

# **A STUDY OF THE COMPETENCIES IN MANAGING BUSINESS CONTINUITY OF THAI TRADITIONAL CONSTRUCTION FIRM OWNERS**

Panita Wongmahadlek

*Faculty of Architecture, Silpakorn University, Bangkok 10200, Thailand*

*Corresponding author: wongmahadlek\_p@silpakorn.edu*

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## **Abstract**

Throughout time, traditional Thai architecture has persisted as one of the most important reflections of “Thainess” upon Thai culture. The traditional construction method has been handed down from generation to generation through the traditional process called “master-apprentice relationships” for centuries. However, the traditional skill training system have been replaced from the individual scale to vocational schools with modern construction techniques entailed. The number of traditional craftsmen and knowledge has slowly diminished. One of the important factors in preserving such heritage is the survival of construction companies where masters and their apprentices are retained. The discontinuity of these traditional construction companies is not only harmful to their business but also jeopardize on the national asset in a way. The highlight of this study is on entrepreneurs as the key people to set a company’s direction so as to create an ability to withstand business disruption and crisis. This study aimed to investigate the competency of construction firm entrepreneurs whose main practice is based on Thai traditional construction knowledge in order to determine the readiness of such firms to survive over the business disruption and sustain their knowledge capital of traditional construction methods. The findings indicate that entrepreneurial commitment as well as passion and social skills are distinctive and crucial for sustaining success. Next, the knowledge and skill in Thai tradition construction are inevitable. However, the entrepreneurs mostly place priority on technical knowledge and skills while organizational skills are rather overlooked. It is the missing ability

to see an organization as a whole with a systematic viewpoint. Moreover, both of the generation gap and lack of interest in Thai traditional construction were found to be a hindrance in ownership succession. The next generation with different attitude is one of the main reasons directed to business disruption.

**Keywords:** Entrepreneurial competency; Business Continuity Management; Thai traditional contractor

## **Introduction**

Business continuity, in a broad sense, is concerned with the continuous operation of an organization. This could be defined as the capability of an organization to resist and recover from a business disruption of any kind (Niemimaa, 2015). Such capability includes anticipating a failure in business operations and plans to protect the organization in order to sustain competitiveness and fulfill the stakeholder's interests (Herbane et al. 2004). Business Continuity Management (BCM) is an organization tool providing a framework in order to do so. BCM can be found to be widely used by various types of firms worldwide. As for the construction industry, the BCM concept seems to be rather new idea for contractors, especially in Thailand and particularly among traditional builders.

The interesting point of this study is the readiness to manage an organization in the age of disruption of a specific group of construction companies, Thai tradition contractors, by using the BCM framework as a means of determination. Thai traditional contractors provide construction services mainly in 1) historic building preservation, restoration and adaptive reuse and 2) new traditional style building and decoration. The continuity of their business has a great impact not only on their stakeholders but also with regard to knowledge and wisdom of Thai traditional architecture. The set of skills in traditional construction methods which are traditionally transferred from master to student, has been neglected and is slowly diminishing as modern society develops. Classrooms are taken over the roles with rare masters and their insights in the learning process. However, long history of Thailand with myriad places of traditional buildings either Royal spaces or Ritual spaces and many others offer many projects to these companies. The numbers of such cultural space have been the continuous part for the construction and reconstruction on the national legacy out of the classroom.

Traditional construction companies play a vital role for craftsmen in preserving the value of Thai built heritage. Such companies are responsible for providing financial resources, materials, equipment and employment for craftsmen necessary for construction projects. They also provide management services to ensure the project is completed within the specified time frame,

agreed budget and quality. More importantly, along with their projects, the companies provide structure and a system to enhance knowledge sharing and transfer. Unlike the construction works during the time of the absolute monarchy, effort under royal patronage offered no business base with which to be concerned. The patronage of the king opened more possibilities to the stage of the art. Manpower, time and money were not of much concern as costs for the builders. However, the industry leaders in later generations have suffered in a different context and experienced adversities for decades along with the social transition. According to entrepreneurship theory, entrepreneurial competency that results in business survival and success is considered a key factor.

Entrepreneurial competence characteristics comprise of knowledge, skills, traits and motives that are behavioral and observable (Bird, 1995). In order to determine the readiness of a construction company in dealing with the impact of disruption and pursuit of business continuity, the capabilities of the entrepreneurs are worth investigating. Moreover, current BCM practices tend to focus on strategic and long-term planning and the enhancement of preventative actions (Herbane et al. 2004, Wong and Shi 2010). Alertness and perception of the entrepreneur to events are crucial for the organization not just to minimize losses, but to also create opportunities and competitive advantage (McMullen and Shepherd, 2006).

However, far too little attention has been paid to entrepreneur related business continuity, particularly in the construction business. Wong and Shi (2010) propose a set of strategic competency skills for business continuity managers which are management, analysis, communication, leadership, coordination and innovation but the role and responsibility of entrepreneur and manager are different. Moreover, the proposal has not yet been proven. Therefore, the following issues still deserve attention: 1) whether the companies have experienced any disruptive event; 2) how the entrepreneurs perceive such disruptions and how they cope with them; and 3) for successful business continuity, what competencies are required. The study presented in this paper applies a systematic approach to extract common experiences of successful entrepreneurs of Thai traditional construction firms in order to understand the distinctive competency that influences attitudes and actions toward business continuity management.

## **Overview of the Thai Traditional Construction Sector**

According to the National Economic and Social Development Council (2019), the Thai construction industry accounted for 8.2 percent of Thailand Gross Domestic Product or 1,212,174 million Thai baht (39,102.4 million USD). The traditional building sector is rather a small sector in terms of construction value, averaging approximately 3,000 million baht per year - mainly from the government budget. Unfortunately, there is no accurate information for contract value. The value was calculated from unofficial information regarding the annual budget for construction of each major client: the Fine Arts Department, the Crown Property Bureau and the Bureau of the Royal Household.

The Fine Arts Department (FAD), within the Ministry of Culture, is the main national registry of built heritage. FAD is also in charge of conservation and restoration of registered built heritage, as well as any changes made to such buildings. The buildings and their sites are registered under the Act on Ancient Monuments, Artifacts, Art Objects and National Museums, B.E. 2504 (A.D. 1961), amended in B.E. 2535 (A.D. 1992), ranging from the modernized era (the 1900s) to the ancient ruins, including temples, palaces, residences, historical and modern sites. Most of the buildings are in possession of the Crown, the Crown Property Bureau and state property. Each agency has its own policies, regulations and approaches to preservation of the buildings under FAD supervision and consultation. Changes and adaption by private registered properties are restricted and must be supervised by FAD.

Despite the fact that skill and knowledge of Thai traditional construction techniques and building conservation are essential for this specific construction sector, any tradesperson or craftsman is able to work on a project of this sector without a license control system. Although there was the enactment of the Construction Profession Act, B.E. 2522 (A.D. 1979) in setting up and providing a licensing system for the construction profession, it has never been enforced in practice. This has led to a major issue in quality of work. An attempt to resolve the problem has been made through the procurement and tendering system by responsible agencies.

According to the Public Procurement and Supplies Management Act, B.E. 2560 (A.D. 2017), two procurement methods - conventional (separate design and construction contracts) and integrated - and three types of tender systems - open, selective, and specified methods - are standard criteria for all governmental agencies to follow. The use of those procurement and tendering methods depends on the objectives of the organization. Purposed on quality, the conventional method under the selective tender system has often been used by the Crown Property Bureau and the Bureau of the Royal Household, whereas the open tender with a prequalification stage has been a common method for FAD. While urgent and unforeseeable circumstances on the open or selective procuring method could not be obtained in time, a specified tender would be used.

On the other hand, the procurement and tendering system in the private sector is simple. The majority of the clients are inexperienced. Clients generally appoint contractors by using a lump-sum contract and the design and build method, by which the client leaves all the work to the contractor and there is no need for the client to become involved anymore with complexity in building procurement procedures. Moreover, in selecting a contractor, a tendering process that requires professional skills has rarely been used. The client, therefore, tends to use a contractor who has evident profile with strong competency in the past projects. Words of mouth, recommendations and trust have been counted the great impact on their decision. Therefore, reputation, relations and connections with the client are essential for a successful contractor, particularly for this sector.

For inexperienced clients, contractors are expected to supply the design free of charge as a part of their services. Thus, construction companies must employ in-house architects and engineers with a skillset of tradition construction and design knowledge. Also, master carpenters, plasterers, craftsmen and specialist sub-contractors must be retained under their operation to satisfy their clients. It is also the reason to maintain a competitive advantage for the company. These expenditures can be considerable. Consequently, this sector is dominated by a few general contractors who have typically been “invited” to tender and win new projects at a high price. It is difficult for any small and start-up enterprises to penetrate the market.

Another distinctive aspect that can be observed in the Thai traditional building sector is the vital role of the relationship between specialist subcontractors and general contractors. Subcontractors are hired to perform specific tasks in which special techniques and skill masters are required, such as wood carving, engraving, metal beating, lacquering, plastering and sculpting. For a general small and medium sized contractor, subcontractors contribute significantly to capital risk and resources. Nowadays, construction companies employ as few workers and stock building material as little as possible in order to handle demand fluctuation and reduce overhead costs. Consequently, effective subcontractor selection and control is essential. Mutual trust and understanding between subcontractor and general contractor are considerably most effective tools. This creates a flexible manner and confidence in each other that can minimize management problems. Most skilled masters and subcontractors prefer to work exclusively with a particular contractor due to their personal relations with the general contractors' entrepreneur. This is much advantageous to the longer established companies since they have already founded a relationship and network with subcontractors and skilled masters long before the increasing competition in the market.

## **Literature Review**

### **1. Entrepreneurial competency theory**

Many studies have been conducted over the past three decades in the field of entrepreneurship research regarding various dimensions of entrepreneurs since the early work of Richard Cantillon in 1931 cited by Brewer (1992) and Schumpeter (1934). Recently, more research tends to incorporate a resource-based view lens focusing on resources, competence and capability of the venture (Ferreira et al., 2015). Entrepreneurial competency is an extension of entrepreneurship to include cognitive ability, skills and capability in its boundary (Bird, 1995).

Competency has been recognized as an individual resource related to personal performance and was first identified as important in the context of managerial behavior studies (Jain, 2011). According to resource-based theory, the competency and capability of a manager affects the whole process of value

creation and performance of a firm. Since entrepreneur and manager share similar roles and tasks in many aspects, researchers in the entrepreneurship field of study have adopted the competency approach to study entrepreneurs. Therefore, it is necessary to understand its definition and components.

### **1.1 Definition of entrepreneurial competency**

Chandler and Jansen (1992) identify the specific entrepreneur abilities beyond general managerial competencies, which are opportunity recognition and exploitation. However, the most interesting definition is from Man et al. (2002). They define entrepreneurial competencies as higher-level characteristics encompassing personality traits, skills and knowledge that can be seen as the total ability of the entrepreneur to perform a job successfully. The definition not only identifies the components of competency, but also illustrates how they are synergized. Moreover, the researchers believe that entrepreneurial competencies can be developed through education and training, as well as acquired at work (Mitchelmore and Rowley, 2008). Consequently, in several countries, entrepreneurship education is offered from the secondary school level through the tertiary level of education (Blenker et al., 2011).

### **1.2 Components of entrepreneurial competency**

Baum et al. (2001) found CEO traits, general competency and environment had a significant direct impact on venture growth. According to their research findings, three components were identified. First, traits, consistent with psychological theories, are self-efficacy, achievement motivation, risk propensity, stress tolerance, autonomy, locus of control, innovativeness and openness to experience (Frese and Gielnik, 2014). In addition, entrepreneurial alertness (Kirzner, 1973) and sense of urgency (Kotler, 2008) can be considered as entrepreneur traits. It is noted that competency components, such as traits and emotion, are deeply rooted in personal background. Those compose the uniqueness of each individual entrepreneur. In different situations or contexts, the relationship between traits and behaviors lead to different personal style of action of entrepreneurs.

Second, general competency comprises of technical and industry-specific competencies, including skills and knowledge. Priyanto and Sandjojo

(2005) decomposed general competency into four dimensions: management skills, industry skills, opportunity skills and technical skills. Whereas, Misra and Kumar (2000) identified action-oriented competence, which is a social-related skill rather than a technical and business skill. Action-oriented competence is, for instance, the ability to establish strong networks or connections, the ability to lead employees and the ability to persuade external agencies. Accordingly, Man et al. (2002), building upon Boyatzis' theory, ten areas of competency have been distinguished: opportunity, relationship, analytical, innovative, operational, human, strategic, commitment, learning and personal strength. Moreover, with the entrepreneurial cognitive approach, opportunity, analytical, innovative and strategic can be categorized into cognitive ability (Boyles, 2012).

The third component is conceptual skill, which was highlighted by Katz 1955 as one of the managerial skills. According to Katz, this skill extends to visualizing the relationship of the firm to the external environment. Recently, terms such as vision (Collins and Porras, 1996) and system thinking (Senge, 1990) have been added to describe this skill.

## **2. Entrepreneurship theory in the construction industry**

A construction company is a project-based organization. A project manager is a key person responsible for binding the project participants (clients, design consultants, specialist contractors, suppliers, etc.) and the sequential production process with careful planning, coordinating and executing of a complex array of activities in order to deliver a successful project. Thus, a large body of literature on project-based organization has focused on operations and the project manager at the project level, not central routine activities at the business level. Therefore, entrepreneur roles and their importance in the construction industry get less attention from scholars.

A number of the pieces of research have a little discussion about entrepreneurs in the construction business. Through success stories of entrepreneurs, technical knowledge and social skills were mentioned in the research results. Most entrepreneurs consider technical and industry knowledge, as well as commitment competency. They were led to the success of a construction business. Although they are profit-motivated, a strong interest in the field of work has been found to play an important role in their entrepreneurial

undertaking. Along with a strong sense of interest, continual learning and self-development are effortless to them (Setiawan, et al., 2017; King-Fai Hui, et al., 2006).

Interestingly, King-Fai Hui et al. (2006) found that a strong sense of interest also goes along with commitment and is a great motivator for endurance in working hard to finish a job successfully. Commitment is related to not only material gains but also personal and interpersonal reasons, client trust, and the firm's reputation in value services. In addition, this creates a selling opportunity and endorsement of relationship in marketing strategy.

On the aspect of traits and personality, there is contextualizing impact. The degree of risk propensity and need for autonomy is different between individuals and collective culture entrepreneurs, such as a British contractor (Burke, 2001) and a Pakistan (Khoso et al., 2017) or Indonesian contractor (Setiawan et al., 2017). Whilst, innovativeness and locus of control or self-confidence are found in both contextual entrepreneurs in high ranking traits.

### **3. Entrepreneur in business continuity**

Entrepreneurs play an important role in the preparing for and the recover from the consequences of crisis and disruption (Bakar et al., 2015). Nowadays, business disruption comes in various forms depending on the type and core process of the business, including losing market leadership, damaging corporate reputation (Koronis and Ponis, 2012), ownership succession failure (Gbadegesin, 2013), losing critical knowledge (Urbancova and Urbanec, 2013), information technology infrastructure failure (Cerullo and Cerullo, 2004; Järveläinen, 2013) or change (Cozzorino, et al., 2018) and logistic problems (Ojha et al., 2013). Therefore, business impact analysis becomes one of the most important processes of business continuity management life cycles. The process must be undertaken in order to understand what critical business processes are and the effect disruption might have upon them (BSI, 2012). In addition, organizations as a whole must cooperate to support the continuity strategies of their businesses and normal organizational lives.

Since there is a lack of research investigating entrepreneurial competency in dealing with business disruption, research in crisis and uncertainty within a field of entrepreneurship, the most relevant theme, was

explored. In responding to an uncertain environment, entrepreneurs require experience, management skills and knowledge to choose the response, as well as the ability to predict the likely consequences of the choice (Milliken, 1987). Previous studies have identified the basic characteristics of entrepreneurs: innovation, opportunities recognition (Devece et al., 2016) and proactiveness of strategy-making styles, i.e., entrepreneurial orientation (Lumpkin and Dess, 2001; Navarro-García and Coca-Pérez, 2014), as the likelihood of increasing business survival during crisis and downturn periods. Also, several researchers indicate various attributes of individual nature in relation to entrepreneurs in crisis, including attitude toward risk (Stewart and Roth, 2001), motivation and ambitious (McClelland, 1965) and degree of commitment to venture (McCarthy, 2003).

According to BCM practice today, the objective has changed from core business protection to creating opportunities and competitive advantage through the continuity of production and services when others are unable to do so. Therefore, BCM is not just a temporary project to respond to a crisis but is a strategic and holistic long-term planning tool requiring investment and effort from entrepreneurs and top management to integrate organizational structure, systems, culture and resources with strategic plans for the purpose of business continuity (Marisa and Oigo, 2018). Moreover, the strategic plan should also include the management of the network of supply partners (Siegel, 2018) and client relations in order to enhance the organization's capability to bounce back within an expected period. These lead to the main questions of whether there are any specific knowledge, skills and characteristics required for entrepreneurs in building an organization's ability regarding BCM theory.

The above review provides unclear and little evidence for the study of entrepreneurial competence in pursuing continuity of business. However, regarding BCM practice, the ability to perceive business disruption and predict the consequences are evident reflecting conceptual skill. Also, the individual traits that are determinants of cognitive and relevant behaviours, such as proactiveness of strategic-making, risk propensity and innovativeness, will be captured from the entrepreneur's point of view in strategy making and action.

## Methods

The aim of this study was to investigate how entrepreneurs perceive and respond to business interruption. The complex nature of the research required inductive enquiry to allow investigation into the thoughts, feelings, actions and behaviors of the selected entrepreneurs. A narrative approach was implemented since such approach is appropriate for exploring phenomena in which data are rare and sensitive (Byrne and Shepherd, 2015). A narrative is one of the interpretive methods that share the common philosophy of phenomenology, i.e., methods used to describe the world of the person or persons under study from their perspective (Stern, 1994). Moreover, narrative research can reveal the complexities involved as entrepreneurs engage with and respond to circumstances over time, such as past experience (Endres and Woods, 2007).

The sampling was purposive since it was necessary to focus on those with experience of the research phenomenon. The participants (PT) were four entrepreneurs of “top-tier” construction firms in this business. Their similarities had business profile that included a set of specific structure of the company (more than 60 employees), contract value per year (300-500 million Thai baht), market segment and age of company (more than 30 years). Two of them were company founders (PT1 and PT2) and the other two were second generation ownership (PT3 and PT4). Each entrepreneur was given a code for anonymity in the study.

The data for the study was qualitative in the sense of having respondents provide information on the basis of individual experiences. In-depth interviews with semi-structure questionnaires were used for data collection. An interview guide was sent to the participants in order to give them an idea of the interview theme. The interview focused on different value-and strategy-related behaviors. These included “personality traits” and “abilities” that they felt contribute to crisis experience and related significantly to their strategic development. Since the sample size was small, it was possible to conduct personal interviews of an average 90 minutes to two hours duration. The interviews took place at the office of the participants. All interviews were recorded, transcribed and translated into English.

All transcripts were examined and analyzed by concept-driven coding. The codes were developed from the literature review and the data collected from in-depth interviews. The question regarding crisis experiences and how they responded reflects individual traits as to how to cope with unwanted situations that are harmful to the business, such as self-efficacy, risk attitude and strategic orientation. Finally, the question on business strategy for growth and sustainability of their success in the future helped to evaluate innovativeness and opportunity seeking skills, as well as proactive personality in strategy-making. Innovative skills refer to individual response to new things, such as the perception of opportunities for innovation in new products, services or process.

## **Research Findings**

The analysis of the in-depth interviews with the four entrepreneurs revealed three themes – “past”, “present” and “future” – in term of business disruption, which revealed the business continuity competency of these entrepreneurs. The theme “past” refers to crises experienced and their response. “Present” refers to their perception of opportunity and threat to their business at the present time. The last theme, “future” refers to plans that make the business grow sustainably with success. The following section will describe in more detail of the perspectives of the entrepreneurs.

### **Perception of business disruption**

The term “business disruption” seems quite far from the thought of all participants. However, their most important concern is losing connection and opportunities for business. The participants believe that hard work, high commitment to the job and being honest to clients are the keys of business continuity since they form a positive feeling and trust of clients toward the firm. “We took ownership of their issue and get them solutions” (PT1). “For excellent quality, sometimes it was over specification and budget. Defects promptly were rectified without request from the client” (PT2). While strong interest to the field of construction is a motivator for doing well in the business. “The contract price was three million baht, but my idea for the solution cost more than ten million. I worked day and night to tackle the problem” (PT3). “Profit is not always the point. A small project if it is interesting to me, I will take it” (PT4). Although,

they are unable to perceive any disruption, they well understand this as a key factor of their business success. Concerning to this point, it is difficult to conclude that they lack cognitive ability since the characteristic of a client-driven business influences on their perception. However, this suggests that “inventive thinking” and “information literacy” might be required.

However, the issue of knowledge transfer was brought up during the interviews since it was identified as a factor in business disruption. Knowledge transfer has always been a big concern for knowledge-based firms included of Thai traditional construction companies. Surprisingly, knowledge loss is rather not the main concern of the participants in spite of all understanding and awareness on the value of their insight and human capital. All firms have retained people with good skill of carpenters, plasterers and sculptors throughout their operation. They even regard these craftsmen as part of their families. These craftsmen, in return, willingly pay back the firm with loyalty until their retirement. Therefore, the owners are quite confident in their firm’s ability to train and retain skilled craftsmen, as well as to find specialist contractors working for them continually. They are aware of the potential disruption, but they do not fear of losing their craftsmen and the discontinuity of knowledge. “I gave the training for one of my friends’ brother whose hobby is woodwork to be a gable-apex carver. He is my best at present” (PT2). “It happens all the time when they (craftsmen) thought they are good enough to start their own business, they felt like to left us. I, instead, supported some of them to grow, gave them jobs” (PT1). These sub-contractors, in turn, provide loyal service. The “let-go” with support given to the potential staff is eventually his strategy in forming a bonding and strong network of sub-contractors.

Related to this “knowledge transfer” issue, another key knowledge and skill taken into consideration is knowledge upon “construction project management”. This is critical to a project-based firm to handle the project correctly but not really among scholars. The set of knowledge equipped together the construction project management with the traditional art seems to get less attention from academics in Thai traditional construction field of study. One firm’s owner was asked and shared the following experiences. “The sequences and methods of Thai traditional construction process are different from modern construction. “My father put me working with one of his project

superintendents. I had been trained for years although I got a degree in construction management.” “One key aspect of Thai traditional architecture is the decoration of elaboration art which require full size of detail (scale 1:1) enlarged and mock-up to ensure it conforms to design” (PT1).“Clients need a construction management consultant who understands the process and method of Thai traditional construction. Otherwise it might cause delay and poor quality of construction” (PT2). His shared experiences found he is the only one distinctive from the other interviewees in joining the two key knowledge together. That is to say, the project manager well-found with skill and knowledge in Thai traditional construction is rare. In-depth training offered from his father in the past gives him not only the set of knowledge in solving all problems may found in the projects but also his views positively on the importance in managing the knowledge transfer. This also implies he is an expert in this field and consists of potentiality against the business disruption.

This narrative exhibited opportunity recognition skills that influence on entrepreneur strategies in retaining valuable knowledge and human resources. Also, the way the participants choose in managing their network of craft masters and sub-contractors reflects their social skills. Undoubtedly, knowledge and skills in Thai traditional construction are keys for business continuity. Moreover, the narrative exhibited not only strong knowledge and skill in construction by the participants but also a sense of personal self-efficacy and leadership in executing their vision and achieving the expected organization performance. According to Foo et al. (2009), self-efficacy also relates to their success factor - a high commitment to jobs and their ventures.

### **Crisis experience and response**

A liquidity crunch was identified by all participants that they had experienced and highly concern. This problem is typically occurred when the participants were unable to organize working capital. Economic crisis was all viewed by them as a factor causing such disruption. During the great recession period in Thailand, the “*Tom Yum Kung Crisis*” in 1997 was raised for portraying the situation how they suffered severely to maintain liquidity in day-to-day operations. In fact, the construction industry was once boom and the booming years were prior to such crisis. Since they did not aware of the pending

crisis. The demand for constructions was so enormous that they took on all opportunities offered and invested on expanding the firm capacity. Such lucrative demand brought along labor and material shortages in a way. Moreover, material prices were increased and supply in relation to the job done was delayed. Therefore, it was shown in the company's finance. An elongated payment cycle and difficulty obtaining credit from commercial banks brought stress to all participants.

“We had never struggled to get a new project but, on the contrary, there were too many contracts in hand that we had to well balance both projects and company cash flow.” “It was a hardship to us, but we kept fighting. I thought we are one of the best in this business, we had to survive” (PT2). “Banks turned down us. No banker supported us; no credit granted though we had contracts for guarantee” (PT3). An intensity of anger was expressed by participants when discussing the effect of the economic crisis. “Nowadays, we don't need any more support from those bankers.” This seems to be well placed in terms of the liquidity situation. These reflect self-efficacy and high commitment to their venture. Moreover, this suggests that lack of anticipation, limited experience and resources may have made these construction firms vulnerable to economic crisis and fierce competition. However, the strategies to respond to this disruption were not described. The result is in their careful financial evaluation and cash flow management is not in their strategic plan.

Economic crisis is not only a factor for liquidity and financial problem for these entrepreneurs. A fiercely competitive market and bidding strategy issues are also highlighted. Bidding strategy in construction comprises a number of decisions to be made including whether to bid or not bid and the level of mark up to be adopted. Being successful in bidding, it is necessary to bid high enough to ensure getting a profit on the job, yet low enough to get the job. The problem arises when getting a chance with a low bid and making a low profit.

Their uniqueness of service, Thai traditional construction, helps them to survive, creating opportunities and options for their business. There are fewer players in this niche market, heritage restoration and Thai traditional style construction. Moreover, most of the projects are supported by the government with a guarantee for payment. “We prefer working with public clients. Although the margin is lower than private projects, the payment schedule is accountable.

It is even better now, construction unit rates for restoration of heritage buildings are higher than new building construction.” “We must know where the project risk is and decide to take or to leave it.” “I won’t take risk anymore. We are doing well now” (PT4). The interviews reveal their attitude toward risk in dealing with disruption. This suggests that they have a tendency to avoid risk. Besides, their cognitive ability results in the competitive strategy they have chosen.

### **Strategy for growth and business sustainable success**

Since there is a sign of change in policy of the main client’s organizations, that is a cutting of the building conservation budget. The issue of business direction to respond to the demand change and sustaining the success was brought up for discussion. The participants have a common view about their market segment that there is still in high demand. However, they have prepared for the situation in some extents. “To agilely respond to the change and competitive bidding, I built another company to perform smaller projects only” (PT3). “We split up into two entities. It is about the brand and tax-efficient way for the parent’s company” (PT1). This means they both still hold on to the same market segment and group of clients. “We use three software programs for cost analysis. All project costs must be traceable.” Modern project management techniques were adopted to improve the performance of one’s firms. “Now, we work as a specialist contractor for a hotel on Sathorn Road. We utilize our knowledge and skill to renovate and adapt them to decorate that building” (PT4). This participant tries to penetrate a new market with his expertise and modern management technique. Similar to PT2, he applied a new technique for cost reduction and training of craftsmen to be more versatile. “Our proposal is the lower cost at the best quality.” “I started a new sector, marble carving, to extend our scope of service. I gave training on wood carvers to do it.” The inventive thinking results in a competitive strategy for younger entrepreneurs (PT2 and PT4). It is notable that motivation related to the age of the entrepreneur has an effect on their competitive strategy in terms of the degree of innovation.

When discussing the future of the firm, ownership succession is one of the major issues that affects both family and non-family members of the family business firm, employees, competitors, clients and network suppliers. They all

have more than a passing interest as a firm moving from one generation to the next. The problems can lead to disruption or destruction of either the family or the business, sometimes both, in the long run. Most participants expect to see their businesses transferred to the next generation, their offspring in particular. “I told them, it all yours. You should get involved in the business more” (PT2). The participants put their adult children in management positions of their firms in order to prepare them for the future. “I delegated my sons to take care of business with our two main clients, the Fine Arts Department, and Crown Property Bureau” (PT3). Similar to other participants, they divide responsibilities to their family members clearly by type of project or group of clients. Yet, selection of successors and succession plans were not addressed.

The participants expect commitment to the business from their children to be just like them. They expect the children to follow their work style and share the same hardship in the work as well as being analytical. “My sons, they abide by the book. I want them to think out of the box, learn more from experience.” “My grandson won’t continue our business. Working in this business, you must enjoy solving construction problems and learn from them” (PT3). The driving force is “the interest in work”. “They should be more committed to our business and be more into Thai traditional architecture value.” “They are good in modern style of management but not good enough. They need more knowledge and skill in the Thai construction methods” (PT2).

Moreover, this narrative exhibited an emotional attachment of the participants to their business and jobs that can be a hindrance to succession plan implementation. They enjoy their work, devoting significant time, financial and emotional resources as demanded by their business. “I stop by Wat (temple) A and B for site visit every day before going to the office.” “Vacation for me is going to my office or visiting construction sites.” Their jobs are mostly occupied their daily life effortlessly. It is suggested that along with their attempt, passion is driven their business. The obsession in the job so much that they have not yet made the solidity in passing on authority to their children. They have never thought of letting go of power and retire (PT1). Even though they would like to retire, “changing” of the owners can be a disruption since the clients are dependent upon them as explained above upon particular relationship between builders and clients in this business. Even a factor of craftsmen who spend

almost a lifetime work for the company, they tend to be reluctant to work with a new owner when the former one was retired.

The interviews indicate that ownership succession is a major business disruption that is directly related to traits and general competencies. From the founder's perspective, knowledge and skill in Thai traditional construction methods are important for the successors to gain trust, both from clients and employees. As a family business, the narratives illustrate the expectation that their natural successors have innate good-of-fit and competency without any grooming process mentioned. Also, leadership that is comprised of personal characteristics, knowledge and skills are absent in the narratives of succession. Moreover, the biggest obstruction to ownership transfer is the founders. Since they have been attached to their firms for a long time and became the firm's identity, any succession plan (if they have one) is difficult to be a success.

## **Conclusion**

Owning to the stable business environment of the Thai traditional construction sector, business disruption and crisis seem far from entrepreneurs conscious. However, the findings provide an idea of how they perceive the business environment and their ability to interpret it. Entrepreneurial competencies expressed through the narrative of the contractors suggest that social skills, commitment, proactiveness and opportunity recognition are positively related to the long-term survival and sustainable success of the firms, as shown in Table I. The findings also highlight an interrelationship between the self-efficacy of the participants and their strength regarding industry knowledge and skills. It is still questioned why innovativeness and proactiveness in term of organization management are unexpressed from the interview, which, in a way, could be because they lack conceptual skills.

Moreover, cognitive ability and industry knowledge influence their perception toward risk and strategies. The common characteristic of the participants is being conservative in risk taking since they comprehend the risks prone to their business. The decisions to take or avoid risk are depended on a careful analysis of possible consequences. Whereas, the business environment encourages their approach based on avoiding risk and competition. On the other

hand, they rather spend their effort on client relation and satisfaction, as well as firm reputation. Accordingly, competence in Thai tradition construction techniques, self-efficacy and social skills are necessary for strategic success. In addition, commitment can be considered as a motivator for accomplishment despite the difficulty, cost and time pressure of construction projects.

**Table 1:** Entrepreneur Competency for Business Continuity Management

Skill/Competency	Detail
Opportunity recognition	Perceiving a number of opportunities still remain with existing clients.
Proactiveness	Attempting to transfer business to successors, but no succession plan.
Degree of commitment to venture	Strong emotional attachment to their venture.
Innovativeness	No strong evidence for innovation.
Risk propensity	Rather play-safe by retaining existing clients than trying to seek new clients.
Social	Establishing mutual trust and long-term relationships with sub-contractors.
	Strengthen client loyalty by maintaining a high quality of service and trust.
	Retaining talented employees and craftsmen.
Technical	Very good at traditional Thai construction methods and techniques.
	Very good at traditional Thai construction project management.

Furthermore, the findings indicate entrepreneurs hold values that involve commitment and conscientiousness to clients and their job that influences service attitude. Excellence service is crucial for contractors to gain trust and build a relationship with clients. Trust and relationships benefit the firms in securing market influence and opportunities according to business continuity strategies. However, these relationships seem interpersonal rather than organizational. From the findings, this can be seen as an obstacle for ownership succession. The gap during the transfer process might lead to connection loss. It is interesting to note that values that are root deeply in personal

beliefs and attitudes are the main factors in ownership transfer from founder to the next generation.

The readiness of entrepreneurs in building their organization's ability to withstand the impact of disruption and continue their success, along with the wisdom of Thai tradition in construction, has been investigated through their competency. This study has added knowledge to the discussion that they might not be ready to pass on their success to the next generation. It can be noticed that the participants give priority to work performance on construction projects and client satisfaction since they seem to understand such factors the most. Organizational knowledge and vision seem to be neglected. At the same time, this study draws attention to personal values, interest and the generation gap as factors obstructing ownership succession plans and continuity of Thai traditional construction wisdom. However, the work reported here is quite limited with theory and tools to measure and analyzed the data. This requires the development of theoretical constructs and measurement procedures in future research.

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