

Determination of Willingness to Pay Compensation the Potential and Readiness of Accountants in Opinions of Entrepreneurs in era Thailand 4.0

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Abstract

The objective of this research aimed to 1) study the factors affecting the determination of willingness to pay, and 2) study the willingness to pay compensation the potential and readiness of accountants in entrepreneurs. This research employed quantitative research. Samples of this study were 693 entrepreneurs in Prachuap Khiri Khan Province. The stratified random sampling and hypothetical methods for evaluating events by using the Double Bounded CVM questionnaire were used in this study.

The results of the study were: 1) Factors that affect the determination of willingness to pay compensation according to the potential and readiness of the accountants in the view of the entrepreneur, namely the characteristics of the business types, job characteristics and work ability, such as accounting professional knowledge, accounting information technology competency, and language ability; and 2) Entrepreneurs were willingness to pay an average starting at 12,090.39 baht per month, willingness to pay compensation when the workload increases from working in government agencies 1,052.11 baht per month, willingness to pay compensation when responsibilities increased by being registered as an account keeper 1,775.18 baht per month, willingness to pay compensation when the accountant's potential and readiness through the use of software packages for bookkeeping equal to 1,961.19 baht per month, and willingness to pay compensation when having English language ability of 2,643.24 baht per month.

The results of this study reflected that the compensation that entrepreneurs who were willing to pay was less than the minimum wage. As a result of economic conditions, including the epidemic crisis of the corona virus 2019 infection, accountants were able to use this information to guide potential development and readiness in accordance with the needs

of entrepreneurs including government agencies to determining the labor cost according to the scope of the study.

Keywords:Willingness to Pay Compensation, Potential and Readiness of Accountant, Opinions of Entrepreneurs.

Introduction

Thailand has a total number of business entrepreneurs around 7.37 hundred thousand, of which 80-90% are small-sized enterprises or approximately 54% of the workforce. Medium-sized enterprises account for about 16.4% of the workforce, whilst large enterprises account for about 29.6% of the workforce. Private enterprises, excluding the education sector, employ about 21-22 million people which almost half of them are not in the social security system. Data from the Ministry of Labor (June 2019) reveals that there are 4 main factors that will affect the Thai labor market as: 1) Digital supported on advanced technology in various forms, such as artificial intelligence (AI), intelligent robots as well as the transformation of the production system to digital lean automation; 2) Thailand's policy to shift the country towards Industry 4.0 that uses technology and automation; 3) Slowdown cycle of global economy since 2014; and 4) The seventh lowest out of 181 countries of Thailand's unemployment rate (World Bank 2017).

According to Phonmee et al. (2018: 35-48), labor is an important force in driving the country's economy. Subsequently, it has evolved into a heavy industrial era that emphasizes labor intensive use. Until 2017, the government announced the 12th National Policy (2017-2021), or Thailand 4.0 Policy, with the goal of changing the economy of a country that is driven by a labor-intensive base in heavy industry to technology-driven industry. However, the problem of labor force entering the labor market is not in line with demand, especially, Thai workers whose have problems in quality. Although the workforce has increased in education in 62%, there still receive secondary education and below. Moreover, the proportion of workers aged 50 and above which account for 31.7% are facing problems of adjusting skills to drive the economy with high technology in the future.

In this case, it might be summarized that Thailand is facing reflecting problems of both the quantity and quality of the workforce (Matichon Weekend, 2018)

In Prachuap Khiri Khan Province, there are approximately 16,100 business establishments divided in various fields (National Statistical Office Ministry of Information and Communication Technology, 2012). Therefore, entering the Thailand 4.0 era to compete with knowledge is essential. Creativity and innovation and entrepreneurs need to adjust their business strategies to cope with changes in consumer behavior, using technology to meet their daily needs. Consequently, accounting information is considered as an important component for making decisions and formulating business strategies to explain the current financial status of the business as well as predict the direction of the future business. Accounting, therefore, is considered as the heart of business management. Currently, entrepreneurs expect accountants to expand their roles from accounting and reporting responsibilities that add more value to the organizations such as strategic planning of the organization, applying various technologies to accounting and analyzing and presenting information in a format that is useful for business decision-making.

The potential and readiness of accountants are, further, essential in term of accountant study to keep up with the situation, rules, professional standards. It also creates an opportunity for a competitive advantage (Triphong et al., 2015) and ability to manage tasks successfully used in the job and the value of work (Hackman et al, 1977; Hackman and Oldham, 1980). When accountants in higher education are competent and ready to do accounting, they will receive higher compensation. and is required by the establishment. Hence, in this study, the researcher focused on determining the willingness to pay compensation based on the potential and readiness of accountants in the viewpoint of entrepreneurs in the Thailand 4.0 era.

Research Objectives

The objectives of this study were:

1) to study the factors affecting the determination of willingness to pay compensation based on the potential and readiness of accountants in the opinion of entrepreneurs, and

2) to study the willingness to pay compensation based on their potential and the readiness of accountants in the opinion of entrepreneurs in Prachuap Khiri Khan Province

Research Methodology

The population in this study were 16,100 entrepreneurs in Prachuap Khiri Khan Province and the samples were 693 people (National Statistical Office Ministry of Information and Communication Technology (2012); 600 suitable samples, consistent with Mitchell & Carson, 1989), such as hotel business accounting office, etc. The criteria for selecting entrepreneurs will be entrepreneurs with knowledge and understanding of information technology. Experts in knowledge of accounting software packages used in the accounting profession whose were responsible for a key role in the compensation agency according to the potential and qualifications of accountants, such as executives in that agency, etc.

The research instrument was a questionnaire. The questionnaire used contained a theoretical study outline on compensation to study the relationship of compensation and willingness to pay compensation of enterprises in Prachuap Khiri Khan Province. In this research, the researcher created and developed a research design as follows: 1) Study concepts, theories and literature related to factors in determining compensation and apply them to suit research and target groups as a guideline for creating a questionnaire to cover the contents according to the specific terminology; 2) Study the criteria and methods for creating a questionnaire from documents and literature related to factors in determining compensation and willingness to pay compensation; and 3) Bring research tools to experts to check the correctness of the questionnaire.

The questionnaire was divided into 3 parts as follows:

Part 1 General information of entrepreneurs in Prachuap Khiri Khan Province

Part 2 Questions on factors affecting expectations and views of entrepreneurs in Prachuap Khiri Khan Province

Part 3 Optimum Initial Bid Price

The investigators used a Double Bounded Logit Model approach, with the dependent variable being willing to pay (WTP) to choose a price twice under different circumstances, double the bid of the first bid. Then the respondents had to answer again. In case of reluctance to pay from the first bid then reduce the price by half of the price quoted for the first time. Then the respondents had to choose to answer again whether they were willing to pay or not. Through the determination of all 3 factors: (1) the nature of the agency, including government agencies and private agencies. (2) Types of positions: general accountant and registered as an accountant, and (3) the potential and readiness of an accountant, including the ability to use accounting software packages, the ability to close accounts, and the ability to use English well. The above three factors equal $2 \times 2 \times 3 = 12$ cases (Case), and when coupled with the double-selection price, the situation in the analysis is $3 \times 2 \times 2 \times 2 = 24$ situations (Scenario). The Panel Random Effects Logit model used in analyze It can be shown by defining the respondent's utility function as a Random Utility Function, which can be displayed as follows:

$$U_{is} = \beta_0 + \gamma [\text{price}]_{is} + \beta_1 x_{1is} + \beta_2 x_{2is} + \beta_3 x_{3is} + \alpha_i + \epsilon_{is}$$

U_{is} = utility of respondent i in case s

β_0 = respondent's coefficient

$[\text{price}]_{is}$ = price of the i respondent in case s

x_{1is} = Factor 1 is the nature of the respondent i in case s

x_{2is} = The second factor is the position characteristics of the respondent i in case s

x_{3is} = The third factor is the potential and readiness of the respondent's accountant in case s.

α_i = Random Effects of respondent i

ϵ_{is} = Random Error of respondent I case s and the decision to choose the incremental compensation of a dependent variable $Y = 1$ in case of choosing to do, and equal to 0 in case of not doing, and the probability

function that the respondents would choose to show the characteristics of a Logistic Function as follows

$$P(\text{price} = 1 | x) = 1 / (1 + e^{(-U_{is})})$$

The data were analyzed using regression analysis and willingness to pay analysis. with computer statistical programs The Willingness to Pay (WTP), Average Willingness to Accept and Total Willingness to Pay were analyzed by calculating the willingness to pay. The payout of each factor can be calculated from

$$WTP = \partial price / (\partial x_{kis}) = (\partial U_{is}) / (\partial x_{kis}) \div (\partial U_{is}) / \partial price = \beta_k / \gamma$$

Results

Phase 1: Analysis of factors affecting the determination of willingness to pay compensation

Table1 Factor effect to willingness to pay analysis

	N	Acc.Pro	Language	Law	IT
sex					
1	39	0.8012	0.8362	0.8176	0.8099
2	654	0.8102	0.8179	0.8083	0.8084
t-test		0.0857	0.3945	0.0851	0.0023
age					
1	216	0.8029	0.8161	0.8061	0.8076
2	390	0.8144	0.8254	0.8116	0.8136
3	81	0.8086	0.7996	0.8121	0.7913
4	6	0.7637	0.7654	0.6854	0.7419
F-test		0.3021	0.6953	0.8677	0.5964
Business type					
1	181	0.7721	0.7870	0.7747	0.7724
2	313	0.8318	0.8361	0.8239	0.8329
3	199	0.8091	0.8209	0.8163	0.8030

F-test		5.9920	** *	4.4829	**	3.9750	**	6.4057	** *
Registered capital									
1	67	0.8085		0.8349		0.8258		0.8243	
2	208	0.7841		0.8001		0.7975		0.7981	
3	290	0.8110		0.8151		0.7965		0.7966	
4	218	0.8489		0.8498		0.8463		0.8440	
F-test		3.2472	**	2.3265	*	2.4343	*	2.3848	
Welfare									
1	450	0.8163		0.8244		0.8106		0.8154	
2	55	0.7834		0.7986		0.8081		0.7571	
3	61	0.8116		0.8116		0.7994		0.8014	
4	99	0.7938		0.8150		0.8025		0.8107	
5	28	0.8067		0.8012		0.8254		0.8062	
F-test		0.6019		0.3962		0.1242		1.2560	
Status									
1	480	0.8096		0.8193		0.8069		0.8138	
2	152	0.8235		0.8401		0.8274		0.8166	
3	48	0.7778		0.7555		0.7894		0.7474	
4	13	0.7691		0.7946		0.7350		0.7449	
F-test		0.9592		2.8868		1.2861		2.5161	
Average monthly income									
1	620	0.8168		0.8250		0.8188		0.8152	
2	73	0.7489		0.7673		0.7245		0.7518	
F-test		8.8119	***	7.0103	** *	15.9433	** *	7.7964	
Experience									
1	418	0.8046		0.8163		0.7982		0.8034	
2	275	0.8079		0.8110		0.8142		0.8069	
F-test		1.8759		2.7384	*	3.4120	**	1.8820	

Factors affecting the determination of willingness to pay compensation based on the potential and readiness of the accountant from the perspective of an entrepreneur measured from the questionnaire by a 5-level Likert Scale were calculated and generated as variables with values between 0-1 as shown in Table 1, showing the mean of all variables. Classified by demographic characteristics of the sample and testing the hypothesis whether the mean of each variable classified by demographic characteristics is different or not.

Phase 2: Analysis of the willingness to pay model

Analysis of regression data with sample by Panel Random-Effects Logit Regression method on organizational characteristics. job position and the potential and readiness of accountants as follows:

Table2 Average willingness to pay analysis

	Institution (Baht/ Month)		Job.D (Baht/ Month)		PR v1 (Baht/ Month)		PR v2 (Baht/ Month)		Base Price	
With Xs	1,052.11	***	1,775.18	***	1,961.19	***	2,643.24	***	12,090.39	*
WO Xs	773.37	***	1,806.25	***	1,743.40	***	2,775.64	***	12,643.32	*

Table 2 presented the results of the willingness to pay analysis. When considering the compensation that entrepreneurs were willing to pay according to the specified factors such as the nature of the agency, job position and the potential and readiness of accountants, it found that entrepreneurs were willing to pay an average of 12,090.39 baht per month, willingness to pay compensation when the workload increases from working in government agencies, 1,052.11 baht per month, willingness to pay as responsibilities increase by registering as an accountant 1,775.18 baht per month and willingness to pay compensation when accountants had the potential and availability through the ability to use the accounting

software package equal to 1,961.19 baht per month and the willingness to pay compensation when proficient in English 2,643.24 baht per month.

Table3Total willingness to pay analysis

	Institutio n (Baht/ Month)		Job.D (Baht/ Month)		PR v1 (Baht/ Month)		PR v2 (Baht/ Month)	
With	13,142.5	**		**		**		**
Xs	0	*	13,865.57	*	14,051.58	*	3	*
WO	13,416.6	**		**		**		**
Xs	9	*	14,449.57	*	14,386.72	*	6	*

Table 3 illustrated the results of the analysis of the willingness to pay considering by the compensation that entrepreneurs were willing to pay according to the specified factors, including the nature of the agency, job position and the potential and readiness of accountants. It found that the analysis of total willingness to pay revealed that entrepreneurs were willing to pay compensation when working in government agencies 13,142.50 baht per month, willing to pay compensation when they could register as an accountant 13,865.57 baht per month, willing to pay compensation when they had the ability to use the accounting software package equal to 14,051.58 baht per month and willing to accept compensation when they had the ability to use English language 14,733.63 baht per month.

Conclusion and Discussion

Factors affecting the determination of willingness to pay compensation in the view of entrepreneurs, the expectations of professional accounting, language, legal and information technology, nature of work, the ability to work such as knowledge of accounting, the ability to use accounting programs, and English language proficiency in Prachuap Khiri Khan province were studied. There were statistically significant differences in following items: 1) the nature of the unit or type of business such as service business, hotel business, industrial business, etc., affected

the accounting position even though they had the same job title;2) when accounting in different types of businesses, there were different in accounting characteristics according to the type of business;3) different registered capital indicates different business sizes, affecting the difficulty of accounting; and4) different work experiences indicate the ability to work and reduce the cost of teaching work and preparation in the field of professional accounting. Consistent with the research of Phonmee et al. (2018), it was found that factors affecting the employment of unskilled workers in enterprises in Laem Chabang Industrial Estate. Chonburi Province, namely the type of industry Enterprise Strategy Opinions on the policy of Thailand 4.0 and the Eastern Economic Corridor project towards investment in research and development and improvement of production processes, labor characteristic factors, cost factors, environment factors, laws and government policies on Thailand 4.0 and the Eastern Economic Corridor Project.

Because the use of accounting software packages and related accounting information systems are important, and these applications are used in every organization. As a result, entrepreneurs realize the importance of accountants who have the knowledge and ability to apply these programs, well-prepared and make bookkeeping efficient. Consequently, the qualifications are in line with the viewpoint of entering the 4.0 era and continuation of the use of a second language, English, which is another important factor for modern accountants to continuously develop themselves to be able to read and write in English to support the adoption of accounting results to the international level, especially in departments or large enterprises to fulfill the need to coordinate with foreigners such as hotel businesses, etc. This is consistent with the study of Mikovich and Newman, (2011); Smith et al., (1992) who note that wages paid to employees according to the nature of work is able to motivate employees to use their knowledge and abilities. Incentive compensation can increase employee job satisfaction (Pinthadit et al. (2018); Pinchumphonsaeng and Chantakolika (2018)).

Recommendation

Recommendation for this study

1) Executives and entrepreneurs are able to apply the knowledge gained in determining the qualifications for recruiting new employees and use to set the criteria for increasing salary for accountants who have experience in working and have continuous self-improvement to increase salary or compensation.

2) The basic accounting features requires comprehensive learning to differentiate to build strengths and make the employees work more efficiently, creating added value in pricing and compensation.

3) The results of this study is able to be used as a guideline for determining labor values according to the study area. It is also taken into account in determining the basic qualifications of accounting personnel in government agencies.

Recommendation for next study

The future study should be concerned the willingness to pay of the establishment to employ workers and the excess compensation to pay to accountants in other areas or provinces. In addition, qualitative tools should be used to collect data in order to gain more in-depth knowledge of the behavior and attitudes of management towards employees or accounting personnel.

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