

ANTECEDENTS OF SUCCESS OF SECURITY COMPANIES

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ABSTRACT

At present, there are many private security companies because the government is not able to provide sufficient and thorough safety and security for people's lives and properties. This research aimed to study antecedents affecting success of security companies. It employed a quantitative research methodology. The sample consisted of 400 entrepreneurs of security companies, obtained by systematic sampling. Data were collected with the use of a questionnaire and analyzed with multiple regression. The research results showed that antecedents affecting the success of security companies included qualifications of the business entrepreneurs, types of business, and sources of investment funds.

Keywords: Security Business, Entrepreneurs, Success

INTRODUCTION

Security companies have been operating in Thailand for more than 30 years. Security procedures and approaches, such as providing security services, investigating, guarding VIP persons, designing and installing a security system, an access control system, and an alarm system, have been developed and increasingly advanced. However, there is no specific law protecting or promoting rights of security guards, especially, when they are injured or in danger from their duties. Moreover, there is no certain measure or law for controlling performance of security guards nor standards for personal selection process. With such situations, security guards currently do not have a good quality of life nor secured life even though this job involves safety and security of people's lives and properties. Above all, services given by entrepreneurs of security companies or security guards are not yet up to standards nor sufficiently efficient. This is because there is no certain criterion nor measure to govern this job. The problems involving standards of this job include problems of the application of related laws, problems relating to qualifications of business entrepreneurs and security guards, problems involving organizations in charge of governing a career of security guard. All of these problems negatively affect consumers who received the service based on a contract because customers may have to face with losses or damages of their lives and/or properties. These problems also cause damages to the whole society, especially when security guards are offenders.

Security provision for private organizations is important and necessary. However, it is not sufficiently advanced because there are many obstacles. Labor shortage is one of the major obstacles because security guards are highly demanded by many organizations, both in public and private sectors, but this job is poorly paid and gains low benefits, requires long hours of working, involves strict rules and regulations, and is boring. A problem of low payment of this job affects a quality of service. Moreover, security guards generally do not have proper and sufficient training and this certainly affects their performance. Improper and insufficient training for security guards is sometimes against laws and can cause losses. In addition, improper personnel selection procedures may permit a criminal to enter an organization to

pursue his job as a security guard which causes bad reputation to that organization. Therefore, how the entrepreneurs of the security companies will manage their business properly is an important issue. Upon realizing these problems, the researchers decided to conduct a study on a model for security companies to be successful in their businesses.

Research Objective

This study aimed to study factors affecting success of security companies.

REVIEW OF THE LITERATURE

Security Company

Based on the Security Guard Business Act, B.E. 2558, a security company or security guard business refer to a business that provides security services by arranging licensed security guards to protect people's lives and properties and gaining monetary benefits or benefits in other forms in return. However, this type of business does not include security services provided by government organizations as announced in the government gazette by the Prime Minister.

Business Success

Indicators of business success consist of:

1. Customers' confidence. The company needs to build a good image in the eyes of existing customers or potential customers from the first time because a good image can develop customers' confidence. There are 9 main components or techniques leading to business success. These are: 1.1 building first impression which is the most important technique; 1.2 Being "a nice person" because this is always a desirable characteristic that encourages other people to do a business with; 1.3 always listening to customers, try to understand what their real needs are, and pay a real attention to both good news and bad news from customers; 1.4 paying an attention to others with sincerity, not only on business issues, but also on other customers' issues; 1.5 being confident in the company's products and services; 1.6 always helping customers solve a problem and never let them feel lonely; 1.7 being honest and sincere and never ever cheating on customers; 1.8 monitoring customer satisfaction on an on-going basis; and 1.9 building satisfaction which exceed customers' expectation so that they will want to repurchase or come back to use services again.

2. Turnover or results of a company's operations. A comprehensive income statement, or previously known as a profit and loss statement refers to a financial statement presenting the results of a company's operations for a given period. Specifically, it reports revenues and expenses of the company for a given period such as a quarter or a year.

Revenues refer to an increase of economic benefits for a given period which a company gains from selling products or services. They also refer to other benefits that lead to an increase in owner's equity. They do not cover an investment from an entrepreneur of the business. Therefore, an initial investment made by an entrepreneur of the business is not regarded as a revenue.

Expenses refer to a decrease of economic benefits for a given period. The examples include expenses of products/services selling and other expenses. They do not cover money or benefits given to an entrepreneur or shareholders of the business. Therefore, dividend is not regarded as an expense.

Depreciation refers to allocating the cost of a tangible asset over its useful life. This is a form of expense deducted from value of tangible assets which their useful life is more than 1 year such as equipment, machines, vehicles, buildings, and factories.

Selling, general & administrative expenses, or S,G & A in short, refer to expenses occurring from selling activities and business management including salary (which is not direct labor hour such as salary and commission given to sales persons, and salary of administrative persons), utility expenses, telephone expense, public relations expense, advertising expense, and bad debts.

Interest expenses refer to financial expenses (financial costs) or the cost incurred by a company for borrowed funds. A company has to pay an interest expense to a loaner whether it has made a short-term loan or a long-term loan. A larger amount of debts a company has, the more interest expenses it has to pay.

Tax is an expense which a business has to pay to the government. It is calculated from a company's profit. In some cases, a business may be entitled to tax exemption or a discount. The example is when a business joins a special project such as an investment promotion project offered by BOI.

3. Happy employees. Happiness is what everyone desires whether it is happiness in personal life, in family, or in work life. A happy person is a person who always has positive emotion. Generally, people spend at least one third of the day at work. They view their office as their second home. Therefore, if a working place is pleasant, people tend to be happy to go to work and want to do their best to develop their working performance every day. We can conclude that a work place plays an important role in building happiness for people. Once a work place is pleasant, employees are likely to have good health, happy, and have high work performance in long term. To conclude, building happiness at a work place is therefore necessary for organizations.

METHODOLOGY

The population of this research was 1,100 entrepreneurs of the security companies. The sample was selected by systematic sampling. Data were collected with the use of a questionnaire which had been checked for its content validity and reliability. The collected data were then analyzed with multiple regression analysis.

FINDINGS

Summary of Research Findings

The research findings revealed that the main antecedents of the success of security companies were the qualifications of the business entrepreneurs. Specifically, they had to have management skills and abilities, determination, acceptance of risks. Moreover, it was also found that different size and types of the company, whether it is small, medium, or large, also affected the level of success of the company. Lastly, sources of investment funds, whether it is internal source or external source, could also affect the level of the company's success. These results are consistent with the study of Nath Amornpinyo (2013) which reports that the four main keys to success of small-sized entrepreneurs are management knowledge and skills, investment funds, determination, and experiences.

Suggestion

Entrepreneurs of security companies should enhance their knowledge and skills of management by receiving trainings on financial management, administration management, and risks management.

REFERENCES

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