

5083157026 : MAJOR BUSINESS ADMINISTRATION

KEYWORDS: THE PHILOSOPHY OF SUFFICIENCY ECONOMY / THE LEVEL OF FIRM ADOPTION OF THE PHILOSOPHY OF SUFFICIENCY ECONOMY / FIRM PERFORMANCE / MARKETING PERFORMANCE / FINANCIAL PERFORMANCE / SOCIAL PERFORMANCE / ENVIRONMENTAL PERFORMANCE

SASITHORN MAHAKUNAJIRAKUL: THE MODEL OF ANTECEDENTS AND CONSEQUENCES OF THE PHILOSOPHY OF SUFFICIENCY ECONOMY UPON SMES. ADVISOR: ASSOC PROF. GUNTALEE RUENROM, Ph.D., 274 pp.

The Philosophy of Sufficiency Economy (PSE) of His Majesty King Bhumibol Adulyadej has been brought up in the 1974 during His Majesty's speeches. This philosophy focuses on the middle path as the principle for sustainable development of Thai people at all levels. The PSE includes three elements: moderation, reasonableness and self-immunity, as well as two conditions which are knowledge and morality.

This research is an empirical research that presents a systematic model for SMEs adoption of the PSE into business practices. The objectives are to identify the internal and external factors that help firms to increase levels of the PSE adoption and examine the consequences of firms' performances in term of marketing, financial, social, and environmental performances. The population in this study is SMEs which are classified into three types: manufacturing, service, and trading. The total sample size is 703 firms. Structural Equation Modeling (SEM) is utilized to analyze the data.

Results from data analysis show that the internal factors which are shared vision and value based leadership. The external factors include social networks and perceived environmental uncertainty positively influence the level of firm adoption of the PSE in SMEs significantly. However, the results show that the government agency support negatively influences the level of firm adoption of the PSE in SMEs significantly. Moreover, adopting the PSE can help enhance SMEs' performances in the area of marketing, financial, social, and environmental performances.

This study is beneficial for both theoretical and practical aspects. The research results can help develop marketing strategies and business plans for SMEs. Thus, applying the Philosophy of Sufficiency Economy into business practices would help SMEs move toward the goal of business sustainability in the long run.

Field of Study : Business Administration

Academic Year : 2011

Student's Signature

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