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Factors Affecting Business Sustainability of Logistics Service Providers in Thailand

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Abstract —The objectives of this research were to study about the adjustment of the organization related to promotion of employees' skill and employees' shared value linked to business sustainability as well as provide related equation. The samples of this study were 401 employees working in the logistics service providers' adjustment in Bangkok and metropolitan area, Thailand. The questionnaire was used as research tool. Data collection employed purposive and convenience sampling techniques. Data analysis employed descriptive statistics including frequency, percentage, mean, and standard deviation, and inferential statistics including multiple regression analysis. The result indicated that adjusted employees' skill and adjusted employees' shared value affected business sustainability of logistics service providers in Thailand with adjusted R squared as of 0.614 and 0.570 and predictive power as of 61.4% and 57.0% at the statistically significant level as of 0.005. The company should focus on promoting the adjustment of employees' skill and employees' shared value in order to achieve business sustainability.

Keywords – *Employees' Skill, Employees' Shared Value, Business Sustainability*

I. INTRODUCTION

The business environment nowadays is very competitive and dynamic, which many business entrepreneurs are required to keep updating and developing business otherwise they will not be able to survive in the markets (Eisdorfer & Hsu, 2011). One way that can help the business to perform better performance is to strengthen

employees' skills in the company (Mendes, & Machado, 2015) and create shared value among the employees and organization (Fernández-Gámez et al., 2019). This is because the shared value can be business strategy enhancing effective communication and practices enabling the employees to understand and attempt to achieve the company direction, goal, commitment, and vision by using their developed skills provided the company. In the end, it can lead the company to meet the business sustainability, company growth, reputation, and community relationship (Kang, & Na, 2020). However, it is necessary that there should be a study to understand what elements can increase the employees skills and promote employee shared value with the organization and finally link the company to the business sustainability.

In accordance, this study aimed to study about the factors affecting business sustainability. The study area of logistics service providers in Thailand was selected because this business is in trend and very popular. In addition, it has very huge impact towards the Thai gross domestic product (GDP), which is about 13.6 percent of Thai GDP, accounted for 2,106.5 trillion baht in 2016 (Office of the National Economic and Social Development Council, 2018).

II. OBJECTIVES

This research has the objectives to study about the adjustment of the organization related to promotion of employees' skill and employees' shared value linked to business sustainability as well as provide related equation.

III. HYPOTHESES

The hypotheses (H) had been written as follows:

H1: Adjusted employees' skill affected Business Sustainability of Logistics Service Providers in Thailand.

H2: Adjusted employees' shared value affected Business Sustainability of Logistics Service Providers in Thailand.

IV. LITERATURE REVIEWS

A. *Adjusted Employees' Skill*

Employees' skill refers to the ability of the employees employing their knowledge and experiences to achieve the work objectives and plan. The skills can be separated into hard-skills and soft-skill (Sopa et al. 2020). In the meantime, the adjusted employees' skill refers to the skills of the employees in the organization that have to adjust themselves in order to be ready for the business environment changes. However, the skill adjustment required the supports from the organization such as skill assessment, training programs, financial supports, facility provision, and time allocation (Garcia, 2005). The adjusted employees' skill plays important role in the company because it can link to the accomplishment of work and finally relate to business performance sustainably (Nda, & Fard, 2013). The literature reviews mentioned that the study done by Mendes, & Machado (2015) found that the employees' skills can link to manufacturing flexibility and company performance in the automotive industry. In addition, the study done by Falola, Osibanjo, & Ojo, (2014) found that the effectiveness of training and development on employees' performance can create the organization competitiveness in the Nigerian banking industry.

B. *Adjusted Employees' Shared Value*

The term of shared value refers to the common understanding among the employees in the organization. Most of the shared value is related to the alignment of the company policy, culture, planning and strategies. The shared value is very difficult to build in the organization since it needs participation from various parties to involve such as executives, managers, employees, and business strategy makers (Porter & Kramer, 2019). However, the adjustment of the shared value is now needed since the world of the business has changed, there are more severe competition, which all business needs to pass these difficulties. In according to response to the recent changes, the organization needs to promote the values connecting with the match of culture and policy, employees' harmony, employees' dedication for organization growth, creativity, and employees focusing on customer (Chandra et al., 2016). The study from Fraser (2019) found that the shared value can be performed as the business strategy to link to the sustainable development goals improving socio-economic outcomes and relating to core business performance. In addition, Fernández-Gámez et al., (2019) found that the shared value in the organization can affect the hotel performance in terms of achieving higher financial performance. Lastly, Kang, & Na, (2020) found that the

shared value can create the sustainable competitive advantage and business performance.

C. *Business Sustainability*

The business sustainability refers to ability of the organization that can manage their business and achieves the long-term profitable and non-profitable outcomes including the business relationship with stakeholders in the community, customer satisfaction, employees satisfaction, organizational growth, environmental care by providing the fairness for all business activities (Veleva, & Ellenbecker, 2000; Høgevold, & Svensson, 2012). The business sustainability in the organization has its difficulty since it requires more factors from internal and external forces. However, the external forces are the factors that are not in control. Therefore, it is necessary for the organization to put more importance on developing the internal factors, especially employees' skills and employee shared value since these two factors were found significant impact on business sustainability (Falola, Osibanjo, & Ojo, 2014; Vicario, & Ruiz-Palomo, 2019). Also, in the literature reviews, Rezaee, (2016) found that business sustainability integrated with all five economic, governance, social, ethical, and environmental dimensions, and there is integration into corporate culture and stakeholder shared value.

V. RESEARCH METHODOLOGY

A. *Population and Samples*

The samples were calculated by Krejcie, & Morgan, (1970) and selected as of 401 employees working in the logistics service providers' adjustment in Bangkok and metropolitan area, Thailand at the confident level as of 95%.

B. *Research Tools and Data Collection*

Researchers used close-ended survey questionnaires divided into 4 parts. The first part consisted of check-list questions asking about the personal factors including gender, age, education level, position, and working experience in this organization. The second, third and fourth part consisted of rating scale questions (1-5 Likert scale) asking about adjusted employees' skills, adjusted employees' shared value and business sustainability. The score "1" refers to "Not at all agreeable", "2" refers to "Slightly agreeable", "3" refers to "Moderately agreeable", "4" refers to "Highly agreeable" and "5" refers to "Extremely agreeable" on the statement in the questionnaires. For data collection, the researchers employed purposive and convenience sampling method to distribute the questionnaires. After the questionnaires returned, the researchers inspected the completion and correctness.

C. *Validity and Reliability*

For validity check, the researchers had experts in related fields inspect the accurateness and consistency of contents and questions and recommend the improvement and edition. For reliability check, the researchers used the

Cronbach's alpha coefficient. The value was 0.913 for adjusted employees' skills, 0.892 for adjusted employees' shared value and 0.943 for business sustainability. These values were higher than 0.70, this meant that the data derived from this survey questionnaire can be proceeded to have further study.

D. Data Analysis

Researchers analyzed the data derived from samples by using descriptive statistics including frequency, percentage, mean and standard deviation and inferential statistics consisting of multiple regression. The research result was presented in tabulated and descriptive writing.

VI. RESULTS

The result of this study can be mentioned as follows.

A. Study of Respondents' General Information, Adjusted Employees' Skills, Adjusted Employees' Shared Value, and Business Sustainability

- Study of respondents' general information

From the study, there were 401 employees answering the questionnaires. As a result, it was found that most of the respondents were female (54.4%), aged between 21-30 years old (54.1%), graduated bachelor's degree (64.1%), worked as operational staff (92.0%), and had working experience between 1-2 years (47.1%).

- Study of adjusted employees' skills, adjusted employees' shared value, and business sustainability

From the study, the results indicated that the mean scores of studied items were in high level. The variables in adjusted employees' skills ranged from 3.751 to 3.835. Meanwhile, the variables in adjusted employees' shared value ranged from 3.810 to 4.022. Lastly, business sustainability had mean score as of 3.892.

B. Hypothesis Investigation

- H1: Adjusted employees' skill affected Business Sustainability of Logistics Service Providers in Thailand.

From the study, it was found that adjusted employees' skills in terms of training programs, skill assessment, facility provision, and time allocation, affected business sustainability of logistics service providers in Thailand at the significant level as of 0.05. In addition, the model has correlation coefficient (r) as of 0.786, meaning that the adjusted employees' skills have high positive relationship with business sustainability. The Adjusted R² is equal to 0.614, meaning that the model can accurately predict the effect of adjusted employees' skills on business sustainability as of 61.4% at the significant level as of 0.05. The equation can be written as follows:

$$Y = 1.118 + 0.208(\text{Training Programs}) + 0.237(\text{Skill Assessment}) + 0.198(\text{Facility Provision}) + 0.085(\text{Time Allocation})$$

- H2: Adjusted employees' shared value affected Business Sustainability of Logistics Service Providers in Thailand.

From the study, it was found that adjusted employees' shared value in terms of employee harmony, culture-policy fitness, creativity, customer focus and dedication for organization growth, affected business sustainability of logistics service providers in Thailand at the statistically significant level as of 0.05. In addition, the model has correlation coefficient (r) as of 0.758, meaning that the adjusted employees' shared value has high positive relationship with business sustainability. The Adjusted R² is equal to 0.570, meaning that the model can accurately predict the effect of adjusted employees' shared value on business sustainability as of 57.0% at the significant level as of 0.05. The equation can be written as follows:

$$Y = 0.824 + 0.178(\text{Employees Harmony}) + 0.248(\text{Culture-Policy Fitness}) + 0.169(\text{Creativity}) + 0.097(\text{Customer Focus}) + 0.093(\text{Dedication for Organization Growth})$$

VII. DISCUSSION, LIMITATION AND RECOMMENDATION

A. Discussion of the Study

- *Adjusted employees' skill affected Business Sustainability of Logistics Service Providers in Thailand.*

From the study, it is found that the adjusted employees' skill in terms of skill assessment, training programs, financial supports, facility provision, and time allocation, affected business sustainability of logistics service providers in Thailand. This is because the business sustainability required the skills from the employees in the organization. These skills of the employees can be learnt from comprehensive processes such as skills assessment and supportive factors such as budget, facility provision, and time allocation allowing the employees and spend their time in learning and training themselves. The result matched with the study done by Mendes, & Machado (2015) found that the employees' skills can link to manufacturing flexibility and company performance in the automotive industry. In addition, the study done by Falola, Osibanjo, & Ojo (2014) found that the effectiveness of training and development on employees' performance can create the organization competitiveness in the Nigerian banking industry.

- *Adjusted employees' shared value affected Business Sustainability of Logistics Service Providers in Thailand.*

From the study, it was found that the adjusted employees' shared value in terms of employees' harmony, culture-policy fitness, creativity, customer focus, and dedication for organization growth, affected business sustainability of logistics service providers in Thailand. This is because that the employees with the same understanding to what the roles that they have play can help the company to achieve the business sustainability. The role of employees working logistics service providers in Thailand should have creativity, working harmony, customer focus and work dedication to organization growth. The study result from this time corresponding to the study done by Fraser (2019) who found that the shared value can be performed as the business strategy to link to the sustainable development goals improving socio-economic outcomes and relating to core business performance. In addition, the study also matched with the study result from Fernández-Gámez, Gutiérrez-Ruiz, Becerra-Vicario, & Ruiz-Palomo, (2019) mentioning that shared value in the organization can affect the hotel performance in terms of achieving higher financial performance. Lastly, the study from Kang, & Na, (2020) who found that the shared value can create the sustainable competitive advantage and business performance can also support the study result.

B. Limitation of the Study

This study focused on the logistics services providers only. In addition, the study employed pure quantitative research for guiding the study direction. Lastly, the variables were scoped to employee skill development, employee shared value, and business sustainability.

C. Recommendation of the Study

- *For Practitioners*

In order to create the sustainable performance of the company such as gaining retention employees; good relationship with all stakeholders both internal and external aspects; customer loyalty; company growth; company reputation and financial growth, the company should create and promote the adjustment and development of employees' skills. This is very important since the recent changes in economic, technology, society and governmental policy keep occurring. The organization should provide such good training programs related to technology knowledge and ability, skill assessment, facility provision, and time allocation. This can enable the employees to keep up to the state-of-the-art skills. In addition, the company should promote the employees' shared value including employees harmony, culture-policy fitness, creativity, customer focus, and dedication for organization growth. These can the organization to achieve the business' sustainable performance.

- *For Future Studies*

The study was limited to the single industry, which it is the logistics service providers. In order to generalize the result, the future research may consider extending the study to the other industry. This way can help the researchers to compare the results and conclude explicit phenomena. In addition, this study was purely on quantitative research, which the other approaches such as mixed method or purely qualitative research can be possibly employed. Lastly, this study limited to two variables covering adjusted employees' skill and adjusted employees' shared value. This can be extended to other variables such as business environment, international and local forces and drivers, or even internal management.

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