

-RESEARCH ARTICLE-

## GUIDELINES FOR DEVELOPING A SUCCESSFUL INTERIOR CONTRACTOR BUSINESS

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### —Abstract—

Interior contractor businesses play a crucial role in the construction and architecture industries. However, they are currently facing economic difficulties due to the impact of COVID-19, particularly for small and medium-sized businesses. This study aims to provide guidelines for the successful growth of interior contractor businesses. A sample of 500 company executives who reported profits for three consecutive years was used to collect quantitative data. Data collection utilised a structured online questionnaire administered to randomly sampled respondents. The data was analysed using structural equation modelling (SEM) to identify the key guidelines for the successful development of interior contractor businesses. The findings revealed four essential aspects for

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successful business development: 1) Servitization ( $\bar{X}$ = 4.17) emphasizes honesty, integrity, sincerity, and reliability in serving customers. 2) Resource Management ( $\bar{X}$ = 4.13) includes effective planning, communication, coordination, follow-up, and verification. 3) Product Development ( $\bar{X}$ = 4.01) focused on selecting high-quality materials and avoiding defects. 4) Business Alliance ( $\bar{X}$ = 3.91) involves networking with legal teams for ethical business operations. The study revealed no significant disparity in overall success rates between small and medium-sized interior contractor businesses. There was a notable disparity in service size between the two business sizes, with statistical significance at the 0.05 level. The study's structural equation model demonstrated good alignment with the data and met the evaluation criteria. A chi-square probability value of 0.071, a relative chi-square of 1.165, a goodness-of-fit index of 0.963, and a root mean square error of approximation of 0.018 demonstrated this. The statistical significance threshold was set at  $P < 0.05$ .

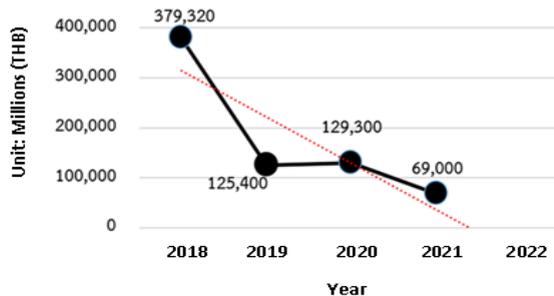
**Keywords:** Development guidelines, interior contractor business, servitization.

## INTRODUCTION

Interior contractor businesses are critical in residential construction projects because housing is a fundamental aspect of a satisfactory standard of living. Following the completion of residential construction projects, attention turns to interior projects designed to effectively organise and improve the living space. The goal is to make sure that the space is suitable, aesthetically pleasing, and functional for residential or commercial purposes. This rationale emphasises the importance of interior contractor businesses in enhancing the value of construction and architectural businesses. The residential construction industry is closely connected to the home renovation and design markets, which have an annual consumer spending of approximately 300 billion Thai Baht (Council, 2020). This demand highlights the ongoing consumer interest in interior services, which is a sector known for intense competition, especially among small- and medium-sized businesses. Enterprises in this context commonly encounter challenges including inefficient management, insufficient funding, and shortages of skilled labour, barriers to market entry, and limited experience and credibility. The lack of a competitive edge among construction and interior contractors leads to adverse impacts, resulting in diminished operational performance (Abdel-Hadi et al., 2020; Celadyn, 2019). The COVID-19 pandemic has had a negative impact on interior contractor businesses, leading to a decrease in residential construction projects and subsequently reducing the number of projects and profitability.

The COVID-19 pandemic's third wave in 2021 is expected to rapidly spread, resulting in the formation of new clusters and negatively impacting business investment

confidence. As a result, entrepreneurs delayed investments in establishing legal entities, especially in the food and beverage industry, accounting and auditing firms, and interior contractor businesses. The Department of Business Development reported that the food and beverage, real estate, and building construction sectors were the most affected by business closures as of May 2021 (Kocaoğlu & Demirkan, 2019; Mill & Ion, 1994). This has significantly impacted interior contractor businesses, causing a slowdown in construction and interior projects due to liquidity issues, project failures, and a shortage of skilled labour (Bonnardel & Didier, 2020). Moreover, the number of competent and skilled interior contractors remains insufficient to satisfy the market demand.



**Figure 1:** Investments in interior contractor businesses (Abdel-Hadi et al., 2020)

According to Figures 1 and 2, the interior contractor industry invested 379,320 million Thai Baht in 2018. However, there was a significant decline in investment in 2019, resulting in a decrease to 69,000 million Thai baht by 2021. The widespread impact of the COVID-19 pandemic, political instability, and an overall economic slowdown primarily contribute to the decline in revenue for businesses engaged in interior contracting. These factors have had a negative impact on the businesses' revenue streams. The economic downturn continued in the latter half of 2021, resulting in a lack of recovery in housing demand and a significant decrease in the commencement of new projects in the real estate and construction industries (Abdel-Hadi et al., 2020). The sudden emergence of COVID-19 caught many businesses off guard, leading them to temporarily halt operations in order to minimise losses. They planned to resume activities once the economic situation improved. The downturn had a significant impact on small- and medium-sized enterprises (SMEs), leading to a challenging and lengthy recovery process. The capacity of these entities to enhance their technological and digital prowess has been hindered by challenges such as management inefficiencies, funding scarcities, employment issues, and increased costs due to technological advancements (Abdel-Hadi et al., 2020). Common challenges in the construction and interior contractor industries include financial constraints, rising material costs, the need for efficient budget allocation, and difficulties in finding skilled labour (Celadyn, 2019).

The challenges presented by the dynamic nature of the construction and interior contractor business sectors necessitate a new approach to managing their operations. The need to enhance management strategies, improve personnel skills, raise customer service standards, develop strong networks, and utilise technology and innovation is evident in order to strengthen the operational efficiency, profitability, and competitive position of small- and medium-sized interior contractors. Furthermore, the relationship between interior contractor businesses and the furniture and interior products market necessitates that entrepreneurs quickly adjust to changing challenges and market growth patterns. Effective strategic planning, skilled management, and operational excellence are crucial for successfully navigating the complexities of the market and ensuring long-term efficiency and success in business operations. This study aims to investigate strategies to improve the operational landscape of small- and medium-sized interior contractor businesses in Thailand. The importance and complexity of these issues motivate the study. This study seeks to enable these businesses to not only survive but also flourish, achieve profitability, and enhance their competitive advantage for future expansion and success.

This study addresses the following research question: "What are the recommendations for the successful development of interior contractor businesses, and how can they enhance their operational performance in the face of financial challenges?" This study offers insights into strategies for interior contractor businesses to enhance their success and profitability by addressing challenges in management, resource allocation, product development, and business alliances. This study aims to provide practical guidance to interior contractor companies on how to improve their operational performance and navigate economic challenges by identifying these recommendations.

### **Research Objectives**

- 1) To examine the structure and operational characteristics of interior contractor businesses.
- 2) To investigate the components that contribute to the successful development of interior contractor businesses.
- 3) To develop a structural equation model for the pathways leading to the success of interior contractor businesses.

## **LITERATURE REVIEW**

### **Resource Management**

[Abouelela \(2022\)](#) investigated the use of the Plan-Do-Check-Act (PDCA) cycle to improve the quality of interior project planning. This approach underscores the

interconnectedness of four essential departments: design, production, sales, and research, underscoring the significance of quality. To use the PDCA cycle effectively in interior project planning, you need to have a deep understanding of interior principles, be able to adapt methods to meet customer needs, and be able to plan creative processes strategically in order to produce superior and ground-breaking interior project results. [Grimes and Schulz \(2002\)](#) investigated management strategies for expanding interior contractor businesses by employing SWOT and TOWS Matrix analyses as frameworks for strategic organisational planning. The study further identified two crucial factors for the survival of small- and medium-sized construction contractors in Bangkok: 1) excellence in service, including quality, honesty, and speed, and 2) the importance of efficient budget management, specifically highlighting the need for timely budget allocation and sufficient funding for effective management.

[Howard et al. \(2008\)](#) identified five key factors that influence cooperation in the supply chain of the construction and interior industry: 1) joint operations, 2) financial collaboration, 3) joint purchasing, 4) logistics and joint maintenance, and 5) shared warehousing and inventory management. According to [Akhtar \(2014\)](#), effective human resource management and development in the construction and interior sectors should include competencies in information technology and communication, as well as three essential attributes: 1) foundational knowledge, 2) skills, and 3) innovative principles. [Poldma \(2008\)](#) noted the significant emphasis that construction companies of all sizes place on financial and economic factors, with larger contractors prioritizing management over marketing factors, whereas smaller companies focus more on marketing than management attributes. [Portillo \(2002\)](#), emphasised the significance of safety training and measures for construction workers. They found that such training and awareness play a crucial role in creating a safe work environment, especially in high-risk construction sectors. Ensuring worker safety at construction sites relies heavily on safety behaviours ([Masoud & Einifar, 2021](#)).

## **Product Development**

[Lu et al. \(2000\)](#) conducted a study on improving the efficiency of wooden furniture manufacturing processes. They focused on Index Interfurn Company Limited's case study at the Mahachai branch ([Masoud & Einifar, 2021](#)). The study found that in order for organisations to survive in the face of industrial competition, they must continuously improve and develop in areas such as price, quality, and timely delivery. The ECRS principle, in conjunction with the 4M concept, aims to optimise work processes for cost-effectiveness and efficiency. The ECRS principle entails 1) eliminating unnecessary work steps to reduce labor, time, material, or cost wastage; 2) combining similar work steps; 3) rearranging or reordering work processes based on logical sequencing and

worker expertise; and 4) simplifying work procedures for ease and accuracy, thereby reducing unnecessary effort and enhancing productivity.

A study investigated the application of Total Quality Management (TQM) in the management of interior projects, with the aim of enhancing their development and improvement (Masoud & Einifar, 2021). The study observed that implementing primary and secondary processes, procedural protocols, and worker training based on the PDCA principle led to notable enhancements in employee performance and work quality. The application of TQM and PDCA principles improves the management of interior projects, leading to enhanced work quality, project duration, and company profits. Masoud & Einifar (2021) also investigated the utilization and recycling of vinyl canvas materials to improve the living environment in construction and interior projects. This study aims to address the issue of excessive plastic waste, particularly from materials like vinyl canvas. By applying a combination of art and science knowledge, the study explores recycling processes that utilise heat techniques such as blowing, pressing, and moulding. At temperatures ranging from 120 to 190°C, we observed the melting of plastic and the subsequent bonding of polyester fibres, leading to increased material strength and durability. The outcome is a superior recycled material that is compatible with environmentally sustainable sample groups.

### **Servitization**

Several studies have highlighted that service-related factors have the greatest impact on customer satisfaction in home construction companies. These factors consist of three essential attributes: 1) the company's trustworthiness, 2) the company's experience, and 3) the company's honesty. Additionally, construction-related factors play a crucial role, including two components: 1) the use of subcontractors, and 2) the utilization of modern technology in construction processes. Shakeri and Brown (2004) investigated the factors that influence consumers' decisions to use private construction companies in the Bangkok metropolitan area. The study utilised a 4C model to implement marketing strategies. The analysis found that demographic factors, such as socioeconomic status, age, and average monthly household income, have varying effects on consumers' decisions to use construction services. There were no significant differences in service usage decisions among consumers when categorised by sex, education level, or occupation. The multiple regression analysis revealed a negative correlation between higher costs and purchasing power, and a positive correlation between lower costs and purchasing power. This phenomenon may be attributed to the quality of construction materials. As the quality of materials increases, so does their cost.

Consequently, customers tend to seek high-quality materials that are reliable, leading to higher customer satisfaction. Previous studies have emphasised the significance of

innovation for organisational success and survival. In order to maintain a competitive edge, it is crucial to introduce new elements into products and services and effectively deliver them to customers. Service innovation is a concept derived from the Value Chain that focuses on the efficient delivery of products and services. The process includes improving creativity, packaging, prompt response to customer needs, efficient product delivery, and internet-based customer service. In order to thrive in the contemporary service industry, it is crucial to offer precise and reliable data on customer requirements and satisfaction. Therefore, it is imperative for service providers to actively interact with customers and closely observe their experiences and behaviours. Furthermore, service development should include the establishment of customer connections and the monitoring of customer satisfaction, experiences, and behaviours. [Eve \(2007\)](#) highlights the significant impact of product or service quality and trustworthiness on recommendations and word-of-mouth referrals. It is important for service providers to prioritise brand building. Service providers must effectively address customer needs by incorporating technology into their management operations. Furthermore, establishing business alliances is essential for achieving service differentiation. To improve competitiveness, businesses should provide a range of services and partner with trade specialists to develop customized service models for specific customer needs or user groups. Implementing cost-cutting strategies while remaining price competitive is critical for customer retention and attracting new customers who prioritize affordability. Furthermore, it is advisable to provide customers with a variety of convenient payment methods.

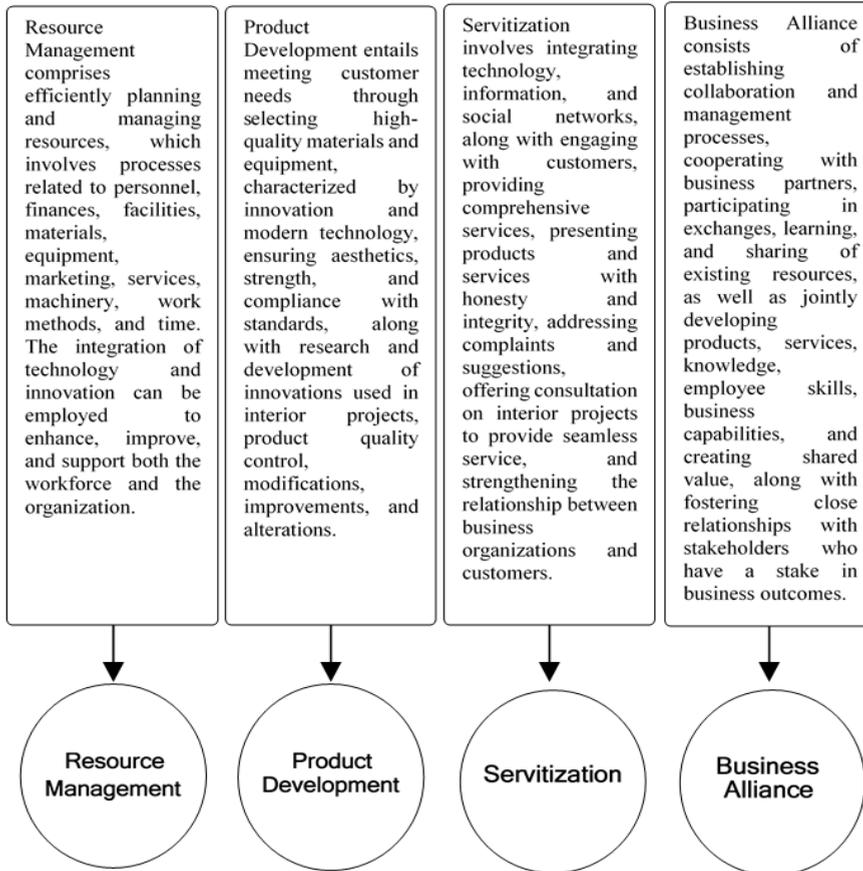
### **Business Alliance**

Organizations view business alliances as a means to generate shared value (CSV), enhancing their competitiveness and fostering sustainable growth ([Porter & Kramer, 2018](#)). Network management among construction business operators encourages relationships and collaborative business activities. These activities are characterised by trust and regular communication ([Ruengtam, 2018](#)). Businesses find this approach more effective than working independently, as it facilitates benefits and mutual collaboration for relationship building and network improvement. The significance of key success factors in creating shared value initiatives with the community through business alliances is high ([Abouelela, 2022](#)). These factors include: 1) alignment of organizational vision and culture, demonstrating flexibility; 2) skill, capability, and resource complementarity; and 3) commitment to a shared mission, both by the company and the community, leading to the creation of shared values, generating both economic and social values. [Sukhawattanakun et al. \(2023\)](#) has identified five factors that affect collaboration in the construction supply chain: 1) joint operations, 2) financial collaboration, 3) joint purchasing, 4) logistics and joint maintenance, and 5) shared warehousing and inventory management.

## RESEARCH METHODOLOGY

### Component Synthesis

This study presents a summary of the guidelines for developing a successful interior contractor business, based on concepts and theories. These guidelines are organised into four key components: 1) resource management, 2) product development, 3) servitization, and 4) business alliances, as shown in [Figure 2](#).



**Figure 2:** Research Framework

### Population and Sample Group

The study population consisted of 2,136 respondents who were interior contractors or management executives with a track record of three consecutive years of profitability.

The optimal sample size for the sample group was determined to be 500 respondents

based on research criteria involving component analysis or structural equation modelling, as defined by (Silpcharu, 2020). The study utilised a multi-stage sampling method. The first stage involved cluster sampling to classify industrial businesses into small- and medium-sized enterprises. The data collection from the sample group involved probability sampling using the lottery method.

## Research Tools

The research tools used in this study include a Likert-type rating scale, which assigns values on a 5-point scale based on the Likert method (Wattanakomo, 2023). The researchers distributed a draft questionnaire and assessment form to five experts who possess relevant knowledge and expertise for evaluation. This evaluation sought to assess the research tool's quality by examining the index of item-objective congruence (IOC) between the questionnaire items and research objectives. The results of the IOC, which demonstrate the alignment between the questionnaire items and research objectives, ranged from 0.60 to 1.00. The researchers subsequently conducted a pilot test of the questionnaire with a sample group of 30 individuals who resembled the target population of the study. The pilot test aimed to analyse item discrimination within the questionnaire, specifically focusing on checklist-type items. The discrimination analysis involved using a standard deviation for checklist items and a correlation for Likert-type items. In addition, the questionnaire's reliability was evaluated using Cronbach's alpha coefficient (Wattanakomo, 2023). The analysis of item discrimination showed that the checklist items had standard deviation values ranging from 0.37 to 2.20, while the Likert-type items had corrected item-total correlation values ranging from 0.31 to 0.67. A reliability analysis was conducted using Cronbach's alpha coefficient, resulting in a value of 0.975.

## Data Analysis

The study utilised both descriptive and inferential statistics for data analysis. Descriptive statistics were calculated using SPSS software. Additionally, AMOS software was utilised to conduct multivariate statistical analysis and structural equation modelling. Four criteria were used to assess the fit of the data model: 1) a chi-square probability value greater than 0.05, 2) a relative chi-square value less than 2.00, 3) a goodness-of-fit index value greater than 0.90, and 4) a root mean square error of approximation value less than 0.08 (Silpcharu, 2020).

## RESULTS

The study examined the significance of each component that contributes to the successful development of interior contractor businesses. The results showed that all

four components had high levels of significance, listed as follows in descending order of significance:

The analytical results indicated that the servitization component exhibited the highest mean score ( $\bar{X} = 4.17$ ). Upon examining the individual items, it was observed that providing honest and trustworthy customer service to establish trust and confidence in customers received a high mean value ( $\bar{X} = 4.37$ ).

The results revealed that the Resource Management component was characterized by a high mean value ( $\bar{X} = 4.13$ ). When accounting for individual items, work planning, which involved systematic communication and traceability, exhibited a high mean value ( $\bar{X} = 4.52$ ).

The analytical results showed that the Product Development component had a high mean value ( $\bar{X} = 4.01$ ). Upon examining individual items, it was observed that selecting materials that meet standards and avoiding the usage of defective materials not conforming to work specifications exhibited a high mean value ( $\bar{X} = 4.67$ ).

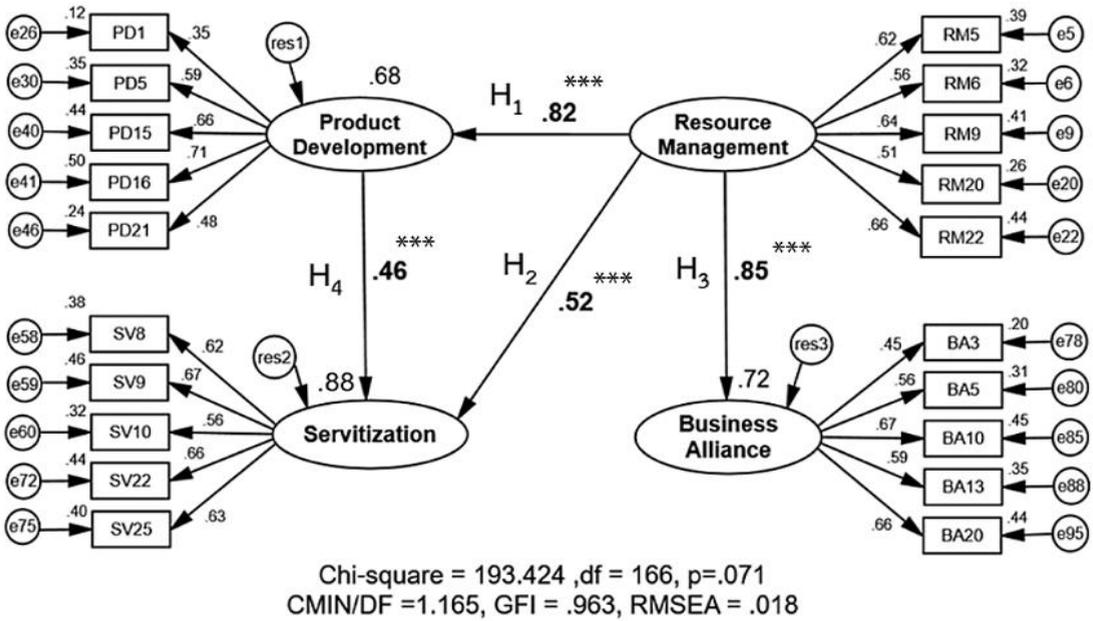
An analysis of the Business Alliance component revealed a high mean score ( $\bar{X} = 3.91$ ). Upon studying each individual item, it was determined that participating in legal networks to conduct operations and activities based on ethical principles received a high mean score ( $\bar{X} = 4.14$ ).

The model refinements involved iteratively examining the Modification Indices obtained from commercial software and theoretical foundations. Variables that were considered unsuitable were individually eliminated. The process was iterated until a model satisfying all four criteria was attained. After the model refinements, it is determined that:

The research findings, obtained by examining the factors contributing to the successful development of interior contractor businesses, can be categorized into four components: 1) Resource Management, 2) Product Development, 3) Servitization, and 4) Business Alliance. These four components were derived from a literature review. Moreover, the empirical data show a statistically significant level of 0.001 when analysed using the developed structural equation model, as indicated by  $CMIN-\rho = 0.071$ ,  $CMIN/DF = 1.165$ ,  $GFI = 0.963$ , and  $RMSEA = 0.018$ . This alignment conforms to both the literature and empirical data, in accordance with the established criteria, as presented in [Table 1](#) and [Figure 3](#).

**Table 1. Explanatory variables of approaches to develop a successful interior contractor business.**

Abbreviation	Description
<b>Resource Management</b>	
<b>RM5</b>	Implementation of state-of-the-art technology and innovation systems for effective management.
<b>RM6</b>	Promoting and supporting employees to pursue professional development and learn new techniques relevant to their work.
<b>RM9</b>	Development of business strategies to set key performance indicators (KPIs), and designation of responsibilities for each task.
<b>RM20</b>	Creation of marketing strategies that suit the changing economic environment.
<b>RM22</b>	Management executives exhibiting clear business growth goals and the capability to lead employees to achieve business objectives.
<b>Product Development</b>	
<b>PD1</b>	Selection of materials that meet standards, and rejection of defective materials that do not conform to specifications.
<b>PD5</b>	Implementation of high-quality PDCA (Plan-Do-Check-Action) tool to develop and improve the quality of work on interior projects.
<b>PD15</b>	Development of logistics and transportation systems of personnel, tools, and machinery to meet safety standards at work.
<b>PD16</b>	Optimization of production processes, based on experience with material usage and project practices, to improve the efficiency and reduce the lead time of production processes.
<b>PD21</b>	Leveraging on past mistakes (e.g. unsuitable material selection) as lessons to improve the efficiency and quality of work.
<b>Servitization</b>	
<b>SV8</b>	Digital transformation of data storage systems, from paper-based to digital files (paperless), to provide customers with convenient access to job files at all times.
<b>SV9</b>	Generation of data systems to provide customers with file options in the form of three-dimensional models or images of actual products
<b>SV10</b>	Integration of design innovations to create realistic three-dimensional models, using architectural design software, such as Sketch up, 3DS MAX, and Blender, to allow customers to view the architectural designs prior to the execution of the work.
<b>SV22</b>	Providing customer service that accounts for customer mental and emotional well-being, beyond functional benefits.
<b>SV25</b>	Promoting a service-oriented mind-set (Service Mind) among employees, to foster an organizational culture.
<b>Business Alliance</b>	
<b>BA3</b>	Participating in projects with financial institutions, to promote the financial flexibility of the organization.
<b>BA5</b>	Engage in organizational or professional association memberships within the interior sector to expand the network of industry partners.
<b>BA10</b>	Collaboratively build a sense of responsibility and commitment amongst employees, towards the organization, creating a sense of unity.
<b>BA13</b>	Assessment of the performance of tools and machinery, together with business partners, to support projects that require new technology and innovations.
<b>BA20</b>	Promoting ethical policies to collaboratively enhance work outcomes and establish an organizational identity.



**Figure 3:** Structural equation model relationships

Figure 3 presents the overall influence of latent variables in the structural equation model for developing successful interior contractor businesses. The refined model comprises four latent variables: one exogenous latent variable (Resource Management) and three endogenous latent variables (Product Development, Servitization, and Business Alliance). After adjusting the model, the Resource Management component shows the highest overall influence in the Standardised Estimate mode, with a standardised regression weight of 0.90. This component has a significant impact on the servitization component.

**DISCUSSION**

Successful interior contractor businesses focus on four key aspects:

- 1) Customer Service: Emphasising customer satisfaction and fostering strong client relationships result in repeat business and positive referrals.
- 2) Resource Management: Efficient management of resources, including time, money, and human capital, is crucial for optimising productivity and ensuring timely project completion within budget constraints.
- 3) Quality Materials: Enhancing customer satisfaction and reputation can be achieved by selecting superior materials and implementing rigorous quality control protocols.
- 4) Legal Compliance: Establishing partnerships with legal professionals assists

businesses in managing legal obligations, ensuring compliance, and fostering client trust. This study provides a summary of the research literature on the guidelines for developing a successful interior contractor business. The following five key conclusions are presented:

5.1 The comparison of components for developing a successful interior contractor business between small- and medium-sized businesses revealed no statistically significant differences at the 0.05 significance level in the overall statistical analysis. However, a statistically significant difference is observed at the 0.05 significance level when analysing the individual components of Resource Management, Product Development, Servitization, and Business Alliance. Specifically, the servitization component shows this difference. Small-sized businesses prioritise the guidelines for developing successful interior contractor businesses more than medium-sized businesses, with a statistically significant level of 0.05. This finding is consistent with the study conducted by [Posner \(1987\)](#) on management practices aimed at improving operational efficiency in medium-sized commercial building construction companies in Thailand. The study observed no significant variation in overall operational efficiency based on organisational characteristics. Small and medium-sized enterprises (SMEs) in the small business category, which have management systems that encompass cost management, quality control, time management in operations, and marketing channels, exhibit lower efficiency compared to large contracting businesses. Thus, in the construction industry, SMEs must enhance work process efficiency to cope with fierce competition ([Lu et al., 2000](#)). These small- and medium-sized businesses face challenges in terms of costs and market access, which puts them at a disadvantage compared to large contracting firms that have greater market access and more opportunities for international projects. Small enterprises should improve their organisational management efficiency. The size of an organisation has a significant impact on its competitive advantage, particularly in a dynamic market environment.

5.2 The hypothesis testing results indicated that the Resource Management component had the greatest direct impact on the Product Development component, with a standardised regression weight of 0.82. This study presents empirical evidence that organisations prioritise product development by utilising both internal and external knowledge. This approach allows organisations to enhance work processes in management, operations, material and equipment selection, and continuous improvement, ultimately leading to higher operational efficiency. The application of lessons learned from previous projects can improve material selection standards, as well as the development of production processes or new techniques among employees. This includes increased production speed and quality, improved transportation systems and products, enhanced machinery and equipment, and employee skill development. Skilled

labourers are particularly important in interior projects, as they are responsible for producing aesthetically pleasing and error-free work. Mistakes in this field can result in higher costs and expenses. The effective management of human resources, including personnel and resource management, is essential for enhancing a business's competitiveness (Wattanakomo, 2023). Enhancing resource management in small- and medium-sized businesses can create growth opportunities. Effective cost management, cash flow management, and budgeting play a crucial role in mitigating the risks associated with political instability, economic conditions, and market trends. Employee care, which includes appropriate compensation, workplace safety, knowledge management, and the application of technology and innovations, optimises productivity and service quality (Akhtar, 2014). The adoption of new digital technologies has enhanced business operations (Masoud & Einifar, 2021).

The implementation of the ECRS principle and the PDCA cycle in wooden furniture manufacturing processes improves work methods, cost-effectiveness, and operational efficiency. It also enhances employee knowledge and capabilities at various organisational levels, especially in product development. The quality management is defined as an improving processes to achieve higher quality. The term "it" refers to the entire range of processes involved in the design, production, and delivery of high-quality products to customers. This entails the meticulous selection and management of superior materials, efficient process management to meet deadlines, dedication to delivering high-quality products punctually, cost-effective material handling, minimising the risk of material damage, and ongoing enhancement and advancement of production systems for each project through the utilisation of materials and work practices. Furthermore, it entails implementing a transportation system for goods, equipment, and machinery to ensure ideal installation conditions, thereby improving industry competitiveness. This is consistent with the findings of Grimes and Schulz (2002), who highlighted the importance of cultivating a proficient workforce in the construction sector. Enhanced knowledge and skills enable employees to execute work of superior quality and safety. Moreover, the use of technology improves workforce efficiency, which is beneficial for construction industry management executives in Thailand who need to train, evaluate, and adjust their skills to align with the organisational context. In the construction industry, it is necessary to increase the number of personnel with relevant knowledge and implement technology, innovation, machinery, and information systems (Sukhawattanakun et al., 2023).

5.3 The results of the hypothesis testing indicate that the Resource Management component has the most significant overall effect on servitization. This effect is both direct and statistically significant, as evidenced by a p-value of 0.001 and a standardised regression weight of 0.90. This study provides clear evidence that organisations that

prioritise resource management, led by upper management or project leaders, and focus on managing processes related to the organisation's vision, mission, and objectives, as well as supporting strategies for business operations and internal human resource management, are crucial. Effective management encompasses labour skill standards, operational knowledge, and work capability development, as well as the prioritisation of employee care and retention for sustained organisational engagement. Additionally, it involves efficient customer service management. The organisation fosters a service-oriented mind-set and customer empathy among its staff and some studies have highlighted the importance of key factors such as adherence to agreements, trustworthiness, skilled teams, timely delivery, product quality, fair pricing, effective contract management, sufficient working capital, work guarantee, and reliable partnerships for achieving success in the built-in furniture industry. This aligns with a previous study that emphasised the importance consumers attach to employee willingness to assist and the presence of a team of engineers and architects to offer guidance in construction and interior projects. A recent study found that organisations achieve operational success by introducing new, high-quality, and cost-effective products to the market within a suitable timeframe (Lamberth-Cocca & Meiren, 2017). This is attributed to six factors: 1) introduction of previously unavailable services, 2) new products, 3) additional services, 4) enhancements and modifications to existing products or services, 5) repositioning of products, and 6) cost reduction.

5.4 The research findings indicate that servitization has the highest mean value of 4.17 among the components. Servitization is crucial for the successful development of interior contracting businesses, highlighting its essential attribute for such businesses. An organization that provides high-quality services that satisfy customers' needs and leave a lasting impression is likely to foster customer loyalty and generate new customers through referrals. High-quality service, honesty, and prompt service delivery are key factors that can entice consumers to use home construction and interior services (Wattanakomo, 2023). The incorporation of technology into operational processes to enhance and accelerate service delivery (Wattanakomo, 2023). The findings indicate that small and medium-sized enterprises should prioritise improving their responsiveness to consumers and enhancing their products through social networks. The application of technology and innovation can enhance operational efficiency and automate marketing systems through modern applications, enabling the provision of products and services across multiple social media platforms (Bonnardel & Didier, 2020). The Sketch-Up programme facilitates the creation of three-dimensional images of reinforced concrete structures. It allows for virtual simulation prior to construction, minimising design and construction errors, and enhancing communication between designers and constructors (Wattanakomo, 2023). Success in the built-in furniture business necessitates a strong emphasis on customer service, effective communication,

ongoing process improvement, consistent production of high-quality work, and punctual delivery.

5.5 The analysis of individual items pertaining to guidelines for developing successful interior contractor businesses indicates that the selection of materials that meet standards and the avoidance of defective materials that do not conform to design specifications are highly significant, with a mean value of 4.67. Defining the raw materials used for interior projects is crucial in business operations, especially during the design phase or the selection process for production or construction. The selection of materials and raw materials should be based on their suitability for each project application, strict adherence to specified designs, or specific production characteristics. The identification of products should include code, model, type, design, and colour, while also adhering to quality standards and ensuring user safety.

Contractors should prioritise material selection to prevent issues such as selecting unsuitable materials for specified designs, failing to meet customer requirements, using incorrect models, or using materials that are not applicable. These issues can result in waste, higher production expenses, and reduced cost-effectiveness for construction or interior projects. Moreover, choosing materials that fail to meet standards or specified designs can result in customer rejection or refusal to make payment instalments, potentially causing financial losses for the contracting business. An earlier research noted that material use in construction projects varies based on specific customer requirements, which distinguish each project. The approach entails utilising different materials for on-site production or assembly, which sets it apart from the broader manufacturing sector. Contractors involved in procurement, construction, and interior projects should source materials and raw materials from reliable suppliers. Material procurement must align with the project owner's or designer's specifications for quality, quantity, and budget. It is crucial to deliver materials on-site within the specified timeframe to ensure the successful completion of construction projects and minimise potential issues like delays, shortages, or damaged materials. According to [Charmaz \(2008\)](#), entrepreneurs should give priority to the structural materials of furniture and ensure adherence to production standards.

## SUGGESTIONS

- 1) Governments should implement proactive policies and innovative frameworks to effectively promote the growth of interior contractor businesses. The organisation should engage in public relations and coordinate with relevant agencies to promote consensus and understanding among all units. This will encourage collaboration and support the growth of the nation's interior contractor businesses, as well as facilitate

international expansion. The government should incentivize entrepreneurs in the interior contractor industry through measures like loan releases and subsidised loan interest rates. This would create benefits and opportunities for business operations. The government should regulate the prices of materials, raw materials, equipment, and tools used in interior projects, particularly during economic crises, to prevent inflation and maintain affordable prices for essential materials needed by interior contractor businesses. Furthermore, it is important to promote and support skilled labour in order to foster the development of knowledge and versatile skills. This will encourage more individuals to pursue careers in skilled labour, ultimately leading to an increase in the skilled workforce available for interior contractor businesses. Raising awareness among all stakeholders through publications and acknowledging the government's clear policy on advancing the interior contractor profession in Thailand are important steps in this process.

- 2) Under His Majesty's leadership, the Thai Contractors Association aims to promote contracting professions in all construction sectors and foster trust among the government, private sector, and public. The association achieves this by upholding principles of integrity, technical expertise, fair pricing, and morality. In the construction and interior sectors, the association serves as a central conduit between the government, organizations, project owners, and contractors. Its main purpose is to foster unity and strengthen relationships among business members and their families. The organization plays a vital role in coordinating and collaborating with multiple agencies to provide information, propose policies, and enact regulations that promote growth and fairness in construction and interior contractors' operations. The association also collaborates with private sector agencies to promote cooperation in the advancement of construction and interior businesses. The association achieves this through the professional development of relevant technologies, project management, and legal knowledge. The association is responsible for organizing activities that promote the exchange of knowledge, expertise, and professional ethics among members and the public, with the goal of improving industry standards and quality. This endeavour aims to foster cohesion, facilitate the exchange of valuable information among participants, and further promote the growth of construction and interior businesses in alignment with the national sustainable development objectives.
- 3) In the industrial business sector, interior contractors should prioritise resource management due to their reliance on personal and organisational experience. It is crucial to communicate effectively with clients, as they possess extensive knowledge and expertise in all aspects of the job. Executives should establish specific objectives for business expansion, establish and communicate clear lines of responsibility, allocate sufficient resources for operations, and encourage the professional development of staff. The organisation should offer training to improve

skills, introduce new techniques for workplace application, hire specialised personnel, and participate in business networking. Collaborating with financial institutions can lead to successful project outcomes, increased financial flexibility, and improved operational efficiency. Entrepreneurs should embrace the trend of Servitization, which involves the shift towards a 'everything-as-a-service' model. This approach overcomes business limitations, fosters learning opportunities, enhances expertise, and cultivates distinctiveness. Value is added to the organization's products and services, providing a competitive advantage and ensuring long-term business success.

## CONCLUSION

This study offers guidelines for effectively enhancing interior contractor corporations. The study identified four key aspects contributing to the success of interior contractor businesses: servitization, resource management, product development, and business alliances. The study revealed no significant disparities in the overall performance of small- and medium-sized interior contractors. There was a notable disparity in the aspect of servitization, which was statistically significant at a significance level of 0.05. The study's findings have implications for interior-contractor companies. First, interior contractor businesses should prioritize customer satisfaction by providing clients with honesty, integrity, sincerity, and reliability. Second, the successful operation of interior contractor businesses depends on efficient resource management, including time, money, and human capital. Third, it is essential for interior contractor companies to prioritise the use of high-quality materials and implement rigorous quality control measures. This approach is crucial for enhancing customer satisfaction and establishing a favourable reputation. Building strong relationships with legal professionals can help interior contractor companies manage legal obligations, minimize legal risks, and boost their credibility. The study's findings can assist interior contractor companies in adapting to the changing business landscape, managing risks and challenges, and improving their competitive advantage in light of the COVID-19 pandemic. Implementing these recommendations can enhance the operational performance of interior contractor organisations, foster customer loyalty, and ultimately contribute to the growth and success of the industry.

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