0.065\mathbf{X_2} + 0.398\mathbf{X_3} - 0.045\mathbf{X_4} + 0.461\mathbf{X_5} + 0.003\mathbf{X_6}$. The sig=0.000<0.05, it means there is a significant effect between X_1 (culture, history and art), X_2 (tourist leisure and relaxation), X_3 (natural resources and environment), X_4 (political), X_5 (tourist infrastructure), X_6 (price and value) and Y (tourist satisfaction). From the equation, the highest β is tourist infrastructure (β=0.461), it means tourist infrastructure have strongest affect on tourist satisfaction. The lowest β is price and value (β=0.003), it means price and value have weakest affect on tourist satisfaction. Thus, among all the six independent variables, the tourist infrastructure is an important factor of tourist satisfaction and others independent variables are natural resources and environment (β=0.398), tourist leisure and relaxation (β=0.065), culture, history and art (β= 0.055), political (β=0.045), price and value (β=0.003).

Table 6 The analysis of the relationship between tourist satisfaction and loyalty by regression.

	Unstandardized Coefficients		**Standardized Coefficients**	**t**	**Sig.**	$\mathbf{R^2}$	**F**	**Sig.**
	B	Std. Error	Beta					
(Constant)	.258	.163		1.578	.115	0.566	85.351	0.000
X1	.205	.051	.194	3.986	.000			
Xt2	.148	.052	.150	2.818	.005			
X3	.100	.055	.091	1.806	.072			
X4	.081	.048	.084	1.674	.095			
X5	.096	.053	.099	1.804	.072			
X6	.265	.047	.287	5.626	.000			

Based on the table 4.4.1, the liner equation is: $\mathbf{Y}= 0.207 + 0.055\mathbf{X_1} + 0.065\mathbf{X_2} + 0.398\mathbf{X_3} - 0.045\mathbf{X_4} + 0.003\mathbf{X_5}$. The sig=0.000<0.05, it means there is a significant effect between X_1 (culture, history and art), X_2(tourist leisure and relaxation), X_3 (natural resources and environment), X_4 (political), X_5 (tourist infrastructure), X_6 (price and value) and Y (tourist loyalty). From the equation, the highest β is price and value (β=0.265), it means price and value has strongest affect with tourist loyalty. The lowest β is political (β=0.081), it means political has weakest affect with tourist satisfaction. Thus, among all the six independent variables, the price and value is an important factor of tourist satisfaction and others independent variables are culture, history and art (β=0.205), tourist leisure and relaxation (β=0.148), natural resources and environment (β=0.100), tourist infrastructure (β=0.096), political (β=0.081).

Conclusion

This study found type of tourism, modes of transportation, expenses and shopping locations did not influence tourist satisfaction. In contrast, main objective, travel time, travel frequency, length of stay, origin of information and main activities did influence tourist satisfaction. In the part of the relationship between tourist expectation and satisfaction found the 20 factors examined using correlation analysis, 17 factors, including rich culture, unique buildings, distinct history, traditional handicrafts, bar street, rejuvenating the body, soothing the mind, nice climate, beautiful scenery, noise level, safety, friendliness of locals, variety of accommodation, variety of shops, and good value for the money, were found to be related in terms of tourist expectations and satisfaction with the Old Town of Lijiang. Additionally, it was found that reasonably priced food, reasonably priced accommodation and good bargains were not related in terms of tourist expectations and satisfaction. The part of the Relationship between Tourist Satisfaction and Loyalty found all factors of tourist satisfaction related to all factors of tourist loyalty.

Discussion

This study analyzes the relationships between tourist expectation and satisfaction, tourist behavior and satisfaction and tourist satisfaction and loyalty. It was found that tourist mainly visits the Old Town of Lijiang to enjoy leisure time with their friends and family and learn about the history of the town. This is similar to the study by Wang (2010),who found that tourist visited Lukang, Taiwan to relax, visit old places and learn about its history and culture. Moreover, this study found that tourists visited cultural heritage sites for two main purposes: education and recreation (Jewell & Crotts, 2001). Avraham and Ketter (2006) state that climate and modes of transportation are “pull” factors that influence the choice of destination of tourists. In the present study, it was found that climate was related to tourist satisfaction, modes of transportation were not related to tourist satisfaction and length of stay was related to tourist satisfaction. Chen and Tsai (2007) state that tourist behavior involves choice of destination, a post-trip evaluation and intentions of future behavior; the post-trip evaluation is based on the experiences and overall satisfaction of tourists and intentions of future behavior are related to the willingness of tourists to visit the same destination or recommend it to others. Tourist behavior influences tourist satisfaction and loyalty (William & Buswell, 2003). It is stated in Chapter 4 that type of tourism, modes of transportation, expenses and shopping locations did not influence tourist satisfaction. In contrast, main objective, travel time, travel frequency, length of stay, origin of information and main activities did influence tourist satisfaction. According to Stevens (1992), it is important to know the experiences of tourists in order to understand tourist satisfaction. Fulfilling the expectations of tourists is crucial to satisfying them. Aliman (2014) and Fornell (1994) both claim that tourist expectation has a positive correlation with tourist satisfaction. The results provided in Chapter 4 show that tourist expectation and satisfaction are related in almost every aspect except reasonably priced food, reasonably priced accommodation and good bargains. According to Yoon and Uysal (2005), in terms of tourism, the positive relationship between tourist satisfaction and loyalty is usually discussed. Positive experiences of tourists will produce revisit intention and positive word-of-mouth communication will influence friends and relatives (Chi & Qu, 2008). Therefore, satisfaction has a strong correlation with tourist loyalty (Assaker et al., 2011). Chen and Gusory (2001) state that loyalty can be measured based on the willingness to recommend destination to others and the likelihood of revisiting a destination. The results in Chapter 4 also show a relationship between all factors in terms of tourist loyalty, with regard to word-of-mouth communication with friends and family, and tourist satisfaction and a relationship between all factors in terms of tourist loyalty, with regard to sharing positive experiences with others, and tourist satisfaction. Feng and Jang (2007) state that the time it takes to form revisit intention, as aspect of tourist loyalty, influences tourist satisfaction and tourist satisfaction influences the revisit intention of tourists over the short terms. This study also found a relationship between all aspects of tourist loyalty, with regard to a repeat visit within one year, and tourist satisfaction and a relationship between all aspects of tourist loyalty, with regard to a repeat visit within two years, and tourist satisfaction.

Recommendations

The Old Town of Lijiang is a famous tourist destination. The tourism industry is the main source of income for this town so tourism is of crucial importance. Therefore, the following six recommendations are provided so that the government can bolster the tourism industry of the Old Town of Lijiang and attract more tourists: First, in terms of culture, history and art, one of the most common expectations of the town is that it will have unique buildings and one of the least common aspects of satisfaction is its traditional handicrafts. Therefore, it is suggested that the government improve these two areas. It could protect ancient and unique buildings or build more unique buildings and promote the creation of more traditional handicrafts. Tourists will feel bored if their choices are limited to the same handicrafts of the past. Second, in terms of the leisure and relaxation of tourists, one of the most common expectations of the town is that it will be a great place for soothing the mind and one of the least common aspects of satisfaction is its bar street. Therefore, it is suggested that the government promote spiritual activities for tourists, such as a spa or yoga in the forest, to help them relax. Additionally, controlling business hours along the bar street would allow tourists to enjoy nature and a quiet environment in the town. Third, in terms of natural and environmental resources, one of the most common expectations of the town is that it will have beautiful scenery and one of the least common aspects of satisfaction is the noise level. Therefore, it is suggested that the government control the number of tourists to protect the environment, plant more trees, build drainage facilities and set up a system to test the environment in order to maintain the climate of the town and its beautiful scenery. Fourth, in terms of politics, one of the most common expectations of the town is that it will be safe. The safety of a destination is an important factor of attracting tourists. Therefore, it is suggested that the government increase the number of guards and improve the quality of local residents. Fifth, in terms of tourism infrastructure, one of the most common expectations of the town is that it will have a variety of accommodation and one of the least common aspects of satisfaction is the variety of shops. Therefore, it is suggested that the government should develop different types of accommodation of different quality, reduce the number of shops or build shopping districts and control the noise level so that tourists can relax. Sixth, in terms of prices and value, one of the most common expectations of the town is that it will provide good value for the money and one of the least common aspects of satisfaction is good bargain. Therefore, it is suggested that the government set reasonable prices for shopping, accommodation and restaurants in the town in order to attract more tourists and promote consumption

Limitations and future research

The limitations of this study can be summarized as follows. First, the sample group consisted of more Chinese tourists than foreign tourists. Moreover, only a month was spent distributing questionnaires in the Old Town of Lijiang. As a result, the findings do not reflect the expectations and satisfaction of all tourists who visit the town. Second, this study only focuses on the relationships between tourist behavior and satisfaction, tourist expectation and satisfaction and tourist satisfaction and loyalty with regard to the Old Town of Lijiang.

Future studies could include more foreign tourists. Comparing Chinese and foreign tourists would teach us more about the expectations and satisfaction of all tourists with regard to the Old Town of Lijiang.

Furthermore, future studies could include additional variables, such as destination image, to measure tourist satisfaction.

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UTCC International Journal of Business and Economics (UTCC IJBE)
Volume 11 Number 1, April 2019

INVESTIGATION OF FACTORS INFLUENCING PURCHASE INTENTION OF ORGANIC FOOD IN BANGKOK, THAILAND

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Abstract

Concerning health and environmental issues, organic foods become of particular interest for consumers in making a decision to buy food products nowadays. The organic foods market in Thailand appears to be in the early stage, compared to western countries. This calls for the empirical studies that help improving and understanding the organic foods market in Thailand. Hence, this paper aims at investigating factors influencing purchase intention of organic foods in Bangkok Thailand. Three main factors that affect on purchasing intention of organic foods that persuaded consumer choice, the attitudes towards the purchase of organic foods and subjective norms. Theory of planned behavior is adopted for conceptualizing factors affecting purchase intention. Quantitative approach is deemed more appropriate considering the study objectives. In total, 373 questionnaire survey were completed. The structural equation modelling (SEM) was employed for investigating relationships and testing the hypotheses proposed concerning the research conceptual model. The empirical findings indicated the importance that organic food industry enhance the attitudes and awareness of organic food products to consumers for increasing demand of organic foods in Bangkok, Thailand.

Keywords: Organic foods, Purchase intention, Marketing strategy

Introduction

In recent years, with the massive growth in the demand for clean foods, especially nonchemical foods, in which there are growing in understanding the importance of daily foods for health among some social groups. Additionally, many news and reports show the dangerousness and low quality foods that harmful to human health (Grunert & Juhl, 1995). The study from Basha *et al.*, 2015, indicates the growing tendency of consumer in health concern in buying organic foods and using healthy products. The "organic food" has accounted for increasing market shares in the global food industry (Basha *et al.*, 2015). Considering the target of being the leader in agriculture, the government supports in researching, developing, and promoting nonchemical products selling in domestic market as well as global market. The study of Dias *et al.*, (2015) showed three main reasons of increasing trend of organic foods consumption including; the quality reputation of organic products; the well-being consideration; and quality of life standard. Most of the previous researches are conducted in developed countries. This appears to be an early stage of developing countries such as Thailand. This is, therefore, imperative in investigating factor affecting purchase intention of organic foods, with the aim of broadening the existing body of knowledge of organic foods market; and understanding the underlying reasons of intention to buy organic foods for developing the organic food industry in Thailand.

Nowadays, Theory of Planned Behavior (TPB) is widely applied for examining the individual intention towards to the behavior. Regarding intention in purchasing organic foods, this study shows the factors impacting on perception of customers relating to social impact, environmental problems, and perception of customers about the risks of buying products (Zanoli & Naspetti, 2002). These factors are taken into account by TPB that have three main well-known causes including attitude towards to Intention, subjective norm, and perceived behavioral control. Therefore, this study examines the relationships among three main factors with purchasing intention (PI) of organic food products in Thailand.

In Thailand, there appears to lack of knowledge and awareness of organic food products; and small customer segmentation of organic food consumers. To investigate influencing factors would help in further developing of the extant literature and contribute to the application of marketing strategies in Thailand's organic food industry. Therefore, objectives of this study are proposed as follows;

- To explore factors that influences the purchase intention of organic foods in Bangkok, Thailand
- To investigate three main influencing factors of attitude (ATT), subjective norm (SN) and perceived behavioral control (PBC), towards purchase intention (PI) of organic food products in Bangkok, Thailand.

Literature review

In this section, the theory of Theory of Planned Behavior (TPB) is reviewed for proposing the research conceptual framework as follows;

Theory of planned behavior

Attitude

Attitude is generally the first element regarded by some previous studies, in term of psychology perspective, attitude is defined as the feeling that people have a favorable or unfavorable to the issues in that circumstances. From the economic perspective, attitude is one of function of emerging individual belief or consciousness such as the feeling of consumer to new products or the thought of the following concept that can impact on their decision (Ajzen, 2005). Therefore, this is imperative to understand the meaning of attitude based on both context and condition (Padel & Foster, 2005). There appears to be some previous researches that explored the relationship between attitude and purchase Intention in various context (Magistris & Gracia, 2008). These papers reviewed the intention of human in some aspects. Much of the seminal works have been studied employing TPB. Concerning the change of customer behavior, researches related to healthy foods and organic food products have been widely studied to examine the lifestyle and attitude towards to care of health and environment. The study of Essoussi and Zahaf (2008) investigated the attitude of consumer of the organic foods towards purchase intention. This research is proposed the attitude as a latent variable, represented by two sub-factors of health consciousness and environmental awareness (Hair, 2009). The results show the positive impact of customer attitude towards purchase intention. Considering the extant literature. The hypothesis is proposed as follow;

Hypothesis 1: Attitude has positive effect on Purchase Intention.

Subjected norms (SN)

People are influenced by ambient elements on the behavioral intention, which is confirmed by previous studies. Based on TPB, subjective norm (SN) is the main factor, which is considered as the external and internal elements such as social pressure, family culture, environmental living. These factors influence the individual perception and awareness of circumstance (Fishbein & Ajzen, 2005). Following prior studies, SN are mentioned as the relation to custom, especially perception. For some cases, individual will rely on the norms that they have experienced and followed to decide whether they will do or will not do the action, indicating the relationship between SN and Intention to do any action of each person (Arvola et al., 2008). Bertoldo and Castro (2016) point out that social pressures impacted on individual thought before they decide to act. Having been studied in many related fields, SN have been defined as people's concern about the normative behaviors that surround their living place, work, or their interests (Thompson and Kidwell, 1998). As explicit meanings of SN defined by Ajzen (1991) are culture, rule, traditional norms or social network. These elements are considered leading to people intention. In this study, SN variable is observed as Personal Norms, Social Norms and Family Norms (Hair, 2009). Thus, the hypothesis is proposed as follow;

Hypothesis 2: Subjective Norms has positive effect on Purchase Intention.

Perceived behavior control (PBC)

The strong relationship between PBC and purchase intention has been examined by previous researches. Individual perception is defined as the capacity of human to act and/or react the purposeful events (Kim & Chung, 2011). Likewise, the perception is impacted by some internal elements such as abilities, emotions, skills, knowledge; and external factors such as finance, occasions, barriers and etc. These factors control the behavior of each person, depending on the context and performances (Ajzen, 1991; Vermeir & Verbeke, 2006). According TPB, there are many psychologists who denoted that people have ability to recognize their resources in exact occasions to approach and intent to act, who are prospective to understand and use the subjective inferences to ask themselves whether they should or should not do. If the belief of individual thinks that is extremely hard to perform, their PBC will be weak. Therefore, the conclusion from previous studies indicate that PBC has been explained as people who have high perception, knows how to control their behavior (Kalafatis et al., 1999; Kihlberg and Risvik, 2006; Kim and Chung, 2011; Tarkiainen and Sundqvist, 2005). Considering the research findings related customer behavior in the food industry, people tend to pay more attention in their life especially in health and social problems. Customers are willing to purchase products which are good for their health regardless the higher price (Montano, & Kasprzyk, 2015). With this regards, the third hypothesis is proposed as follows;

Hypothesis 3: Perceived Behavioral Control has positive effect on purchase intention

The extant literature also showed some key findings that indicate the positive attitudes affecting on PBC. People has the attitude towards paying money to purchase products that impact on the perceived behaviors control (Hansen *et al.*, 2004). For example, when people believed that foods are good for their health, they will create a mindset consciously, in which influenced by the attitudes that guide the controlling factors of behavior. Cannière *et al.*, (2009) suggest that behavior shows the interested action that people got from practicing and experience. In contrast, if customer has bad attitude towards the products that affect on their life negativity, they will control their behaviors in buying those products (Li, Mizerski, Lee and Liu, 2009). Therefore, there appears to be positive relationship between attitude and PBC towards purchase intention as the following hypothesis 4;

Hypothesis 4: Attitude positively impacts on Perceived Behavioral Control towards purchase intention

Purchase intention

Intention is usually defined as psychological thought that people plan to act in the right condition. Some psychologists have tried to develop formula to calculate the weight of factors influencing on human intention towards to act rational behaviors (Gogoi, 2013). Some research papers have tried to define the main elements of purchase intention.

In healthcare sector, customer relies healthy elements of products or services that have no negative influence on health or good reputations (Hoppe et al., 2013). As consumer in e-commerce, main factors include trust, risk, social norms, demographic. From the economics perspective, most of researchers believe that buying intention can be predicted by investigating the internal and external factors (Suprapto and Wijaya, 2012). In particular, of the organic food industry, important aspects such as healthy foods, eco-friendly etc. were widely adopted. Spears and Singh (2004) have provided the evidence to understand the term of "intention" as the individual conscious to buy products relating to subject norms, especially personal norm (Khan et al., 2015). In Thailand, the current situation is that people are growing awareness on the quality standards of products. Customers tend consider more about the source of origin of food products, health certification, in order to reduce risk in purchasing foods (Van Doorn and Verhoef, 2011).

Conceptual framework

The research framework was conceptualized based on the literature reviewed in previous sections. TPB was adopted as a main theory for investigating factors influencing purchase intention of organic foods. All Variables are reviewed and adapted based on previous studies. The research conceptual framework is proposed as the following figure 1.

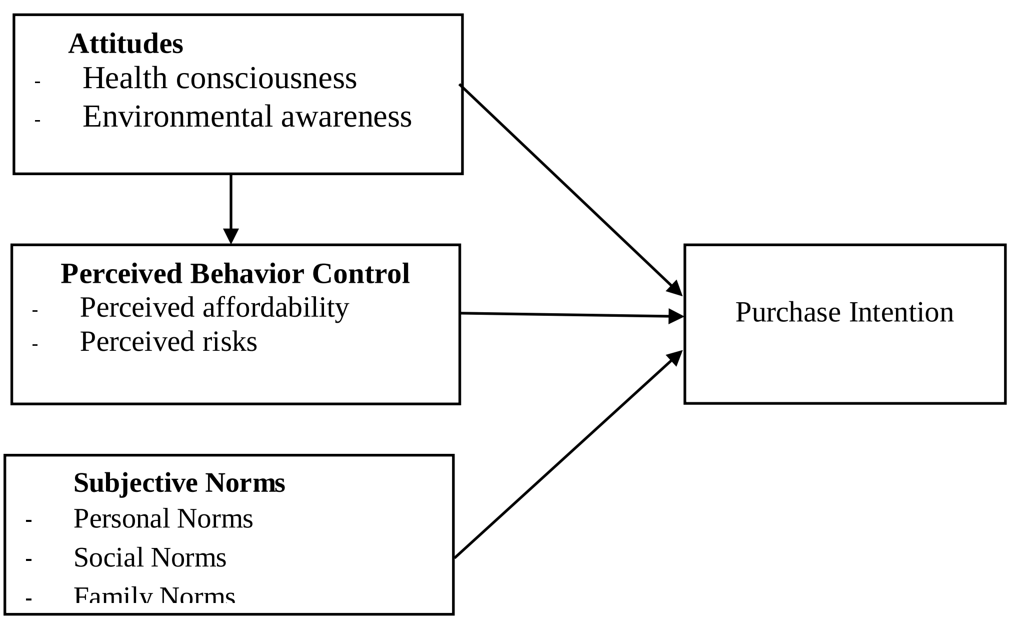

Figure 1 Research conceptual model

Research methodology

To achieve the research objectives for investigating factors influencing purchase intention as proposed research conceptual model. Research methodology is explained in this section as follows;

Data collection

Based on the research conceptual model, the questionnaire survey was designed considering the PBC theory. The measurement of each part in the questionnaire instrument were justified and adapted from previous studies. With this regards, the questionnaire consisted of five sections in order to cover objectives of this research including: demographic, Attitudes, PBC, SN, and purchase intention. Two academic and one practitioner helped in refining the survey instrument for enhancing the validity. Modification of the questions was done considering the experts' advice. A five-point Likert scale was used to ask respondents for scoring (items) ranging from 1 = strongly disagree to 5 = strongly agree. The pilot test was conducted with 30 respondents to ensure reliability of the survey instruments. 400 questionnaires were distributed to respondents in Bangkok who experienced buying organic food products. In total, there were 373 completed questionnaire utilized for further analysis.

Data analysis

In this study, descriptive statistics analysis was conducted to explain demographic information of respondents. Agreement level of all constructs in the study was also examined. Confirmatory factor analysis (CFA) was employed to access construct reliability, convergent validity, and discriminant validity of the respective constructs of the research conceptual model. Two-step modelling approach suggested by James et. al. (1982) was adopted. Structural equation model (SEM) were employed after CFA for testing the goodness of fit of the model; and investigating relationships among constructs proposed in the research conceptual model. All the hypotheses were tested utilizing results from SEM analysis.

Data analysis results

In this research, descriptive statistics was analyzed to explain the demographic data of respondents. Confirmatory factor analysis (CFA) and structural equation model (SEM) were employed to test model fit and relationships between independent and dependent variables of the proposed model. All hypotheses were tested based on SEM analysis. Detailed analysis results are as follows.

Demographic

There are five main questions in demographic section including: gender, age, income, marriage status and awareness of Organic foods. In terms of gender, male accounts for 42.4 % (158 respondents) and female stands for 57.6% (215 respondents). Relating to age, 139 respondents belong to the group age between 20 and 30 (37.3%), 142 respondents aged from 31-40 (38.1%), 79 respondents are between 41-50 (21.2%), 9 of them are in the range 51-60 (2.4%); and the remaining 4 respondents belongs to the age group more than 61 (1.1%).

In term of incomes, the majority of respondent's income range is 21,000 and 40,000 (44.2%), the income range under 20,000 baht accounts for 21.2%, 22.8% of respondents are in the range of 41,000-60,000 baht, and the remaining respondent's income exceeds the amount of 60,000 baht (11.8%). Considering the marital status, the major responses is Single (60.3%), married status (37%), divorced accounted for 2.1%, and the remaining of widowed for 0.5 %. In term of organic food products awareness, 223 responses know about organic foods (60%), and the rest has known but not much for 42%.

Confirmatory factor analysis

Confirmatory factor analysis (CFA) was conducted in order to evaluate the measurement model (Gerbing and Anderson, 1988). The analysis process follows the two-step modelling approach suggested by James et. al. (1982) for assuring the goodness of fit of measurement model before examining the full structural model in further stage. CFA therefore provides the assessment of convergent and discriminant validity of the measurement model. Considering suggestions by Hair et al. (2010), the measurement model fit was evaluated concerning a number of fit indices including: the Chisquare (X2) and the ratio of X2 to degrees of freedom; root mean square of error of approximation (RMSEA); goodness of fit index; Adjusted Goodness-of-Fit Index (AGFI); comparative fit index (CFI).

The goodness of fit indices resulted from CFA using AMOS programs are as follows; The p-value of the Chi-square is 2.561, indicating the exact fit of the model at 0.001 significant level. The Adjusted Goodness-ofFit Index (AGFI), and the Comparative Fit index (CFI) stand at .895, and .901, which show that the specified model fits well. The root mean square of approximation (RMSEA) is .0065, which provides evidence of close fit of the model in relation to the degrees of freedom because RMSEA is less than .05. The Tucker Lewis Index (TLI) is .999, while CFI is .901. Both belong to incremental fit indices and their values are well above the recommended threshold level of .90, which further supported the close fit of the model. The norm Chisquare (X2/df) has a value of 2.561. This fells within the recommended range of 3 to 1which indicated conditional support for model fit (Carmines and McIver, 1981). Figure 2 below shows the results of CFA analysis

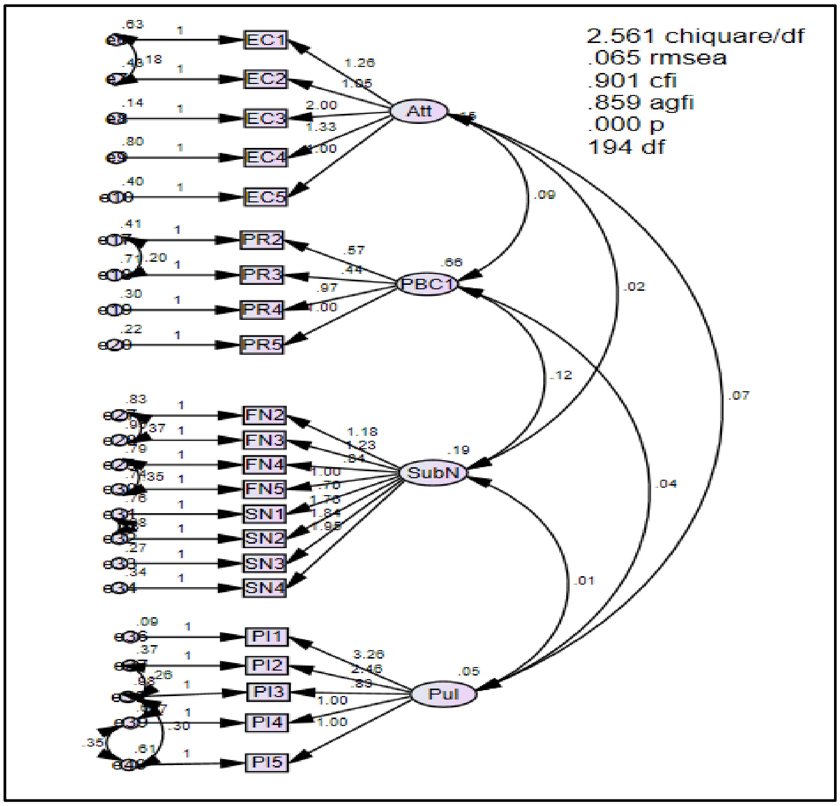

Figure 2 CFA model

Model fit and hypotheses testing

Confirmatory factor analysis was conducted in the prior section, indicating that some variables were removed concerning the underlying theory and goodness of fit of each construct. This section, therefore, describes the adjustment of the model fit resulted from SEM analysis. AMOS program was employed for investigating and testing the research conceptual model. The final model is shown as figure 3 below.

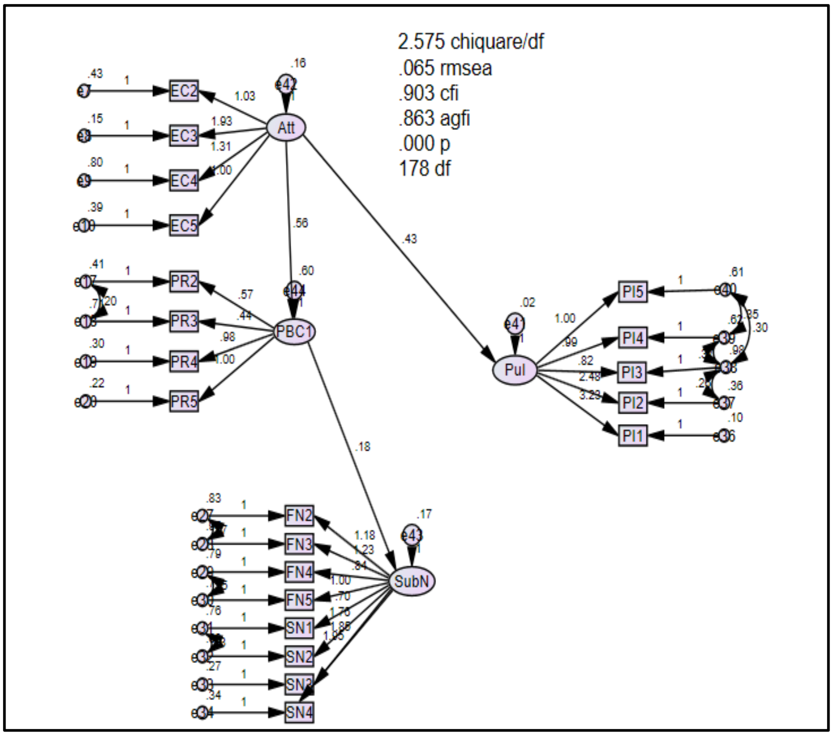

Figure 3 The final research model

The final research model was gradually adjusted for achieving the goodness of fit. The analysis results provide absolute goodness-of-fit measures as follows: The p-value of the Chi-square (Degrees of freedom = 178) is at 0.00 meaning that the model is statistically significant. The Adjusted Goodness-of-Fit Index (AGFI), and the Comparative Fit index (CFI) stand at 0.863, and .903, which show that the specified model fits well after gradually adjusted. The root mean square of approximation (RMSEA) is .065, which provides evidence of close fit of the model in relation to the degrees of freedom. The comparative fit index (CFI) is .903. This belong to incremental fit indices and their values are well above the recommended threshold level of .90, which further supported the close fit of the model. The norm Chisquare (X2/df) has a value of 2.575, in which the value is within the recommended range of 1 to 3. This indicated conditional support for model fit (Carmines and McIver, 1981).

Based on the research conceptual model, four main hypotheses were tested utilizing the results from SEM analysis. The results of hypothesis testing were provided as Table 1 below:

Table 1 Hypotheses testing results

Hypotheses	Result
Hypothesis 1 :Attitude has positive effect on purchase intention.	Accepted
Hypothesis 2: Subjective norms has positive effect on purchase intention.	Rejected
Hypothesis 3 :perceived behavioral control positively effects on purchase intention	Rejected
Hypothesis 4 :attitude positively impacts on perceived behavioral control .	Accepted

Considering the importance of this study, not many studies have been made considering the investigation of customer attitude towards organic food products in Thailand. Therefore, this paper contributes to existing body of knowledge related to organic food industry.

Discussion and conclusion

Considering the research questions and research objectives, this is imperative to discuss the research findings for further proposing the theoretical and practical contributions of this research. First of all, the key findings from demographic analysis indicate that the target consumer of organic food products in Bangkok is female with the age range of 21-40, in which having the incomes between 20,000 – 40,000. Most of them know and aware of the importance in having good health resulted in having intention to buy organic food products.

To investigate relationship of all variables proposed in the research conceptual model, Results from the SEM analysis were employed for testing four main hypotheses. H1 is accepted. The results indicate the significant relationship of consumer's attitude towards to purchase intention of organic food products. This confirmed the prior studies that consumers aware of their health issues and concern the environment impact, so that they intend to buy organic food products. These key findings in line with the studies of Vermeir and Verbeke (2006) and Chen (2007). H2 is rejected, indicating subjective norm has no impact on purchase intention. In more details, family norm and social norm factors were considered positively influencing purchase intention of organic food products, whilst personal norm has no impact on purchase intention. Personal Norm represented for self-norm action such as the knowledge that they learn by themselves, their independent attitude. Overall, these findings indicate that customers tend to be influenced by traditional norm and lifestyle from their family in buying organic food products (Maloney, 2014). Considering the SEM analysis results, H3 is rejected. The findings indicated that perceived affordability has no positive impact on purchase intention. In more details, this can be explained that perception of finance has no positive effect on purchase intention. Thai consumer has not much knowledge about organic food products price, resulted from the SEM analysis that perceived affordability is rejected in the research conceptual model. Different from previous studies, SEM analysis results indicated the significant relationships between attitude and perceived behavioral control. Hence, H4 is rejected. This calls for the important implications that consumers tend to concern more about health and environment in which influencing perceptions related to affordability and risks. The research findings have been shown different from the previous researched in some aspects, however, the underlying reasons may result from the subjective reasons regarding the specific context of organic food products. Considering as the early stage of organic food industry development, this is imperative that organic food industry focus on educating and communicating with the target customers for enhancing the attitudes towards health consciousness and environmental awareness.

Overall, this study reflects the significant insights that contribute to the existing body of knowledge related to customer behavior in purchasing organic food products in a specific context of Bangkok, Thailand. Additionally, the outstanding results indicated the strong relationship between attitudes towards purchase intention of organic food products. This bring the key managerial implications for organic food producers in focusing on enhancing the attitudes of consumers related to health consciousness and environment awareness that directly affect purchase intention. Different approaches should be considered for enhancing health consciousness and environmental awareness such as educational model, info-graphic, digital media etc. Further studies should broaden the body of knowledge by conducting and utilizing this research framework in other countries, in particularly of south east Asia context. Concerning the difference from previous studies, qualitative research should be conducted for further understanding of the customer attitudes and perception of the organic food products. Design thinking approach may be of interest in adopting for better understanding of consumer insights. This can help in developing the organic food industry in the future.

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UTCC International Journal of Business and Economics (UTCC IJBE)

Volume 11 Number 1, April 2019

MARKETING MIX ELEMENTS TO ATTRACT THAI LEISURE TOURISTS TO VISIT MUSEUMS IN TOKYO

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Abstract

Museums, for financial sustainability, can make use of the marketing mix of “product,” “promotion,” “place,” and “price” to attract visitors. This study looked at ways museums in Tokyo can use the mix to attract Thai tourists, whose number has boomed recently with the exemption of visa requirements. The author used a mixed quantitative and qualitative research methodology to collect data at Bangkok’s Suvarnabhumi Airport from Thais leaving for Tokyo for leisure. The findings corroborated that although the majority of Thai tourists considered the collections and exhibitions of museums in Tokyo important, they emphasised on the benefits of museums that help in reducing uncertainties, connecting, building relationships, and enjoying their time with friends.

Keywords: Museums, Tokyo, Marketing mix, Thai tourists

Introduction

"Marketing is no longer an option (for museums): it's a survival tool rather than a dirty word," claimed Rentschler (2011, p.12). Museums, facing burgeoning expenditures and expenses, reduced government funding (Kolb, 2000), and competition from other leisure activities must find ways to generate revenue to remain sustainable. The Type Museum in London closed in May 2006 because of an unsustainable deficit (Heywood, 2006).

Marketing explores, creates, and delivers value to design and promote appropriate products and services to satisfy the needs of a target market for a profit (Kotler, 2015). The marketing mix is a bundle of controllable elements that constitute an organisation's marketing programmes to help the organisation structure its approach to customers (Smith, 2003; Payne, 1993). Museum scholars, such as Runyard and French (1999), and museum practitioners, such as Paal Mork (in ICOM, 2004), suggested that museums should focus on the marketing mix of "product," "place," "promotion," and "price."

Williams (2009) and Hooper-Greenhill (1994) stated that museums offer an individual experience to visitors. The "product" of museums in its tangible and intangible forms, such as exhibits, architecture, the attitude of staff, orientation, and facilities, fosters the experience (Hooper-Greenhill, 1994). "Place" is the distribution of the "product" of museums (Runyard & French, 1999). "Promotion" is the activities to inform people about the "product (Cox, Radbourne, & Tidwell 1998)." "Price" is what museums charge visitors for the "product (Runyard & French, 1999)."

The first museum in Japan was established in 1872 by the Meiji state (Aso, 2014). The intention for its establishment was to discipline people, cultivate in them "imperial public" loyalty, and spur industrialisation (Aso, 2014). By mid-1930s, the museum system of Japan further expanded to include institutions in the colonial states of Japan, such as Taiwan, Korea, Sakhalin, and Manchuria (Aso, 2014). During the American occupation between 1945 and 1952, the "imperial public" image of the system started fading. The system was then put under the administration of the Ministry of Education.

In 2005, Japan had 5,614 museums of which 129 were established by the state, 68 by independent institutions, 4,023 by local governments, 603 by general incorporated associations or foundations, and 791 by private entities and others (Japanese Association of Museums, 2008). These museums are legally classified into registered museums, museum-equivalent facilities, and museum-like facilities (Japanese Association of Museums, 2008). Registered museums collect, preserve, and nurture materials to contribute to education, research, and recreations (Japanese Association of Museums, 2008). Museum-equivalent facilities engage in works that are similar to the works of registered museums (Japanese Association of Museums, 2008). Museum-like facilities engage in work similar to those of museums; however, they do not receive registration or designation (Japanese Association of Museums, 2008). Of these museums, 309 are in Tokyo, 73 are registered museums, 38 are museum-equivalent facilities, and 198 are museum-like facilities (International Affairs of the National Museum of Nature and Science, personal communication, 16 December 2014). These museums are also categorised into Art and Photography, History and Science, Zoos and Aquariums, Transportation and Commerce and Anime and others (Japan Guide, n.d.). A number of them such as the Tokyo National Museum, National Museum of Western Art, Tokyo Metropolitan Art Museum, National Science Museum and Ueno Zoo are located close to one another at Ueno Park, Tokyo.

However, museum administrators in Japan, who face a time of budget cutting (Maerkle, 2010) and economic hardship since the bursting of the financial bubble in 1991, must find ways to increase the number of visitors for financial sustainability.

The number of Thai tourists visiting Japan has been increasing. The Japanese government exempted Thai tourists from the visa requirement as of 1st July 2013. The number of Thai tourists who visited Japan increased from 330,000 to nearly 600,000 the year following the exemption (Japan National Tourism Organization, 2014). Tokyo is a popular city among Thai tourists. Eight of the 17 daily flights of Thai Airways from Bangkok to Japan fly to Tokyo. In the first half of 2015, Tokyo remained to be the most favorite overseas destination for Thai tourists (Fredrickson, 2015). The elimination of the visa requirement and the popularity of Tokyo among Thai people provide a good opportunity for these museums in Tokyo to attract Thai tourists to visit their museums. In what ways could museums in Tokyo best make use of their marketing mix to attract Thai tourists?

However, "everywhere, the core value of consumerism—choice—is apparent (Levett et al., in Gabriel & Lang, 2008, p.324)." Museums must compete with competitors, such as cinemas, sporting events, and shopping malls, for the attention of customers (Kolb, 2000; McLean, 1997). Accordingly, to attract tourists whose time of stay is short and compete with other tourist attractions in Tokyo, museum administrators should know the motivations of Thai tourists for visiting museums in Tokyo.

Museums and tourism support each other. On the one hand, museums are an integral part of the tourism chain (Liew and Loh, 2011). On the other hand, museums need the industry to provide them with a stable source of visitors (Kotler & Kotler, 1998). However, the attitudes of people towards museums vary. Some associate museums with intimidation, whereas some, with elitism. Some never step into a museum, whereas some like visiting a museum with friends or families (Kotler & Kotler, 1998).

The research project that Marilyn Hood (1983) incorporated with the Toledo Museum of Art in Ohio illustrates the leisure attributes of "feeling comfortable and at ease," "having an opportunity to learn," "being with people, or social interaction," "having a challenge of new experience," "doing something worthwhile," and "participating actively" that frequent, occasional, and non-frequent museum visitors have found and not found in museums. Frequent participants are defined as those who visit museums at least thrice per year. Occasional participants are those who visit museums with families and friends during special occasions once or twice per year.

The project findings confirm that frequent museum visitors find all the six attributes among which the attributes of “having an opportunity to learn,” “having a challenge of new experiences,” and “doing something worthwhile” are considered important and highly available in museums (Hood, 1983). Occasional participants find the attributes of active participation, entertainment, and social interaction in museums. However, non-museum visitors could not find the attributes of “being with people or social interaction” and “feeling comfortable and at ease,” which they considered important in museums (Hood, 1983).

Therefore, prior to designing their marketing mix to attract Thai tourists, museum administrators in Tokyo have to know whether museums possess those leisure attributes that Thai tourists consider important.

The objectives of this paper are:

a. To know whether museums possess those leisure attributes that Thai tourists consider important to attract those who visit Tokyo for a short time to visit museums.

b. To give guidelines to museum administrators in Tokyo for ways they could best make use of their marketing mix to attract Thai tourists to visit their museums.

To the best of the author’s knowledge, this paper is the first study that investigates ways museums in Tokyo can design their markeitng mix to attract Thai tourists.

Literature review

Marketing mix in the museum context

Museums are a complex organisation. They are a non-profit organisation, a cultural organisation, and a service provider (Cox, Radbourne, and Tidwell, 1998). They exhibit objects and offer sensory experiences, research, and scholarship to visitors (Kotler and Kotler, 1998). Moreover, museums use cultural and natural heritages to increase the knowledge of visitors in amount and quality (Šola, 1997). Museums Australia, a national organisation for museums in Australia, claimed that museums help people understand the world, interpret the past, and explore the future (Birtley, 2002). Museums are also recreational facilities. Consequentially, some of them are administered by local parks and a recreation or leisure department (Runyard and French, 1999); for example, museums in Hong Kong are under the Leisure and Cultural Services Department.

Museums with these various identities must use marketing to confirm their mission and identity (Lewis, in McLean, 1997) and strengthen their marketing mix to enhance their competitiveness (Runyard and French, 1999; McLean, 1997).

Marketing mix of “product”

Exhibits are the prime product of museums (Kotler and Kotler, 1998;

McLean 1997). MORI, a research company, found that 49 percent of respondents in the UK are motivated to visit a museum to see a particular exhibition or an event of interest ***(***Slater, 2011***)***, whether a blockbuster exhibition or related to the daily living or activities of people. The *Cezanne Exhibition* at the Philadelphia Museum of Art attracted 550,000 visitors (Kotler and Kotler, 1998). *The First Emperor**:** China**'**s Terracotta Army Exhibition* of the British Museum attracted 850,000 visitors ***(***British Museum, n**.**d**.*****)*****.** *Kylie: The Exhibition*, which featured the changing images of Kylie Minogue, attracted many visitors who have never been to the Victoria and Albert Museum (Victoria and Albert Museum, n.d.).

Apart from visiting museums for exhibitions or events of interests, some visitors are interested in visiting museums, which provide scientific or hands-on experiences (Kotler and Kotler, 1998). The Citi des Sciences et de l'Industrie in Paris attracted nearly 5 million visitors in 2010 (Walhimer, 2012). The Children's Museum of Indianapolis is among the top 20 most visited museums in North America (Children's Museum, 2014). Most exhibits of the Children's Museum are interactive to allow visitors to participate actively.

Visitors are attracted to the architecture of museums. The glass pyramid of the Louvre in Paris, the audacious configuration of the Guggenheim Museum in Bilbao, and the Greco-Roman marble columns of the Metropolitan Museum of Art are recognisable symbols of these museums. These buildings have become international icons, logos for their cities, and a statement in and of themselves (Van den Bosch, 2011; Kotler and Kotler, 1998). Apart from the exterior of a museum, sophisticated interiors can also enhance the experience of visitors (Sweet, 2011). Currently, museums upgrade their amenities and facilities, such as exterior and interior designs, signages, lightings, escalators, handrails, and hand knobs, to enhance the visiting experience. For example, in the expansion project of the Peabody Essex Museum, Massachusetts features a 7,000-square-foot visual interactive learning centre with installed Acoustiguides (Denison, 2003).

McPherson claimed that retailing inside museums also helps attract visitors (in Lockstone, 2011). Some museums use restaurants or coffee shops to attract visitors. The *ACE Café* campaign of the Victoria and Albert Museum advertises the museum as attached to "an ace café" (Sweet, 2011). The National Museum Bangkok once rented out a space to the Haagen-Dazs restaurant. Tourists tend to buy souvenirs inside museum gift shops to extend their visiting memory to a tangible form (Lockstone, 2011). Some museums associate their exhibitions with the business sector to attract visitors. The American Museum of Natural History once associated its exhibition *Endangered! Exploring a World at Risk!* with the FAO Schwarz, a toy company that released a series of plush toys that feature the displays of the exhibition (Dubin, 1999).

Marketing mix of "place"

The extent to which the location of a museum influences visitations is debatable. Davis and et al. claimed that the location of a museum is an influential factor (in McLean, 1997). McLean (1997) verified that the location factor, such as convenience and accessibility, is a key determinant. A study of the influence of the location factor on children in Europe and the USA affirmed that those in Flanders and Germany pay inconsiderable attention to transportation; however, those in the USA concern themselves in the ease of public transport (Netherlands Museum Association, 2011).

Some museums, instead of asking people to visit their museums, bring their exhibits to people. This practice is considered a good way to raise popularity (Kotler and Kotler, 1998; Amenta, 2010). For example, the Louvre in Paris displays a fraction of its artifacts in a subway station (Blattberg and Broderick, 1991). Some museums set up gift shops inside retail centres, shopping malls, or airports to increase exposure. For example, the Metropolitan Museum of Art of the USA has a few gift shops in Bangkok, Thailand.

Moreover, museums increasingly use the Internet to reach people. Websites or virtual exhibitions offer new ways for museums to access new audiences, whereas online activities can help build an audience and encourage them to visit museums physically (Bartak, 2011).

Marketing mix of “price”

Some museums believe that price can regulate attendance level; thus, they charge less for children, students, and seniors (Kotler and Kotler, 1998). Kolb (2000) claimed that people would be willing to pay as long as museums can offer something unique or interesting. However, Walshe verified that price is not a primary reason for people not to visit museums (in Kotler and Kotler, 1998). MORI in 1999 confirmed that price was not a major factor that influences attendance at museums (in Runyard and French, 1999).

Marketing mix of “promotion”

People do not visit museums because of their lack of awareness of museums (McLean, 1997). The promotion mix of advertising, public relations, sales incentives, personal selling, and social media can help museums build awareness. The AIDA model also suggests that promotion can help create consumption interest, stimulate consumption desire, and facilitate the purchasing action of customers.

Lamb, Hair, and McDaniel (2013) illustrated that these five variables of the promotion mix achieve these objectives differently. The variable of advertising gains the attention of people and creates their consumption interest. However, advertising fails to put their purchase intention into action. The variable of sales promotion, apart from gaining the attention of people and creating consumer interests, facilitates their purchasing action. Social media effectively facilitates the purchasing action of people. However, they concluded that personal selling best facilitates the purchasing action of people.

Research methodology

This paper used primary and secondary data. The author used a mixed exploratory qualitative and quantitative research methodology to collect the primary data. The quantitative research methodology collected data, such as relative occurrence and frequency within a sampled population. The qualitative research collected data that could provide non-quantifiable insights, behavior, motivations, and attitudes (Creswell and Plano, 2011). The use of this mixed methodology enabled the cross-validation of the collected data to generate highly valid and reliable outcomes (Decrop, 1999). The secondary data were collected from literature, journals, newspapers, and websites that were about museums and the marketing mix in the context of museums.

The author wrote to the Airport Authority of Thailand and gained permission to collect data inside the airport before carrying out the data collection. The author used a stratefied research methodology to select Thais who were queuing up for checking-in their flights to Tokyo at Bangkok's Suvarnabhumi Airport and whose purpose for visiting Tokyo was for leisure.

Regarding the quantitative data, the author could not determine the number of Thais who visited Tokyo alone between July 2013 and June 2014; thus, the sample size was based on the number of those who visited Japan during that year (i.e. 582,478) (Japan National Tourism Organization, 2014). A sample size of 400 respondents was considered appropriate based on the Yamane's formula with a precision level of +/− 5% and a confidence level of 95%.

The questionnaire for the quantitative data was divided into four sections:

a. The general demographic data of the respondents,
b. The respondents' frequency of visiting museums in general and familiarity with museums in Tokyo,
c. The respondents' choice of a leisure attribute that was influential to their selection of leisure activities and their opinion of the availability of these attributes in museums. These leisure attributes were based on the research project that Marilyn Hood incorporated with the Toledo Museum of Art in Ohio in 1983. The respondents had to choose one out of the six attributes, and
d. The marketing mix of "product," "place," "price," and "promotion" that museum administrators in Tokyo should use to influence their visiting intention. The responses were based on a five-point Likert scale, from 1 "very unlikely" to 5 "very likely."

For the qualitative research, the author used a semi-structured questionnaire to interview forty Thais queuing-up to check-in flights to Tokyo for leisure at the Suvarnabhumi Airport. Walker (1985) considered the data collected from the 40 interviewees valid. The questionnaire was divided into three sections:

a. The general demographic data of the interviewees,
b. Their habits and motivations for visiting museums in general, and
c. Their comments on the marketing mix of "product," "place," "price," and "promotion" that museum administrators of Tokyo should use to influence their visiting intention.

Questions on marketing mix were based on recommendations of scholars and researchers mentioned in the preceding sections. Regarding the marketing mix of 'product', questions focused on tangible and intangible ones, such as exhibits, architecture, facilities, attitude of staff and orientation. As Hooper-Greenhill (1994) suggested, product should include tangible and intangible forms. Kotler and Kotler (1998), Van den Bosch (2011) and McPherson (in Lockstone, 2011), elaborated the roles of exhibitions, architecture and retailing of museums in influencing the visiting interests of people. The influence of the marketing mix of 'place' and 'price' on museum visitations remains unknown. Hence, the questions tended to investigate the influence on tourists' visiting intention from different perspectives. The marketing mix of 'promotion' help museums build awareness owing to scholars, such as McLean (1997), who illustrated the promotion mix of advertising, public relations, sales incentives, personal selling and social media. Thus, questions explored the extent to which these variables influence the visiting interests of respondents.

The primary data were collected on the 20th, 24th, and 28th of November 2015**.** The author used the SPSS computer programme to analyse the quantitative data and synthesise descriptive statistics with data from the qualitative research.

Findings

Of the 420 questionnaires that were distributed, 398 were filled in properly.

Demographic data

Approximately 50.75% were female and 49.25% were male; 40% were 31–40 years old, 31.8% were 41–50 years old, and 12.8% were 21–30 years old. Approximately 80.4% had a bachelor's degree, 14.3% had a post-graduate degree, 2.8% had a vocational or technical degree, and 2.8% had a high school degree. Approximately, 37% were employees, 30.2% were business owners, 14.8% were students, 12% were civil servants, 5% were self-employed, and 1% were retired.

Of the 40 interviewees, 23 were female, and 17 were male. 14 were 31–40 years old, 13 were 21–30, six were 51–60, five were 41–50, and two were 61 and above. 34 of them had an undergraduate degree, four had a master degree, and two had a vocational school degree.

Frequency of visiting museums and familiarity with museums in Tokyo

Approximately 70**%** of the respondents visited museums once or twice annually, and 13**.**8% visited museums thrice a year. Nearly 96% have familiarity with museums in Tokyo. The most popular one was the Tokyo National Museum, followed by the Samurai Museum and the Ghibli Museum. The majority of the respondents had heard of museums in Tokyo, but 87**%** had not visited any of them**.**

Leisure attributes of museums

Table 1 exhibits the findings regarding the leisure attributes that influence the respondents**'** choice of leisure activities**.**

Table 1 Leisure attributes that the respondents considered important in influencing their choice of leisure activities**.**

Which one of the following leisure attributes will influence your choice of leisure activities? Please choose one.		
	Number of Respondents	**Percentage**
Feeling comfortable and at ease	124	31.2
Doing something worthwhile	82	20.6
Having an opportunity to learn	65	16.3
Being with people or social interaction	58	14.5
Having the challenge of new experiences	46	11.5
Participating actively	23	5.8
Total	398	100

Table 2 lists the leisure attributes that the respondents found available in museums**.**

Table 2 Leisure attributes that the respondents found available in museums

Which one of the following attributes do you find in museums?		
	Number of Respondents	**Percentage**
Feeling comfortable and at ease	124	31.15
Doing something worthwhile	69	17.3
Having an opportunity to learn	65	16.3
Being with people or social interaction	50	12.6
Having the challenge of new experiences	33	8.3
Participating actively	13	3.25
No	44	11.1
Total	398	100**%**

The two findings confirmed that the respondents found a number of influential attributes that they considered available in museums**.** The most obvious one was the attribute of **"**feeling comfortable and ease**."** The qualitative interviews showed that more than 60**%** of interviewees considered that museum visits were for relaxation and pleasure**.** "After days and days of hard work, I like going to visit museums to relax, release stress and restore my peaceful mindset," said Interviewee number four. "A museum is place for me to tour around with pleasure. Museums should have a good layout and their exhibits have to be in good order. I can tour around the museum to follow the flow of the exhibitions with ease without worrying losing my way and mixing up the sequence of the exhibitions," said Interviewee number five.

The quantitative percentages of the responses to the attributes of "doing something worthwhile" and "having an opportunity to learn" were quite similar. The qualitative interviews helped elaborate the implications of these attributes. Interviewee number seven said, "I always make the best use of my leisure time visiting museums where I can learn a lot of things so as to widen my knowledge and horizon." Interview number 24 said, "Inside museums, I can learn according to my own pace and capacity. It is all up to me. I learn a lot of things through museum exhibitions."

Concerning the leisure attribute of "being with people or social interaction," which was the fourth most popular attribute, some of the answers of the interviewees could give us an idea of the way museums could strengthen relationships. Interviewee number two said, "A museum is a good place for parents to bring their kids to visit. There are many activities for families to do and play and topics to discuss. During weekdays, hardly could I find time to talk to my kids. Therefore, whenever we have a common free time, I'll bring my kids to visit a museum so as to spend some precious time together." Interviewee number 26 said, "When I was young, I went to museums with my classmates. Now, I always go to museums with my friends. The exhibitions of museums provide us many topics to discuss and argue with each other."

Marketing mix of museums

Marketing mix of "product"

Table 3 presents the responses of the respondents to the marketing mix of **"**product**".**

Table 3 Responses of the respondents on the marketing mix of "product" that would influence their visiting intention to museums in Tokyo

Product I will visit a museum in Tokyo if	5	4	3	2	1	$\overline{X}$	S.D.
The museum has friendly and helpful staff.	102 (25.6%)	275 (69.1%)	10 (2.5%)	11 (2.8%)	–	4.18	0.600
The museum uses interactive and multimedia interpretation that makes museum visits enjoyable.	96 (24.1%)	281 (70.6%)	10 (2.5%)	11 (2.8%)	–	4.16	0.592
The museum has good retail facilities, such as nice souvenir and coffee shops.	104 (26.1%)	267 (67.1%)	10 (2.5%)	17 (4.3%)	–	4.15	0.658
The museum introduces blockbuster temporary exhibitions.	110 (27.6%)	256 (64.3%)	10 (2.5%)	22 (5.6%)	–	4.14	0.708
The museum offers special programmes, such as lectures, performances, or events.	86 (21.6%)	280 (70.3%)	21 (5.3%)	11 (2.8%)	–	4.11	0.606
The museum has impressive architecture, such as their buildings and interior or exterior designs.	106 (26.6%)	245 (61.6%)	10 (2.5%)	37 (9.3%)	–	4.06	0.812
The museum has a well-known or some well-known exhibits.	38 (9.5%)	275 (69.1%)	60 (15.1%)	23 (5.8%)	2 (0.5%)	3.81	0.698

The quantitative findings corroborated that the tangible and intangible products of museums in Tokyo were significant to respondents. However, the product of a museum with a well-known or some well-known exhibits was the least influential. The intangible product of **"**friendly and helpful staff**"** was the most influential product to attract them to visit museums in Tokyo**.**

The qualitative data could further elaborate the implications of these products in the mindset of the respondents. Regarding the product of friendly and helpful staff, interviewee number four said, "I do not speak any Japanese. A museum (in Tokyo) must have English speaking staff who are friendly, and can give me information and answer my questions about the museums and exhibitions." Moreover, interviewee number 10 suggested that museums in Tokyo should use English interpretations and English-speaking staff to introduce and answer questions about the exhibits and the museum. However, interviewee number 22 was not concerned about the language barrier between Thais and Japanese. The interviewee said that a museum in Tokyo could use a clear layout to help Thai visitors tour around and understand the exhibitions of the museum. This intervewee said, “English is not the mother tongue of Japanese. I do not speak any Japanese. Hence, I know I could not communicate well with museum staffs. However, as long as a museum (in Tokyo) has a good and clear layout to let me tour around easily and link various zones of exhibitions together, it is still fine with me.”

About the product of interpretation, interviewee number 40 stated that the availability of advanced and fancy technologies in Japan could help interpret the exhibits of museums in a more interested way. Regarding exhibitions, interviewee number four was interested in exhibitions that were related to events of Tokyo. The interviewee said, “Museums (in Tokyo) should have exhibitions to let me know current and future events of Tokyo. I am very interested in knowing details and the preparation of the Olympics 2020 in Tokyo.”

Over 50% of the interviewees said that museums in Tokyo should have decent architecture and souvenir shops for photo taking and socialising. Interviewee number 26 said, “There are plenty nice buildings in Tokyo. Museums (in Tokyo) should also have nice architecture for me to take photos.” Interviewee number 30 said, “I would like to take a rest and talk with friends inside a nicely designed museum coffee shop comfortably. However, many museum coffee shops (in Tokyo) are not nicely designed. They should learn from museum coffee shops in Singapore. The coffee shops there are always nicely designed. I always uses my mobile phone to take and share photos of myself, my friends and the food and drink inside the shops with my friends or family.”

Marketing mix of “promotion”

Table 4 exhibits the responses of the respondents to the marketing mix of **“**promotion**”.**

Table 4 Responses of the respondents on the marketing mix of "promotion" that would influence their visiting intention to museums in Tokyo.

Promotion I will visit a museum in Tokyo if	5	4	3	2	1	$\overline{X}$	S.D.
The museum has outreach programmes, such as temporary exhibitions and supplementary programmes, such as lectures, performances, or social events, or has an outlet in Thailand.	104 (26.1%)	272 (68.3%)	10 (2.5%)	11 (2.8%)	1 (0.3%)	4.17	0.623
The museum has its ticket office in Thailand.	80 (20.1%)	296 (74.3%)	10 (2.5%)	11 (2.8%)	1 (0.3%)	4.11	0.588
The museum is recommended by tourism associations or tour operators or guide books.	77 (19.3)	300 (75.4)	10 (2.5)	11 (2.8)	–	4.11	0.562
The museum is recommended by social media.	72 (18.1%)	302 (75.9%)	14 (3.5%)	10 (2.5%)	–	4.10	0.554
The museum advertises itself on media, such as magazines, newspapers, televisions, and radios.	84 (21.1%)	280 (70.3%)	22 (5.5%)	11 (2.8%)	1 (0.3%)	4.09	0.624
The museum offers coupons, discounts, gifts, or premiums.	77 (19.3%)	291 (73.1%)	18 (4.5%)	11 (2.8%)	1 (0.3%)	4.09	0.603
The museum presents itself online, such as having its own website or social media.	83 (20.8%)	277 (69.6%)	26 (6.5%)	11 (2.8%)	1 (0.3%)	4.08	0.632

The findings illustrated respondents suggested that museums should use various promotions. A majority of the respondents favoured museums in Tokyo that organise outreached programmes and activities and have outlets or ticket offices in Bangkok. The qualitative interview could further explain these favours. Interviewee number 15 said, "Museums (in Tokyo), having outlets in Bangkok is a gateway for Thai people to know them museums better. As we know that many Thais are interested in visiting Tokyo. Hence, an excellent presentation (of these museums) can attract more Thais to visit them." Interviewee number seven said, "Without any doubt, museums having a ticket office or organising activities (in Bangkok) will draw attention of Thais and create their interest in visiting the museums. People can have more information about these museums and their latest exhibitions."

The respondents were interested in museums in Tokyo who promote themselves using tour companies, guidebooks, and social media. The remarks of a few interviewees could help explain their reasons. Interviewee number 30 explained, "I have heard of names of several museums in Tokyo. However, I do not know details of these museums. Tour agents can present uniqueness of these museums, and approach people in a professional way." Interviewee number three said, "Tour agents are experts. Their recommendations are trustworthy." Interviewee number 36 stated, "Museums should use guidebooks to inform people details and exhibitions of the museums. There are good pictures and descriptions (of the museums and exhibitions)." Interviewee number five said, "Social media is a good source of information. Social media can provide me information about exhibitions, travel issues and expenses in Tokyo."

Marketing mix of "price"

Table 5 presents the responses of the respondents to the marketing mix of "price".

Table 5 Responses of the respondents on the marketing mix of "price" that would influence their visiting intention to museums in Tokyo.

Price I will visit a museum in Tokyo if	**5**	**4**	**3**	**2**	**1**	$\overline{X}$	**S.D.**
I have to pay an entrance fee.	27 (6.8%)	46 (11.6%)	30 (7.5%)	94 (23.6%)	201 (50.5%)	2.00	1.286
I have to pay an entrance fee if the museum showcases a masterpiece, a well-known exhibit, and a blockbuster exhibition.	91 (22.9%)	280 (70.3%)	13 (3.3%)	14 (3.5%)	–	4.13	0.621
The entrance to the museum is free of charge.	94 (23.6%)	274 (68.8%)	15 (3.8%)	14 (3.5%)	1 (0.3%)	4.08	0.649

The findings affirmed that the entrance fees by museums in Tokyo influenced visiting intention given that visitors preferred museums that do not charge fees. However, the findings verified that they were willing to pay the fees if the exhibits were well-known and famous.

Some interviewees elaborated their opinion of the entrance fees charged by museums. Interviewee number 33 stated, "It is ideal for museums (in Tokyo) not to charge any entrance fee. However, compared to the knowledge and benefits that I can get from visiting museums, it is alright to pay." Interviewee number 38 mentioned that paying entrance fees was fine as long as the exhibits and exhibitions of museums in Tokyo were impressive. Intervewee number 23 said, "There are a lot of fascinating artifacts in the National Museum of Tokyo. It is worth for money to pay the entrance fee that is not expensive at all. If other museums in Tokyo carry interesting artifacts or organising impressive exhibitions, I am willing to pay."

Marketing mix of "place"

Table 6 exhibits the responses of the respondents to the marketing mix of **"**place**".**

Table 6 Responses of the respondents on the marketing mix of "place" that influences their visiting intention to museums in Tokyo.

Place I will visit a museum in Tokyo if	5	4	3	2	1	$\overline{X}$	S.D.
The museum is close to the city centre.	104 (26.1%)	267 (67.1%)	11 (2.8%)	14 (3.5%)	2 (0.5%)	4.15	0.672
The museum is outside the city centre.	47 (11.8%)	151 (37.9%)	47 (11.8%)	47 (11.8%)	106 (26.7%)	2.96	1.429
The museum has transportation arrangement even though it is not close to the city centre.	103 (25.9%)	253 (63.6%)	30 (7.5%)	12 (3.0%)	–	4.12	0.662
The museum is easy to reach even though it is not close to the city centre.	84 (21.1%)	280 (70.3%)	22 (5.5%)	11 (2.8%)	1 (0.3%)	4.09	0.624

The findings showed a high percentage of respondents were concerned about the distance of museums to the city centre. However, the findings validated that they were interested in visiting museums that have transportation arrangement and were accessible. The qualitative interviews illustrated that some interviewees were not concerned about the traveling time required to reach the museums, which were located far from the city centre. Interviewee number 2 stated, "I do not speak Japanese, and I am not familiar with a remote area. Therefore, the museum has to be convenient to reach." Interviewee number 24 said, "It is good for a museum is located in Tokyo's city centre. However, if the museum is located far away and local people know about it, it is fine with me. They can show me the way so that I won't lose my way." Interviewee number 37 mentioned, "The transportation system in Tokyo is very well developed. Distance is not a problem as long as there are maps which provide clear directions."

Discussion

The findings corroborate that Thai tourists are potential museum visitors. They have a habit of visiting museums once or twice annually. Thai tourists are occasional participants according to

Marilyn Hood's categorisation of museum visitors. The findings further confirm that the majority of them are familiar with the names of some museums in Tokyo. These two findings tell museum administrators in Tokyo that thinking of a way to make museums known is not necessary. Instead, they could focus on arranging a marketing mix to fit the cultural context and satisfy the needs of Thai tourists to attract them to visit their museums. Moreover, the findings verify that Thai tourists consider the collections and exhibitions of museums in Tokyo as important but considerably emphasise on museum services. The majority of these tourists appreciate that museums in Tokyo could provide services to minimise uncertainties and let them connect, build relationships, and enjoy their time with friends. They consider a museum visiting experience in Tokyo comparable with a shopping experience.

Kotler and Kotler (1998) listed five main museum offerings: physical settings, objects, collections and exhibitions, interpretive materials, as well as programmes and services. Collections and exhibitions are the core offerings of museums. The findings of the present study confirm that Thai tourists consider the offering of the collections and exhibitions of museums in Tokyo important. Moreover, the majority of Thai tourists are willing to pay museum entrance fees if masterpieces, well-known exhibits, and blockbuster exhibitions are showcased**.** The qualitative data elucidate that some tourists are interested in exhibitions that can give them considerable up-to-date information about the local events of Tokyo, such as the Olympic Games 2020**.**

However, the findings confirm that Thai tourists are more concerned with the offering of services of museums in Tokyo than the offering of collections and exhibitions. Services, according to Kotler and Kotler (1998), include reception, orientation, food service, and shopping.

Thai tourists mainly appreciate that museums in Tokyo offer services that help ease their uncertainties to make their visit comfortable and easy. The findings affirm that Thai tourists have many uncertainties. They are concerned about getting lost, feeling bad in a place where they are not familiar with, and not being able to communicate with the locals verbally. Leisure travel is considered a high-risk activity because of the high involvement, social visibility, limited experiences, high cost, and choice complexity (Mitchell, Davies, Moutinho, and Vassos, 1999). Accordingly, travellers tend to adopt various risk reduction strategies to reduce the uncertainties (Mitchell et al., 1999). Mitchell and Goldrick (2006) summarised various studies of consumer risk-reduction strategies and ranked the tactics of asking family and friends, buying a well-known brand, and receiving information from TV commercials and printed materials the four most common strategies adopted by consumers. However, Lo, Cheung, and Law (2011) corroborated that the two main risk reduction strategies taken by the leisure tourists in Hong Kong are specific. Hong Kong tourists tend to purchase travel insurance and bring extra cash. The findings of the present study confirm that the risk reduction concept of Thai tourists is also specific. Thai tourists adopt information-related risk, such as reducing strategy of seeking and sourcing for information to reduce their uncertainties. However, they emphasise that museums in Tokyo should help tourists reduce uncertainties, have friendly staff to answer questions, offer a good layout and signages for clear orientations, and arrange transportation, for examples.

Thai tourists said that museums in Tokyo should have nice architecture, souvenir shops, and coffee shops. However, the findings elucidate that many Thai tourists consider that these features and facilities are tools for social connection and relationship building. Lockstone (2011) confirmed that the main motivation of tourists for buying souvenirs inside museum gift shops is to extend their visiting experience and memory to a tangible form. The findings affirm that Thai tourists consider retail shops with coffee shops as not places for buying things or enjoying food but as places to relax and socialise mainly. Moreover, Thai tourists are interested in using museum architecture and shops as a background for photo taking and sharing. Kindberg, Spasojevic, and Fleck (2005, in Ames and Naaman, 2007) verified two reasons for camera phone image: social versus personal and affective versus functional. Social and affective photos are those taken for tagging and sharing with friends and family members. Kindberg et al. (2005, in Ames and Naaman, 2007) validated that these photos are commonly used for enriching or documenting mutual experiences or sharing experiences with friends and family.

The concept of museum visits and shopping of the majority of Thai tourists is fairly blurred. Tauber (1972) uncovered two main motives for shopping: personal and social. Tauber (1972) confirmed that some people shop for recreation and elaborated that some people consider shopping a medium for socialising, interacting with others with similar interests, and being with peer and reference groups for self-expression. Westbrook and Black (1985) affirmed that one motivation of people for shopping is affiliation and added that shoppers take shopping as an opportunity for socialising.

Using the categorisation of Falk **(**2011**)**, who grouped the motivations of museum visitors for visiting museums into explorers, facilitators, professionals/hobbyists, experience seekers, rechargers, respectful pilgrims, and affinity seekers to categorise Thai tourists, Thai tourists are explorers or facilitators and rechargers**.** Explorers are interested in fulfilling their intellectual curiosity; facilitators are socially motivated and rechargers see the museum as a refuge from the work-a-day world.

The International Council of Museums (ICOM) stated that museums serve triple purposes of education, study and enjoyment (*ICOM*, n.d.). Although the majority of Thai tourists consider these three important, it seems that they put the enjoyment role of museums in front of their education and study role. However, learning is best achieved in circumstances of enjoyment (Hooper-Greenhill, 1994). It is through a playful experience that “creativity is nourished, personal growth sustained…Playfulness enlarges problem-solving capacities and spurs the imaginative thinking,” said Dolo Brooking, a museum educator (in Roberts, 1997, p. 40). Also, “by definition, there can be no learning if there's been no interaction (Hein, 1998, p.136)." These help explain the majority of Thai tourists appreciate museums in Tokyo to use interactive and multimedia to make their visit enjoyable so as to help facilitate their learning inside museums. Also the majority of Thai tourists suggest museums in Tokyo should set up outlets or ticket offices in Thailand so that they could interact with the museums. These outlets or offices, in a long run, can help bind museums in Tokyo with Thai tourists. "A relationship is composed of a series of interactive episodes between dyadic parties over time" (Buttle and Maklan, 2015, p.24).

Conclusion

The findings of this research can guide museum administrators in Tokyo on ways to manage their marketing mix. To the majority of Thai tourists, the main proposition of museums in Tokyo is to education. However, museum administrators of museums in Tokyo, in order to attract the tourists to visit their museums and compete with competitors have to think of ways to minimise the uncertainties of Thai tourists and to make their visits to a socialable and an edutaining one.

Regarding the marketing mix of "product," the administrators could train their staff to give proper assistance, offer good orientations, and organise guided tours to Thai tourists to make them feel comfortable and at ease inside their museums. However, some Thais speak neither the Japanese nor the English language; thus, museum administrators should consider hiring staff who speak the Thai language or train staff to speak Thai. Apart from telling Thai tourists about their masterpieces or organising blockbuster exhibitions, museum administrators should consider using interactve interpretation, beautifying the interior and exterior architect and retail facilities of their museums.

With the marketing mix of "place," administrators must provide Thais with explicit information on the easiest and most convenient ways to access their museums, such as making maps available in hotels, organising public transportation stations, or providing convenience shops in Tokyo. These efforts should be available in Thailand as well. Museums far from the city centre must arrange transportation to make museums accessible for Thai tourists.

About the marketing mix of "promotion," administrators can organise outreach programmes and ticket offices or outlets in Thailand to give Thais opportunities to interact with museums. Also, administrators can consider approaching tour agents and guidebooks apart from using advertisements to promote their museums. Owing to advertisement is considered hypothetical in nature (Hoch and Ha in Blythe, 1997), and guidebooks and tour companies are considered neutral sources of information (Crotts, 2002), administrators have to use them to counter-balance each other.

The paper has suggested ways museum administrators in Tokyo could do to their marketing mix to attract Thai tourists. However, the paper is not free from weaknesses. The research has four main weaknesses.

Lost in translation

First, the questionnaires were translated from English into Thai. Second, the qualitative responses were translated from Thai to English. Some data and responses may have been translated inaccurately.

Respondents are of high education level

The majority (90.7%) of the respondents had an undergraduate or post-graduate education. Accordingly, the findings tend to present the opinions of those with a high education background. Responses from those with a low education level remain unclear.

Leisure attributes of other leisure activities

The research does not investigate the concept of Thai tourists of the availability of leisure attributes of other leisure activities in Tokyo. How the attributes of museums compare with those of other leisure activities in Tokyo is unknown. Thai tourists choose to visit attractions whose leisure attributes can well fit their needs.

Findings might be generic

Given that the majority of the respondents and interviewees have never ever visited museums in Tokyo, their responses were generic.

This research can be extended by seeking the views of a considerable number of Thais with undergraduate education and comparing leisure attributes between museums and other activities in Tokyo. In addition, given that 87% of the respondents have never visited any museums in Tokyo, the author can look at the reasons for not visiting these museums. The author can further investigate the similarities and differences in the motivation of Thai tourists for visiting these museums generationally.

“Marketing is not merely a commercial function of the museum. On the contrary, the commercial aspect should exist only to ensure that the goal of the museum is achieved (McLean, 1997, p.45).” Marketing in the museum context confirms “the mission of a museum or gallery and is then responsible for the efficient identification, anticipation and satisfaction of its users” (Lewis, 1991, in McLean, 1997, p.47). If museums are to satisfy these needs without considering their basic mission that is to education, museums will then commercialise themselves.

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UTCC International Journal of Business and Economics (UTCC IJBE)
Volume 11 Number 1, April 2019

THE ANTECEDENTS OF CUSTOMER SATISFACTION RELATING TO ATTITUDE AND LOYALTY TOWARDS ONLINE SHOPPING: A CASE STUDY IN GUANGZHOU, CHINA

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Abstract

Online shopping has significantly increased throughout the worldwide in recent years. Customer satisfaction, customer attitude and loyalty are the primary factors that could affect the development of online shopping. The purpose of the study is aimed to understand the mediator role of customer satisfaction in the causal relationship among the antecedents of customer satisfaction, customer attitude and loyalty in the Chinese online shopping context. The data was collected from 399 persons who had ever done shopping online during the last 12 months in Guangzhou, China. The analysis of quantitative research was applied by using descriptive statistics and Structure Equation Model (SEM). The findings showed that the influences of technological factors, product factors, sales promotion towards customer attitude and loyalty were significantly mediated by customer satisfaction. In addition, the customer satisfaction had a direct significant effect on customer attitude and an indirect effect on loyalty, while customer attitude had a direct effect on loyalty in online shopping. The result of study would help to understand what and how importance of the factors affecting online consumers purchasing decisions and online retailers to develop the online market.

Keywords: Antecedents of customer satisfaction, Customer satisfaction, Attitude, Loyalty, Online shopping

Introduction

The development of technology changed the customers' shopping habits and made self-help shopping become a normal and easy routine. Over 600 million Internet users and an annual e-commerce revenue growth rate of 120% make China the fastest growing and soon to be the largest e-commerce market in the world (China Internet Watch Sponsor, July 23, 2014). With the rapid growth of online shopping in China, customer satisfaction would be the key factor to focus on when online retail marketers are designing marketing strategy.

In the online shopping, satisfaction would be the customers' level of feeling obtained after evaluating the experience of using or consuming certain product (Giese & Cote, 2002). In an online environment, improving the website performance is another the way to achieve customer satisfaction. Websites have various facets that need to be improved to meet customer satisfaction which directly influence on the purchase decisions (Dharmesti *et al.*, 2013). If customers are satisfied with their online shopping experiences, they will definitely repurchase the products from the same online shopping website (Li & Zhang, 2002).

Identifying customer satisfaction serves as a mediator in the relationship of technological factors such as website design, security, usability and privacy; shopping factors such as convenience, trust, and delivery; product factors such as product value, merchandising and product customization; and customer loyalty (Cheung & Lee, 2005) proposed in a new online store. Cheung and Lee (2005) studied the antecedents of customer satisfaction (website design, security, usability, privacy, convenience, trust, delivery, product value, merchandising, and product customization), but they had not done their research on the consequences of customer satisfaction. Meanwhile, Szymanski and Hise (2000) had conducted a study on the consequences of customer satisfaction of an online store, however, the research had not proposed specific antecedent. Customer satisfaction has positive impact on customer loyalty (Chen, 2012). Customer attitude also can lead to customer loyalty (Yi & Jeon, 2003). Most previous researchers studied the antecedent factors affecting on customer satisfaction with online shopping, but there was a lack of research that studied the antecedent factors affecting customer satisfaction towards online shopping and the relationships among the customer attitude and customer loyalty.

The objectives of this study are (1) to study which antecedent factors affect customer satisfaction towards online shopping, (2) to study the relationship between customer satisfaction and customer attitude towards online shopping, (3) to study the relationship between customer satisfaction and customer loyalty towards online shopping, and (4) to study the relationship between customer attitude and customer loyalty towards online shopping.

Online retailers will get the benefits from this study, because they could understand the factors affecting customer satisfaction that can help to formulate good marketing strategies and improve customer service in online shopping. And this study will be benefit for potential online retailers to understand the online shopping customer behavior and attitude by approaching factors which affect customer satisfaction in online shopping, and provide theoretical guidance.

Literature review

Customer satisfaction

Customer satisfaction is the customer's perception of a pleasurable fulfillment in a service (Moon, 2013). Kärnä (2014) mentioned that customer satisfaction will be a function of perceived quality and confirmation judgment if the perceived quality matches repurchase expectations. Customers compare perceived performance products (services, goods) with the same standard. Customers are satisfied when the perceived performance is greater than the standard, when dissatisfaction occurs it means that performance was perceived to fall below the standard.

The antecedents of customer satisfaction towards online shopping

In this study, the antecedent factors influencing customer satisfaction on online shopping from previous researchers could be grouped into four categories. These categories are technological factors, service factors and product factors which are suggested by Cheung and Lee (2005), and the other category is sales promotion suggested by Yang and Sandow (2010).

Technological factors

The technological factors are the qualities of the website that ensure functionality of the site, including security, convenience, website design, and information quality. Technological factors are affected by a user's belief in the system, which includes the ease of use, perceived usefulness and information quality (Chen *et al.*, 2012). Park and Kim (2003) argued that an online store which provides a good website design and contains a high degree of information quality will reduce customers' cost. The more extensive and the higher quality of information is available in online, thus, the better buying decisions and the higher customer satisfaction. It seems that there is a relationship between technological factors and customer satisfaction. Therefore H1 is premised as:

H1: Technological factors will have a positive effect on customer satisfaction towards online shopping

Service factors

Adequate service is the ability to solve the customers' problems and concerns before they occur (Yoon, 2010). Service factors include customer service and delivery service. Parasuraman *et al.* (2005) mentioned that increasing service factors for customer satisfaction by giving advises with product selection, gift services, credit, returns, payment policies, information about shipping, and handling costs can make customer appreciate. The better the quality of service, the more customers will be satisfied and shared their service experiences. It appears that there is a relationship between service factors and customer satisfaction, therefore H2 is premised as:

H2: Service factors will have a significant positive effect on customer satisfaction towards online shopping.

Product factors

Product factors include product-related characteristics such as product variety, product value, and product customization (Park & Kim, 2003). Rich variety of product can increase the probability of customer-needs and meet the customer's satisfaction. Customers often rely on one offer which is the best value (Schaupp & Bélanger, 2005). Online shopping offers product customization for customers, the more convenient it is for customers to find the products they want, the more pleased with the experience of purchasing products is from this website (Chen *et al.*, 2012). Therefore, in order to test the relationship between product factors and customer satisfaction, H3 is proposed as:

H3: Product factors will have a significant positive impact on customer satisfaction towards online shopping.

Sales promotion

Sales promotion including discounts and incentive programs are important. It can attract customers' attention to the products, and to encourage the customer repurchase from the same website and to increase customer loyalty (Park & Lennon, 2009). Young Kim and Kim (2004) suggested that online marketers should create incentive programs to attract new customers and to retain existing customers on their shopping websites. From the retailer's point of view, online retailer spending decisions on customers and promotions are important as they affect their pricing and promotional policies, and then affect the evolution of the customer satisfaction (Park & Lennon, 2009). In order to test the relationship between sales promotion and customer satisfaction, H4 is proposed as:

H4: Sales promotion will have a positive influence on customer satisfaction towards online shopping.

Customer attitude

Attitude is a customer's consistent evaluation and feeling towards an object or idea (Haque, Sadeghzadeh, & Khatibi, 2011). Wolfinbarger and Gilly (2003) noted that understanding customer attitude can help online retailers develop marketing strategy, technology of website, and website design. Customer having a good attitude can reduce the barrier of e-commerce applications (Hassanein & Head, 2007).

Customer loyalty

In online shopping, customer loyalty is a favorable attitude and commitment to an online operator that results in their repeating purchase behavior (Anderson & Srinivasan, 2003). Loyal customers are always interested in buying from the same website and unlikely to switch to another website (Flavián, Guinalíu, & Gurrea, 2006).

The relationship among customer satisfaction, customer attitude, and customer loyalty towards online shopping

Satisfied customers have a much more powerful repurchased intention and tend to recommend the product or service to others (Anderson & Fornell, 2000). Loyalty can be conceived with a good attitude and belief for a brand, manifested in the emotional attachment to the brand, or regular purchasing of a particular brand (Ron, garland & Philip, 2004). The good attitude may lead to customer loyalty (Yi & Jeon, 2003). Lee (2007) suggested that the customer attitude towards a product could be initiated from customers' expectations and satisfactions. To test the relationship among customer satisfaction, customer attitude, and customer loyalty, H5, H6 and H7 are proposed as:

H5: Consumer satisfaction will positively influence on customer attitude towards online shopping.

H6: Consumer satisfaction will positively influence on customer loyalty towards online shopping.

H7: Consumer attitude will positively influence on customer loyalty towards online shopping.

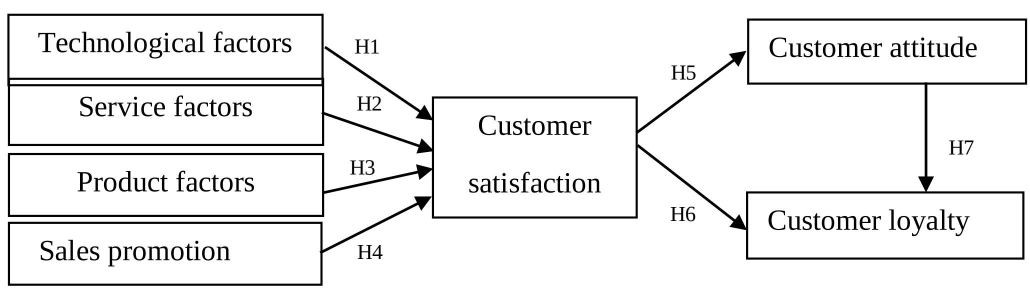


Figure 1 Conceptual framework

Methodology

Research design

This study used the quantitative methodology by using Chinese language questionnaires to collect the data. The customers who in the age group 18 to 50 years old were a major targeted group in online shopping (Iresearchchina, 2015), so the population were the customers who between 18-50 years old and had ever shopped online during last 12 months in Guangzhou, China.

The questionnaire contains 5 parts. Part1 is designed with screening questions in order to find the suitable respondents and know the basic situation of their online shopping experience. Part2 asked respondents about the antecedents of customer satisfaction including technological factors, service factors, product factors and sales promotion with customer shopping experiences. Part3 asked respondents about customer satisfaction in shopping experiences. Part4 asked customer attitude and customer loyalty towards online shopping. The measurements of part2 to part4 asked respondents to rate on a Five-point Likert scale to measure the degree of agreement with the statement ranked from (1) strongly disagree to (5) strongly agree. Part5 asked about the demographic information of the respondents.

Population and sample size

This study chose a margin of error of 5% and a confidence level of 95% for this sample size, according to the formula of unknown population (Kotrlik & Higgins, 2001):

$$n = \frac{(t)^2 * (p)(q)}{(d)^2}$$

Where: t = value for selected alpha level of 0.025 in each tail= 1.96

(p)(q) = estimate of variance=0.25

d = acceptable margin of error for proportion being estimated= 0.05

So the sample size: $n = \frac{(1.96)^2 * 0.25}{(0.05)^2}$

=384.16

Therefore, the sample size of this research was planned to collect data for 400 respondents.

Data collection

Data was collected at the bus stations (Zhengjia Central and the Shiqiao Station) and the Guangzhou metro (Sports Central station of Line 1 and Panyu square station) in Guangzhou city as they have a lot of target sample group.

Data analysis

Based on the questionnaire design, the author used descriptive statistics to summarize the demographic characteristics and the measurement scale of items. Structure Equation Model (SEM) was used to explore the relationship between the variables and hypothesis. The author used Exploratory factor analysis (EFA) to remove some low loading items. In term of multiple the linear regression where there are intermediate variables and indirect effects to each variable, the author used Path analysis to do the test.

Results

Reliability analysis

After the data collection, this study collected total of 400 questionnaires and there were 399 valid questionnaires. Author used Cronbach's Alpha (α) to estimate the reliability of data in research.

Table 1 The reliability of variables

Variables	No. of item	No.	Cronbach's Alpha
Technological factors	13	399	.964
Service factors	6	399	.964
Product factors	9	399	.965
Sales promotion	5	399	.965
Customer satisfaction	4	399	.964
Customer attitude	3	399	.964
Customer loyalty	3	399	.965

Result in **Table 1** had showed that, Cronbach's Alpha of technological factors (α=.964), service factors (α=.964), products factors (α=.965), sales promotion (α=.965), customer satisfaction (α=.964), customer attitude (α=.964) and loyalty (α=.965) were higher than 0.80, suggesting that these 7 variables had relatively high internal consistency.

Descriptive analysis

The sample are female 71.4% and males 28.6%, and major age of respondents is 21-30 years old (69.67%), major education level of respondents is bachelor degree (49.5%), major occupation of respondents is general employee (23.3%), major monthly income is 2001-3000 CNY (22.6%), most respondents shopped on Taobao website more often (51.4%), most respondents shopped online more than 21 times (29.3%) during last 12 months, most respondents pay 101-200 CNY per time during last 12 months (34.5%), most respondents like to buy clothes online during the last 12 months (40.9%).

By doing variable description analysis to each variable, the result showed that the mean of technological factors and service factors were 3.66 and 3.69, and the mean of product factors and sales promotion were 3.48 and 3.78, illustrates that respondents keep a agree attitude to these variables. Similarly, the respondents keep a agree attitude to customer satisfaction (Mean=3.57) and customer attitude (Mean=3.58); and keep a neutral attitude to customer loyalty (Mean=3.40).

Factor analysis

Factor analysis which was used for study involved a few of variables, items from questionnaires which can reduce to a smaller set to facilitate interpretations (Yong & Pearce, 2013). Prior to the extraction of the factors, several test should be used to assess the suitability of the respondent data for factor analysis. These tests include Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity (Williams, Brown & Onsman, 2012). The KMO index ranges from 0 to 1, with 0.50 considered being suitable for factors analysis; the Bartlett's Test of Sphericity should be significant ($p<0.05$) for factor analysis to be suitable (Williams *et al.*, 2012). Examples are shown in **Table 2**.

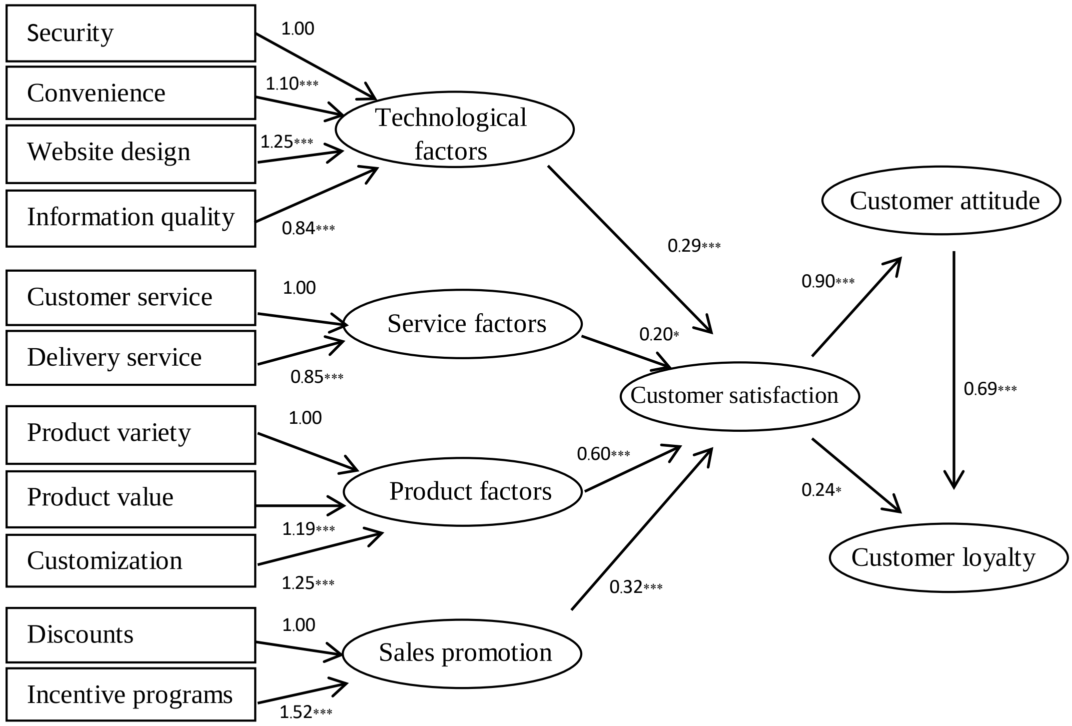
Table 2 Kaiser-Meyer-Olkin and Bartlett's Test of Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**0.930**
Bartlett's Test of Sphericity	Approx. Chi-Square	11744.027
	df	741
	Significant level	0.000

Exploratory factor analysis (EFA) is a type of factor analysis which is a statistical method used to identify the underlying relationships between measured variables which can be removed some low loading items (Hair, 2010). The factor loadings of all items of security, convenience, website design, information quality, customer service, delivery service, product variety, product value, product customization, discounts, incentive programs, customer satisfaction, customer attitude, and loyalty are higher than 0.50 except the 4 items ("I feel happy when I use the website", "I am pleased with the experience of purchasing products from this website", "I think I did the right thing in buying products from this website" and "I am satisfied with my decision to purchase at this website") have factor loadings less than 0.5 level. Therefore, the 43 items removed 4 items, finally leave the 39 items used for Path analysis.

Path analysis

Path analysis is type of Structural Equation Modeling (SEM) which is a presentation tool from the results of multiple linear regression where there are intermediate variables and indirect effects (Hair, Black, Babin, Anderson & Tatham, 2006). This study involved with seven variables technological factors, service factors, product factors, sales promotion, customer satisfaction, customer attitude and loyalty. Variables are representing the existence and strength of a relationship between them. These arrows are referred to as "paths" and each path has a path coefficient (see **Figure 2**).



*Note: *<p<0.05, **p<0.01, ***p<0.001*

Figure 2 Summary of unstandardized regression coefficients model

The overall fit of the model was an important component as results of this testing. This is assessed using available fit indices such as Chi-Squared, DF ratio, the NFI, CFI, RMSEEA etc. For a model to be called good fit, the relative Chi-Squared should be less than 3, the NFI, CFI should be 0.90 or higher and the RMSEA value should be less than 0.05. The result of **Table 3** showed that the model's overall fitting effect is poor, and it is not satisfied.

Table 3 The fit indices of model

Goodness of fit result in default model		**Threshold**
Chi-Squared value (CMIN)	2117.565	
Degrees of freedom (DF)	684	
relative Chi-Squared	3.096	<3
Normed fit index (NFI)	0.826	>0.9
Comparative fit index (CFI)	0.875	>0.9
Root mean square error of approximation (RMSEA)	0.073	<0.08

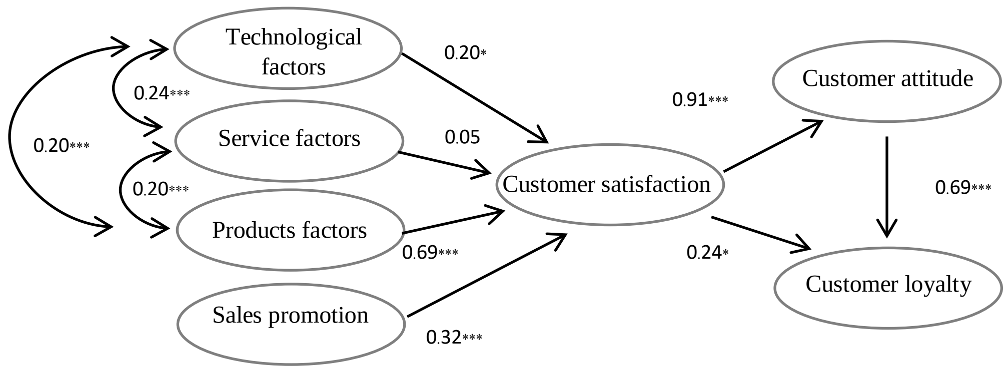
If the covariance is estimated by the model that does not adequately reproduce the sample covariance, hypothesis can be adjusted and the model can be retested. To adjust a model, new pathways are added or prior noes are removed (Stoelting, 2002). The modified index between service factors and product factors is 129.680, which means if there is an increase the path of service factors to product factors, then the Chi-Squared value of the model will be reduced with 0.188 (see **Table 4**).

Table 4 Modification index

Covariances			**M.I.**	**Par Change**
Service factors	<-->	Product factors	129.680	0.188
Technological factors	<-->	Product factors	133.967	0.162
Technological factors	<-->	Service factors	137.854	0.223
Sales promotion	<-->	Product factors	46.651	0.083
Sales promotion	<-->	Service factors	83.172	0.152
Sales promotion	<-->	Technological factors	84.172	0.129

Note: M.I.= Modified index

Base on the information of modification index and combination with the literature review, this study consider adding the path of service factors and product factors, the path of technological factors and product factors, the path of technological factors and service factors to be retested. So, the modification model was showed as **Figure 3**.



*Note: *<p<0.05, **p<0.01, ***p<0.001*

Figure 3 Summary of unstandardized regression modification model

The result of **Table 5** show the fitting indexes all within the acceptable level, such as NFI, CFI greater than threshold of 0.9; RMSEA is 0.061, relative to Chi-Squared is 2.472. All paths in the model were tested by 0.05 significant levels, as a result representing statistical significance.

Table 5 The fit indices of modification model

Goodness of Fit Result in Modification model		Threshold
Chi-Squared value (CMIN)	1683.763	
Degrees of freedom (DF)	681	
relative Chi-Squared	2.472	<3
Normed Fit Index (NFI)	0.903	>0.9
Comparative fit index (CFI)	0.912	>0.9
Root mean square error of approximation (RMSEA)	0.061	<0.08

In the hypothesis testing, the result of this study: technological factors have a direct impact on customer satisfaction towards online shopping (H1: DE=0.204); service factors have a direct impact on satisfaction towards online shopping (H2: DE=0.054), but H2 is rejected with P value of 0.773 at 0.05 significant levels, so service factors have no effect on customer satisfaction; product factors have a direct effect on customer satisfaction towards online shopping (H3: DE=0.691); sales promotion have a direct effect on customer satisfaction towards online shopping (H4: DE=0.320); consumer satisfaction have a direct impact on customer attitude (H5: DE=0.908); consumer satisfaction have a indirect impact on customer loyalty (H6: IE=0.628, DE=0.240) consumer attitude have a direct effect on customer loyalty towards online shopping (H7: DE=0.692) (see **Table 6**).

Table 6 Unstandardized total, Indirect and direct effects

Cause Effect	PF			SF			TF			SP			CS			CA			CL		
	TE	DE	IE	TE	DE	IE	TE	DE	IE	TE	DE	IE	TE	DE	IE	TE	DE	IE	TE	DE	IE
CS	0.691	0.691	0	0.054	0.054	0	0.204	0.204	0	0.320	0.32	0	0	0	0	0	0	0	0	0	0
CA	0.627	0	0.627	0.049	0	0.049	0.185	0	0.185	0.291	0	0.291	0.908	0.908	0	0	0	0	0	0	0
CL	0.600	0	0.600	0.047	0	0.047	0.177	0	0.177	0.278	0	0.278	0.868	0.240	0.628	0.692	0.692	0	0	0	0

Note: TE=Total effect, DE=Direct effect, IE=Indirect effect, PF=Product factors, SF=Service factors, TF=Technological factors,CS=Customer satisfaction, CA=Customer attitude, CL=Customer loyalty.

Conclusion

In this study, author used Path analysis to do the hypothesis testing. The result shows that, the hypotheses are supported, including H1 (technological factors have an effect on customer satisfaction), H3(service factors have an effect on customer satisfaction), H4 (sale promotion have an effect on customer satisfaction), H5 (customer satisfaction has an effect on customer attitude), H6 (customer satisfaction has effect on customer loyalty) and H7 (customer attitude has effect on customer loyalty), however, the hypotheses 2 the service factors have no effect on customer customer satisfaction. The final model of the antecedents of customer satisfaction relating to attitude and loyalty towards online shopping is showed in **Figure 4**.

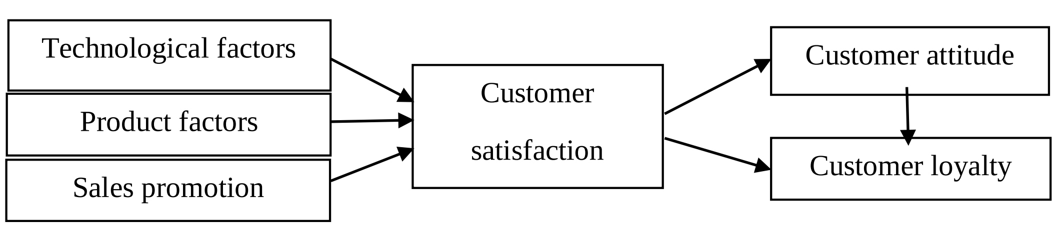


Figure 4 Modified conceptual frameworks

According to demographics, by doing descriptive analysis, this study finds that: firstly, female are the majority group to shop online and the main of respondents' age were from 21 to 30 years old, compare with male, female would be more loyal on useful, convenience in online stores' design; Secondly, people with high education (bachelor degree or higher) and more active on shopping in Taobao website and repurchasing on special online stores; Thirdly, most of the respondents' monthly income by average are more interested in the sales promotion and product quality in shopping websites, Finally, main respondents are likely to buy clothes from shopping websites.

Discussion

In the research of Park and Kim (2003) argued that an online store provides a good website design as well as information quality to reduce customers' searching cost, which looks more extensive and higher quality information. The results of hypothesis 1 supported that technological factors including security, convenience, website design and information quality towards customer attitude and loyalty were significantly mediated by customer satisfaction. As customers were pleased with the information quality providing by the online store, it was reasonable that they were satisfied.

In the proposed model, service factors was positive related to customer satisfaction, although the result was rejected this relationship in the hypothesis 2. It cannot directly be created customer satisfaction, however, the result indicated that, service factors were the mediator between technological factors and products factors. Customer service and delivery service seems that lies dormant until a customer takes initiative to ask for help with their purchase in online shopping. But some customers need not any support services when they make a purchase because the online shopping is self-helping shopping, and service factors could be incorporated into technological factors and products factors in online shopping context.

The results of hypothesis 3 showed that there was positive effect between product factors and customer satisfaction. Launching good quality of products online can lead to quicker buying decisions and higher levels of satisfaction. And customers will choose products depending on the best value (Schaupp & Bélanger, 2005). Online shopping offered product customization for customers, thus, the more the customers got to select, the more pleased with the experience of purchasing products from this website (Chen *et al.*, 2012).

In addition, sales promotions were considered an important marketing tool for e-retailers in terms of influencing consumers' purchase decisions (Park & Lennon, 2009). Online retailers may need to use effective sales promotions to provide loyal consumers, if the sales promotion has high value, the customer satisfaction value will increase (Park & Lennon, 2009). Therefore, the results of the hypothesis 4 the results supported the prior literature.

The results of hypothesis 5 showed that there was positive effect between customer satisfaction and customer attitude. Customers who adored a product tended to be satisfied as customers were likely to buy a product with a positive attitude and the satisfaction represented a useful effective measure of the customer attitude in online shopping. Positive satisfaction could significantly affect attitude (East, Gendall, Hammond & Lomax, 2005).

The results of the hypothesis 6 supported that there was positive effect between customer satisfaction and loyalty. Satisfied online customers have more power on the repurchase intentions and tended to recommend the product or service of this website to others (Anderson & Fornell, 2000).

The results of hypothesis 7 supported that there was a positive relationship between the customer attitude and customer loyalty. Sivadas and Baker-Prewitt (2000) introduced that relative attitude was provided better theoretical. It supported the loyalty construct, and suggested that loyalty was proved by more favorable attitude towards a brand compared with other alternative and repeat purchase.

Implication of the study

According to the findings of this study, the customers considered the technological factors as an important key; especially security, website design, convenience and information quality. Online retailers should ensure that online website appearance was neat, easy to move around and available the service they promise accurately and on time.

Online management needed to develop not only high quality technology system but also products quality, a variety of products and fair price. Additionally, online websites have to offer discounts showing sales promotion for specific products because these could encourage customers to buy a product.

In addition, online retailers should provide security and protection of personal information as well as the transactions. Moreover, managers must take a close look at the accurate function of the website and its ability to speed delivery consistently. Finally, managers should deal with problems promptly and effectively.

The results of this study indicated that customer satisfaction showed great impact on customer attitude. The existence of customer loyalty emerged from customer's good experience. The good attitude that was gained during the first transaction increases the possibility of purchasing in the same online store again. Therefore, the online retailers should focus on the online shopping experience. Customers may tend to stay on the online shopping if they satisfied the service provider because online shopping does not allow customers to receive the goods before they purchase.

Limitation of the study

The limitation in this study especially data collection, the sample of customers who had shopped online in Guangzhou, China, and it cannot be assumed that the sample is representative of the worldwide e-population. Another limitation is questionnaire that was translated from English to Chinese language, due to literature review of this study, some questions may not be suitable for real situations of Chinese customers. So Chinese customers might face some other problems and cannot present in this questionnaire.

Recommendation for the future research

First, past research has found that culture plays a significant role in consumer behaviors (Lin, Wu & Chang, 2011), future research should replicate this study and test this conceptual model in a different country or culture. So this finding could explore the differences in response towards the investigated variables among different groups of people of varied backgrounds and would help online retailers adjust the way they service different customers.

Second, the respondents in this study frequently bought books, cloths, skin care, or movies. The results of this study cannot represent the customers who buy high cost items online, such as motorcycle, jewelry, or cars. Future research may target the buyers of high cost items and explore the factors influencing their satisfaction, attitude, loyalty.

Last, this research data collecting only used questionnaires, future research should consider gathering qualitative and quantitative method, it may get the better model. If study can conduct some deep interview, it may get some more antecedents of customer satisfaction towards online shopping.

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would be helpful to understand in GHRM phenomenon completely.

Acknowledgements

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UTCC International Journal of Business and Economics (UTCC IJBE)
Volume 11 Number 1, April 2019

THE EFFECT OF GREEN HUMAN RESOURCE MANAGEMENT ON PERFORMANCE OF CERTIFIED ISO 14000 BUSINESSES IN THAILAND

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Abstract

The purpose in this study is to empirically examine the relationships between green human resource management (GHRM), namely: green recruitment & selection, green training & development, green compensation and green performance management and organizational performance via intellectual capital and environment performance. The sample in this research is certified ISO14000 businesses in Thailand. The model is empirically tested by using data collected from mail survey of 242 human resource managers of certified ISO14000 businesses throughout Thailand and using a questionnaire as the instrument. The Ordinary Least Squares (OLS) regression analysis is a method for testing the hypothesized relationships. The results revealed that four practices of green human resource management (green recruitment & selection, green training & development, green compensation & rewards and green performance management) have a positive effect on organizational performance both direct and indirect effect via green intellectual capital and environmental performance. The results strongly confirm that GHRM practices are consider as the key concept for every organization in real truth of the Green. Most importance, the motivation of employee is one of the crucial key factors for improving environmental performance. Theoretical and managerial contributions, conclusion and directions of the future research are further discussed.

Keywords : Green human resource management, Green intellectual capital, Environmental performance, Organizational performance

Introduction

In today's global economy, organizations are increasingly focused on wide-ranging management of economic, social and environmental issues. Nature is being destroyed by the businesses in order to fulfill the human needs so it is essential for all the companies to have a proactive approach towards the controlling of environmental activities all around the globe (Daily et al., 2007; Jabbour et al., 2010). In addition, firms need to emphasize the importance to social and environmental factors along with economical and financial factors in order to support the corporate success in the business (Cherian & Jacob, 2012). One of the major area that have gained standing as target for environment management in literature is human resource. Human resource management (HRM) plays the critical role in embedding sustainability strategy of the organization for creating the skills, motivation, values and trust to achieve a triple bottom line: people, planet and profit (Uddin & Islam, 2015). This process of support from human resource management to environmental management is called green human resource management (GHRM) (Anusingh & Shikha, 2015). GHRM is the use of HRM policies to support the sustainable use of resources within the organization and drive environmental management advantages. The GHRM practices are more powerful tools in making organizations and their operation of HRM green. It is argued that without facilitating the human resource and implementing sustainable policies, going green would be a hard to succeed. However, the green HRM literature is largely in the Western context (Renwick, Redman, & Maguire, 2013, p. 3). Very few studies in Thailand are presented to guide managers in considering the human resource practices in order to exploit in successful GHRM. Thus, the practices under GHRM are worth to be explored and developed for Thailand context.

The research question is how does GHRM have direct and indirect effect on organizational performance?. The main aim of this research is to explain the relationships between GHRM (green recruitment & selection, green training & development, green compensation & rewards and green performance management) and organizational performance via green intellectual capital, and green performance. This research is ordered as follows. The first part is literature survey. The second part details research methods. Next, the results are shown and discussed. Consequently, contribution, limitations, future directions, and conclusion are mentioned.

A brief survey of literature and conceptual development

The theory resourced-based view of the firm (RBV) describes how resources and capability which are values, rare, non-substitute and non-imitate is often treated as strategic tool to achieve competitive advantage (Barney, 1991). When the strategies are effective with rare, valuable and difficult-to-imitate resources, firm is probable to increase an advantage over its competitors and thus have higher performance. In this study, RBV is explained GHRM as a strategic practices to achieve the competitive advantage of a firm. Similarly, several researches assert that the influence of GHRM has potential to develop organizational well-being, and change into employee values that create green intellectual capital, environmental performance and organizational performance. The research of Sudin (2011) claimed that GHRM practices play an important role in both increasing intellectual capital. Additionally, firms with GHRM as a key success factor to improve productivity tend to enhance environmental performance and lastly, achieve organizational performance (Elsayed & Paton, 2005; Jabbar & Abid, 2014; Masri & Jaaron, 2017). Accordingly, a conceptual model of this research is shown in Figure 1.

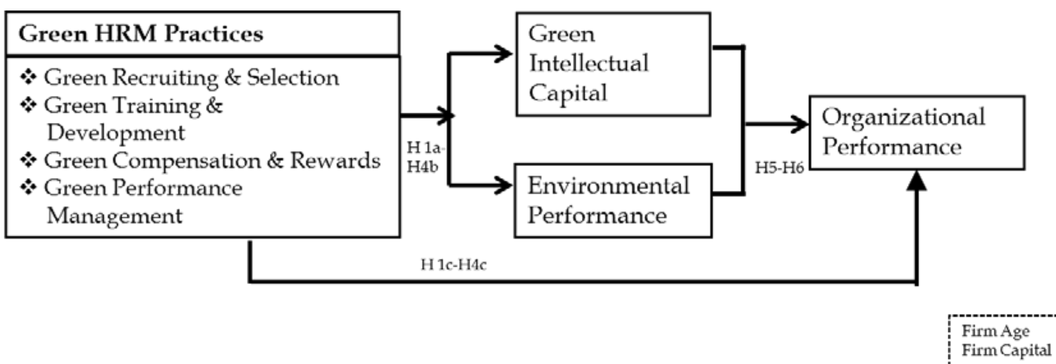

Figure 1 Conceptual framework of GHRM and outcomes

Green human resource management

Many researchers have quantified GHRM as having several meanings and dimensions. According to organizational perspective, GHRM is defined as all tasks and duties complicated in developing, following and creating a system at making the human resource of an organization environment aware of their private and professional lives (Aggarwal & Sharma 2015). Similarly, Marhatta & Adhikari (2013) stated that "*GHRM is the use of HRM policies to promote the sustainable use of resources within organizations and, more generally promotes the causes of environment sustainability*". On the word of Opatha and Arulrajah (2014), GHRM refers to "*the policies, practices and systems that make employees of the organization green for the benefit of the individual, society, natural environment, and the business*". In this research GHRM refers to all HR activities involved in development, implementation and maintenance of a system that intend to making employees green for the advantage of the individual, society, environment and business. The number of scholars broadly specified that distinguished policies in the field of HRM pracyices such as recruitment, performance management and appraisal, training and development, employment relations and pay and reward are viewed as powerful tools for aligning employees with an organization's environmental strategy (Arulrajah et al., 2015). Likewise, Bangwal & Tiwari (2015) present GHRM processes such as green recruitment, performance management & appraisal, training & development, employee relation, pay & reward and employee exit. Moreover, Sharma (2016) proposed that GHRM practices are green recruitment, green training & development, green performance management and green employee relation. In summary, this research defines the GHRM in four practices: green recruitment & selection, green training & development, green performance management and green compensation & reward. The relationship between GHRM in four aspects and organizational performance are explained as follows:

Green recruiting & selection (RES) refers to the environmental strategy in its recruitment and selection practices by collaborating the employer's activity about greening through recruitment efforts and selection criteria, communicating the organizational preference to recruit candidates who have competency and attitudes to participate in corporate environmental management. Green recruitment performs as reducing paper in recruitment paper free recruitment, online application and online interview. The study of Bhutto & Auranzeb (2016) confirms that green recruitment is the ways to achieve organizational performance and make recruiting & selection process more efficient such as reducing traveling expense through video conferencing, take interviews online. In addition, Masri & Jaaron, (2017) indicated that the process of green recruitment increases their recruiting potential and attract talented employees. The study of Mandid (2012) finds that 47% of employees love to work in the organizations having green practices. Likewise, the study of Rewick et al., (2013) claims that green recruitment practices can increase effective environment management. Moreover, Ashraf, Ashraf & Anam (2015) demonstrate that green recruitment & selection increased effectiveness. The study of Obaid & Alias (2015) assert that the process of green recruitment can produce effective performance. Thus, the hypothesis is proposed as follows:

Hypothesis 1a-1c: Green recruitment & selection is positively related to (a) green intellectual capital, (b) environmental performance, and (c) organizational performance.

Green training & development (TRD) refers to activities to fulfill environmental responsibilities that makes employees more aware of the need for environmental control, increase their ability to adapt to change, and develops a proactive attitude towards environmental issues for achieving environmental goals. Renwick et al, (2013) suggest specific green training and development practices such as training staff to produce green analysis of workspace, application of job rotation to train green managers of the future, provision of specific training on environmental management aspects of safety, energy efficiency, waste management, and recycling, development of green personal skills, and re-training of staff losing jobs in relevant polluter industries. Therefore, it seems that certain companies have actually realized the importance of green training and development in their organizational for environment performance. Jabbour et al., (2013) indicated that the construct environmental training relates positively and significantly to the environmental management maturity. In addition, Sudin (2011) explained that green training & development is the stocks of intangible properties and capabilities of firm that generate intellectual capital. Likewise, Jabbar & Abid (2014) indicated that green training has a positive impact on environmental performance. Similarly, the study of Obaid & Alias (2015) asserted that green training is positively associated with firm performance. Thus, the hypothesis is proposed as follows:

Hypothesis 2a-2c: Green training & development is positively related to (a) green intellectual capital, (b) environmental performance, and (c) organizational performance.

Green compensation & reward (COR) is defined as performing reward systems for increasing performance by contribution employees a benefit package that rewards employees for green performance, the use of environmental rewards and providing incentives to inspire environmentally friendly activities and behaviors. In the context of GHRM, rewards and compensation can be assumed as potential tools for supporting environmental activities in organizations. Taylor et al., (1992) examined that the companies offer green rewards to their employees for their performance were more inclined to follow the green practices. The study conducted by Berrone & Gomez-Mejia (2009) found that the firms having eco-friendly performance paid their CEOs more than non- eco-friendly firms. Forman & Jorgensen (2001) observed that employee commitment to environment management programs was increased when they were offered compensation to take up duties in relation to environmental responsibility. Likewise the study by Forman & Jorgensen (2001) identified that the employee commitment increased toward the environment management program when they were offered compensation to take environmental responsibilities. Rewick et al., (2008) suggest some green reward management practices such as bonuses, premiums, gifts, publicity, external roles and daily praise increase employee awareness of environmental achievement. Likewise, the study of Arulrajah et al., (2015) indicated that the sustainability of organizational performance is highly dependent on the green reward system. Furthermore, Jabbar & Abid (2014) claimed that reward system significantly enhance employee motivation in environmental initiative that leads to environmental performance. Thus, the hypothesis is proposed as follows:

Hypothesis 3a-3c: Green compensation & reward is positively related to (a) green intellectual capital, (b) environmental performance, and (c) organizational performance.

Green performance management (PEM) is defined as the practice of improving capabilities of individuals and teams by enhancing their professional skills and environmental performance standards that help to achieve the organizational goal. The evaluation green performance of an employee is one of critical function in successful GHRM in order to sustain environmental performance (Arulrajah et al., 2015). To success in global business strategy, green performance management is also being influenced by the green wave in a possible positive manner. HR department needs to develop the program for waste management, environmental audits, the decline of waste, green information systems and green audit program for green targets goals for measuring employee green performance. In addition, performance management improves the skill of an employee, behavioral competencies, teamwork, diversity, managing change, and collaboration to deal with different environmental problems which would support the company's core values and tend to enhance green intellectual capital (Chen, 2008). Moreover, firms deal with the issue of performance management into environmental responsibilities by concentrating corporate-wide environmental performance standards, and green information systems tend to gain positive environmental performance (Marcus & Fremeth, 2009). The study of Ashraf et al (2015) indicated that green performance management positively related to the firm competitive advantage. Thus, the hypothesis is proposed as follows

Hypothesis 4a-4c: Green performance management is positively related to (a) green intellectual capital, (b) environmental performance, and (c) organizational performance

Green intellectual capital (INC)

Green intellectual capital refers to the total stocks of all intangible assets, knowledge and capabilities of a firm such as green human capital, green physical wealth and green interpersonal wealth that can create environmental values or competitive advantage. Sheopuri & Sheopur (2015) proposed that specialized knowledge and produce high-quality intellectual output, build and sustain a competitive advantage over the long-term. The study of Rani & Mishra (2014) suggests that three types of green intellectual capital have positive effects on corporate environment citizenship as on essential factors of competitive advantages of organizations. Likewise, Sudin (2011) green intellectual capital increases company value and makes business operations more efficient. Thus, the hypothesis is proposed as follows:

Hypothesis 5: Green intellectual capital is positively related to organizational performance.

Environmental performance (ENP)

Environmental performance refers to the degree of protection for environment in terms of output of the firm such as cost saving, pollution reduction, reduce ill-effect and work security. It involves undertaking environment-friendly HR initiatives resulting in greater efficiencies, lower costs and better employee engagement and retention which in turn, help organizations to reduce employee carbon footprints by the likes of electronic filing, car sharing, job-sharing, teleconferencing and virtual interviews, recycling, telecommuting, online training, energy-efficient office spaces (Sheopuri & Sheopuri, 2015).

Moreover, the return of corporate environmental performance is positively associated with firm performance (Russo, 1997). In addition, Wong et al., (2013) indicated that HRM innovation and environmental performance will lead to organizational effectiveness for companies that maintain stability of the company. Thus, the hypothesis is proposed as follows:

Hypothesis 6: Environmental performance is positively related to organizational performance

Data and methodology

In this research, the total of 864 ISO 14000 certified companies in Thailand are a population for hypotheses testing because it helps organizations improve their environmental performance through the more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders. The key participants are HR directors or HR managers of each company. By using Krejcie & Morgan's sample size, the sample size is 269 companies (Krejcie & Morgan, 1970: 607-610). With simple random sampling method, the questionnaires were sent by mail and of the surveys completed and received, only 242 surveys are usable. The effective response rate is approximately 89.95% which Aaker, Kumar and Day (2007) mentioned that 20% of response rate for a mail survey is considered acceptable for analyzing and testing hypotheses. In addition, the non-response bias was tested for two independent samples. A comparison of early responses and late responses data is recommended by Armstrong and Overton (1977). T-tests comparing the first 121 survey responses received with the last 121 survey responses across a firm's four characteristics (i.e. number of employees, number of years in business, amount of capital invested, and sale revenue per year) did not find any significant differences between the two groups. Thus, it appears that non-response bias does not pose a significant problem for this research.

Analysis & findings

Variable measurements

In the conceptual framework, all variables were measured on five point Likert scale, ranging from '1 = strong disagree' to '5 = strong agree', except control variables. The variable measurements of dependent, independent, and control variables are described as follow: *Organizational performance* is the dependent variables of this research. It is measured by sales growth, profitability, market share, performance over competitor and customer acceptance. This construct was adapted from Gilley et al., (2004).*Green recruitment & Selection* was developed from Arulrajah et al., (2015). It is measured by reducing paper in recruitment paper free recruitment, online application and online interview and attitudes to participate in corporate environmental management. *Green training & development* was developed from Arulrajah et al., (2015). *Green compensation & rewards* was developed from Arulrajah et al., (2015)*, and Green performance management* was developed from Arulrajah et al., (2015). *Green intellectual capital* was measured by three attributes: green human capital, green structural capital and green relational capital adapted from Jirawuttinunt (2012). *Environmental performance* was measured by cost reduction, job security, balance of work-life quality, well-being and satisfaction of worker, and quality of work, adapted from Paille, Chen and Boira (2013). The control variables are also likely to affect the relationships. In this research, there are two of them comprising firm age and firm capital; because different age may present different firm characteristics and resource placement (Chen and Huang, 2009). This study defines firm age as the number of years that the firm has been established. Also, firm capital may impact the capacity of a firm to implement business strategies in order to achieve superior performance (Ussahawanitchakit, 2005). It is measured by the amount of capital invested.

Validity and reliability test

Confirmatory factor analysis has a high potential to inflate the component loadings. According to the rule-of-thumb of (Nunnally & Berstein, 1994), all factor loadings that are greater than the 0.40 cut-off are statistically significant. Besides, the IOC technique is employed, 3 experts in related field are checked content validity. In this study, the value of IOC is ranged more than 0.6, thus, is considered acceptable (Hair et al., 2010). Furthermore, regarding scale reliability, the cronbach alpha coefficients should be higher than 0.80, as recommended by Hair et al., (2010). The scales for all measurements represent internally consistent results; therefore, they are considered acceptable for analysis due to indicating an accepted validity and reliability. Table 1 indicates the results for both factor loadings, being between 0.699-0.929 thus indicating that there is construct validity. As for reliability testing, Cronbach alpha coefficients for all variables between 0.783-0.937 are considered acceptable.

Table 1 Results of measure validation

Items	Factor Loadings	Cronbach Alpha	Number of Items
Organizational Performance (PER)	0.863-0.900	0.911	6
Green Recruitment & Selection (RES)	0.710-0.881	0.783	4
Green Training & Development (TRD)	0.816-0.882	0.920	6
Green Compensation & Reward (COR)	0.699-0. 857	0.866	6
Green Performance Management (PEM)	0.845-0.929	0.935	5
Green Intellectual Capital (INC)	0.747-0.910	0.921	6
Environmental Performance (ENP)	0.768-0.906	0.937	5

Statistic test

In this research, the Ordinary Least Square (OLS) is employed to analyze all hypotheses because both dependent and independent variables were neither nominal data nor categorical data, OLS is an appropriate method for examining the hypothesized (Hair et al., 2010). After all is said and done, the model of the relationships mentioned above is shown below.

Equation 1: $INC = \beta_{01} + \beta_1 FA + \beta_2 FC + \beta_3 RES + \beta_4 TRD + \beta_5 COR + \beta_6 PEM + \varepsilon$

Equation 2: $ENP = \beta_{02} + \beta_7 FA + \beta_8 FC + \beta_9 RES + \beta_{10} TRD + \beta_{11} COR + \beta_{12} PEM + \varepsilon$

Equation 3: $PER = \beta_{03} + \beta_{13} FA + \beta_{14} FC + \beta_{15} RES + \beta_{16} TRD + \beta_{17} COR + \beta_{18} PEM + \varepsilon$

Equation 4: $PER = \beta_{04} + \beta_{19} FA + \beta_{20} FC + \beta_{21} INC + \beta_{22} PEM + \varepsilon$

Results and discussions

Result of descriptive statistics

In this research, about 51.65 percent respondents are male. The span of age of respondents approximately the half is 41-50 years old (42.56 percent). Most of respondents are married (65.29 percent). The majorities of the education level of respondents obtain bachelor's degrees or lower (56.20 percent). For working experiences, approximately 39.67 percent of respondents have been working with the firms for more than 15 years and 27.27 percent has 10-15 years of experience. Moreover, most of respondents received the salary is 70,000-90,000 Baht per month (40.08 percent). The current position of respondents, 48.76 percent is HR manager, 37.66 percent is HR director, 10.74 percent is general manager, and 3.31 percent is others. Most of business types are limited company (67.71 percent). The operation capital is more than 100,000,000 Baht (62.81percent). Most of employees in the organization are more than 200 persons (76.86 percent). The average sales revenues per year are more than 250,000,000 Baht (80.58 percent). The period of time in operation, are mostly more than 15 years (84.71 percent). For environmental reward, 82.23 percent have received reward.

The descriptive statistics and correlation matrix for all variables are shown in Table 2. The research verifies possible multicolinearity problems by studying correlation between the variables included in the regression analysis. In this way, by means of Pearson's correlation coefficient, we can measure the degree of linear association between every pair of variables as shown in Table 2. With respect to possible problems relating to multicolinearity, all the correlation coefficients of independent variables are smaller than 0.8, and all the Variance Inflation Factor (VIF) values are smaller than 10. The problem of multicolinearity of independent variables in this model is therefore not significant (Hair et al., 2010). The VIF ranged from 1.056 – 3.194 are below the cut-off value of 10 recommended by Hair et al. (2010), meaning that the independent variables are not correlated with each other.

Therefore, there are no substantial multicolinearity problems encountered in this study. In addition, Table 2 shows the correlation matrix for all variables used in the regression analysis.

Table 2 Descriptive statistics and correlation matrix for all constructs

Variables	RES	TRD	COR	PEM	INC	ENP	PER
MEAN	3.761	4.145	4.084	4.126	3.855	4.159	3.844
S.D	0.681	0.590	0.627	0.676	0.644	0.584	0.621
RES							
TRD	0.485**						
COR	0.552**	0.653**					
PEM	0.653**	0.696*	0.756**				
INC	0.633**	0.555**	0.686**	0.684**			
ENP	0.550**	0.707**	0.661**	0.657**	0.786**		
PER	0.529**	0.630**	0.666**	0.637**	0.786**	0.782**	

***. p <0.01, * p < 0.05*

The result of GHRM and the outcomes

Table 3 exhibits the OLS regression analysis of GHRM in green recruitment & selection (Hypotheses 1a-1c). The findings show that green recruitment & selection has significant positive effects on green intellectual capital ($b_3 = 0.250$, $p < 0.05$), environmental performance ($b_9 = 0.133$, $p < 0.05$) and organizational performance ($b_{15} = 0.130$, $p < 0.05$). The result is similar to Obid & Alias (2015) indicated that the green recruitment has an impact on firm performance. In addition, Brekke & Nybord (2008) revealed that talent preferred green companies more than brown companies. It can be a central view of maintaining and developing the skills, knowledge and abilities of both individual employees and the organization as a whole. Also, Masri & Jaaron, (2017) confirmed that there is a statistically positive and significant relationship between the green recruitment & selection and environmental performance. Therefore, green recruitment & selection is an essential factor which provides firms to obtain continuing competitive advantage. Thus, ***Hypothesis 1a, 1b and 1c is supported***.

Accordingly, the results in Table 3 relate to green training & development (Hypotheses 2a-2c). The findings reveal that green training & development has significant positive effects on environmental performance ($b_{10} = 0.386$, $p < 0 .05$) and organizational performance ($b_{16} = 0.269$, $p < 0 .01$), consistent with prior literature. ***Thus, Hypothesis 2b and 2c are supported.*** However, the findings reveal that green training & development has no significant effects on green intellectual capital ($b_4 = 0.095$, $p > 0 .05$). This result can argue by the study of Nolan (2002) who found that training activities appear limited for multi-skills development depend on employees' ability to deal with each situation at work after training and motivation. In addition, a great deal of time and effort have been expended on measuring intellectual capital, on developing systems and tools to manage it, and, to a more limited extent, estimating the impact of training & development on intellectual capital may appear in the long run. (Sheopuri1 & Sheopuri, 2015). ***Therefore, Hypothesis 2a is not supported.***

Next, the results in Table 3 relate to compensation & reward (Hypotheses 3a-3c). The findings show that compensation & reward has significant positive effects on green intellectual capital ($b_5 = 0.346$, $p < 0.01$), environmental performance ($b_{11} = 0.251$, $p < 0.01$), and organizational performance ($b_{17} = 0.340$, $p < 0.05$), consistent with prior studies. Thus, ***Hypotheses 3a, 3b and 3c is supported.***

Following, the results in Table 3 relate to green performance management (Hypotheses 4a-3c). The evidence indicates that green performance management has significant positive effects on green intellectual capital ($b_6 = 0.181$, $p < 0.05$), consistent with prior literatures. To sum up then, ***Hypothesis 4a is supported.*** However, the results show that green performance management has no effect on environmental performance ($b_{12} = 0.069$, $p > 0.05$) and organizational performance ($b_{18} = 0.097$, $p > 0.05$). One potential explanation for this unexpected finding is performance management is considered as evaluating and controlling of the employee may not increase environmental values if the valuation of green performance management does not enhance the company book values, marketability, and create additional profit to the company (Ashraf et al., 2015). Besides, the results of Bloom et al., (2012) show that the use of performance management measures is not a direct predictor of firm performance. Thus, ***Hypotheses 4b and 4c is not supported***. However, this result is consistent with Ashraf et al., (2015) suggesting that green performance management has no direct effect on firm performance but is mediated by competitive advantage construct.

In Table 3, the empirical results significantly support the hypothesized effect of green intellectual capital, environmental performance on organizational performance. The result shows that green intellectual capital has a significant positive effect on organizational performance ($b_{21}= 0.477$, $p< 0.01$), according to Sudin (2011) and Erinos & Kahmawati (2017). ***Thus, Hypothesis 5 is supported.*** Then, the finding shows that environmental performance has significant positive effect on sustainable business performance ($b_{22}= 0.400$, $p<$ 01). These results are consistent with prior studies which indicate that environmental performance has an impact on firm performance. ***Therefore, Hypothesis 6 is strongly supported.***

According to firm age and firm size as control variables, the findings show that firm age and firm capital have no effect on the relationships.

Table 3 Results of OLS regression analysis[a]

Independent Variables	Dependent Variable			
	1	**2**	**3**	**4**
	INC	**ENP**	**PER**	**PER**
H1 : Green Recruitment & Selection (RES)	0.250** (0.005)	0.133* (0.049)	0.130* (0.058)	
H2 : Green Training & Development (TRD)	0.095 (0.069)	0.386* (0.062)	0.269** (0.070)	
H3 : Green Compensation & Rewards (COR)	0.346** (0.069)	0.251** (0.062)	0.340** (0.070)	
H4 : Green Performance Management (PEM)	0.181* (0.073)	0.069 (0.065)	0.097 (0.074)	
H5 : Green Intellectual Capital (INC)				0.477** (0.062)
H6 : Environmental Performance (ENP)				0.400** (0.068)
FA	0.145 (0.085)	-0.048 (0.075)	-0.037 (0.086)	0.015 (0.070)
FC	-0.034 (0.057)	0.110 (0.050)	0.104 (0.058)	0.478** (0.127)
F	55.931	59.382	46.113	131.362
Adjusted R^2	0.578	0.592	0.529	0.684
VIF	3.341	3.341	3.341	1.056

[a]*Beta coefficients with standard errors in parentheses, **. p <0.05, * p < 0.10*

Table 4 The result of hypothesis testing

Item	Hypotheses	Result
H1a-1c	Green recruitment & selection has significant positive effects on green intellectual capital, environmental performance and organizational performance.	H1a Accepted H1b Accepted H1c Accepted
H2a-2c	Green training & development is positively related to (a) green intellectual capital, (b) environmental performance, and (c) organizational performance.	H2a Not Accepted H2b Accepted H3b Accepted
H3a-H3c	Green training & development is positively related to (a) green intellectual capital, (b) environmental performance, and (c) organizational performance.	H3a Accepted H3b Accepted H3c Accepted
H4a-H4c	Green training & development is positively related to (a) green intellectual capital, (b) environmental performance, and (c) organizational performance.	H4a Accepted H4b Not Accepted H4c Not Accepted
H5	Green intellectual capital is positively related to organizational performance.	H5 Accepted
H6	Environmental performance is positively related to organizational performance	H6 Accepted

Implication

Based on the results, this study expands our knowledge of GHRM and organizational performance. First, these findings contribute to generate new fact that firms can increase environmental performance by adopting GHRM practices. More specially, the findings show that HRM with green practices is the way for firm success. Therefore, firm should emphasis on aligning HR activities with environmental strategy to complete superior performance. Second, this study considers green intellectual capital as in mediating effect in GHRM-organizational performance relationship which few studies actually link GHRM to intellectual capital. As expected, the results report that green intellectual capital mediates the relationship between green GHRM and organizational performance. These findings confirm the important role of green intellectual capital in the workplace for organizational achievement. Third, this study increases our knowledge of the positive role of environmental performance, especially in the relationship between GHRM and organizational performance. Based on the results, environmental performance mediates the relationship between GHRM and organizational performance. Our findings suggest that when managers focus on environment issues, firm needs to motivate employees through the implementation of GHRM practices and creating a sense of responsibility among human resources toward the environment performance. According to these three main contributions, green intellectual capital and environmental performance are two important mediating variables in the effect of GHRM and organizational performance. In addition, the findings also provide that firms must be aware of the importance of GHRM practices. This highlights the importance of taking into environmental behaviors at work. Employee may be trained workshop to educate environmental issues. Recruitment and selection should place focus on the fit between candidates' personal values regarding to the environment. Likewise, employees could be rewarded for motivating the firm to be involved in protecting environment. Finally, the study indicates that adopting GHRM practices at strategic level is essential to the achievement of organizational performance under the condition that all staffs are engaged in environmental sustainability.

Summary

The findings illustrate partial support for hypotheses from the conceptual framework. In general, it shows empirical suggestion that green recruitment & selection, green training & development and green compensation & rewards have strong direct effect on environmental performance and organizational performance. However, green performance management has an indirect effect on organizational performance via green intellectual capital. It is evident that organizations with green HRM are likely to improve green intellectual capital, environmental performance and organizational performance. This research is intended to expand the theoretical contributions of prior knowledge and literatures of GHRM practices. Moreover, the resource-based view of firm is integrated explaining the overall link between variables in the model. In addition, this research provides some relevant managerial implications. The results suggest that firms focus on GHRM as a strategy can increase organizational performance. Therefore, the executives must put more emphasis on factors of GHRM that aligns with a strategic goal by concentrating on GHRM ever more. In this research, the most interesting aspect of these results of firms is the conducts in which green recruitment & selection, green training & development and green compensation & rewards are direct links to organizational performance. Thus, the executives should clearly understand and enhance them within the organization for gaining GHRM as a strategy. As such, this research has presented successful GHRM associate with organizational performance in Thailand context.

Limitation and direction for future research

Regarding to the research methodology, this research has some limitations that should be presented. Firstly, this research collecting data by questionnaire from a whole ISO certified business, thus, future research should focus on specific business type which might provide different results from this research. Secondly, based on the finding, some constructs found no relationships supporting hypothesis, further study may find practical reasons by reviewing various literatures. In addition, to better clarifying un-expectation relationship of the model, an in-depth interview with manager/director in future research would be helpful to understand in GHRM phenomenon completely.

Acknowledgements

Sumittra Jirawuttinunt is currently assistant professor and lecturer in Management and researcher in Management Research Unit of Mahasarakham Business School, Mahasarakham University. She would like to thank Mahasarakham Business School, Mahasarakham University for funding this research.

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UTCC International Journal of Business and Economics (UTCC IJBE)
Volume 11 Number 1, April 2019

THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR: A QUALITATIVE APPROACH STUDY OF THE FAST FOOD FRANCHISING IN YANGON

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Abstract

This study aims to find out how do entrepreneurs perceive on relationship between franchisor and franchisee effectiveness of franchisor's supports, building up trust to have a better performance of their business. Furthermore it is to clarify the relationship between franchisors and franchisees in fast food business in Yangon, Myanmar. Franchising is fast-growth and already been a success in global market in decades but still in an early stage for Myanmar. In this regard, many entrepreneurs in fast food franchising business are handicapped in dealing with the globally well-known brands.

The contribution of previous researches about franchising has been explored in important of relationships between franchisor and franchisee. Using Leader-Member Exchange theory to develop a conceptual model to propose and explain how relationship quality can affect the important of franchisee's trust and franchisee's performance. An Exploratory research was conducted and involved gathering qualitative data using interviews. The sample considered in the study consisting 14 managers and owners in the fast food restaurant sector. This study can be deemed a new research topic in Myanmar because there are not many researches on franchisor and franchisee relationship, particularly in fast food sector.

A thematic based analysis is used for this study. The properties of textual information, which detect the important structures of its communication content, are systematically identified. According to the finding of this study in franchise business, franchisor allows to use its brand name to the franchisor with the supports in kinds and cash. All 14 franchisees made the similar statement that they had supports from the franchisors. Most of the respondents agreed that the relationship between them will make their performance

better because nature of franchise business is based on cooperation between franchisor and franchisee.

Keywords: Franchising, Franchisor-Franchisee relationship, Franchisor supports, Quality of relationship, Franchisee trust, Franchisee performance

Introduction

Myanmar adopted centrally planned economy for more than four decades. Since 2011, the Myanmar economy has undergone several of economic and political reforms, resulting in tremendous transformation and unprecedented growth after decades of isolation. On the back of rapid economic development, the country still faces many challenges. Every sector in the country now has to play catch-up. Myanmar has massive potential for growth because of its sizable amount of labor forces and 53 million of population as customer base. Moreover, it is blessed with vast arable land and abundant natural resources. In this regard, it provides emerging market opportunities and foreign investment trends. Since then, it has opened its door to the outside world and has welcome foreign investments including fast food franchising business.

Since fast food from outside world is very new for Myanmar people, who started enjoying eating out at the restaurants of foreign brands food, franchising has become popular among Myanmar and many more fast food franchising are targeting to enter into this kind of business venture. The introductory stage of Myanmar franchising main focuses on providing information about the factors that affect the franchisees and franchisors to understanding impact of those factors on successful relationship. This study will be a new research topic in Myanmar because there are not many researches on franchisor- franchisee relationship, particularly in fast food sector.

Considering the opening of franchise fast food restaurants in Myanmar, there will be some problems to think. The first problem will deal with franchisor's supports, which should be done accordingly with the term-of-reference (TOR). However, in some cases, the franchisor's supports may not meet the agreements. It will certainly affect to franchisor- franchisee relationship. Consequence of the first effect will directly relate to the second problem-relationship between the franchisor and franchisee. Hence there is an effect on relationship of the franchisor and franchisee; it will be difficult to build a trust on the franchisor by franchisee. It will be consider as the third problem in this study. Without trust, vise-versa, there will be no good relationship between the two parties. Finally, it will affect to the performance of the whole business and hence leads to the closure of the business. It will be considered as the last problem of this study. This study focus on the franchise market in Yangon, former capital of Myanmar and it is still the largest city in Myanmar and 4.4 million populations. Most of the franchise market is centered in this city and its further development can be anticipated.

Objectives of the study

(1) To find the franchisee's perception on the franchisor's supports in term of cash reduction in franchisee fee, term of payment, discount etc. and kinds-innovation, advertisement and trainings.

(2) To find out the relationship between two parties, franchisor Vs franchisee.

(3) To find the franchisee trust on the franchisor- sincerity and honesty in dealing with the franchisee in providing the supports as mentioned in terms of references of the contract.

(4) To find out the franchisee performance as per supports of the franchisor.

Research questions

1. What are the keys factors in improving franchisor supports, relationship and trust with franchisee?
2. How can franchisor use key factors to improve franchisee performance?
The answers given by the respondents, who are entrepreneurs, will be the solutions of the objectives of this research.

Literature review

Definition of franchising

In accordance with the broad sense definition of franchising as stated by the US Department of Commerce, Justis & Judd (1989) et. al., explained that it is a kind of business in which a franchisor granted the right to engage its offering, selling or distribution of goods or services under a marketing format which is designed by the franchisor. The franchisor permits the franchisee to use franchisor's trademark, name and advertising. According to Winsor (2004) franchising terminology encompasses an extraordinarily broad range of business concept and practice. As a result, it is suggested that the marketing discipline might benefit from a tighter conceptualization of this term for both pedagogical and theoretical purposes.

Franchising business in Myanmar

As this kind of business, there is no related literature available. However some newspaper cuttings and articles appeared in some website give a glance on franchising, fast food in particular. For an example, a famous traditional food shop has started franchising a few years ago. According to a website, mmbizchannel (30 Dec. 2012), the franchisee had access to accumulated business experience and technical know-how in managing the business from the franchisor. According to the website: www.myanmore.com, there were fast food franchising in Yangon city total around 180 franchisees and 272 outlets total from local's food chains and international chains from Japan, Korea, Malaysia, Singapore, Taiwan and Thai restaurants were already opened in economic capital Yangon.

Franchisor's supports

Spinelli (1997) mentioned that preopening support is a concentrated, multifunctional program to launch the new franchisee. The franchisor has the expertise in place to provide sophisticated start-up assistance, and is leveraged in a partnership association, to the benefit of franchisee and franchisor alike. Not only must the franchisor create a market for the brand/service, but also all participants in the system must be sustained and nurtured. As such, the actions of each franchisee have bearing on overall franchisee performance. Unfortunately, the degree of franchisor supports is usually inversely proportionate; in that struggling franchisees receive more attention and supports. A key ingredient for success is a balance of franchisor resources. Apart from the proper level of supports in the business operation Doherty (2007), the franchisor should be creating good franchisor-franchisee relations on an ongoing basis. He referred to Mendelson who suggested a range of ongoing services to include; Monitoring and supports, Training, Head office' organization, Market research, advertising and promotion and communications.

Franchisor and franchisee relationship

Harif (2014) explained that franchisee relationships are unique and differ from the conventional business operations, which required mutual co-existence and symbiotic relationship. Nevertheless, without a good understanding between franchisor and franchisee, this relationship may have disputes that may require legal action for resolution. According to Ekelund (2014) the franchisee relationship is a long-term cooperation between the parties who have entered into a binding contractual agreement with specified obligations. Both parties are dependent of each other; the franchisor is dependent on franchisee's effectiveness, the franchisee on the other hand is dependent on the help and experience from the franchisor (Harmon and Griffiths, 2008). According to Kwong (2001) franchisor and franchisee strive to maximize their own profit, therefore, the relationship between these two parties is different from a employer-employee perspective because there is less necessity for a franchisor to monitor the performance of the franchisee since the franchisee makes considerable investments in his or her own outlet. The franchisor-franchisee relationship is defined as official relationship by based on the contract and it can be limit. Lee (1999).

Franchise's trust

Modell (2010) explained in his study on Trust: Key to Successful Franchisee Relationships/ International Franchise Association that retailers say that if you have a product people want to buy, the three most important elements to success are "location, location and location." Experienced franchisors and franchisee attorneys will say that if you have a good franchisee concept, the most important elements for a successful franchisee system are building trust, being trustworthy and maintaining trust.

Cumberland & Githens (2010) said that in a business environment, much like other social contexts, participants decide whether to share information based on their perceptions of the recipients as a friend or foe. They referred to Husted and Michailova (2002), who mentioned that the process of sharing knowledge is messy, complex, and hands-on.

Akbar, and Parvez (2009) referred Anderson and Narus (1990) and said trust was developed by creating the belief by one party to another party and it can be safely deduced that if one party believes that the actions of the other party. And also referred to Doney and Cannon (1997) added that the concerned party also must have the ability to continue to meet its obligations towards its customers within the cost-benefits relationship. So, the customer should not only foresee the positive out- comes but also believe that these positive outcomes will continue in the future.

Eser (2012) explained that trust is the focal point in the franchisor/franchisee relationship. If there is high-trust, both parties work successfully.

Franchise performance

Jankingthong, and Rurkkhum (2012) viewed job performance, dependent variable of this study and will be found out by 1) directly from the franchisor' supports and 2) indirectly through the quality of relationship and trust. It is the main factor, which can lead to the success or failure of the business. Borman and Motowidlo (1993) identified two types of employee behavior that are necessary for organizational effectiveness: task performance and contextual performance. On the other hand, contextual performance is defined as individual efforts that are not directly related to their main task functions. However, these behaviors are important because they shape the organizational, social, and psychological contexts serving as the critical catalyst for task activities and processes, Brown & Dev (1997). Colquitt, Scott, & LePine (2007) noted that trust as the most proximal predictor of risk taking and related outcomes.

Leader member exchange theory (LMX Theory)

Lunenburg (2010), viewed the basic idea behind the leader-member exchange (LMX) theory is that leaders form two groups, an in-group and an out-group of the followers. In-group members are given greater responsibilities, more rewards, and more attention. The leader allows these members some latitude in their roles. They work within the leader's inner circle of communication. In contrast, out-group members are outside the leader's inner circle, receive less attention and fewer rewards, and are managed by formal rules and policies.

According to Huong (2011) the leader-member exchange theory views human behavior as being guided by considerations of exchanges of costs and benefits between interacting between parties, who is received benefits and who were given costs. The leader-member exchange (LMX) theory, which was inventing from the vertical-dyad linkage (Graen & Schiemann, 1978) represented a departure from the average leadership style theories by proposing that leaders do not treat all the followers as who he/she belong to; the leaders develop different quality of relationships with followers. Based on the theory LMX, there were two relationships High and Low LMX. The high LMX relationships, the followers receive supports and encourage from their leader to give more responsibility, and receive more challenging or developmental, assignments. In low LMX relationships, the job-performed based on the rule and contract. The information sharing is not affective, and relationships are just work need to be done, no proper guidance by distance between leader and followers.

Lee (1999) mentioned that Leader-Member Exchange (LMX) theory is offered of an effective theoretical model of antecedents that can predict the effectiveness the franchisor and franchisee relationship. This study presents a model based on a subset of the Leader-Member Exchange theory. He found out that that the quality of the relationship between franchisee and franchisor plays a role in ensuring that the contractual relationship will lead to franchisee job satisfaction and financial success for both.

Conceptual framework

The conceptual framework of this study is based on the conceptual framework, which was proposed by MA. Hoang ThiThu Huong (2011). Please figure 1, (Appendix II). In her study, it is included franchisee commitment together with franchisee trust to find out relationship between franchisor and franchisee in terms of franchisee performance and satisfaction.

Franchisee commitment is an obligation, which was firmly mentioned in the franchisor-franchisee contract, it's long distance franchise system context. As the franchise relationship constitutes a business-to-business relationship, formal commitments are necessary, usually in the form of franchise agreements (e.g. both parties possessing financial and legal obligations to each other). Trust is also attributed to relationship between two persons. It can be changed time-by-time. In fact, trust is human's perception. In this regard, this study will include only trust as a factor to fine the relationship of franchisor and franchisee. Please see figure 2, (Appendix II). Furthermore, accordingly with the objectives of this study, the second derived factor satisfaction is excluded from this study.

Justification of the study is only a part of the larger model (Figure 1). Since franchising business has been practiced all over the world, there are so many research have been done in many sectors such providing services, hotel business in particular, fast foods, cosmetic, clothes and convenience stores. In this study, it is defined the relationship between the franchisor and the franchisee through the franchisor's supports, quality of relationship and trust. These controlling factors will bring a good performance of the franchisee. Furthermore, the franchisor's supports will directly or indirectly create a good environment in franchisee performance. In general, trust is built upon the sincerity and honesty of both parties- franchisor and franchisee. After having trust between them, the good relationship will play a big role in the performance of the franchisee. In the theoretical model (Figure 1, appendix II), leader-member exchange (LMX) theory is a core concept dealing with the quality of the relationship between franchisor and franchisee. The model describes the effects of the franchisor's supports, the franchisee's performance. This study demonstrate that in a given leader-follower relationship. See the diagrams of conceptual framework below (Figure 1)

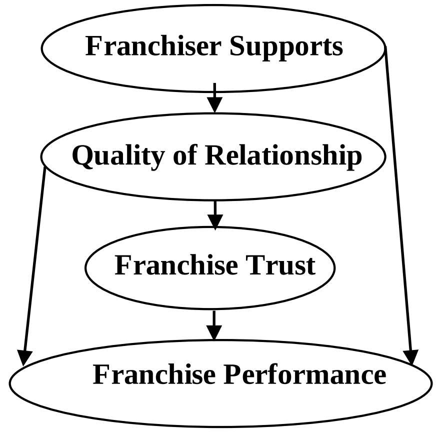

Figure 1 Conceptual model of franchisor - franchise relationship

Research methodology

Research design

A qualitative research using thematic approach was used to find out the perceptions of the respondents who were the franchisees of this study. A prepared questionnaire, in Myanmar, related to the relationships between the franchisor and franchisees were used to ask the respondents. Most of the interviewed questions were based on the facts that included in the contract, franchisor's supports (in cash and kinds), providing staff training, monitoring, relationship and mutual trust. All answers were recorded.

Sampling strategy

Since this study is a qualitative research, to understand in depth of the franchisor and franchise relationship, face-to-face interview with the franchises was required. In the pilot research, which was done a few months before, it was found out that the problems in getting enough respondents or required sample size. In this regard, after consulting the research advisor and there was no rules for sample size in qualitative inquiry, only 14 respondents from various fast food sectors were chosen as the sample of the research. Researcher believed that the selected entrepreneurs and persons from top management of the fast food franchised restaurants would be better informed than the average citizen. These respondents were chosen with the following constraints;-

(1) Employed in fast food restaurants not less than six months.

(2) Have thorough knowledge in franchising business.

(3) Willing to participate in the interview.

The demographic information of the study is indicated in Table 1, **(**Appendix II**).**

Data collection

A qualitative questionnaire, which will give the required answers to the objectives of this study, was prepared. Two interviewees, including the researcher, made request for the interview to each selected respondents. The interviewees represented the 17 different brand names of franchise restaurants. Interviews were conducted at their workplace, whilst some interviews were made at any convenient locations for interviewees. Conversations were tape recorded with the informants' permission. The researcher carefully transcribed the interviews in voice to the scripts. Then it was translated into English by a professional translator.

Qualitative data analysis

A thematic based analysis was used in this study. It systematically identified the properties of textual information by detecting the more important structures of its communication content. Frey, Botan & Kreps (1999), Key replicable and valid inferences were coded into four main categories that were relevant to the research context. Repetitive frequencies were determined, while intriguing viewpoints and useful quotations were evaluated. Many researchers used thematic analysis as a way of getting closer to their data and developing some deeper appreciation of the content. Researchers were interested in looking for broader patterns in their work in order to then conduct a more fine-grained analysis often use thematic analysis as a first step.

Analysis and results

Analysis of the text

A thematic based analysis will used for this study. Key replicable and valid inferences were coded into four main categories that are relevant to the research context.

1. Creating themes for coding
2. Explanation of coding
3. Summary of the cases
4. Forming clustering of the themes

The collected data through reviews are noted and begin to sort it into categories. Data analytic strategy helps researcher move their analysis from a broad reading of the data towards discovering patterns and developing themes. It can be used with many kinds of qualitative data. In transforming qualitative information, thematic analysis is a process of "encoding qualitative information. The code words or phrases serve as labels for sections of data. Depending on the methodology and research questions, codes can come in many shapes and sizes. This may be a list of themes, a complex model with themes, indicators, and qualifications that are causally related. Uses techniques in addition to theme identification, including word searches and data reduction techniques

The researcher conducted 14 valid interviews for the study. From the interviews, respondents' major themes were explained in the appendix III.

Themes' reliability and validity

The important step in thematic analysis is that themes need to be determined to make sure whether themes describe the whole of the text. Miles & Huberman (1994) said that validating themes in the early and later stages of data analysis is essential. It was suggested that the researcher was involved as a peer reviewer during this early stage to evaluate and identified themes. In other words, to test the themes that the researcher identified were compatible with the whole of the text or not. The researcher subsequently involved as an independent reviewer for the feedback of peer reviewers. In this case, a co-researcher was very cooperated with the researcher and consulted for getting clear picture of the respondents' feedbacks.

This enables the researcher to compare the two sets of feedback (Huberman, 1994). The main purpose of this procedure is to "build reliability in themes analysis coding" (Hosmer, 2008). The researcher was better informed of any possible conflicting results (if there are any) with respect to any themes and accordingly some themes were added or removed by the outside and independent reviewers (Miles & Huberman, 1994; Hosmer, 2008).

In this case, the researcher referred the list of themes consulted with the peer reviewers and identified those excerpts made by participants that supports each theme. Late checking and verification involved the independent reviewer to evaluate the overall themes, demonstrate and confirm the details of textual excerpts "similar to validity in positivistic terms" (Hosmer, 2008). Miles & Huberman (1994) said that by including two i.e. outside/independent reviewers at two separate phases would 'probably' build a strong process for analytical credibility "similar to reliability from a positivistic perspective" (Hosmer, 2008). Moreover, researcher conducted validation of the themes in the early stages of the research. The first level of themes was validated during the first phase and second level of themes during the second phase. At the first level of themes as it provided accurate and reliable ones for the second level. Furthermore, it made the data at the second level of themes less prone to errors and mistakes. It was evident that the agreed codes of the independent and outside reviewers were more consensual and that there were fewer different between them.

Table 1 Summary of the cases tabulation

Themes No.	Case															Total Count	%
	Themes Name	1	2	3	4	5	6	7	8	9	10	11	12	13	14		
1.a	Franchisor's Supports in Kinds																
1.a.1	Supports Training	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	14	100 %
1.a.2	Innovation new products line	Y	-	-	Y	-	-	-	-	Y	-	-		Y	-	4	29
1.a.3	Help on promotion	Y	-	-		-	Y	Y	Y	-	-	-	Y	-	-	5	36
1.a.4	Help on Advertising	-	Y	-	Y	Y	-	Y	-	-	Y	-	-	-	-	5	36
1.a.5	Location selection & decoration	-	-	Y	Y	-	Y	Y	-	-	Y	-	-	-	Y	5	36
1.a.6	IT Software	-	-	-	-	-	Y	-	Y	-	Y	-	-	-	-	3	21
1.a.7	Market survey	-	-	-	-	-	Y	-	Y	-	-	-	-	-	-	2	14
1.b	Franchisor's Supports in Cash																
1.b.1	Discount on loyalty fee	-	-	-	-	-	Y	Y	-	-	-	-	-	-	Y	3	21
1.b.2	No percentage over gross sales	-	-	Y	Y	-	-	-	-	-	-	-	-	-	-	2	14
1.b.3	Delay payment	-	-	-	-	-	Y	-	-	-	-	-	-	-	-	1	7
1.b.4	Advertising allowance	-	-	-	Y	-	-	-	-	-	-	Y	Y	-	-	3	21
2.a	Business Relationship																
2.a.1	Planning	-	-	-	-	Y	-	-	-	Y	-	Y	Y	-	-	4	29
2.a.2	Inauguration	-	-	Y	Y	Y	-	-	-	Y	-	-	-	-	Y	5	36
2.a.3	Implementation	-	-		-	Y	-	Y	-	Y	-	-	-	-	-	3	21
2.a.4	Monitoring	-	Y	Y	-	Y	Y	-	Y	Y	-	Y	Y	-	Y	9	64
2.a.5	Evaluation of a business	-	-	-	-	-	Y	-	-	Y	-	-	-	-	-	2	14
2.b	Personal Relationship																
2.b.1	Social meeting	Y	Y	-	Y	-	-	Y	-	Y	-	Y	Y	Y	Y	9	64
2.b.2	Telephone conversation	-	-	-	-	-	-	-	-	-	-	-	-	-	Y	1	7
2.b.3	Email /online / Skype /Viber	-	Y	-		-	Y	-	-	-	-	-	-	Y	-	3	21
3	Franchisee's Trust	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	13 (1)	93 (7)
4	Franchisee's Performance																
4.1	Growth	-	Y	Y	Y	Y	-	-	-	Y	Y	Y	Y	-	Y	9	64
4.2	Customer feedback	-	-	-	-	Y	Y	-	-	Y	-	-	-	-	-	3	21
4.3	Increase sales	Y	-	Y	-	Y	Y	-	-	Y	Y	-	Y	-	-	7	50
4.4	Self reliance	-	-	-	Y	-	-	-	-	Y	Y	-	-	Y	-	4	29

Note: the number and percentage in the parenthesis shows the (negative response), Y=Yes, N=No

Results

According to the table as shown as above and the analysis of the franchisees' perceptions on the franchisor's supports, mutual relationship between the franchisors and franchisees and their trust on the franchisors, we can summarize the findings as follows; Perceptions on Franchisor's supports.

Franchisor's supports in kinds

In this regard, some of the respondent feedbacks are asserted as follows;

" Franchisor sent a head-chef to train their staff in Korea. After franchisee opened many branches, they will bring our staffs batch by batch or staffs with good personality and help us for training."

"The raw materials are directly imported from Singapore. We have to store of raw materials because of delay in shipment from them and we could not find it in the local market."

"Franchisor helped us in innovation of new menus which will be accepted by our customers. Another franchisor said "In innovation, they add at least a new menu and they told us how to prepare the new menu."

In franchise business, the franchisor's supports are vital for the franchisee to gain success in business. In this study, 14 franchisees were asked how they did perceive on the franchisor's supports in kinds. All 14 (100%) interviewees, the franchisees, believed that the franchisor provided the staff training. This perception is reflected to the terms of agreement, which was made during the sign of contract. The other kinds of supports such as innovation of new product line, in promotion including advertisement and finding location and decoration, about 4-5 (36%) of 14 interviewees said that they got the franchisor's supports. The additional supports such as IT software and market survey, very few respondents 2-3 (14% to 21%) of the interviews said that they got these supports.

In cash

Here are some of the noteworthy feedbacks from the franchisees about franchisor's financial supports;

"For advertisement, they don't. They give us the concept- what they should do for our promotion."

Another one said *"When they become master franchisor, the advertisement is our responsibility."*

"I paid franchise fee to franchisor for 3 years. Actually it would be 3 million Kyats, but my friend (franchisor) gave me 20% discount- I paid only 2.4 million Kyats in lump sum."

In franchise business, even though franchisees were seen as the business partners, franchisors were very strict on money. When franchisees were asked about this financial dealing, it was evident that they offered a very few supports in cash, such as discount on loyalty fee, exemption on the gross sales, delay payment, etc. For example, in delay payment, only one out of 14 (7%) franchisees said there was delay in payment. Similarly, 2-3 interviewees (14% to 21%) said there were almost no supports from the franchisors in terms of loyalty fees, advertising allowance.

Personal relationship

Most of the interviewees, agreed that there must have a personal relationship between the franchisors and franchisees. Some of their salient remarks are noted as follows;

"Relationship between us will make our performance better because nature of franchise business cooperation between franchisor and franchisee."

"Since their supports are very important for us, they do appreciate their kind supports and our relationship is stronger and stronger."

"Since they have had a good relationship and our business is improving due to their kind support."

"Yes, we have fair treatment form franchisor. I think they help us more than what is needed. Satisfy with relationship they are tremendous bench of people going by another great man who is very successful Thai and they have a great team who after."

Relationship between franchisor and franchisee in person was expected to make the business easier and better. In this case, it is found out that two parties had a good relationship only in social events. 9 out of 14 or 64% of the respondents mentioned about it. They almost did not have other kinds of relationship such as telephone conversation nor chatting on line.

Business relationship

Franchisees care more personal relationship with their counterparts. One of the respondents said "Relationship between us will make our performance better because nature of franchise business cooperation between franchisor and franchisee."

"Until now, we always cooperate with them and we are doing accordingly with the contract. In many ways they allow us to do the things that were not mentioned in the contract." One of the respondents satisfied the relationship with the franchisor. It was echoed by another person "Since their supports are very important for us, they do appreciate their kind supports and our relationship is stronger and stronger."

However, another franchise gave a negative feedback "..*when we would like to change or to introduce new menu, they took time about four months and finally they refused our proposals. For example, besides dim sum, we would like to sell rice and curries or hot-pots which are used to eat by our customers- they rejected it."*

Business relationship means a formal form of relationship between franchisor and franchisee. There had many kinds of relationships such as attending the opening of the shops, implementing of new products and evaluating the progress of the business. Furthermore, franchisors had to monitor the work of franchisees. They used to visit to the franchisor, checking the progress and giving some goods advices for further improvement. 9 out of 14 or 64% said that the franchisors did it.

Perceptions on trust

The respondents were asked whether they trust on the franchisors or not? All of them except one or 93% of them replied that they have trust in the franchisors. Some of their comments are shown below;

"Trust is built up by the franchisor and franchisee through close relationship between them, they will trust each other

and consequently they will have a better performance."

"We show us that we are doing our best to improve the business in terms of following all the terms of the contract-through which we are getting their trust on us. As a franchisee, trust on them since they are giving all the supports that we need."

"It means that they care our business and at the same time, they show us that they care us too. On the other hand, they want us to fulfill their promises that are written in the contract."

Perceptions on franchisee's performance related to the franchisor's supports

"Franchisor can make better customer service because their support in staff training will bring a good customer service and consequently it will make a better performance."

The same concept is expressed by two other franchisee and he said "In addition, relationship between us will make our performance better because nature of franchise business cooperation between franchisor and franchisee." and

"We consider the performance on how we can give good service to our customers and how far we are getting our brand name among our customers. Sales can be one of the factors of indicating performance- if our sales are down, we should check our service providing to our customers and other possible factors."

Normally the performance is measured by business growth, increase in sales, and customers' feedback. In business growth, 9 out of 14 or 64% of the respondents mentioned that there was business growth and 50% or half of the respondents said that their sales were increased. However, 3 out of 14 or 21% said they had customers' feedback. When they were asked that was there any factors than the franchisor's supports that made the franchisee's performance better. 29% or 4 out of 14 respondents said that their own effort made their performance better.

Conclusion, discussion, and recommendation

Conclusion and discussion

Based on the clusters of the theme of the previous chapter. It will be divided into 5 parts accordingly with the framework of this study. They are;

1) Franchisor's supports in kinds

All of the interviewees appreciated with the supports of the franchisors and agreed that these supports were helpful and important for them. Most of them satisfied with the help in training their staffs.

2) Franchisor supports in cash

In term of cash supports, some of the interviewees have got the supports in advertisement of the brand and some said they had paid some percentages on gross sales but majority were not.

3) **Relationship**

In franchise business, relationship between franchisor and franchisee, as in the other businesses, cooperation between two parties is vital for the success of the business. Since franchise business is quite new in Myanmar, franchisees may have problem in doing business such as logistic, financial management, promotion and staff management with their counterparts, franchisors from different parts of the world. Some franchisees may feel that they do not get equal treatment from the franchisors. Hence this study is trying to find out how the relationship between two parties can affect to the performance of the franchisee.

4) Trust

Before a franchisor (owner) leased his/her brand to a franchisee (user), they have to reach an agreement in which all the terms of references are clearly stated. After this business deal, a contract, both sides have to fulfill the commitments as mentioned in the contract. Sometimes, one of them may miss to follow the terms of references intentionally or accidentally, the relationship may be one way or another affected. Consequently they do not trust each other and certainly it affect the performance of the franchisee. Most of the respondents in this study believed that trust can be built up by keeping the promises that they agreed before- as mentioned in the contract. Related to the trust between the two parties, franchisor and franchisee, a franchisee expressed that trust was built up by the franchisor and franchisee through close relationship between them, they will trust each other and consequently they will have a better performance.

5) Performance

The last item, which was mentioned in the framework, is performance of the business. They measured the performance accordingly with the success of the business. In the other words, the more the sales that they could make is the better performance that they could achieve. Most of them agreed that the more the franchisor's supports the better the performance that franchisee make. But some of them did not relate the franchisor's supports and the performance. Instead they related it to their own efforts.

This exploratory study tried to find out the relationship between franchisor's supports and relationship between the franchisor and franchisee, trust and the performance. It proceeded with open interviews with 16 franchisees from Yangon. As summarized, there were two general ways through which the quality of the relationship affects the franchisees perceived value as (1) The quality of the relationship directly increases franchisee performance and (2) The quality of the relationship reduces the franchisee's commitment to terminate the contract. It was found out that franchisor's supports were related to the performance of the business. In addition, the better relationship could make better performance and also trust between franchisor and franchisee also made a better performance.

Contribution of study

The results of this study offered both theoretical and practical contributions to the improvement of the restaurant franchises in Yangon franchising market. First, the study provides valuable information to a franchise who would like to establish a franchised fast food business. It also guides the franchise for having effective management strategy to improve the relationship with franchisor. Second, this study gives knowledge on important of franchisor’s supports, in many ways, one of the predictors of a quality relationship between the franchisor and the franchisee. Third, this study provides the new model of franchisor and franchisee relationship through franchisor’s supports, having good relationship and trust. Thus, both franchises and franchisors had to direct themselves to the creation and transfer of value to the partner, with the presence of the importance of franchisor’s supports, high level of quality of relationship, trust and commitment between the parties being necessary for the franchising relationship to be successful.

Limitations

The limitation in this study is that the validity of the data collected is a consequence of the interviewee’ understanding of the questions and willingness to tell honestly. Researcher tried to get appointment a week ahead to conduct interviews. Even though some persons cancelled the interviews in last minutes, researcher patiently waited for getting another chance for interview. Some interviewees did not allow use voice recorder, but hand note only. The 13 interviews were conducted in Burmese language and one interview conducted in English. A professional translator carefully translated 13-recorded interview to English. There might some missing in right words to use in translation even though the translator tried the best to capture the essence of the messages.

Recommendation for future research

Future research using a more comprehensive measure of quality of the relationship would be useful and should include the costs and benefits of franchising foreign fast food restaurants rather than local food restaurants. Research should also focus on the franchisor’s personality and attitudes towards the franchise, since it is the strategic partnership of these two parties, which ensures effective franchise operations. A comparative study of franchisee and franchisor’s relationship in Myanmar and other countries should be conducted to learn the similarities and differences. Lastly, future research should extend the model with more predictors of the quality of relationship such as brand name and motivation, franchise satisfaction and franchise commitment.

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Appendix

Appendix 1 Interview Guide

Part 1: Questions related to franchisor's supports

1. What kind of supports are you getting from the franchisor?
2. In term of supports, in cash, what kind of special supports are you getting from them?
3. Do you satisfy with these supports? If yes, please make some good points which make you satisfy, OR if no, please make some weak points that you are expecting to get more.
4. What do you think about getting training and other kind of supports? How does it affect preparing for the first year of the franchise's operation?
5. What is your opinion on the franchisor offer further training?
6. Could you please name the types of supports in staff training, innovation, and advertising etc. from franchisor?
7. Are you satisfied with these supports? If yes, please make some good points which make you satisfy, OR if no, please make some weak points that you are expecting to get more.
8. What kind of ongoing supports from franchisor or a one-time experience, Such as, monitoring, helping to create a new product?
9. Does franchisor help with location, lease negotiation, and interior and exterior design?
10. Are there any financing programs available to you directly from the franchisor? If yes, please specify it.
11. In case of getting an advertising funding that you get the supports from the franchisor, what will the results be?
12. In case of getting a promotion program that you get the supports from the franchisor, what will the results be?
13. What is your opinion on the operation manual, which guided from franchisor?
14. Do these supports help improve your performance? If yes, please specify.
15. If the answer for the above question is no, please specify.
16. Do these supports help improve your relationship with your franchisor? If yes, please specify.
17. If the answer for the above question is no, please specify.

Part 2: Questions related to quality of relationship between franchisor and franchise

1. What is your opinion on getting fair treatment such as respect, acknowledgement and friendliness from the franchisor?
2. Is the franchise's continuing fee or royalty reasonable? If yes, how? And no, why? Can you explain that?

3. Have you ever received some special favor such as rewards from the franchisor? If no, could you please specify its effect on the relationship with the franchisor..
4. Have you ever noticed that the franchisor has given a better service to another franchisee of the same business than you have? If yes, how does it affect the relationship with the franchisor?
5. Have you ever been conflict or disagree with your franchisor? If yes, why?
6. What problems have occurred and how did the franchisor deal with you?
7. Are you satisfied with the relationship both formal and informal between the franchisor and franchise? If yes, please make some good points which make you satisfy, OR if no, please make some weak points that you are expecting to get more.
8. Do these kinds of relationship help you to have a better trust with your franchisor? If yes, please specify.

Part 3: Questions related to the franchisee's trust on franchisor

1. How do you trust your franchisor? Based on what franchisor supports you to growth of better performance or open and honest relation?
2. Are all terms-of-references in the contract fair for you? If not, why?
3. Have you ever asked the franchisor to change some terms-of-references? If yes, did the franchisor agreed upon it?
4. Have you ever considered to stop the business with the present franchisor and would like to start with another franchisor? If yes, what is/are the reason/reasons?
5. Do you think that having better trust with your franchisor can create a better performance? If yes, please specify.
6. If the answer of the above question is no, please specify.

Part 4: Questions related to the franchisee performance

1. Does the franchisee performance meet the standard of a franchise business of the respective area? If yes, can you mention how it meets the expectations of the customers? OR if no, in what areas the performances do not meet the standard?
2. Are the performances of the franchisee directly related to the franchisor's supports?
3. In what areas, the performances have had its strength?
4. What kind of franchisor's supports do you need more to have a better performance?

Part 5: Question related to general perception

1. Could you please give your comments, which will definitely improve the current situation of the fast food franchising business in Myanmar.

Appendix 2

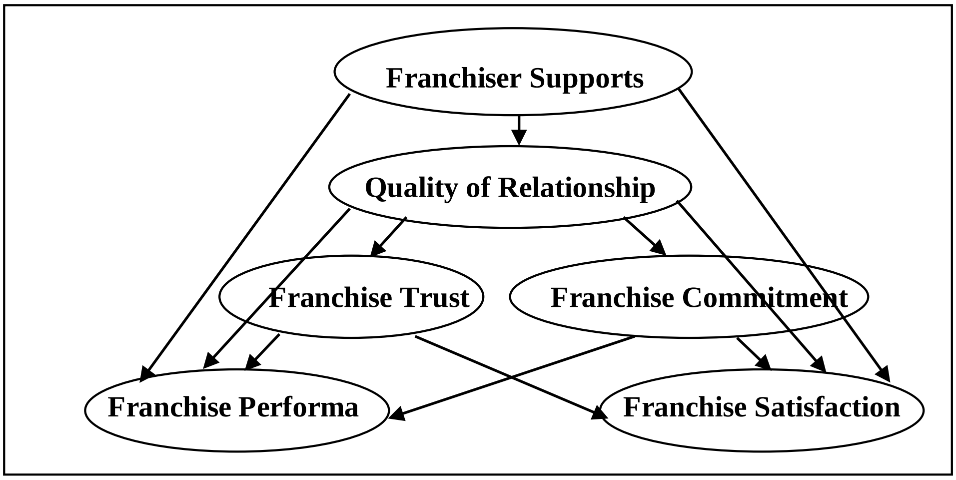

Figure 2 Conceptual model of franchisor- franchise relationship
(porpose by MA Hoang Thi Thu Huong)

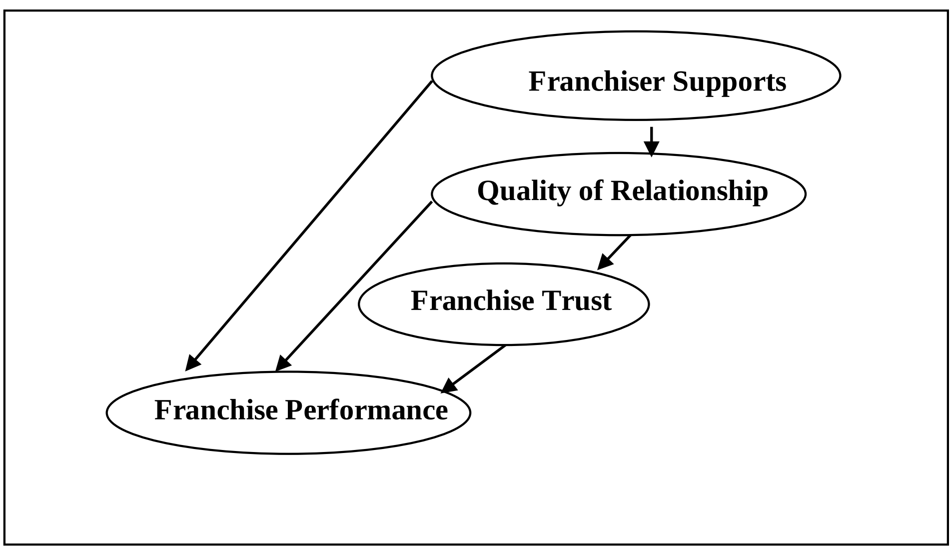

Figure 3 Conceptual model of franchisor- franchise relationship
after excluded franchise commitment

Table 2 Demographic-Information

Interviewee	Gender	Position	Number of Outlets	Year in Business
Interviewee 1	Male	Branch Manager	1 outlet	2.5 years
Interviewee 2	Male	Branch Manager	3 outlets	2 years
Interviewee 3	Male	Managing Director	4 outlets	3 years
Interviewee 4	Female	General Manager	2 outlets	1.5 years
Interviewee 5	Male	Chairman	9 outlets	4 years
Interviewee 6	Male	Managing Director	1 outlet	2.5 years
Interviewee 7	Male	Owner	1 outlet	3.5 years
Interviewee 8	Male	CEO	1 outlet	2 years
Interviewee 9	Male	General Manager	6 outlets	2 years
Interviewee 10	Female	General Manager	4 outlets	1.5 years
Interviewee 11	Female	General Manager	3 outlets	3 years
Interviewee 12	Male	CEO	2 outlets	2 years
Interviewee 13	Male	General Manager	1 outlet	2 years
Interviewee 14	Female	Owner	2 outlets	2.5 years

Appendix 3 Respondents' major themes

Items	
1. Support	
1a. Cash	Because they are master franchise, they don not take any percentage over gross sales.
	I paid franchise fee to franchisor for 3 years. Actually it would be 3 million kyats, but my friend, give me 20% discount.
	We do not have these kinds of financial support from the franchisor. However, they pay for 5% for the total cost of advertisement.
	They paid for 5% of the total cost of advertisements in journal. The franchisor does not give discount on the franchisor fee and ease on term of payments.
1b. Kinds	But firstly, they get the support in staff training. They come here to train our staff.
	Franchisor helped us in innovation of new menus, which will be accepted by our customers and they help us in promotion too.
	When they become master franchisor, the advertisement is our responsibility.
	They came here to decorate the shop and trained the local staffs. I would say that their support in decoration of the shop.
	They asked us to make a market survey with 6 to 10 respondents every day. They took these feedbacks back to the head office. After analyzing the findings, they gave hem comments and suggestions.
	Another issue is the support of raw materials.
	They advertise our shop in the face book and journal.
	They trained our staff how to prepare foods, arrange the shop and it's setting.
2. Relationship	
2a. Personal	The owner of this shop (franchisee) was a very close friend of the owner of the Jade Five Co. (the franchisor) when he was in Japan for 15 years.
	Both the franchisor and franchisee are young and have same race-Chinese- they have had very good relationship.
	I met the owner of Pizza when I visited Thailand. She is very kind and we do not have any problem.
	When they come here they stay at least one week; sometimes almost one month. It is good for us to be friendly with us.

2b. Official	They can use some of local products. For example, they allowed us to use the raw materials, which are made in Myanmar.
	They have to strictly follow the terms of references of the contract because the franchisor does not like to affect to their brand name.
	I think mutual respect is the most important factor to get better relationship.
	I have regular contact with the franchisor- we speak on Skype at least once a month.
	Yes, we have fair treatment form franchisor.
	We have regular contact with us through e-mail.
3. Trust	To make a deal for signing a contract with the franchisor, first, they must be careful with the existing labor law.
	They show us that they care us too.
	When you see this brand, firstly, you fully trusted it because they are providing quick service to get customers' satisfaction.
	Through close relationship between us.
	That's why we always sincere to us to get good relationship and through which we can trust each other.
	We normally consider trust as the understanding between us.
	We are doing our best to improve the business in terms of following all the terms of the contract.
4. Performance	I think their supports in cash and kinds will help us to make better performance.
	Now they have three outlets in Yangon.
	Normally they measure it on the sales.
	Our performance is not entirely depended on them but it depends on us.
	They measure the performance on how far people know about us and how far our business can go on.
	Our customers keep on coming and give a good response.
	We measure the performance on customers' feedbacks in quality of foods, service and price.
	Yes, we need their supports very much.
	I don't think lesser relationship will affect on performance.

Guide for authors

University of the Thai Chamber of Commerce International Journal of Business and Economics (UTCC IJBE) is published by University of the Thai Chamber of Commerce, and Thailand Management Association. It is published twice yearly in a spring and fall edition and is directed toward the needs of academia, practitioners, executives, researchers, students, and the general public interested in business management (i.e., Marketing, Service Management, Innovation and Design in Business, Finance, Banking, Accounting, Economics, Insurance and Risk Management, Production, Industrial and Operation Management, Strategic Management and Management, International and Global Business Management, Entrepreneurships, Organization Behavior, Business Ethics, Business Law, Business System, Hospitality and Tourism Management, Human Resource Management, and Office and Facility Management).

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The editorial objectives of UTCC IJBE are to advance knowledge and science and to stimulate greater thought and effort in the fields of business management, and by providing readers with:

- Novel and useful information;
- New business management theory or techniques;
- Research explaining about business management thought and practice;
- Articles in subject areas which have significant current impact on thought and practice in business management.

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The UTCC IJBE will mainly consider for publication three types of articles:

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Manuscripts should be written in a manner that is interesting and readable to both practitioners and academics. It is beneficial to include a section regarding managerial implications and discussion of the consequences of applying the proposed ideas. Technical terms should be defined.

Manuscript preparation

Manuscripts should be typed single-spaced in 12-point type using Times Roman or similar type. Use single spacing in endnote references. Please allow the text to wrap, rather than entering a RETURN or LINEFEED after every line.

Manuscripts should be submitted electronically, preferably in Microsoft Word, to the Editors at the following e-mail address: epxull@yahoo.com or frederic.tournemaine@uc-utcc.org. it is not possible to submit an electronic copy, send four (4) copies of the manuscript to the Editors. Nonelectronic submissions require more time to administer, so authors should be aware that the processing time for their manuscripts will be longer.

The sections of the manuscript should be placed in the following order: Cover page, Title page, Authors, Abstract (on a page by itself) and Body, Illustrations, Citation, References, and Appendices.

Cover page

The cover page should include the title of the manuscript and the authors' name(s) in the order in which they will be printed. The following information should be provided for each co-author: name, title, university/company name, mailing address, telephone number, facsimile number, and e-mail address. Please indicate which co-author will serve as the primary contact for the Journal.

In addition to any acknowledgment of financial or technical assistance, this page should include each author's title, present position, and complete address and telephone number. Please keep professional titles succinct.

Title page

Type the title in bold type, all caps, single-spaced, and centered across the top of the first page, in 14 point Times New Roman, as illustrated above.

Authors

The author(s), affiliation(s), mailing address(es), and e-mail address(es) should be single-spaced and centered on the line below the title, in 12 point bold Times New Roman for the author(s), and in normal Times New Roman for the remainders. One line space should be used to separate author(s) from the paper title. Please do not use titles such as Dr., Professor, etc.

Abstract (on a page by itself), and body

Introduce the paper with an abstract of approximately 100-200 words, in 12 point Times New Roman. Begin with the centered heading "Abstract". All body paragraphs should begin flush left (no paragraph indent) and right justified. Single-space the body of the paper. Use 12 point Times New Roman throughout.

Figures and tables should be placed as close as possible to where they are cited.

First-level headings state the table or figure number. All tables and images should be embedded into the file and sized appropriately. All photographs should be sampled at 300 dpi (dots per inch). Keep in mind that web graphics are typically sampled at 72 dpi. Photographs must be properly sized and positioned in the body of the paper.

Illustrations

(Tables and figures)

Each illustration should be numbered consecutively within its series type (Table 1, Table 2, Figure 1, Figure 2). If illustrations appear in appendices, they should be numbered consecutively, but separately from body illustrations (e.g., Table A-1, Figure A-1). In the text, refer to tables and figures by their numbers. Avoid using "above," "below," "preceding," and similar terms. All Tables and Figures must have titles. Titles for each Table and Figure should be descriptive but not lengthy. The title should be in bold letters at the top of the Table or Figure.

Tables and Figures should be called **"Table"** or **"Figure"** and should be followed by a blank line and then the title for the table or figure also in bold letters at the top of the table or figure.

For Journal purposes, tables and figures are defined as follows: a table is comprised of rows and columns of numbers and/or text; a figure is a chart, graph, diagram, map, drawing, or any other nontext item that is not a table. Tables should be typed in the following style:

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For more effective communication and better quality reproduction when printed, tables and figures should be kept as simple and uncluttered as possible, while conveying all necessary information.

Details

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Chirapandu, S. & Yoopetch, C. (2009), “Bank Credit Card Adoption Criteria and Marketing Implications,” International Journal of Business in Asia, Vol.1, No. 1, pp. 1- 20.

Books:

Akachai Apisakkul & Thasana Boonkwan (2004), Strategic Management, 4th Ed. New York: McGraw-Hill Irwin.

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