

# GUIDELINES IN APPLYING SUFFICIENCY ECONOMY PHILOSOPHY TO ENHANCE SUSTAINABLE SUCCESS IN BUSINESS

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## ABSTRACT

*This qualitative research investigates strategies in applying Sufficiency Economy Philosophy to enhance sustainable success in business through in-depth interview. Semi-structured interview was administered with 30 experts. The data were analyzed by content analysis based on the Sufficiency Economy Philosophy. The 5 aspects of Sufficiency Economy Philosophy are moderation, reasonableness, sufficient self-immunity, knowledge, and integrity. The statistics included descriptive statistics, frequency, and percentage.*

*The results revealed that the guideline of Sufficiency Economy Philosophy for business success consists of 5 aspects. The aspect that all experts gave the most importance was integrity. When considering in detail of each aspect, it was found that: 1) the moderation aspect consists of 29 indicators. The experts all agreed that the business expansion or investment should be suitable with the type of business or the skills of the business owner at 96.67%. 2) The reasonableness aspect includes 37 indicators with the important opinion on conducting the SWOT analysis to find the strength, weakness, opportunities, and threats of the business to set its strategies at 93.33%. 3) The sufficient self-immunity consists of 37 indicators. The experts recommended that keeping debt-equity ratio by avoiding too large loan at 66.67%. 4) The knowledge aspect includes 35 indicators with the importance on the initiative and creative idea and develops the understanding of Sufficiency Economy Philosophy among all levels of people at 56.67%. 5) The integrity aspect consists of 44 indicators with the focus on the strict implementation of good governance and business morale at 93.33%.*

**Keywords:** Sufficiency Economy Philosophy, Business Sector, Guidelines, Sustainable Management.

## INTRODUCTION & LITERATURE REVIEW

Business with only the profit pursuing cannot achieve sustainable success. The capitalism aiming only high profit will face strong business competition leading to world economic crisis. This should be a lesson learned for all business sectors to review their operation to get a more appropriate way to achieve sustainable business growth. Under the pressure of globalization era, phenomena like capital outflow, liberalism competition, liberalism with inequality, consumerism, materialism, and environmental conservation result in more complicated economic development of the world economic chain. The crisis in a part of the world can immediately affect the other part of the world. The misuse of IT including information against business morale is spread around the world. The American economist and former President of the Federal Reserve Board, Mr. Allan Greenspan (Greenspan & Wooldridge, 2019), defined that the growth of economy is the integration between asset and economic drivers. As a consequence, too much

economy stimulation may result in disadvantages rather than advantages. So, the Sufficiency Economy Philosophy Theory should be a good alternative for sustainable success in business.

The effective business management model should be the carefully moderate way focusing on strengths of the business leading to happiness in business outputs. This will create sustainable success in the future. According to the world development plan by UN, the target shown in *“Transforming our World: The 2030 Agenda for Sustainable Development”* (Lee et al., 2016) states that every country should implement the policy as follows: all human should live their lives happily without poverty, hunger, and inequality; their standard of living should be leveraged; dependable alternative energy should be developed; good governance should be integrated to drive world economy as well as environmental protection. Sufficiency Economy Theory is the philosophy conceived and developed by the late His Majesty King Bhumibhol Adulyadej which can be employed as a principle for sustainable economic development. The theory enhances strong and long-lasting foundation of the economy for the business to survive in long term suitable with the human capital, economic capital, and resources amidst modern economic turbulence. In addition, it also reduces knowledge divide and over-production by employing moderation and reasonableness in planning. Moreover, sufficient self-immunity can also help in risk management. All of these are under the condition of integrity and knowledge which are the necessary basic factor in business operation as mentioned in the speech of the late His Majesty King Bhumibhol Adulyadej on July 18, 1971 that “The development of the country must be implemented step by step. First of all, the basic foundation on the people needs must be provided by using economical tools and technology in line with academic principles. After achieving enough solid and practical foundation, it can be reinforced with a higher level of economy (The Chaipattana Foundation, 2019)

Together with the world principles, Sufficiency Economy Theory has been raised in the G-77 World Congress in January 2016 aiming to drive 3 missions of Sufficient Economy, i.e. 1) Sufficiency Economy Philosophy Theory, 2) IT for development, and 3) Investment for sustainable development based on moderation, reasonableness, sufficient self-immunity, knowledge, and integrity. Thus, Sufficiency Economy Theory is in parallel with the world present economy and world development. Furthermore, the theory has been globally accepted as can be seen from presenting the United Nations Development Program’s inaugural Human Development Lifetime Achievement Award to the late His Majesty King Bhumibol Adulyadej by the former UN Secretary-General Kofi Annan in Bangkok 2006 (United Nation, 2016). Mr. Geoffrey Longfellow, the Project Manager of Thailand Sustainable Development Foundation (TSDF) also employed Sufficiency Economy Theory in solving the problem of the pressure from globalization resulting in civilized society.

It can be clearly seen that the development target should not be only on the growth of economy but also the development of people’s quality of lives in every aspect including equality and justice. As consequence from the values of Sufficiency Economy Theory, the researcher aims at investigating guidelines in applying Sufficiency Economy Philosophy to enhance sustainable success in business to pursue the business principle based on integrity and knowledge seeking to support and balance the business foundation for long term sustainability.

## METHODOLOGY

The study on guidelines in applying Sufficiency Economy Philosophy to enhance sustainable success in business is a qualitative inductive research by collecting data through in-depth interview from the experts derived from purposive sampling technique. They are from

business organizations renounced as the organizations implementing Sufficiency Economy Philosophy in their administration. Twenty-three experts are from the Royal Project Foundation and 7 are the experts in Sufficiency Economy Theory totally 30 subjects with the decreasing error rate at 0.01 (Silpcharu, 2017). The semi-structure interview was used to collect data analyzed by content analysis based on the Sufficiency Economy Theory in 5 aspects, i.e. moderation, reasonableness, sufficient self-immunity, knowledge, and integrity. The statistics included descriptive statistics, frequency, and percentage.

## RESULTS

The results revealed that the guideline of Sufficiency Economy Philosophy for business success consists of 5 aspects. The aspect that all experts gave the most importance was integrity.

The experts reported their opinions on the Sufficiency Economy Theory under the moderation aspect that there are 29 indicators with the first 10 indicators are: 1) expand the business or adjust investment to be suitable with the type of business or the skills of the business owner. 2) Define the strategies in gradually expanding the business for long term growth. 3) Set the business target based on self and organization capability. 4) Arrange accumulated profit and reserved capital for investment properly. 5) Maintain the product quality rather than quantity. 6) Encourage the staff to live their lives based on Sufficiency Economy Philosophy. 7) operate the business and set the promotion policy not aiming at the highest profit in short term. 8) Focus on long-term stability and reduction of unnecessary expenses. 9) Reduce expenses by reducing procurement risk and invest on waste reduction. 10) Develop operation system aiming at zero waste.

The experts reported their opinions on the Sufficiency Economy Theory under the reasonableness aspect that there are 37 indicators with the highest 10 indicators as follows: 1) conduct the SWOT analysis to find the strength, weakness, opportunities, and threats of the business to set its strategies. 2) Maintain current customer relationship and find new customers. 3) Develop business and product to be modern and up-to-date. 4) Support the innovative development process of both products and services. 5) Specify clear structure and regulations for effective operation. 6) Regularly check the competitor's operation as its benchmark for deeply understanding owns business and the competitive market. 7) Set business plan logically and systematically for continuous success. 8) Differentiate it to find new opportunities in business. 9) Concentrate on industrial standard control in production and operation. 10) Join the international network for stable business foundation in new technology, research, production, marketing, and innovation.

The experts reported their opinions on the Sufficiency Economy Theory under the sufficient self-immunity aspect that there are 37 indicators with the highest 10 indicators as follows: 1) keep debt-equity ratio by avoiding too large loan. 2) Develop employees' standard of living and their fringe benefits to create organization loyalty. 3) Reduce risks by diversify products and market. 4) Maintain low turnover rate. 5) Set up control and audit system in the organization continuously. 6) Promote social service activities. 7) Set up financial evaluation system regularly. 8) Maintain current customer relationship and find new customers. 9) Operate its business based on safety standard. 10) Possess fast communication and set a business contingency plan including maintain financial liquidity. Give the importance on enterprise network to increase bargaining power.

The experts reported their opinions on the Sufficiency Economy Theory under the knowledge aspect that there are 35 indicators with the highest 10 indicators as follows: 1) sparkle

the initiative and creative idea and develop the understanding of Sufficiency Economy Philosophy among all levels of people. 2) Study modern information to keep-up with the world change. 3) Promote self-development values for high performance culture among the staffs. 4) Promote life-long learning for operational excellence. 5) Construct network with both government and private sectors including academic scholars for new knowledge development. 6) Encourage knowledge management among the staffs. 7) Apply for the membership of related associations. 8) Encourage the staffs with customer service mind. 9) Develop the management team to be good organization leaders. 10) Accept others' opinions for business decision making.

The experts reported their opinions on the Sufficiency Economy Theory under the integrity aspect that there are 44 indicators with the highest 10 indicators as follows: 1) strictly implement good governance and business morale. 2) Operate the business with transparency policy. 3) Promote corporate governance including anti-corruption policy. 4) Run business morally with integrity. 5) Manage the production based on eco-friendly. 6) Be aware of producing quality products to consumers and community. 7) Focus on knowledge and honest staffs. 8) Build community trust by auditing business operation. 9) Construct public mind culture. 10) Show responsibility by paying debt according to the agreement and sincerely serve the customers.

## DISCUSSION

The results from the study on guidelines in applying Sufficiency Economy Philosophy to enhance sustainable success in business can be discussed as follows:

1. The experts reported their opinions on the Sufficiency Economy Theory under the moderation aspect particularly on expanding the business or adjusting investment to be suitable with the type of business or the skills of the business owner supports the research by Kipley et al. (2012). It is stated that currently to conduct the analysis on the optimal strategic performance positioning matrix, it is necessary to find the management potential, analyze, and synthesize core competence of the organization for competitive advantages.
2. The experts reported their opinions on the Sufficiency Economy Theory under the reasonableness aspect focusing on conducting the SWOT analysis to find the strength, weakness, opportunities, and threats of the business to set its strategies. This is in line with the strategy of Ansoff (1957) stating that when an organization is facing the internal and external turbulences the capability to adjust itself with the environment to find the strategic position is very important. The concept of strategic positioning analysis in organization by Dimitrova (2017) mentioned that strategic management is the key of administration to response for the change focusing on strategic decision making related to long-term organization's future.
3. The experts reported their opinions on the Sufficiency Economy Theory under the sufficient self-immunity aspect on keeping debt-equity ratio by avoiding too large loan. This is incongruent with the study by Kantola (2015) describing that organization resource management should be conducted together with the strategic management to effectively achieve the organization target and reduce business risks.
4. The experts reported their opinions on the Sufficiency Economy Theory under the knowledge aspect with the importance on sparkling the initiative and creative idea and developing the understanding of Sufficiency Economy Philosophy among all levels of people. The findings support the work by Rofiaty (2019) claiming that developing human resource competence and furthering organizational knowledge are the core foundation in development for the long-term competitive advantage. Bocken (2019) also stated that to increase the sustainable value, it is essential to construct balance and understanding in staff development. Morale, ethics, and culture should be instilled in staffs' mindsets in their operation for life-long learning.
5. The experts reported their opinions on the Sufficiency Economy Theory under the integrity aspect for strictly implementing good governance and business morale. This supports Nicholson & Kurucz

(2019) in their study on Relational Leadership for Sustainability: Building an Ethical Framework from the Moral Theory of *"Ethics of Care"* reporting that promoting business operation by integrating good governance principles including honesty, endurance, perseverance, and carefulness will lead to business operation balance as well as constructing and delivering the values in concrete which are morale principles and business ethics for business sustainability.

## RECOMMENDATIONS

Based on the results of the study, the suggestions and recommendations in applying Sufficiency Economy Philosophy can be divided into several sectors as follows.

### Business Sector

1. Due to the growth of most industries nowadays, the development on business expansion or investment adjustment to be suitable with the type of business or the skills of the business owner should be the key organization strategy. Other aspects should be financial sustainability and integration between business and environment to find the best strategic position. The organization should also give the importance on conducting the SWOT analysis to find the strength, weakness, opportunities, and threats of the business to set its strategies and adjust itself related to the environment including adjust the internal structure to face with every context of the environment to get the competitive edge for the organization as much as possible. This is also based on the keeping debt-equity ratio by avoiding too large loan to reduce the business risk.
2. The business sector should focus on sparking the initiative and creative idea and developing the understanding of Sufficiency Economy Philosophy among all levels of people. It is essential to construct balance and understanding in staff development. Morale, ethics, and culture should be instilled in staffs' mindsets in their operation for life-long learning.
3. To construct stability of the business organization, it is necessary to run the business with integrity by integrating good governance principles including honesty, endurance, perseverance, and carefulness will lead to business operation balance as well as constructing and delivering the values in concrete which are morale principles and business ethics for business sustainability.

### Government Sector and Overall Picture of the Country Economy

1. The government sector related to the country economy should define clear policy and guideline in budgeting including human resource development based on the staff's potential. This is to achieve to goal of business and economy driving of both macro and microeconomy resulting in country stability and increase of capability in handling with various situations.
2. Government officials should be trained to deeply understand Sufficiency Economy Philosophy to be able to effectively transfer and promote the application of the theory with the business sector.

### Educational Sector

1. Educational institutes can apply the knowledge by integrating the theory with the related subjects or with the case study particularly for business administration. There should be a training to promote the importance of Sufficiency Economy Philosophy Theory including the success in implementation.
2. The educational sector can take part in business development by sharing the knowledge and being the knowledge center and basic structure development for social and economy cooperation.
3. The educational sector should conduct research and development to pursue new knowledge about business readiness preparation. This can be done by adding more details as a guideline in the organization development and publicizing to solve problems appropriately in various business contexts.

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