

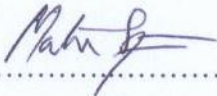
**POLICY IMPLICATIONS FOR SMALL AND MEDIUM
ENTERPRISE EXCHANGE: A STUDY OF MARKET
FOR ALTERNATIVE INVESTMENT (MAI)**

Kanok Karnchanapoo

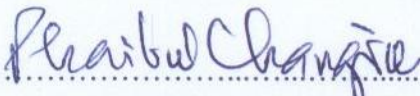
**A Dissertation Submitted in Partial
Fulfillment of the Requirements for the Degree of
Doctor of Public Administration
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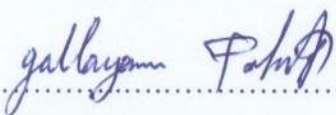
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ABSTRACT

Title of Dissertation	Policy Implications for Small and Medium Enterprise Exchange: A Study of Market for Alternative Investment (MAI)
Author	Mr. Kanok Karnchanapoo
Degree	Doctor of Public Administration
Year	2014

Small and Medium Enterprises (SMEs) play an important part in Thailand's economy; however, most SMEs have been struggling with financing their business operation and future growth. Undeniably, public funding is an untapped financing option for SMEs. Thus, the SME exchange is a crucial platform for SMEs to access public funding. In fact, the Market for Alternative Investment (MAI), operated under the Stock Exchange of Thailand, is an alternative capital market for SMEs. Although the MAI has been continuously growing, MAI still has a relatively smaller number of listed companies and market capitalization compared to alternative capital markets in other countries. Therefore, further development policies would be necessary to increase SME access to public funding and promote corporate governance.

In this study, three analyses were conducted. First, the determinants that impacted Thai SMEs' intention to pursue the initial public offering (IPO) were investigated using multiple regression technique. Second, the determinants that impacted the corporate governance level of firms in the MAI were examined through the application of logistic regression. Thirdly, key takeaways and lessons learned from other alternative capital markets were studied and comparative analysis was conducted. Policy implications on the SME exchange were discussed and concluded based on findings from all the analyses with final recommendations. The implications from this dissertation are expected to be broadly advantageous for the governing body of capital market, the regulators, the exchange commission and SME firms that sought for public funding opportunities.

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CHAPTER I

INTRODUCTION

1.1 Nature of Problems

Small and Medium Enterprises (SMEs) play a very important role for economic development in emerging markets. Although individual SMEs may operate in a small or medium scale, all SMEs combined have contributed significantly to the country's economic growth. Significantly, there are SME businesses integrated in almost all business sectors, in which offer market varieties and alternatives to customers. Therefore, at the macro level, SMEs are recognized as one of major foundations in emerging or even developed economies. According to The Organisation for Economic Co-operation and Development [OECD] 2011, Thailand had around 2.9 million SME firms (less than 200 employees) in 2010 and only 9,140 large-scale enterprises. Nevertheless, at the micro level, SMEs encounter great difficulty in finding effective and costless sources of fund. SMEs generally have a limited platform for funding. Private equity funds are limited and venture capitalists are sometimes aimed at taking considerable control of SME firms while bank loans have posed a high interest expense to SMEs.

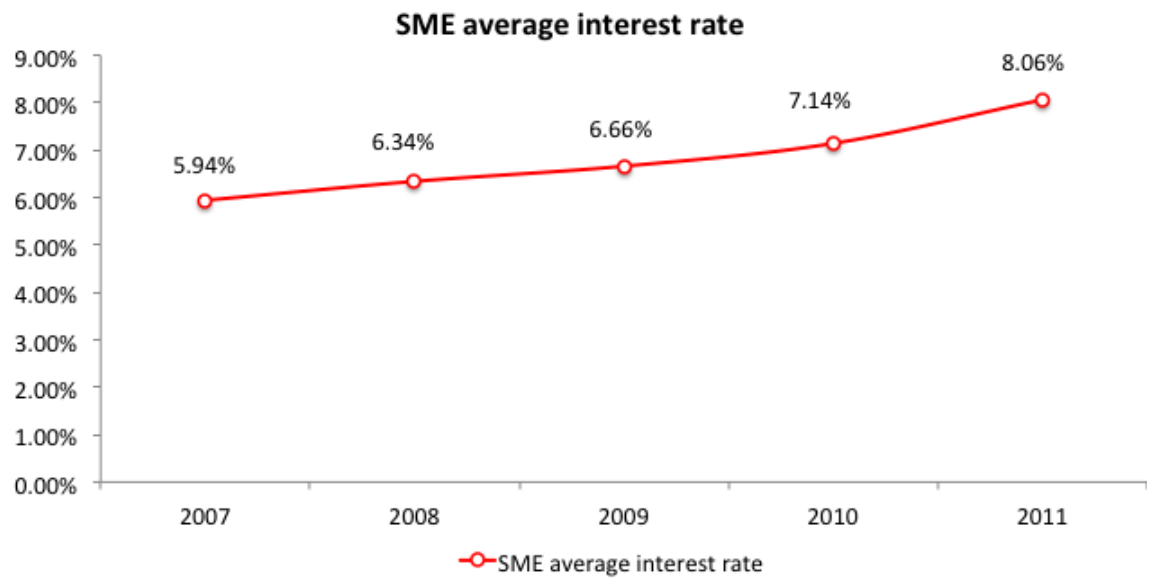


Figure 1.1 SME Average Interest Rate.

Source: Bank of Thailand as cited in OECD, 2013.

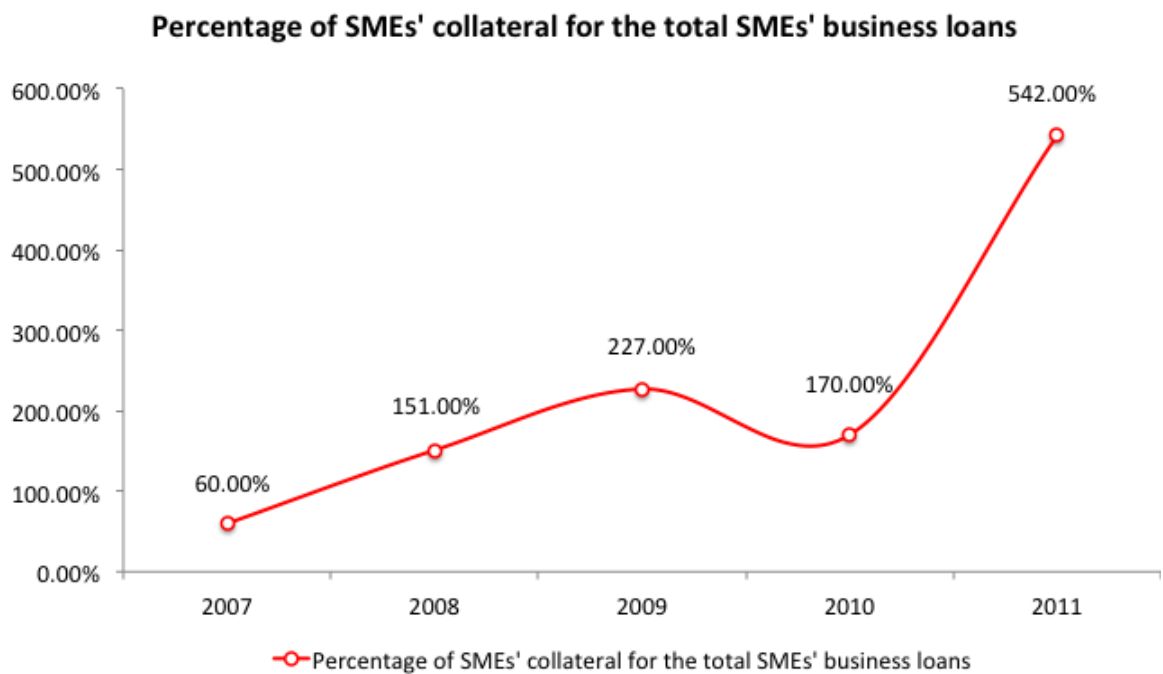


Figure 1.2 Percentage of SMEs' Collateral for the Total SMEs' Business Loans

Source: Bank of Thailand as cited in OECD, 2013.

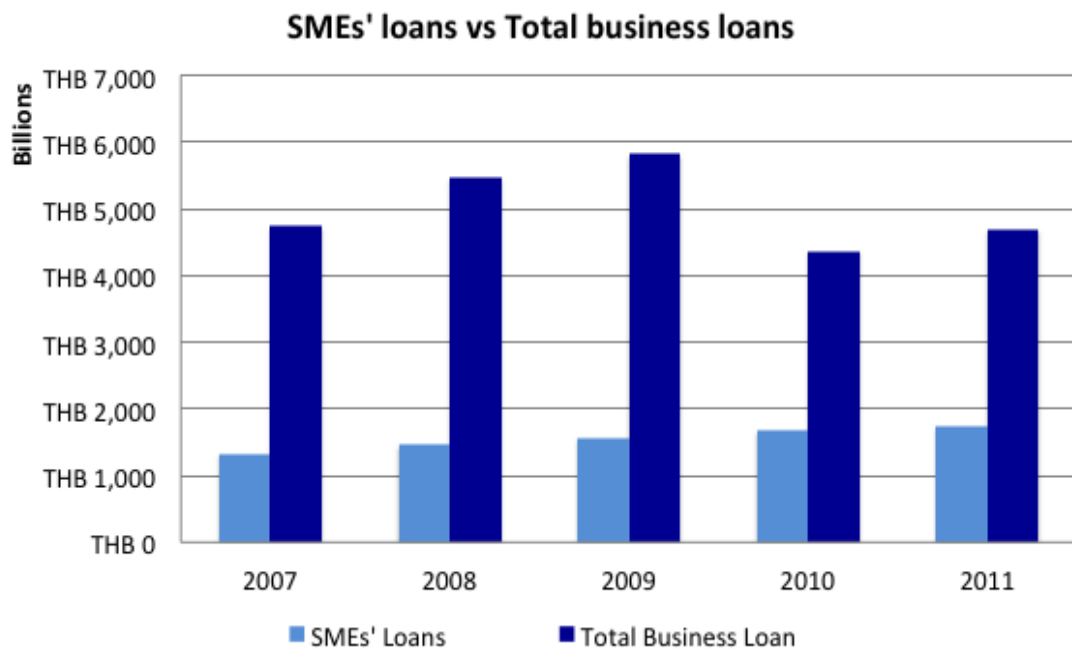


Figure 1.3 SMEs' Loans vs. Total Business Loans

Source: Bank of Thailand as cited in OECD, 2013.

Figure 1.1 illustrates that the average interest rate constantly increased roughly 7.97% annually, on an average, from 2007 to 2011. Figure 1.2 presents that the amount of the SMEs' collateral is roughly 230% of their total business loans, on an average annually, from 2007 to 2011. The worst case took place in 2011 when the percentage of collateral went up to 542%. The interest rate and the collateral, in fact, has been a huge burden in debt financing for Thai SMEs. Obviously, dependence on bank loans of Thai SMEs as the amount of SME loans has always remained at the same level regardless of the fluctuation of the total business loans (Figure 1.3).

Conceptually, public funding through capital markets could be an excellent solution for SME funding. However, SMEs have still been faced with some obstacles to entering the capital market, including regulatory limitations, underwriting fees, and compliance costs. For instance, if an SME wants to be listed in the Stock Exchange of Thailand (SET), it must have a minimum paid up capital after initial public offering (IPO) of approximately USD 9.35 millions and meet the requirement that an IPO firm must have at least 1,000 minority shareholders to hold more than 20% to 25% of the shares. With regard to performance, the SME must attain an accumulated net profit

for the past two or three years of over than USD 1.56 millions, while the net profit for the previous year must be more than USD 0.94 millions. Additionally, the IPO firm must have positive retain earnings. These prerequisites are not a big issue for large-sized firms or upper-level medium-sized firms, but are oppressive for small and medium-sized firms.

For these reasons, the stock exchange for SMEs is very essential. In fact, the "Market for Alternative Investment (MAI)" was established under the Securities Exchange of Thailand Act as a solution for fund raising of SMEs and high-tech start-up ventures. With the requirement of only USD 0.63 millions minimum paid-up capital after IPO and only 300 minority shareholders to hold 20% of the shares, the MAI has become an effective financing alternative for SMEs to access public funding with significantly lower costs and burdens. The Market for Alternative Investment (MAI) is an alternative capital market in Thailand that imposes a lower capital requirement. It was established under The Securities Exchange of Thailand Act and operated in 1999 as a new fund-raising platform for SMEs. The market is operated under the Stock Exchange of Thailand (SET) and can be regarded as an alternative market or junior market under the SET. Anyhow, there are slightly different names and descriptions for this type of market in different countries. Some markets may not operate under the main market but still focus on SMEs, such as NASDAQ in the USA, Berne Exchange in Switzerland, and Newcastle Stock Exchange in Australia. However, most are alternative markets under the main market, such as Alternative Investment Market (AIM) in the UK, Growth Enterprise Market (GEM) in Hong Kong, and Market of the High-growth and emerging stocks (MOTHERS) in Japan. Nonetheless, the overall definition and concept of these markets are similar, as they focus on enabling SMEs to gain better access to public funds via a capital market mechanism while offering flexibility and less heavy burdens.

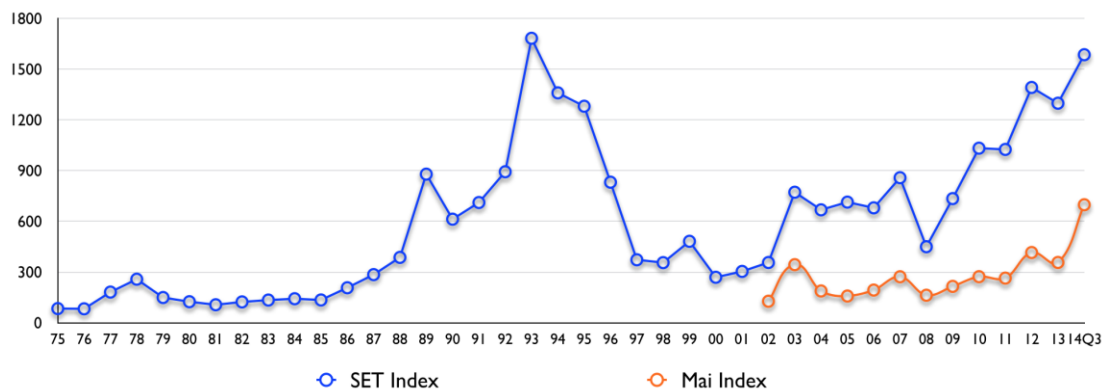


Figure 1.4 SET vs. MAI index (1975-2014Q3)

Source: The Stock Exchange of Thailand, 2014.

Although the total market capitalization of the SET (USD 391,526 million) is almost 14 times higher than that of the MAI (USD 5,442 million), there are still many factors that highlight the MAI's potential and importance. As showing in Figure 1.4, even though the SET index was much higher than the MAI index, the latter also showed good development considering the fact that the MAI market was established around 37 years after the SET. Figure 1.5 illustrates that foreign investors were recently in investing in the MAI. Although the volume of foreign trade in the MAI was relatively smaller than that in the SET, it has considerably and constantly increased. Figure 1.6 indicates that the MAI had a higher Price-Earning (PE) ratio than the SET, implying that investors expected higher growth and return in the future on the firms in the MAI.

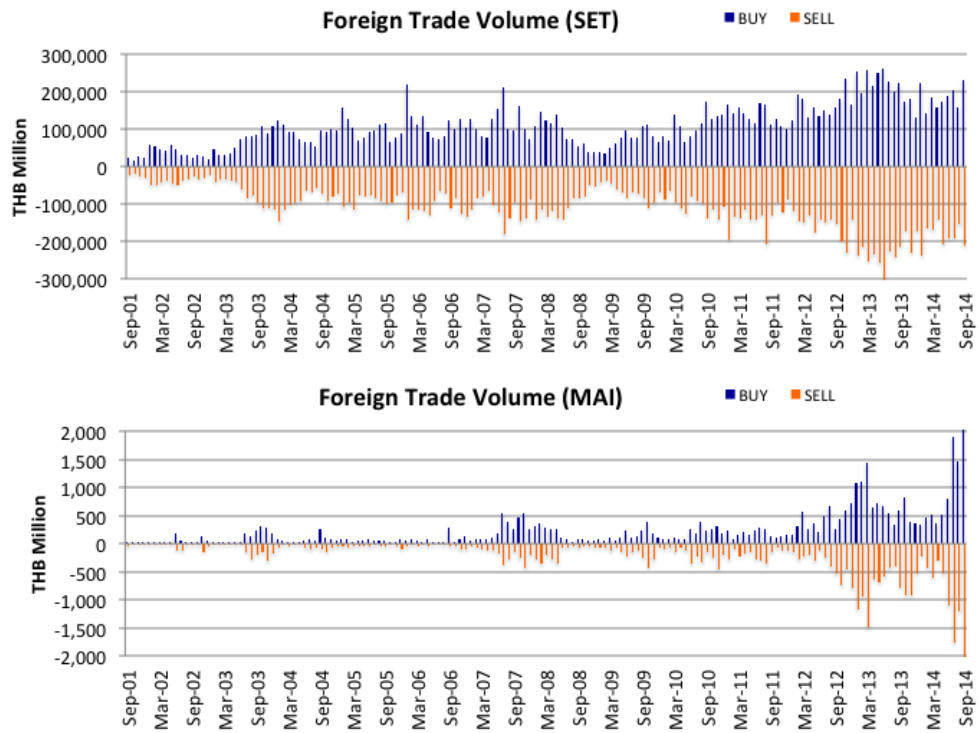


Figure 1.5 Foreign Trading:SET vs. MAI (Sep 2001-Sep 2014)

Source: The Stock Exchange of Thailand (SET), 2014 and Wattanawong, 2013.

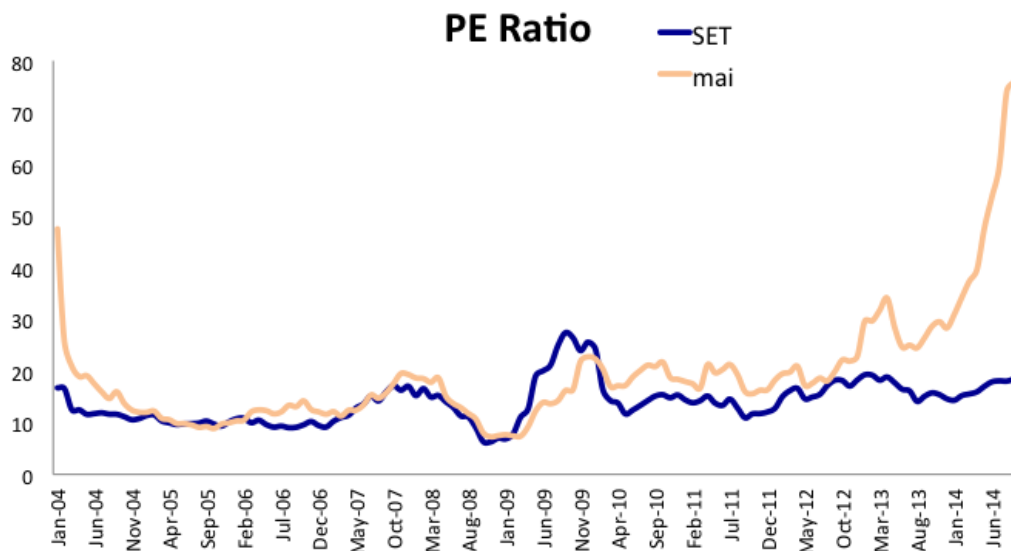


Figure 1.6 PE ratio: SET vs.MAI (May 2004 - Sep2014)

Source: The Stock Exchange of Thailand (SET), 2014 and Wattanawong, 2013.

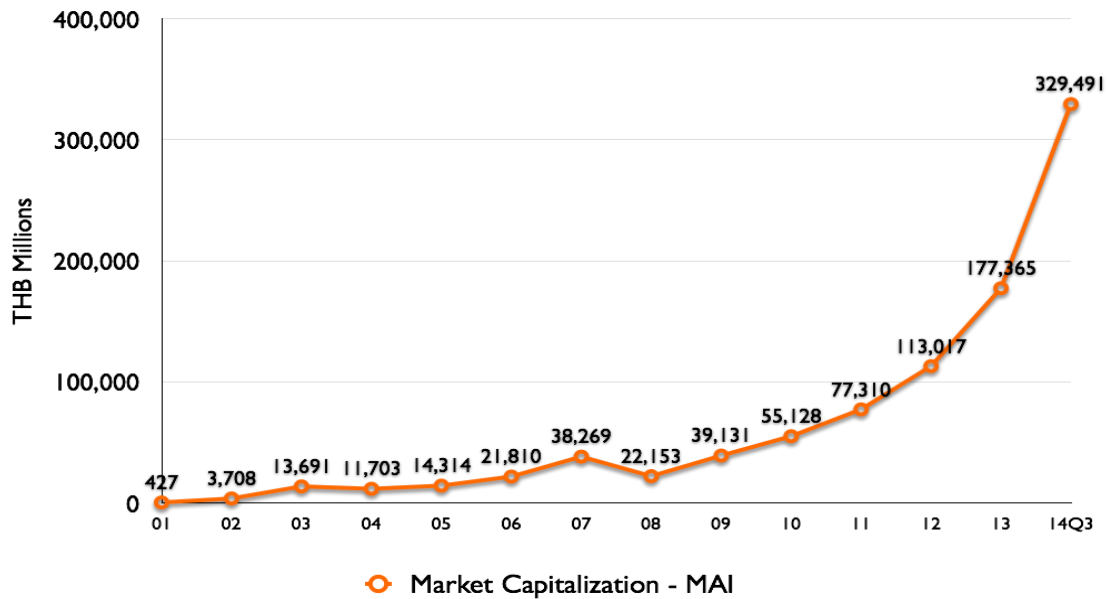


Figure 1.7 MAI Market Capitalization (2001- 2014Q3)

Source: MAI, 2014.

Most importantly, the total capitalization of the MAI (Figure 1.7) indicated a promising growth, as total the MAI capitalization had been constantly growing since the inception of the market. Moreover, the total market capitalization value was drastically increased from USD 692 millions in 2008 to USD 10,297 millions in the third quarter of 2014, which was about 13.86 times increased. This analysis highlighted the importance of the MAI as a promising alternative platform for SME financing.

In the perspective of investors, the MAI can be regarded as a capital market with a strong sense of ownership, as most of owners or founders are still working as top executives. As a result, the decision-making and responsiveness to change can be very quick. Also, the MAI firms normally have a straightforward business model, which make investors effortless in analyzing the financial statements and understanding the business overview. Additionally, since the company size in the MAI is smaller than in the SET, investors may easily access the executives to understand business vision and potential growth. Last but not least, the MAI is a platform for SMEs to jump-start the businesses in which huge returns may be

expected in a long run. Therefore, it is a good investing platform for value investors who prefer long-term returns rather than short-term gains.

Conversely, investors may be skeptical in investing in the MAI securities. First and foremost, the founder's family still largely owns most of the MAI firms. Hence, the practical operations may lack financial efficiencies and disciplines. Indeed, the limited capital base and capital flow of the MAI firms may hinder the growth potential in the times of changes or economic crises. Most importantly, the MAI is still lacking of public and stakeholder attention. Hence, the regulations may not be effectively enforced and corporate governance may be compromised.

1.2 Problem Statements

The MAI sets its own vision as “ providing new opportunities for long-term quality growth ” with the mission statement “ to provide opportunities for entrepreneurs and small and medium-sized firms to: 1) get access to funds 2) achieve sustainable growth through transparency, good governance, and 3) strengthen competitiveness through powerful networking.” Without any doubt, it can be said that MAI does a fine job in developing the market, enhancing the total market value, and increasing the number of listed companies. Thus, the MAI has a promising internal growth.

However, in order to identify further room for development, it is crucial to take into consideration the international benchmark. In fact, there are still potential areas that the MAI can be further developed. To begin with, other alternative markets originated under the similar concepts to the MAI have been selected for comparison. Although these markets are named with different terms and acronyms, they were commonly originated as alternative capital markets for either SMEs or high-tech start-up. Table 1.1 shows selective alternative capital markets from various countries.

Table 1.1 List of Selective Alternative Markets and Main Markets

Country	Main / Original Market	Junior / Alternative Market
Thailand	SET	MAI
UK	London Stock Exchange	Alternative Investment Market (AIM)
USA	New York Stock Exchange	NASDAQ
Canada	Toronto Stock Exchange (TSX)	TSX Venture
Australia	Australia Stock Exchange (ASX)	National Stock Exchange of Australia (NSX)
Japan	Tokyo Stock Exchange (TSE)	Market of the High-growth and emerging stocks (MOTHERS)
Singapore	Singapore Stock Exchange (SGX)	SGX Catalist
China	Shanghai Stock Exchange (SSE) Shenzhen Stock Exchange (SZSE)	SZSE-SME Board SZSE-ChiNext
HK-PRC	HK Stock Exchange (HKSE)	Growth Enterprise Market (GEM)
South	Korea Stock Exchange (KRX)	KOSDAQ
Switzerland	SIX Swiss Exchange (in Zurich)	Berne-Exchange (BX)
South	Johannesburg Stock Exchange (JSE)	Alternative Exchange (AltX)

To simplify, these alternative capital markets can be categorized based on many aspects. Two dimensions, i.e., structure and focus, can be used for categorization. Firstly, these markets can be either structured under the main market or operated separately. Secondly, these market can focus on either SMEs in general or high-tech ventures or start-ups. The Figure 1.8 presented the clear category. For example, in Thailand, the MAI is under the main market (SET) and focuses on general SMEs rather than high-tech start-ups. Similar to the MAI, AIM London, SGX Catalist, MOTHERS, and JSE AltX are operated under the main board and focus on general SMEs. Although NSX from Newcastle, Australia and Berne Exchange from Switzerland are operated separately from the main market, but they still focus on general SMEs. With the high-tech and start-up size, ChiNext, KOSDAQ, TMX Venture and GEM are operated under the supervision of the main market while the prominent NASDAQ has attracted a lot of hi-tech and innovative companies as well as operated separately from the New York Stock Exchange.

	General SME	High-Tech & Start up
Under Main Market	<p>SGX Catalist (Singapore)</p> <p>AIM (UK)</p> <p>Mothers (Japan)</p> <p>AltX (S.Africa)</p> <p>MAI (Thailand)</p>	<p>Chinext (China)</p> <p>KOSDAQ (S.Korea)</p> <p>TSX venture (Canada)</p> <p>GEM (Hong Kong)</p>
Separate Market	<p>NSX (Australia)</p> <p>BX (Switzerland)</p>	<p>NASDAQ (USA)</p>

Figure 1.8 MAI and Other Similar Markets Categorized by Structure and Focus

1.2.1 Thailand's MAI Has Comparatively Slow Growth in the Number of Listed Firms Compared to the Same Type of Markets in Other Countries.

According to Figure 1.9, the median year of all selected alternative markets since they were founded were just 16 years - the same as the MAI. It seems that the concept of alternative or junior capital markets is fresh and young. However, other alternative markets have performed very well in increasing listed companies (Figure 1.10). While the MAI has increased only 6.5 listed companies per year on average (Figure 1.11), other young markets with the similar age to the MAI, including: AIM, TSX Venture, MOTHERS, GEM, Catalist, ChiNext, and KOSDAQ increased the listed number at a much faster annual rate - at 54.95, 124.88, 12.13, 12.5, 18.63, 65.33, and 53.3 consecutively. Moreover, the top four alternative markets with regard to the number of listed companies have around 1,000-2,000 listed companies while the MAI is at the bottom third, with only 104 listed companies at the average rate of 6.5 listed companies annually. This problem statement is highly relevant to MAI mission to provide SMEs' access to funds.

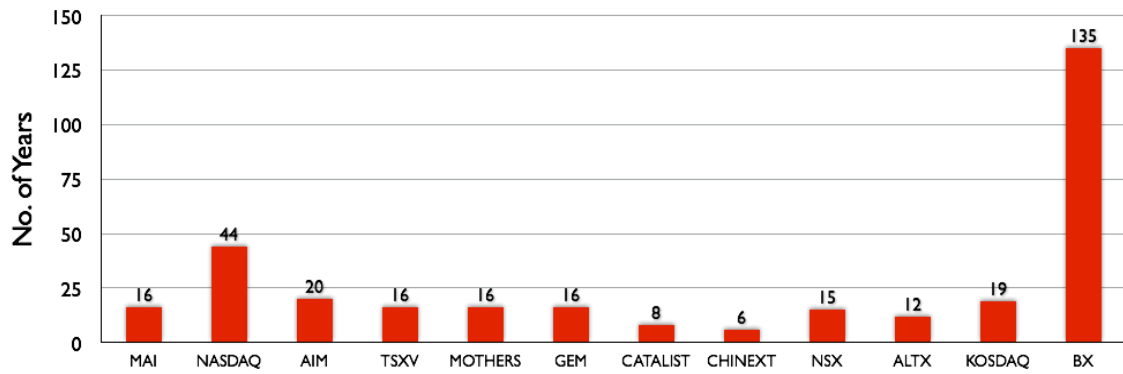


Figure 1.9 MAI and Other Similar Markets– Number of Years Since Inception

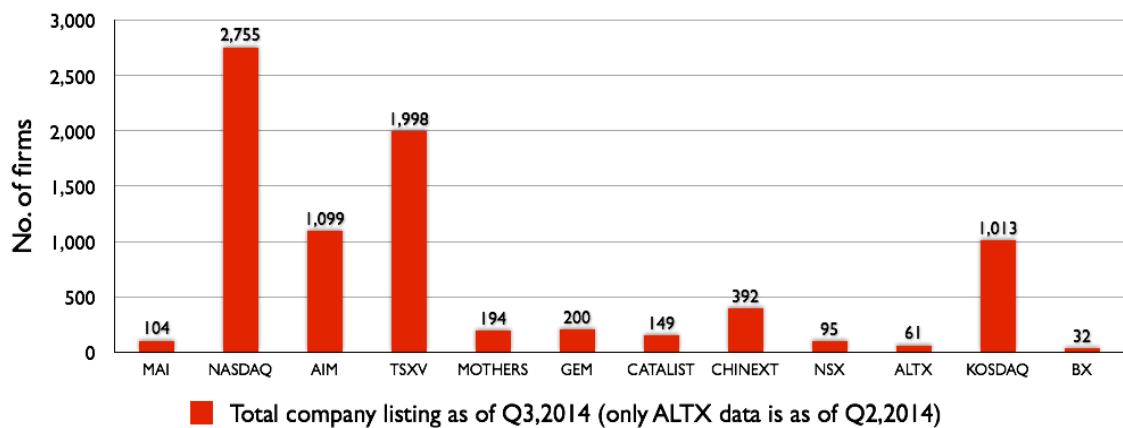


Figure 1.10 MAI and Other Similar Markets- Total Listed Companies

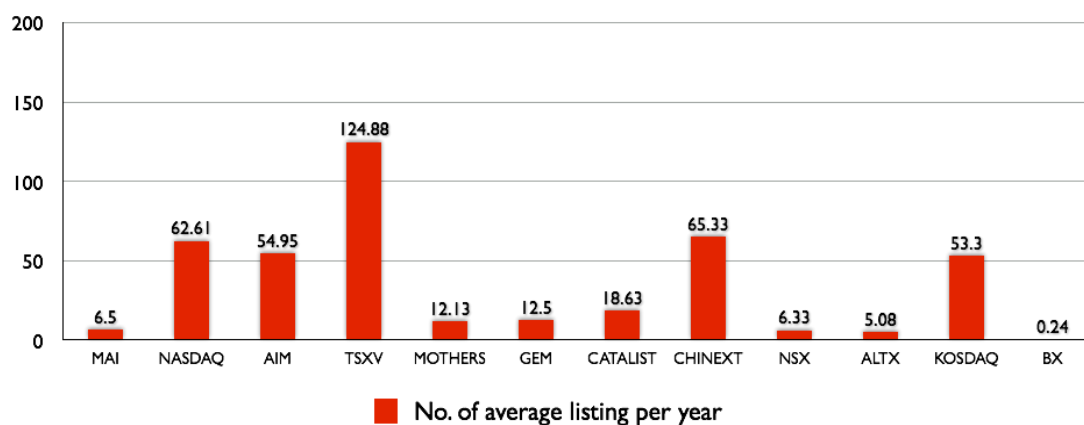


Figure 1.11 MAI and Other Similar Markets- Average Listed Companies per year

1.2.2 Thailand's MAI Platform is Still not Effectively Utilized

Considering the Huge Number of Thai SMEs.

This problem statement is also concerned with the first point of mission statement that the MAI wants to provide SMEs an opportunity to access funds. As prescribed in the Thai SME Promotion Act of B.E. 2543 (2000), SMEs in Thailand are categorized by size and fix assets (OECD, 2011). In Table 1.2, small and medium-sized firms are clearly characterized by the number of employees and fixed assets.

Table 1.2 Definition of SMEs

	Number of employees (persons)		Fixed assets (THB million)	
	Small	Medium	Small	Medium
Production sector	Less than 50	51-200	Less than 50	50-200
Service sector	Less than 50	51-200	Less than 50	50-200
Trade sector (wholesale)	Less than 25	26-50	Less than 50	51-100
Trade sector (retail)	Less than 15	16-30	Less than 30	31-60

Source: Thai SME Promotion Act of B.E. 2543, 2000 quoted in OCED, 2011.

Moreover, OCED (2013) reported that Thai SMEs reached approximately 2.9 millions in 2011, but only 104 SMEs were listed on the MAI. Of that 2.9 millions SMEs, there are 18,387 medium-sized companies. According to the National Statistical Office of Thailand, there were 22,717 firms with 16-200 employees in the manufacturing sector in 2007. The both medium-sized firms and manufacturing firms are likely to be excellent prospects for the MAI; nevertheless, this is still an untapped opportunity that should be taken into consideration.

1.2.3 Although MAI Market Capitalization is Continuously Growing, it is Still Small Compared to Other Alternative Markets.

Figure 1.7 illustrates that MAI has been constantly growing in terms of market capitalization. Anyway, other comparative markets have been growing at a much faster pace. Despite the fact that NASDAQ earned a prominent position with more than USD 8 trillions as well as comprised world-class firms listed on the market,

namely Apple Inc., Starbucks, Intel, Microsoft, Facebook, Wholefood, Google, etc., the MAI found itself being challenged to compared to other alternative markets with the same age. Only NSX from Australia, AltX from South Africa, and Singaporean SGX Catalist had lower total market capitalization compared to MAI. Nevertheless, the other eight markets had higher market capitalization than the MAI (Figure 1.12). One of MAI missions is to provide opportunities for entrepreneurs and small and medium-sized firms to strengthen competitiveness through powerful networking. The total market capitalization indicated the net worth of all firms in the market combined. Therefore, higher market capitalization may suggest better competitiveness and network of firms in the market.

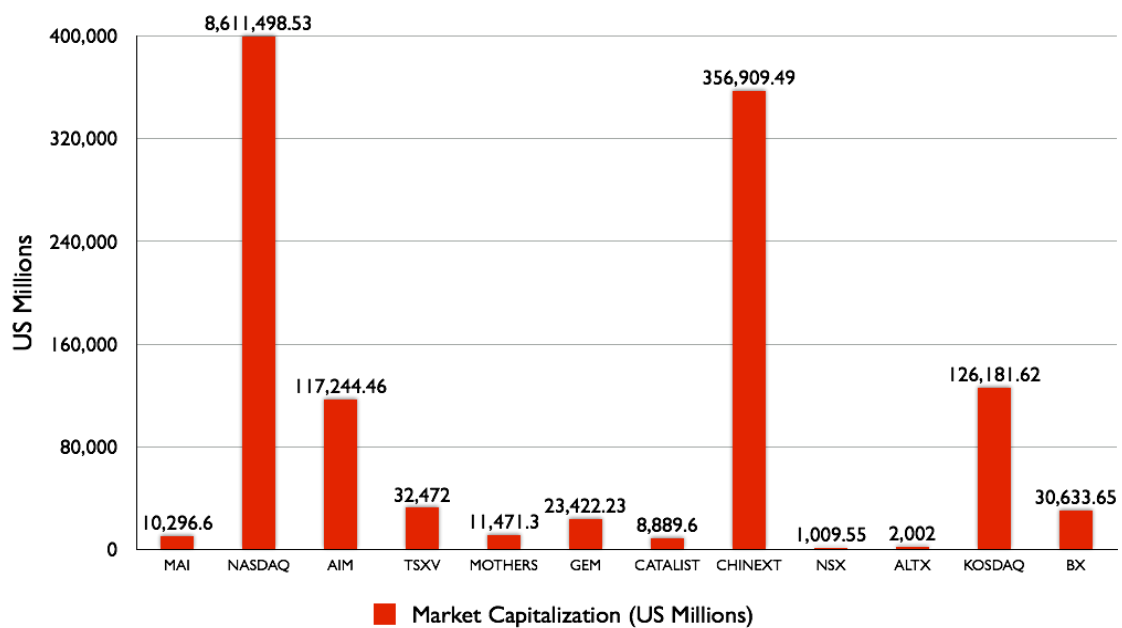


Figure 1.12 MAI and Other Similar Markets - Total Market Capitalization (US millions) (Data as of Q3, 2014 except AltX, of which the data was as of Q2, 2014)

1.3 Research Topic

This dissertation addressed the three problems above. First and foremost, the research examined the current mindset of Thai SMEs towards the MAI to understand their major considerations and the factors that impact their intention to enter the MAI.

The findings were valuable for further policy planning to promote SME access to capital markets and increase the number of new companies listed in the market. Secondly, the dissertation investigated how characteristics of firms in the MAI impacted the level of corporate governance. The findings could be helpful for fostering policy regarding good corporate governance. With good corporate governance, the MAI would gain credibility from investors, which in turn would attract more investors to invest in the market and increase funding opportunities for businesses. Finally, since the external perspective was taken into considerations, and the comparative analysis of other alternative capital markets was conducted. The dissertation incorporated with both internal and external perspectives as well as key policy implications on the stock exchange for SMEs.

In brief, this dissertation was aimed at identifying major policy implications that nurtured the development of the MAI or the stock exchange for SMEs in order to fully support Thailand's SMEs to achieve long-term growth. Hence, the research topic was "Policy Implications for Small and Medium Enterprise Exchange: A Study of Market for Alternative Investment (MAI)" with a big research question of what major policy implications for the SME exchange were in order to provide Thailand SMEs with new opportunities for the long-term quality growth.

1.4 Research Objectives

- 1) To examine determinants that have an impact upon the intention of small and medium enterprises (SMEs) to pursue initial public offering (IPO) in the MAI.
- 2) To investigate whether differences in firm characteristics affect the level of corporate governance of firms in the MAI.
- 3) To find out the similarities and differences between the MAI and alternative capital markets in other countries.
- 4) To identify major policy implications for the MAI or the SME exchange based on the research findings and comparative studies.

1.5 Research Framework and Structure

Figure 1.13 and Table 1.3 illustrate the research framework of this dissertation. This dissertation mainly focused on policy implications for MAI to provide Thai SMEs with new opportunities for long-term quality growth. The policy implications were ultimate outcomes of this dissertation. Initially, the dissertation began with highlighting MAI missions, and then identified problems in accordance with the missions. The research objectives had already been identified in the preceding section.

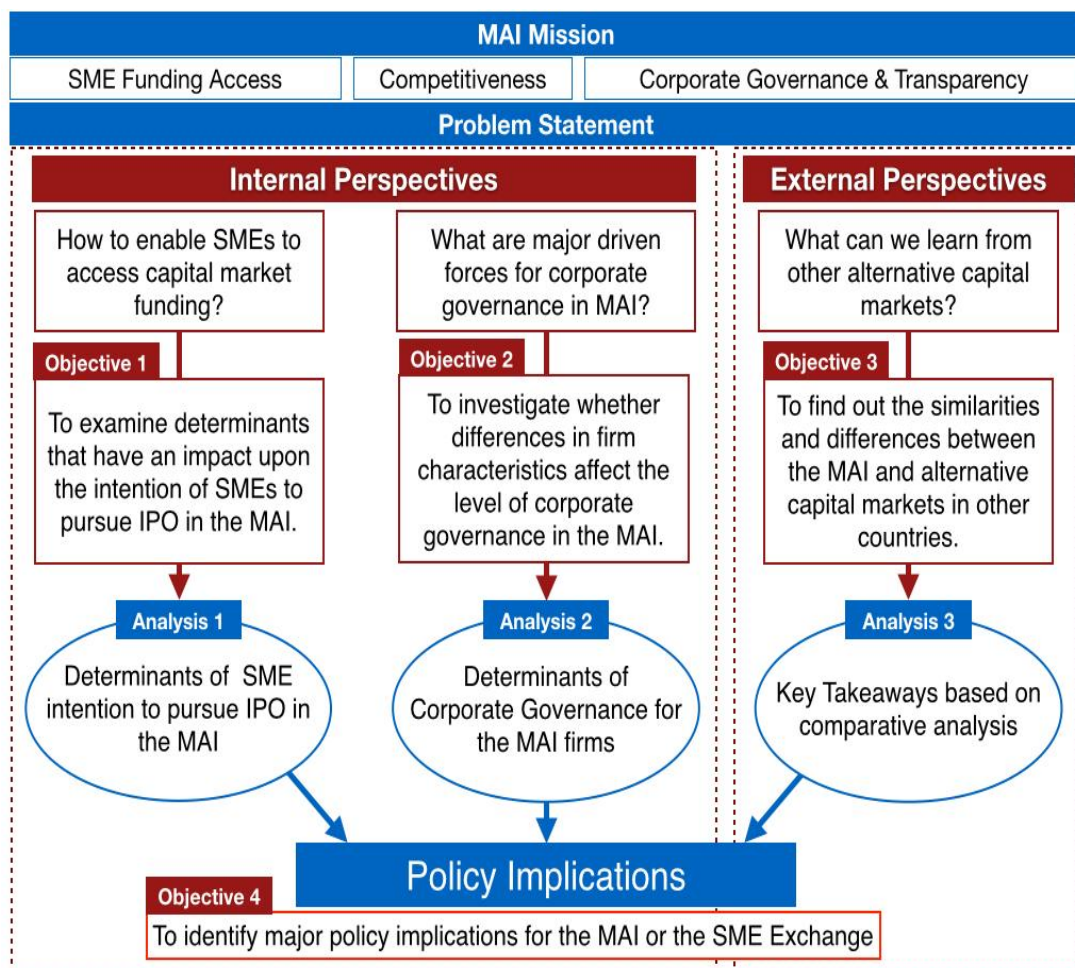


Figure 1.13 Research Framework

In order to address research objectives, three different analyses were conducted. First of all, the determinants that had an impact upon SME intention to

pursue IPO in the MAI were investigated to understand SME mindsets towards capital market funding and to learn how to improve or enrich SME access to capital market funding. Secondly, the determinants of corporate governance for MAI firms were analyzed in order to comprehend the driven forces behind corporate governance and to be able to suggest proper approaches to promote corporate governance. Both analyses focused on internal perspectives, or on the viewpoints of the MAI and Thai SMEs. Lastly, alternative capital market comparative analysis was conducted. This analysis focused on external perspective and aimed to identify major lessons learned and key takeaways from the international alternative capital markets in order to adapt them to the Thai context and to enrich MAI as well as capital funding of Thai SMEs. At the end, the findings were summarized and the policy implications were identified. The research report was organized as follows:

1.5.1 Analysis of Thai SMEs' IPO Intention Determinants

This section highlighted the key determinants that either positively or negatively impacted Thai SMEs' intention to pursue IPO in the MAI. Different determinants based on literature review were used as independent variables and their relationship with IPO intention was identified by using multiple regressions. The sample of this analysis was SME firms that have not yet been listed in capital markets.

Methodology: Quantitative Analysis / Focus: Internal Perspectives

1.5.2 Analysis of Corporate Governance Determinants for Firms Listed in the MAI

This section investigated firm's characteristics, which affected the level of corporate governance of firms in MAI. The corporate governance level was the dependent variable, while firm's characteristics were independent variables based on the previous literature reviews and studies. The result of grounded observation was used to recommend a practical framework and a corporate governance policy. The sample of this analysis was the firms already listed in MAI.

Methodology: Quantitative Analysis / Focus: Internal Perspectives

1.5.3 Comparative Analysis of Selected Alternative Capital Markets

Comparative analysis between the MAI and other selected alternative capital markets was conducted. This section highlighted key learning points by comparing MAI to selected alternative capital markets. The key takeaways were addressed in policy implications and further recommendations.

Methodology: Comparative Analysis / Focus: External Perspectives

1.5.4 Policy Implications

This is a conclusion section that gathers observations and findings from the above analyses. The aim of this section is to summarize and identify major policy implications based on research evidence as well as comparative analysis in order to address the problem statements and research objectives.

Table 1.3 Summary of Research Analyses

Research Analysis	Objectives to be addressed	Focus	Method	Samples to be studied
Analysis of Determinants of Thai SMEs' IPO Intention	To examine determinants that have an impact upon the intention of small and medium enterprises (SMEs) to pursue initial public offering (IPO) in the MAI.	Internal	Quantitative: Multiple Regressions	SME firms not yet listed in the MAI.
Analysis of Corporate Governance Determinants for firms listed in the MAI	To investigate whether differences in firm characteristics affect the level of corporate governance of firms in the MAI.	Internal	Quantitative: Logistic Regressions	Firms already listed in the MAI.
Comparative Analysis of Selected Alternative Capital	To find out the similarities and differences between	External	Comparative Analysis	Selected alternative capital

Table 1.3 (Continued)

Research Analysis	Objectives to be addressed	Focus	Method	Samples to be studied
Markets	MAI and alternative capital markets in other countries.			markets from other countries.
Policy Implications	To identify major policy implications for the MAI and the SME exchange based on the above research findings and comparative studies.			

1.6 Significance of The Study

The development of the MAI can be a great important step of advancing the Thai economy. The majority of firms in Thailand's private sector are small and medium-sized firms as reported by OECD (2011) referenced from the Thai Office of SME Promotion, SMEs (firms with less than 200 employees) comprised 99.6% of Thai firms. As discussed earlier, SMEs have still experienced great limitations to finance themselves for future growth. Moreover, Thai SMEs still lack governance structure and a business system compared to big firms. Essentially, the key to enhance the Thai economy is to boost SMEs competitiveness and bring SMEs up to a higher level, from medium firms to big firms, from small firms to medium firms, and from micro firms to more settled firms.

Therefore, the MAI platform is crucial as the initial access for future growth. For example, firms in the MAI can leap up and transfer to be listed in the SET when they are well established. Private or family firms on the main street can pursue growth opportunity by capitalizing themselves on public financing. In addition, investors can have more investment alternatives. Moving back thirty years ago, listed firms in NASDAQ were not as big and famous as they are nowadays. However, with the proper mechanism that has reduced barrier to entry and focused on high-tech or

innovative start-ups, these listed firms can access crucial funding for growth, thus becoming highly successful. Nowadays, NASDAQ becomes a prominent capital market with countless successful business stories from numerous reputable firms, such as Apple, Google, Microsoft, Facebook, Starbucks, Ebay, Western Digital, Mondalez, Intel, Comcast, Virgin Airlines, Dreamworks, and Staples.

1.7 Glossary

Table 1.4 Glossary Index

Terms	Definitions
Asset	The total value of what the firms own counted in balance sheet.
Angel Investor	An investor who provides investment support for a new business start-up, which could be family members, friends, or any other individual.
Board of Directors	A group of individuals, who represent the stockholders to monitor and direct company policies and important matters, including top management remunerations, dividend decisions, and top executive appointments.
Capital Expenditure	Company's investment for acquisition and enhancement of tangible assets including plant, property, and equipment.
Chief Executive Officer - CEO	The chief of all executives in a company, responsible for planning and executing corporate strategies as well as manage and control business operations.
Collateral	Assets that a creditor required debtor to put as an assurance for a loan. Hence, in the case that a debtor cannot meet the creditor's agreed loan

Table 1.4 (Continued)

Terms	Definitions
	payment terms, the creditor can capture all these assets as compensation.
Corporate Governance	The set of practices, procedures and processes of how company is directed and controlled, which usually designates the rights and responsibilities distributed among major parties in the company, i.e. directors, executives, and shareholders.
Initial Public Offering (IPO)	The occurrence that a private company's stock is sold to the public for the first time.
Intangible Asset	An unphysical asset, such as patent, trademark, copyright, intellectual property, and goodwill.
Interest	The periodic payments that creditors require from debtors as a return for lending the money.
Alternative Capital Market	A capital market that provides opportunities for accessing public funding to companies with smaller size by offering more flexibility in entry requirements and regulations.
Liabilities	Amount of money or financial assets that a company is obligated to settle in order to perform business operation.
Liquidity	The extent to which an asset or stock can be traded with proper pricing or converted in the form of cash.
Listed	The state of a company when it is included and registered in a certain capital market.
Listing Requirements	The set of rules, regulations, or standards that firms have to comply with in order to be listed in a certain capital market.

Table 1.4 (Continued)

Terms	Definitions
Market Capitalization	Total market value of the public company calculated by a price of shares multiplied by the number of shares outstanding.
Merger and Acquisition	Merger is an occurrence that companies are consolidated and become a new entity whereas acquisition occurs when a company buys and includes other companies into its current entity.
Price-Earnings Ratio - P/E Ratio	A financial ratio that calculated by Market value per share divided by Earnings per share. This ratio is typically used for assessing stock values.
Return on Investment (ROA)	A financial ratio to assess a company's profitability and how well the assets are utilized, which is calculated by dividing the company's profits with total assets.
Security	A financial asset that can be traded, such as stocks, bonds, and derivatives.
Valuation	The assessment process to determine the approximate value of firms or any particular assets.
Venture Capitalist	An investor who typically invests in a start-up firm or an early stage company that needs financial support for further growth. In exchange, a venture capitalist gets a certain amount of ownership and expects that it can generate huge financial returns once the company grows and succeeds.

Source: Investopedia, 2013.

CHAPTER 2

LITERATURE REVIEW

As stated in the first chapter, the focus of this research is to study determinants that influence a firm's decision to launch an initial public offering in the MAI as well as to explore the firm's determinants that impact its corporate governance rating in the MAI. In this chapter, relevant literature about the determinants and their relationship to the dependent variable will be explored.

2.1 Initial Public Offering (IPO)

2.1.1 IPO Definition and Methods

An initial public offering is a process that a private company sells its securities, which can be either debt or equity, to the public for the first time (Ritter, 1998). In most case, going public is another word used to refer to an IPO process. Mostly, the firm that decided to go public hires an investment bank to take a role as an underwriter. Basically, the underwriter supports the firm in many ways including complying with the requirements of Security and Exchange Commission, assessing the proper share price, making initial sales to public investors, and issuing securities in the primary market.

According to Ross, Westerfield, and Jaffe, (2008), there are three ways to initially issue securities to the public. The first way is the firm commitment, which means that the underwriter shall buy all issued securities at a price lower than the offering. Hence, the underwriter will bear risks if all securities cannot be sold out. Nevertheless, the underwriter will gain benefits from the price difference between buying and selling, which is so called "spread". The second method is the best efforts. In this method, the underwriter will assume an agent position, so the underwriter needs not to buy the issued securities. However, the underwriter will receive a commission in exchange of facilitating sales of securities at the offering price. The

third method is the Dutch Auction Underwriting. In this method, there is no fixed price for selling securities; however, the investors have to participate in the auction for bidding securities. Regarding the Dutch auction method, the bidding prices and quantities of all investors are taken into consideration. The final selling price will not necessarily be the highest bidding price but it is the price that all securities can be sold and allocated. After IPO securities are successfully issued in the primary market, the securities will be freely traded among public investors in the secondary market. Thence, the price of securities will be determined by the market system in which investors can buy and sell the shares openly.

2.1.2 Cost of Undergoing IPO

To issue securities to the public, there are numerous costs to be considered. Ross, Westerfield, and Jaffe (2008, pp. 560-561) highlighted following costs of new issues.

1) Spread: In the case of the firm commitment, the firm that issues securities to public will receive cash at the discount price, which is less than the price offered to the market. Hence, the price gap is “spread”, which becomes the cost of the firms.

2) Direct expenses: To undergo the IPO process, there are numerous costs of compliances including filing charges, legal fees, and related taxes that the firm must pay to the regulators.

3) Indirect expenses: As the firm’s management and directors have to spend time and effort during the process of IPO issue despite current responsibilities and key strategic decisions, these can be indirect costs to the firm.

4) Underpricing: It is possible that securities are sold at the undervalued pricing before IPO. Hence, market adjusts the price after the issuance date and such a price is significantly rising. This becomes a cost to shareholders.

5) Green Shoe option: Sometimes underwriters may request the right to buy additional shares at the offering price within a certain period, usually 30 days, and at less than 15% of newly issued shares. This case typically happens when there is an excessive demand for newly issued shares. Hence, if the security price goes up, the underwriter can simply buy shares from the issuer and simultaneously sell to the public.

2.1.3 IPO Procedures

The IPO procedures vary, depending on regulations and procedures of the Security and Exchange Commission in each country. In the case of the MAI, a private firm must obtain both listing approval and IPO approval in order to be successfully traded in the stock market. The Securities and Exchange Commission (SEC) serves as an independent regulatory body to supervise and promote capital market in Thailand. Hence, SEC also controls the IPO process in Thailand's capital market, whereas the Stock Exchange of Thailand [SET] takes a role as the trading center of securities and administers the system that supports and facilitates trading transactions and related activities. Typically, the IPO process timeline can be varied, around 4-8 months. The following is a summary of the IPO process for capital market in Thailand according to the Stock Exchange of Thailand (2014) as following.

Phase 1: 3-6 Months before Listing Application

The firm that has decided to issue an IPO must go through the listing process and obtain the approval prior to starting the IPO process. Additionally, the financial advisor approved by the SEC must be hired in order to ensure that it is qualified to support the firm in complying with prerequisite requirements. The firm must also prepare related information, plan the timeline, and ensure proper governance as well as arrange the financial statements in accordance with accepted standards. Also, the audit committee must be established during this stage. (SET, 2014)

Phase 2: 2-5 Months before Listing Application

In this phase, the firm will be converted to a public company limited. Thence, the firm can start preparing the IPO application as well as examine share pricing and mechanism for securities distribution. (SET, 2014)

Phase 3: 1-2 Months before Listing Application

The firm must establish a provident fund and appoint the share registrar. During this stage, the firm can submit IPO application to the SEC. Besides, the firm must be ready for company visits and management interview by the SEC. Last but not least, the firm must start preparing listing application and collect necessary

documentation. Anyway, the firm may choose to submit in parallel both IPO application to the SEC and listing application to the SET. (SET, 2014)

Phase 4: Filing Listing Application

At this stage, the firm submits the listing application to the SET and prepare for a company visit and management interview by the SET. Then, public offering can be officially conducted to distribute shares to the public. The firm is also obligated to submit a share distribution report with required documents to the SET in order to fulfill the minimum requirement of minor shareholding. Then, the trading begins with in two business days after the SET board approves the listing of the securities. (SET, 2014)

Figure 2.1 below illustrates the IPO process for capital market in Thailand both the SET and the MAI.

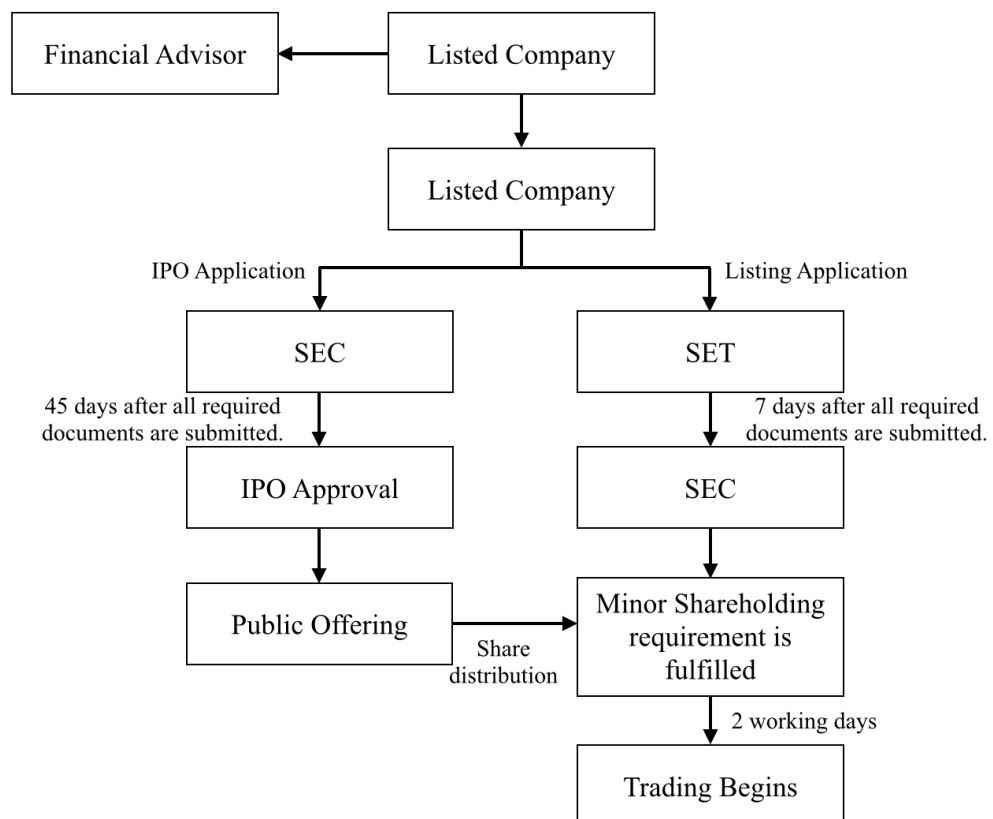


Figure 2.1 IPO Process for the SET and the MAI

Source: MAI, 2014.

2.1.4 Advantages of IPO

The literature review indicated that there are many studies and researches that identify reasons why firms want to go public.

2.1.4.1 Financing Growth and Development

IPO can be used as an effective tool for financing future growth and development. Due to limited access to public funds during the first stage, most entrepreneurs use their personal wealth for starting up and debt financing to expand the business. Once the business becomes stable and needs to advance its growth to another stage, new sources of fund is necessary. Indeed, when firms rely on debt financing too much and cannot pay off the liabilities on time, financial distress may be a serious issue. Specifically, in case of economic downturn, natural disasters and political turmoils, firms may become vulnerable if their financial structure is mainly based on debt. Indeed, SMEs and start-up firms usually pursue debt financing at the beginning stage to fund their business operation. Consequently, IPO can serve as a viable option to bring in equity capital to balance the financial structure as well as improve the firm's liquidity.

Chorruk and Worthington (2010) found that firms intended to pursue IPO to gain financing flexibility as well as increase bargaining power over the bank. In fact, the volume of shares offered during IPO will be higher if firms have a financial liquidity problem and are largely based on debt financing (Huyghebaert and Van Hulle, 2006). Pagano, Panetta, and Zingales (1998) highlighted that firms have issued IPO to restructure and balance sources of funds after high investment and that the public status helps the firms to get cheaper loans. Fischer (2000) also investigated the Neuer Markt, capital market for hi-tech business in Germany, to find out why companies went public and found out that high growth and investment firms pursued IPO to meet capital demand. Additionally, firms go public in order to tap business potential during the positive market condition (Ritter and Welch, 2002). Kim and Weisbach (2008) also studied 16,958 IPOs and 12,373 season-equity offers in 38 countries and found that the firms used capital raised by IPO mainly for financing growth. This finding was in line with that of de Albornoz and Pope (2004) who state that firms that cannot generate a sufficient internal cash flow tend to go public to fund big investment projects.

2.1.4.2 Public Image and Visibility

Firms listed in the capital market mostly gain a better public image and visibility. This image and reputation benefit the firm in many ways. For instance, the publicly listed firms can be perceived as good corporate governance firms. Moreover, reputation can increase credibility when dealing with suppliers, customers, and relevant parties. According to the survey of CFOs from 12 European countries, Bancel and Mitoo (2009) found that enhancing visibility and prestige was one of the most important benefits of going public. Likewise, when the firm is under the IPO process, consumers may get the signal of product quality, although the shares have not been availablely traded yet. This phenomenon is likely to happen in a high-tech or innovative industry in which new products are always introduced at the same time as IPO (Stoughton, Wong, and Zechner, 2001). Besides, public listing can be an effective tool to increase visibilities and to signal credibility to suppliers and customers (Röell, 1996). Thus, undergoing the IPO process and being a publicly trading company may positively enhance its public image and reputation to the public and stakeholders. This image and reputation can be useful social capital in advancing business operation and performance.

2.1.4.3 Exit Mechanism

Despite enhancing the future growth and development, IPO can be a great mechanism for entrepreneurs, angel investors, and venture capitalists to cash out money and exit the ventures. At the first stage, a firm may be started up by the combination of entrepreneur bootstrapping money and investment from angel investors or venture capitalists. These investors provide capital and support the start-up firm with the expectation that entrepreneurs can successfully implement the business and significantly build up the firm value and generate back return in the future. When the time comes, the venture capitalists may need to cash out the money to convert returns into actual money so that they can make profit as well as invest in other businesses. Likewise, entrepreneurs can also cash out their returns with a similar model when the majority of ownership is converted to public investors. Ritter and Welch (2002) affirmed that the main reason for issuing IPO of most firms is that founders and current owners may want to use the public market for selling their shares and get cash back at any point in the future.

Black and Gibson (1998) emphasized the importance of exit by a venture capital fund as well as suggested the model in which predicted that entrepreneurs prefer IPO as the exit mechanism. For venture capitalists, IPO was a more profitable exit option than selling the company (Black and Gibson, 1998). Last but not least, they also documented the findings from many of previous studies that exit through IPO was more profitable than exit by other means, such as business acquisition.

In addition, firms may issue IPO to allow capital market evaluation and reflect their company value so that the IPO process and capital market can help facilitate company selling through merger and acquisition as well as price setting. Hence, the founders and the shareholders do not need to undergo the valuation and negotiation process, which takes time and effort. Brau and Fawcett (2006) conducted a survey with 336 chief financial officers (CFOs) and identified that key reasons for IPO was to effectively facilitate the acquisition process. Hsieh, Lyandres, and Zhdanov (2009) discuss the valuation uncertainty caused by the fact that private firms may not know what their proper valuation is, so it is difficult to make a takeover decision. Hence, market valuation via IPO can serve as a tool to reduce valuation uncertainty and indicate the appropriate valuation that includes the firm's potential and the investor's expectation reflected in the stock price. Brau, Francis, and Kohers (2003) suggested firms that stay in concentrated industry and high-tech industry are likely to conduct IPO before pursuing merger and acquisition.

Advantage of using IPO for selling a firm is also stated by Zingales (1995) "Initial owner can use an IPO to extract a portion of the trade surplus, without having to bargain with the buyer over it. (Zingales, 1995, p. 444)" Therefore, firm's owner who aims at further merger and acquisition opportunities may have incentive to pursue IPO at the prior steps.

By launching IPO and entering capital market, owners of private firms can diversify their capital and invest in other potential alternatives while sharing a portion of risks and returns with public investors. Pagano (1993) argued that capital market could help owners to reduce the rate-of-return risk by diversifying the investment; in other words, sharing risks with other investors in capital market. While firms are still private, it is impractical for owners to diversify portfolio by

selling equity to diverse groups of outside investors (Chemmanur and Fulghieri, 1999). This will incur huge transaction costs for negotiation, valuation, and contracting, for instance, going public need to be done at the first step to increase liquidity to the stock itself before diversification.

Thus, there could be an intention that the firm's owner could use IPO as an effective mechanism for exit the business either proportionally or entirely by cashing out the return or even selling the business.

2.1.4.4 Organizational Improvement

In contrary to private firms, public firms are much more visible to stakeholders, so they receive more intensive public attention on their corporate governance and business operations. Firms in the public market are subject to regulations and disclosure requirements forcing the management to act professionally in line with accepted standards. Disclosure requirement can also be another mechanism to ensure that management has to be transparent and put all the things on the table.

Caccavaio, Carmassi, Di Giorgio, and Spallone (2012) found that listed firms positively recognized that prerequisite reports and guiding practices could increase managerial effectiveness and efficiency. Furthermore, going public could send a positive signal to employees that firms intended to move toward substantial growth in the future (Röell, 1996; Brav, Brav, and Jiang, 2009). Perhaps, this signal of growth and business expansion could make employees feel more secured and more motivated by new opportunities. Essentially, public firms can design various performance incentives for management. For example, stock options for top management can incentivize management to put efforts in boosting the company growth.

Holmstrom and Tirole (1993) argued that stock price could serve as an incentive for management so that the market could directly monitor and incentivize the management performance. Moreover, the stock price also served as an important performance indicator and instrument for monitoring and control. The performance monitoring and assessment from the board of directors could be considerably subjective while the stock price was a clear indicator that reflected quantified performance and might be directly used for further reward and punishment.

Last but not least, business succession can also be achieved through IPO. When the business is handed over through many generations, it may be difficult to identify the capable successors due to decrease in sense of ownership as well as lack of business understanding. In some cases, conflicts may arise among legitimate successors. Thus, IPO can serve as a model for business succession by transferring family members more towards ownership roles while putting the capable personnel in management roles. Burkart, Panunzi, and Shleifer (2003) presented a model that founders might give up their stock and control to outside investors in absence of capable successors. Likewise, Garcia-Perez-de-Lema, Durendez, and Marino (2011) stated that the most important IPO reason of family firms is to survive the business and pursue continuous growth. Moreover, the public market can also be external control of management (Holmstrom and Tirole, 1993). As a result, founders or family members have no need to invest too much time and effort in monitoring the firms.

In addition to other benefits, a business owner may take advantage of IPO by rearranging the governance structure, enhancing professionalism, and planning for the business succession scheme to improve the organization and ensure the firm's survival.

2.1.4.5 Increasing Wealth

IPO can be considered as a springboard to substantially increase the firm's value. The high potential firm that first enters the capital market may be highly attractive to investors, resulting in substantial increase in stock price and company value. The past empirical findings demonstrated that the IPO stock in the USA during 1980-2001 came up with 22.6% return over three years after the first trading day (Ritter and Welch, 2002) while the similar test demonstrated the returns of 34.47% and 61.86% for the sample of 1,526 U.S. IPO common stocks during 1975-1984 and the controlled sample of 1,526 U.S. IPO common stocks during 1975-1984, respectively (Ritter, 1991). Although the researches indicated that these IPO stocks were underperformed in a long run, IPO issuers clearly benefited from this "window of opportunity" (Ritter, 1991). Thus, the owners might expect to drastically generate their own wealth by taking advantage on the substantial increase of firm value through IPO mechanism.

2.1.5 Disadvantages of IPO

Despite many advantages of going public, there are factors that withhold firms from launching IPO, even though they are capable to do so.

2.1.5.1 Loss of Control

When firms go public, owners have to divert a big portion of shares to public investors. Significantly, this concern is highly related with family owned companies, which were, in many cases, fully operated and controlled by family members. Cressy and Olofsson (1997) documented that loss of control was a major constrain that SMEs did not want to undergo flotation process. Hwang (2004) argued that the firm's manager significantly gained a private benefit of control even more than the owners. This is in line with the fact of family owned company and SMEs that family members acted as both owners and managers. Hence, in IPO decision, there is a trade-off between the private benefit of control and the benefit of portfolio diversification by going public (Benninga, Helmantelc, and Sarig, 2005)

2.1.5.2 Loss of Privacy

Apart from losing control, the firm might lose important information to the public and even competitors. These can cause a loss of privacy. In fact, public firms are more visible than private firms. Moreover, the former usually have to disclose their information in compliance with market regulations and are required to join press conferences and analyst meetings, which may require them to reveal important strategic information. Yosha (1995) suggested that disclosure of confidential information could be burden and disadvantages for entrepreneurial firms as it may cause information leakage to business rivals. Campbell (1979) pointed out that when firms disclosed strategic information or potential projects publicly to investors or shareholders, it would entice their competitors to take advantage and make use of that information. Caccavaio et al. (2012) also argued that firms are mainly concerned over loss of privacy from being listed.

2.1.5.3 Direct and Indirect Costs of IPO

There are numerous processes and requirements that firms must meet before being listed in the capital market and issuing IPO. Also, underwriting processes are considerably technical and require special expertise. Caccavaio et al. (2012) highlighted that firms perceived admission fees and prerequisite listing

procedures as a huge burden for going public. Additionally, the transaction cost incurred during the IPO process such as advisory and underwriting fees for investment bankers (Ritter, 1987). During the IPO process, firms have various expenses in order to comply with market requirement and get things done properly.

Despite the direct expenses that firms need to pay out to investment bankers and regulatory bodies, there are still numerous rules and regulations for firms to comply to ensure corporate governance after the IPO issuance. These expenses could be indirect costs for the firms. Nevertheless, SMEs and family firms typically focus on business operation rather than putting effort in corporate governance and disclosure, process documentation, as well as internal control. Hence, SMEs need to shift attention to these corporate requirements and may lose their competitive advantage of being small firms, such as quick decisions, risk-taking, and market accessibility. Mousa and Wales (2012) highlighted that entrepreneurial orientation was positively correlated with the survival of the firm after IPO. Moreover, to achieve transparency and comply with the regulations, it is considerably costly for financial information processing and expertise is needed in doing so (Di Maggio and Pagano, 2012). Furthermore, firms would prefer to stay private because of stringent corporate governance and regulations (Boot, Gopalan, and Thakor, 2006). Chorruck and Worthington (2010) found that reporting requirement is a major obstacle that prevents firms from going public.

2.1.5.4 Changes in Culture and Management Styles

There are several changes for a firm when it moves from private to public. First, the control power will be transferred from the founder and entrepreneur to other investors. Second, the firm may receive more pressure from outside stakeholders due to higher visibilities. Third, the firm must comply with regulations and procedures of the market and must be ready for intensive auditing by regulators. The fact that SMEs prefer to pursue informal management practice is a barrier to go public (Caccavaio et al., 2012). Brav et al. (2009) found that cultural resistance negatively impacted the IPO decision for old private firms. Bertrand and Schoar (2006) also conducted a study and found that family values could affect the firm's business and operation in many ways. Most SMEs in Thailand are family businesses. Thus, family culture and sense of ownership could be very strong since the owner or

management team is mostly family members. Owners may resist changes and avoid pursuing IPO because they do get used to existing practices.

2.1.6 Impact of The Firm's Characteristics to IPO likelihood

There are various studies on the firm's characteristics that could impact IPO likelihood. Pagano et al. (1998) argued that the bigger the firm size, the more probability for IPO. Brav et al. (2009) found that firms with high capital expenditure and sales growth are likely to pursue IPO while older private firms are less likely to go public. Chorruck and Worthington (2010), argued that firms with a big asset size, high sales growth, high leverage, and high capital investment were likely to pursue IPO while firms' profitability could either increase or reduce IPO likelihood. Some firms may use internal financing, so there was no need to go public while other firms may use profitability as opportunity to sell shares at a high price in the public market after IPO (Chorruck and Worthington, 2010). Boubaker and Mezhoud (2012) documented previous studies and hypothesized that firms with high cost of debt, high sales growth, high profitability, big asset size, and young age are likely to go public. Gill de Alborno and Pope (2004) also identified a positive relationship between IPO likelihood and firm size but found that leverage as well as profitability had negative impact on IPO likelihood.

It should be noted that business segment and industry can also impact the decision on IPO. Different industries are different in the above factors in terms of capital investment, asset size, and market growth; therefore, this industrial factor could also increase or decrease the tendency to go public. Additionally, Burkart, Panunzi, and Shleifer (2003) presented a model that founders may give up their stock and control to outside investors in the absence of capable successors. This situation could happen when the business was handed over through many generations and the sense of ownership as well as business understanding became lesser over generations.

Many researches about these IPO determinants have focused on identifying the correlation between the existing firm's characteristics such as size, profit, and sales growth, and the decision on whether to launch IPO. However, there is still lack of research on the actual intention and its driving factors for firm's owners to undergo IPO at the very initial stage even before they think, plan or decide whether to go public or not.

2.1.7 IPO Intention and Determinants

Ajzen and Fishbein (1975, p. 288) defined intention as “a person’s location on a subjective probability dimension involving a relation between himself and some action.” Furthermore, Ajzen (1991) developed the Theory of Planned Behavior (TBP) model to explain how behaviors are derived. According to the theory as illustrated in Figure 2.2, the key factor that leads to behavior is intention while intention is derived by attitude towards behavior, subjective norm, and perceived behavioral control. In other words, intention can lead to and predict behavior or action of an individual.

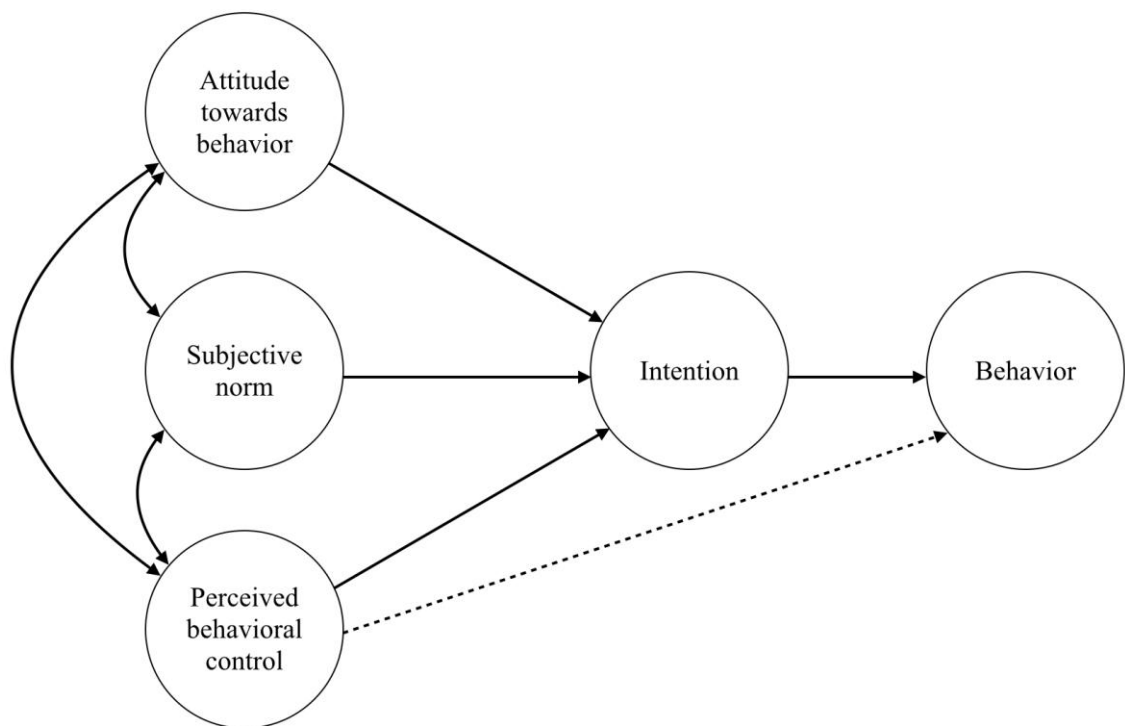


Figure 2.2 Theory of Planned Behavior

Source: Ajzen, 1991, p. 182.

Ajzen (1991, p. 188) clearly explained each determinant that led to intention as follows.

The theory of planned behavior postulates three conceptually independent determinants of intention. The first is the attitude toward the behavior and refers to the degree to which a person has a favorable or unfavorable

evaluation or appraisal of the behavior in question. The second predictor is a social factor termed subjective norm; it refers to the perceived social pressure to perform or not to perform the behavior. The third antecedent of intention is the degree of perceived behavioral control which, as we saw earlier, refers to the perceived ease or difficulty of performing the behavior and it is assumed to reflect past experience as well as anticipated impediments and obstacles.

This model has been proved to contain strong predictors of intention. According to Ajzen (1991), the results of 16 studies were conducted based on TBP model as prediction of behavior showed a strong correlation between the three variables (attitude toward the behavior, subjective norm, and perceived behavioral control) and the intention. These previous studies examined intention on different aspects, such as searching for a job, getting drunk, losing weight, participating in an election, voting, giving a gift, and exercising. Essentially, Ajzen (1991) also suggested in his study that attitude toward the behavior has been proved as a strong prediction variable of intention while it is still a mixed sign for subjective norm; therefore, personal consideration could be a stronger determinant to predict intention than social influence.

When the TPB model was applied to IPO decision, the final action - whether to undergo IPO - will be derived from the IPO Intention of the firm's owner or decision maker. Indeed, Ajzen and Fishbein (1975, p. 288) described behavioral intention as "a person's subjective probability that he will perform some behavior." Therefore, IPO intention can be described as the subjective tendency that the firm's owner will pursue IPO issuance. Hence, the key variables that directly impact the IPO intention according to the TPB model can be classified and applied to the case of IPO decision as follows:

Attitude towards behavior: Ajzen and Fishbein (1975, p. 216) stated, "An attitude represents a person's general feeling of favorableness or unfavorableness toward some stimulus object." According to Ajzen and Fishbein (1975, pp. 222-223), the expectancy model suggested that attitude towards behavior is derived from beliefs about the consequence of behavior and evaluation of the consequence whether its

outcomes are positive or negative. In short, Ajzen (1991, p. 197) described attitudes towards behavior as “beliefs concerning consequences of a behavior”. In case of IPO decision, the attitude towards behavior is the attitude towards IPO - that is, beliefs and considerations about advantages and disadvantages of IPO in different aspects.

Subjective norm: Ajzen (1991) described that subjective norm can be inferred from normative beliefs and individual’s motivation to comply. As Ajzen (1991, p. 195) stated, “Normative beliefs are concerned with the likelihood that important referent individuals or groups approve or disapprove of performing a given behavior.” Thus, in IPO decision, the subjective norm can be explored through the opinion on IPO decision of important stakeholders and the tendency that the owner will comply with those opinions.

Perceived behavioral control: Ajzen (1991) mentioned the perceived behavioral control as an important factor that influenced intention, since it concerned whether or not the person believed that he or she had resources, opportunities, and capabilities to pursue the action. Accordingly, in the IPO decision, such perceived behavioral control can be whether the owners believe that IPO issuance is feasible for their firms and whether they have control over their decision.

2.1.8 Conceptual Framework and Hypothesis

According to the TPB model, the attitude towards behavior, the subjective norm, and the perceived behavioral control directly influence the level of intention. Regarding the attitude towards behavior, Azjen (2002) described that people’s intention and decision to perform or not to perform the behavior resulted from attitudinal consideration. Additionally, Ajzen (1991, p. 197) described the attitude towards behavior as “beliefs concerning consequences of a behavior”. Therefore, it can be inferred that the attitude towards IPO is an owner’s beliefs or consideration concerning consequences of IPO. This can be either expectation or concern regarding advantages and disadvantages of IPO.

The literature review reveals that the advantages of IPO can be categorized in the five aspects: financing growth, public image and visibility, owner’s exit mechanism, organizational improvement, and owner’s wealth increase, while the

disadvantages can be identified as loss of control and privacy, direct and indirect costs incurred during and after IPO, and changes in culture and management style. Thus, hypotheses concerning attitudes towards IPO can be constructed as shown in Table 2.1.

Table 2.1 Summary of Hypotheses on Thai SMEs' IPO Intention Determinants

Hypothesis	References
H1: The owner's expectation to have better financing opportunities for the firm's future growth through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.	<p>Ajzen and Fishbein (1975)</p> <p>Ajzen (1991)</p> <p>Pagano et al., (1998)</p> <p>Fischer (2000)</p> <p>Ritter and Welch (2002)</p> <p>Gill de Albornoz and Pope (2004)</p> <p>Huyghebaert and Van Hulle, (2006)</p> <p>Chorruk and Worthington (2010)</p>
H2: The owner's expectation to increase the firm's public image and visibility through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.	<p>Ajzen and Fishbein (1975)</p> <p>Ajzen (1991)</p> <p>Röell (1996)</p> <p>Stoughton et al. (2001)</p> <p>Bancel and Mitoo (2009)</p>
H3: The owner's expectation to exit the business through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.	<p>Ajzen and Fishbein (1975)</p> <p>Ajzen (1991)</p> <p>Pagano (1993)</p> <p>Zingales (1995)</p> <p>Chemmanurand Fulghieri, (1999)</p> <p>Black and Gibson (1998)</p> <p>Ritter and Welch (2002)</p> <p>Brau et al. (2003)</p> <p>Brau and Fawcett (2006)</p> <p>Brav et al. (2009)</p> <p>Hsieh et al. (2009)</p>

Table 2.1 (Continued)

Hypothesis	References
H4: The owner's expectation to improve the organization through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.	<p>Ajzen and Fishbein (1975)</p> <p>Ajzen (1991)</p> <p>Holmstrom and Tirole (1993)</p> <p>Röell (1996)</p> <p>Burkart et al. (2003)</p> <p>Garcia-Perez-de-Lema, Durendez, and Marino (2011)</p> <p>Caccavaio et al. (2012)</p>
H5: The owner's expectation to increase personal wealth through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.	<p>Ajzen and Fishbein (1975)</p> <p>Ajzen (1991)</p> <p>Ritter (1991)</p> <p>Ritter and Welch (2002)</p>
H6: The owner's concern over loss of control after IPO has a negative relationship with his or her intention to pursue IPO in the MAI market.	<p>Ajzen and Fishbein (1975)</p> <p>Ajzen (1991)</p> <p>Cressy and Olofsson (1997)</p> <p>Hwang (2004)</p> <p>Benninga et al. (2005)</p>
H7: The owner's concern over loss of privacy after IPO has a negative relationship with his or her intention to pursue IPO in the MAI market.	<p>Ajzen and Fishbein (1975)</p> <p>Campbell (1979)</p> <p>Ajzen (1991)</p> <p>Yosha (1995)</p>
H8: The owner's concern over direct and indirect costs during and after IPO has a negative relationship with his or her intention to pursue IPO in MAI market.	<p>Ajzen and Fishbein (1975)</p> <p>Ritter (1987)</p> <p>Ajzen (1991)</p> <p>Boot et al. (2006)</p>

Table 2.1 (Continued)

Hypothesis	References
	Chorruk and Worthington (2010) Caccavaio et al. (2011) Di Maggio and Pagano (2012) Mousa and Wales (2012)
H9: The owner's concern on changes in culture and management styles after IPO has a negative relationship with his or her intention to pursue IPO in the MAI market.	Ajzen and Fishbein (1975) Ajzen (1991) Bertrand and Schoar (2006) Brav et al. (2009) Caccavaio et at. (2012)

Additionally, Ajzen (1991) proved that subjective norm and perceived behavioral control in TPB model have a direct link to intention. Subjective norm can be inferred from the owner's perception of key stakeholders' opinions on IPO and his or her tendency to comply with those opinions, while perceived behavioral control can be inferred from the owner's perceived resources and capabilities to pursue IPO. Thenceforth, the hypothesis can be constructed as in Table 2.2.

Table 2.2 Summary of Hypotheses on Thai SMEs' IPO Intention Determinants (cont.)

Hypothesis	References
H10: Subjective norm of IPO decision has a positive relationship with the owner's intention to pursue IPO in the MAI market.	Ajzen and Fishbein (1975) Ajzen (1991)
H11: Perceived behavioral control of IPO decision has a positive relationship with the owner's intention to pursue IPO in the MAI market.	Ajzen (1991)

To summarize, IPO intention can be articulated as the owner's intention to take his or her private firm to be listed as public. The focus is on firm's IPO to the Market for Alternative Investment (MAI). Based on the TPB model, IPO intention will serve as dependent variable while independent variables include attitude towards behavior, which is consideration of IPO advantages and disadvantages, subjective norm, and perceived behavioral control. Questionnaire items will be constructed to measure all variables. The conceptual framework is illustrated in Figure 2.3

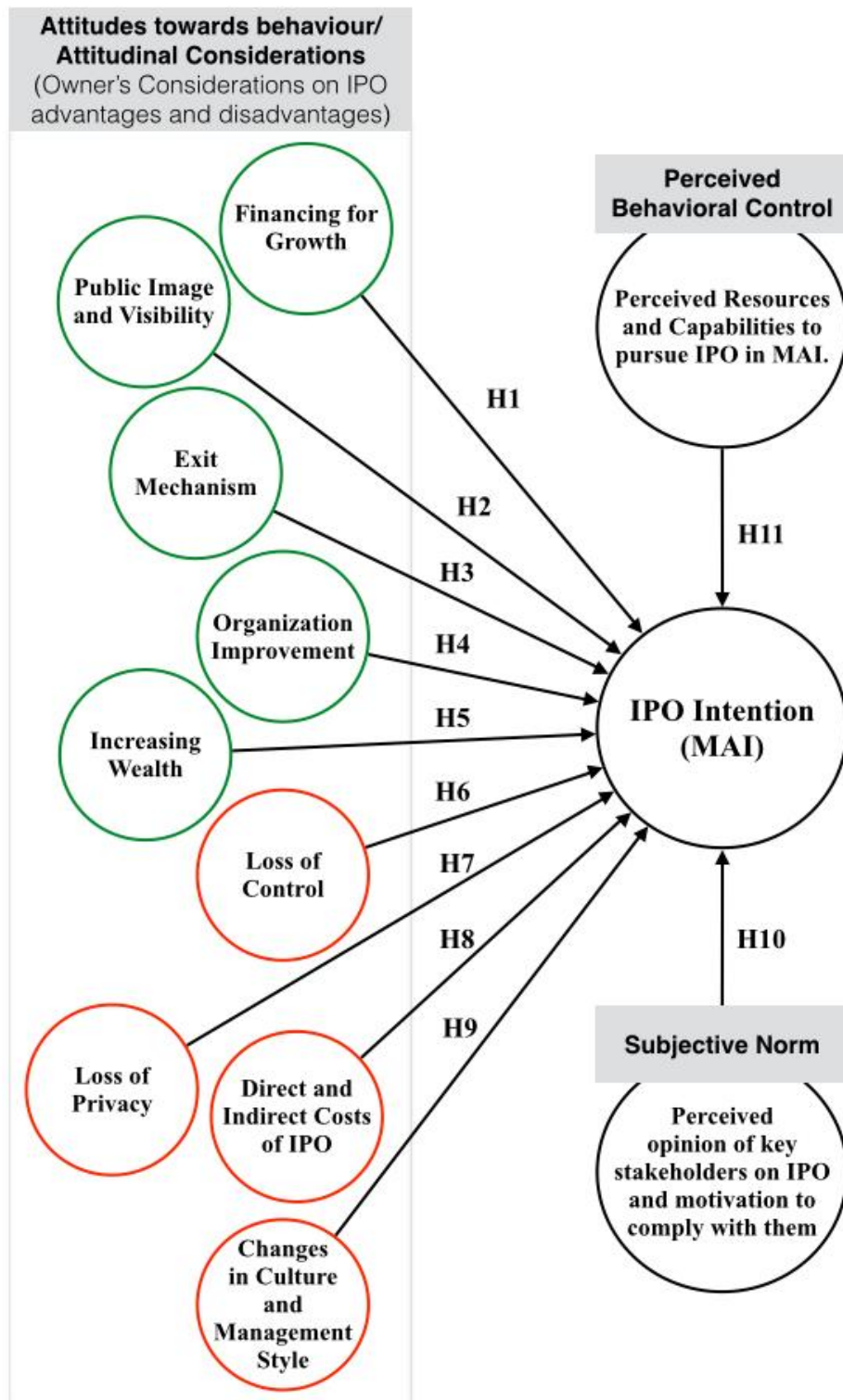


Figure 2.3 Conceptual Framework: Analysis of Thai SMEs' IPO Intention Determinants

2.2 Corporate Governance

2.2.1 Definition of Corporate Governance (CG)

There are various definitions of corporate governance. A comprehensive one is perhaps the definition given by European Central Bank. ECB (2004, p. 219) defined corporate governance as:

Procedures and processes according to which an organisation is directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among the different participants in the organisation—such as the board, managers, shareholders and other stakeholders—and lays down the rules and procedures for decision-making. ECB (2004, p. 219)

Besides, OECD (2004) set the foundational principles of corporate governance, which ensure the Basis for an effective corporate governance framework, the rights of shareholders and key ownership functions, the equitable treatment of shareholders, the role of stakeholders in corporate governance, disclosure and transparency, and the responsibilities of the board.

Basically, good corporate governance ensures that the firm has operated with transparency and treated all stakeholders on a fair basis. Besides, the board of directors and top management do their jobs with care and loyalty.

2.2.2 Previous Studies on Corporate Governance Determinants

A large number of previous studies investigated characteristics of several firms as well as their corporate structure that impact the corporate governance level. The following are determinant factors that impact corporate governance.

2.2.2.1 Size of the Board

The board of directors plays an important role in monitoring and controlling the way top management runs the company, in ensuring proper corporate governance, and in protecting interest of all shareholders. Several studies stated that a large board size could be inefficient. Yermack (1996) found a negative relationship between the board size and the value of the firm for the sample firms in the USA.

Additionally, the study of Eisenberg, Sundgren, and Wells (1998) in Finland confirmed the finding that the board size was also negatively correlated with the firm's value. The research in Switzerland also indicated similar results to that of Beiner, Drobetz, Schmid, and Zimmermann (2004) who concluded that the board size was a significant determinant for the firm's value. Jensen (1993) pointed out that a large board size of over 7-8 members could be problematic in the firm's monitoring and control while a small board size was more efficient. Additionally, Drobetz, Gugler, and Hirschvogl (2002) conducted research on German firms and found that firms with a larger board size had lower governance ratings. Therefore, a large board size resulted in losing proper monitoring and control; thus, the enforcement of corporate governance and regulations could be weakened.

2.2.2.2 Size of the Firm

Large-sized firms have resources and capabilities to implement the corporate governance policy as well as comply with rules and regulations. Nevertheless, some may argue that there are much more monitoring and control mechanisms required for larger firms; therefore, corporate governance may be compromised. Anyway, Klapper and Love (2004) studied the impact of the firm size on corporate governance but no clear result was found. Although large firms can implement their policy to improve corporate governance, small firms have more need to get external financing for funding growth so that they need to develop good corporate governance to enhance credibility (Klapper and Love, 2004).

2.2.2.3 Profitability

Firms with profitability tend to be more stable with their business model and operation as they can survive and satisfy the basic needs of shareholders by making returns. Mostly, these firms may aim to sustain the long-run performance and hence have an incentive to build the corporate governance system for long-term growth. Although the research by Black, Jang, and Kim (2006) indicated a mixed sign about correlation between profitability and corporate governance, Klapper and Love (2004) found a positive relationship between profitability and corporate governance.

2.2.2.4 Debt Financing

Firms that need to obtain debt financing are likely to be pushed by numerous requirements and obligations from creditors. Therefore, the firms need to

have proper structure and implement operational practice to meet obligations and be able to pay back both debts and interest. Klapper and Love (2004) stated that firms that needed external funding would have motivation to implement corporate governance practice in order to build credibility. Moreover, Durnev and Kim (2005) argued that there was a significant relationship between need for external finance and corporate governance and disclosure practices. Khanchel (2007) conducted a similar study and also found a positive relationship between need for external finance and corporate governance.

2.2.2.5 Capital Investment

Firms that have a potential investment project need to obtain more funding from external financing. Therefore, the firm is likely to develop a corporate governance initiative and create reputation of transparency in order to attract new financial sources either from debt or equity. This is in accordance with the argument by Klapper and Love (2004). Besides, Durnev and Kim (2005) found a positive relationship between investment opportunities and corporate governance, and Khanchel (2007), likewise, stated a strong correlation between these two variables.

2.2.2.6 Intangible Assets

Firms with a high level of intangible assets need to put more effort in aligning their management incentive as well as creating managerial responsibilities because intangible assets are more difficult to control and monitor (Himmelberg, Hubbard and Palia, 1999). Therefore, compared to firms with a high level of tangible assets, firms with more intangible assets need to develop more intensive governance practices to prevent management and employees from inappropriate use or infringement of intangible assets. Durnev and Kim (2005) clearly stated that intangible assets were difficult to monitor. Khanchel (2007) also confirmed that intangible assets were strongly correlated with corporate governance. This finding was supported by Klapper and Love (2004) who mentioned a positive relationship between intangible assets and corporate governance.

2.2.2.7 Sales Growth

Klapper and Love (2004) found that the sales growth was also positively correlated with the corporate governance level. Durnev and Kim (2005) also found the correlation that firms with higher sales growth were likely to get higher

rating of corporate governance. This was possibly explained by the fact that high growth companies needed to keep up with high expectation from outsiders including customers, suppliers, investors, and creditors as the firms must keep moving forward to growing. This explanation was also in accordance with the argument from Durnev and Kim (2005) that firms that need external finance and investment opportunities would be likely to have a higher level of governance.

2.2.2.8 Institutional Ownership

Institutional investors invest in firms mainly to generate returns and diversify their portfolio. As a result, they are highly motivated to ensure proper corporate governance and transparency. Also, institutional investors generally have substantial capital investment as well as resources, and capabilities. According to Durnev and Kim (2005), firms may need capital and resource leverage in return for significant funding, so they are willing to gear towards good corporate governance. Shleifer and Vishney (1986) constructed a model that explained high bargaining and control power of large shareholders. Khanchel (2007) found that institutional ownership was positively correlated with the corporate governance level.

2.2.2.9 Management and Director Ownership

Management ownership can align the managerial performance and operations directly with compensation. When management or the board of directors holds ownership of firms, they will act in accordance with the firm's interest. This alignment of incentives was explained by Holmstrom and Tirole (1993). Therefore, the management or the board of directors is likely to implement good corporate governance to keep firm on a good shape. In his research, Khanchel (2007) found a positive relationship between managerial ownership and corporate governance.

2.2.3 Measuring Corporate Governance

There are various measurements of corporate governance. One that has been widely used in Thailand is the Corporate Governance Report of Thai Listed Companies (CGR) conducted by the Thai Institute of Director [Thai IOD] in collaboration with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The CGR scores are available annually. However, only the CGR level of ranking based on ranges of CGR scores is fully disclosed to public on an annual basis, while the actual score of a particular firm is confidential.

Nevertheless, the CGR scorecard developed on the basis of OECD corporate governance principles includes the following aspects: right of shareholders, equitable treatment of shareholders, role of stakeholders, disclosure and transparency, and board responsibilities. Within each aspect, the total 148 questions of assessment are used to evaluate the firms in both the SET and the MAI. The different weighted percentage of scores will be applied to each criterion. The end result shown as a recognition level includes Excellent (Score 90-100), Very Good (Score 80-89), Good (Score 70-79), Satisfactory (Score 60-69), and Pass (Score 50-59). Anyway, only the firms recognized as Excellent, Very Good, and Good will be publicly announced while those with the score below 69 will be privately disclosed to the firms themselves. The CGR evaluation is applicable for almost every firm in the SET and the MAI. However, firms under business rehabilitation are not included in the survey. (Thai IOD, 2009, 2014) Hence, in this study, the CGR recognition level will be used as measurement for the corporate governance level.

2.2.4 Conceptual Framework and hypothesis

The firm's determinants were constructed as independent variables while the corporate governance level was a dependent variable. Basically, the study examined the impacts of the firm's determinants on the level of corporate governance for the firms in the MAI market as the hypotheses shown in Table 2.3.

Table 2.3 Summary of Hypotheses on Corporate Governance Determinants

Hypothesis	References
H12: Size of the board of directors has a negative relationship with corporate governance.	Jensen (1993) Yermack (1996) Eisenberg et al. (1998) Drobetz et al. (2002) Beiner et al. (2004)
H13: Size of the firm has a positive relationship with corporate governance.	Klapper and Love (2004)

Table 2.3 (Continued)

Hypothesis	References
H14: Profitability has a positive relationship with corporate governance.	Klapper and Love (2004) Black et al. (2006)
H15: Debt financing has a positive relationship with corporate governance.	Klapper and Love (2004) Durnev and Kim (2005) Khanchel (2007)
H16: Capital investment has a positive relationship with corporate governance.	Klapper and Love (2004) Durnev and Kim (2005) Khanchel (2007)
H17: Intangible assets have a positive relationship with corporate governance.	Himmelberg et al. (1999) Klapper and Love (2004) Durnev and Kim (2005) Khanchel (2007)
H18: Sales Growth has a positive relationship with corporate governance.	Klapper and Love (2004) Durnev and Kim (2005)
H19: Institutional ownership has a positive relationship with corporate governance.	Shleifer and Vishney (1986) Durnev and Kim (2005) Khanchel (2007)
H20: Director ownership has a positive relationship with corporate governance.	Holmstrom and Tirole (1993) Khanchel (2007)

The conceptual framework based on literature review is presented in Figure 2.4. Each firm's characteristics were hypothesized as independent variables and corporate governance level as dependent variable. By testing the relationship of all variables, key determinants could be identified and analyzed for further recommendations.

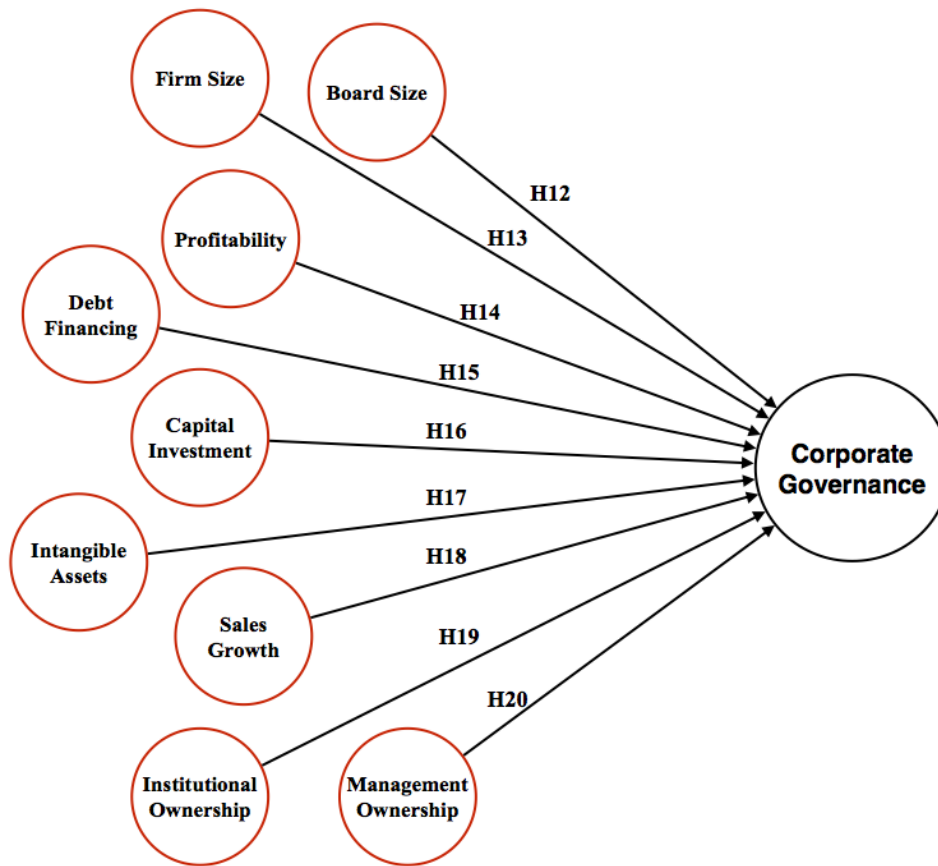


Figure 2.4 Conceptual Framework: Analysis of Corporate Governance Determinants

2.2.5 Alternative Capital Market Regulations and Governance Framework

An alternative capital market was originated to resolve the problem that SMEs have had limitations in accessing sources of fund and burdens in complying with stringent regulations. Therefore, the governance framework and regulations for MAI should address this problem. On the one hand, the governance framework should stipulate some degree of flexibility, simplify procedures, and lessen burdens for firms to access sources of fund and operate efficiently. These are important characteristics of successful alternative markets and the SME exchanges.

According to Steadman (1996), rules and regulations can be burdens for small companies due to numerous processes and compliances in the capital market. In the view of management, these could turn business management's attention from focusing on core business to heavily complying with regulations and procedures. Likewise, investors would not be pleased to find that their management spends time,

resources, and capital on compliance, i.e. the financial advisory fee, rather than maximizing profit. Moreover, Mendoza (2008) studied Alternative Investment Market (AIM) of London and highlighted its prime location in the world's financial centers, low cost of capital, less stringent regulations, no entry requirement of minimum market capitalization and a variety of listed companies' segments as the key success factors. On the investor's perspective, liquidity is a key success factor for alternative market and the SME exchanges. The investors do not prefer the capital market in which it is difficult to trade or costly to sell the company's shares (McMenamin, 1999).

Despite the flexibility and reduction of burdens, encouragement of corporate governance is an important element in the governance framework. Steadman (1996) suggested that the investors might bear higher risk than invest in the alternative or junior market compared to the main market. This is because most firms in this type of market are generally small and medium firms or young innovative firms with growth potential rather than firms with high stability or historical footprints. There are still numerous stages for these firms to go through their business life cycle so that the future performance can be much more fluctuated than longstanding firms listed in the main market, which are already well established and stable. Besides, if the corporate governance practice is not well implemented, the alternative markets may operate without a proper control mechanism or regulations. As a result, the market can fall down in a short period of time and can be perceived by investors as a place for gambling, as in the case of the Neuer Markt in Germany (Martin, 2001).

CHAPTER 3

METHODOLOGY

In this chapter, research methodology was determined for all analyses:

3.1 Analysis of Thai SMEs' IPO Intention Determinants

The objective was to examine determinants that impacted the intention to pursue initial public offering (IPO) of small and medium enterprises (SMEs) in the MAI market.

3.1.1 Sampling

In this study, the unit of analysis was SMEs that have not yet been listed in any capital market either the SET or the MAI, since the research was to determine the factors that impacted the intention of the private SMEs to pursue IPO in the MAI market. This analysis aimed to understand the factors that determined the intention of SME firms to pursue IPO in the MAI. These factors were mainly derived from the attitudes, considerations, and opinions of top executives or decision-makers of the firms. Therefore, survey research is a proper methodology in this analysis.

In order to identify the sample size, the population was estimated and determined at the first step. Although there were approximately 2.9 million SMEs in Thailand (OECD, 2013), this analysis will focus on the SMEs with potential scale and capability to enter the MAI. According to OECD (2013), it was estimated that 18,387 companies were considered as medium-sized firms. These medium-sized firms could be considered as a potential target for entering and pursuing IPO in MAI so the population for this study was 18,387. With this finite population, Yamane's method of sample size calculation (Yamane, 1967, p. 886) was implemented. In this research, the confidence level was set at 95%. The simplified formula for calculating the sample size at the confidence level of 95% is shown in equation below (Yamane, 1967, p. 886).

$$n = \frac{N}{1 + N(e)^2}$$

In the formula, n is a sample size and e is an acceptable precision level while N is a population. In this research, the population was 18,387, and the sampling was aimed at the confidence level of 95% with the precision level of at least 7-10%. With the precision level of +/-7%, or +/-10% and the confidence level of 95%, the sample will be 202 or 100, respectively. Consequently, the minimum sample size of this study was set to be at least 202 samples to ensure that sufficient samples were taken into consideration and properly represented the population.

The quota sampling was implemented to ensure that samples were well diversified. Two factors were taken into account. The primary consideration was a region factor. In this case, the regional distribution of total private companies (registered as company limited), according to Department of Business Development [DBD] 2014 under Ministry of Commerce, was used as a reference. The sampling distribution mainly focused on the proportion between firms located in the Central region and other provinces. This distribution was applied because firms located in Central region, namely Bangkok, Samut Prakan, Samut Sakorn, Pathumthani, and Nakorn Phathom, might have better information flows and capital market access that could impact the outcomes of study. Anyway, the study was supposed to represent all SMEs nationwide. According to DBD (2014), the proportion of private firms in Central region to other provinces was 70.79 to 29.21. Therefore, the sample quota followed the above proportion.

The secondary consideration was the business sector of the sample. This sample firms were be divided based on segments or sectors as categorized by the SET. Typically, there were eight categories: agriculture and food, consumer product, finance, industrial, property and construction, resource, service, and technology. It would be rare cases that SMEs operated in a financial sector so those in this sector were excluded. Besides, the numbers of SMEs in resource and in technology sectors were small. Therefore, the samples were re-grouped into six categories, which were: 1) Agriculture and Food, 2) Consumer Product, 3) Industrial, 4) Property and

Construction 5) Service, and 6) Resource and Technology. The sector factor was monitored so that the firms would be closely distributed.

3.1.2 Data Collection

The questionnaires were directly distributed to those in decision-making positions of the firms, i.e. owners and their successors, directors, top managements, and shareholders. The data were collected based on private companies registered in the Department of Business Development (DBD). Nevertheless, the snow ball procedure and referral was employed in order to ensure that the right persons responded to the surveys.

3.1.3 Data Analysis

The data was analyzed by using multiple linear regressions in order to identify the determinants and the relationship between the independent variables and the dependent variable. The independent variables and the dependent variable were shown in Table 3.1.

Table 3.1 Summary of Variables in the Analysis of Thai SMEs' IPO Intention Determinants

Variable	Definition of Variable
FINOPT	Owner's expectation to have better financing opportunities for the firm's future growth through IPO
PUBIMG	Owner's expectation to increase the firm's public image and visibility through IPO
EXIT	Owner's expectation to exit the business through IPO
ORGIMP	Owner's expectation to improve the organization through IPO
WEALT	Owner's expectation to increase the personal wealth through IPO
LCONT	Owner's concern over loss of control after IPO
LPRIV	Owner's concern over loss of privacy after IPO
IPOCOST	Owner's concern over direct and indirect costs during and after IPO

Table 3.1 (Continued)

Variable	Definition of Variable
CHANGE	Owner's concern over changes in culture and management style after IPO
SN	Owner's Subjective Norm
PBC	Owner's Perceived Behavioral Control
INTENT	Owner's Intention to pursue IPO.

The multiple regression formula was described as follows:

$$\begin{aligned} \text{INTENT} = & b_1 + b_2\text{FINOPT} + b_3\text{PUBIMG} + b_4\text{EXIT} + b_5\text{ORGIMP} + b_6\text{WEALT} \\ & + b_7\text{LCONT} + b_8\text{LPRIV} + b_9\text{IPOCOST} + b_{10}\text{CHANAGE} \\ & + b_{11}\text{SN} + b_{12}\text{PBC} + U \end{aligned}$$

Along with multiple regressions, other statistical methods were also executed. First and foremost, Chi-Square test was performed in order to verify the representativeness of the samples collected. Thereafter, reliability test, normality test, linearity test, homoscedasticity test, and multicollinearity test were conducted to ensure that all multiple regression assumptions were met. Furthermore, One-way ANOVA statistics was also deployed to explore further whether the firm's characteristics had any impacts on its IPO intention.

3.1.4 Instrumentation

This study mainly used primary data from the survey. The questionnaire was developed in order to assess the perception and attitude of private firms towards the intention to pursue IPO. Additionally, the respondents of the survey were those in decision-making positions of the firms, i.e. owners and their successors, directors, top managements, and shareholders.

The questionnaire items were developed based on the Theory of Planned Behavior in accordance with the questionnaire guidelines and examples given by Ajzen (2002). The measurement and questionnaire items of each determinant were constructed as follows:

3.1.4.1 Measuring Attitude Towards Behavior

Ajzen and Fishbein (1975, p. 59) suggested measuring the attitude by the following equation. Given A is the attitude towards behavior.

$$A = \sum b_i e_i$$

Additionally, Ajzen and Fishbein (1975, p. 59) defined the measurement methodology of attitude towards behavior as follows.

In order to measure a person's attitude toward an object, one can obtain measure of the strength of his belief (b) that the object has certain attributes and measures of his evaluation (e) of each attribute. The belief strength associated with a given object-attribute link is then multiplies by the person's evaluation of the attribute involved, and the resulting products are summed.

According to Ajzen (2002), the behavioral belief strengths (b) and outcome evaluations (e) reflected attitudinal considerations which were important factors that directed the decision to do or not to do a certain behavior. First of all, advantages and disadvantages of behavior or action were identified. Then, the likert scale was used as measurement and the questions were constructed in following patterns.

Behavioral Belief Strengths (b)

(Behavior/Action) has (Positive/Negative consequences from the behavior/action)

Extremely likely 1 2 3 4 5 6 7 Extremely unlikely

Outcome Evaluation (e)

(Positive/Negative consequences of the behavior/action) is

Extremely bad/unacceptable 1 2 3 4 5 6 7 Extremely
good/acceptable

3.1.4.2 Measuring Subjective Norm

Ajzen (1991) suggested that subjective norm can be measured by multiplying normative beliefs (n) and motivation to comply (m). The formula was given by Ajzen (1991, p. 195) as follows:

$$SN \propto \sum_{i=1}^n n_i m_i$$

Additionally, Ajzen and Fishbein (1991, p. 195) defined the measurement methodology of subjective norm as followings.

Normative beliefs are concerned with the likelihood that important referent individuals or groups approve or disapprove of performing a given behavior. The strength of each normative belief (n) is multiplied by the person's motivation to comply (m) with the referent in question, and the subjective norm (SN) is directly proportional to the sum of the resulting products across the n salient referents, as in Eq.

Ajzen (1991, p. 195) argued "A global measure of SN is usually obtained by asking respondents to rate the extent to which 'important others' would approve or disapprove of their performing a given behavior." Ajzen (2002) suggested starting the measurement process by identifying important persons or groups who might approve or disapprove the behavior or action. The measurement could be likert scale as follows.

Normative Belief (n)

My (important others) think

I should 1 2 3 4 5 6 7 I should not do (Behavior or Action)

Motivation to Comply (m)

How strongly do you want to do what your (important others) thinks you should do?

Not at all 1 2 3 4 5 6 7 Very strongly

3.1.4.3 Measuring Perceived Behavioral Control

According to Ajzen (2002), direct measurement was one of the ways to measure Perceived Behavioral Control. Basically, it reflected confidence and ability to perform behavior or action. Ajzen (2002) suggested the following questions as.

For me, to do (Behavior/Action) would be

Impossible 1 2 3 4 5 6 7 Possible

If I wanted to, I could do (Behavior/Action)

Definitely true 1 2 3 4 5 6 7 Definitely false

How much control do you believe you have over (Behavior/Action)?

No control 1 2 3 4 5 6 7 Complete control

It is mostly up to me whether or not I do (Behavior/Action)?

Strongly Agree 1 2 3 4 5 6 7 Strongly Disagree

3.1.4.4 Measuring Intention

Ajzen (2002) suggested items to be used as direct measurement of intention. The following were examples:

I intend to do (Behavior/Action).

Extremely unlikely 1 2 3 4 5 6 7 Extremely likely

I will try to do (Behavior/Action).

Definitely true 1 2 3 4 5 6 7 Definitely false

I plan to do (Behavior/Action).

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

3.1.4.5 Questionnaires Items

Applying the concepts and TBP model questionnaire guidelines (Ajzen, 1991, 2002), the questionnaire items to measure IPO intention and its determinants were constructed as seen in Appendix A.

3.2 Analysis of Corporate Governance Determinants

The objective of this topic was to investigate whether differences in firm characteristics affected the level of corporate governance of firms in MAI.

3.2.1 Sampling

In this study, the unit of analysis was firms currently listed in the MAI market. The samples were the firm's annual data and its CG rating from 2008 to 2012.

3.2.2 Data Collection

This study was purely based on secondary data, including the CG rating announced by Thai IOD from 2008 to 2012 as well as financial statements and annual report information of firms listed in the MAI. Hence, the information will be secondary data extracted directly from the Thai IOD and the database of the SET and the MAI.

3.2.3 Data Analysis

Logistic Regression was used in this study. The independent variables were firm's determinants that impacted the corporate governance level in accordance with literature review from previous studies. The dependent variable was the corporate governance level rated and announced by the Thai IOD. The firms with rating from level three onwards were ranked and certified a CG symbol. Indeed, the rating was classified into three levels: excellent (level 5), very good (level 4), and good (level 3). The variables were constructed as shown in Table 3.3.

Table 3.2 Summary of variables in the Analysis of Corporate Governance Determinants

Variable	Definition of Variable	Measurement
Independent Variables		
BODSIZE	Board Size of the firm	Number of board member
FIRMSIZE	Size of the firm	Total assets
PROFIT	Firm's profitability	Return on assets (ROA)
DEBT	Firm's debt financing	Percentage of total debts to total assets
CAPEX	Firm's capital investment	Capital expenditure
INTAN	Firm's intangible assets	Percentage of intangible assets to total assets
GROWTH	Firm's sales growth	Annual sales growth
INSTIT	Total shares owned by institutional investors	Percentage of institutional ownership to total ownership
MGDIR	Total shares owned by directors	Percentage of director ownership to total ownership
Dependent Variables		
CORP	Corporate governance ranking	Corporate governance rating ranked by IOD

3.3 Comparative Analysis of Selected Alternative Capital Markets

Comparative analysis between Thailand MAI and alternative capital markets in other countries was conducted. The other four alternative capital markets from different countries selected for comparison were shown in Table 3.4. First of all, the markets that proved to be successful and could be a good benchmark were selected. These included the AIM market from the UK and NASDAQ from the USA, the two most successful markets. Additionally, Chinext from China was selected, as it was an interesting market and one of the highest market capitalization in Asia. Last but not

least, the SGX Catalist from Singapore was selected, as its conditions and market characteristics were similar to the MAI. Indeed, SGX Catalist was the most similar market to MAI in terms of the level of total market capitalization and the number of listed companies. The data collection was mainly based on secondary data. After the necessary information had been obtained and reviewed, the important similarities and differences among these markets were analyzed.

Table 3.3 Selected Markets for Comparative Study

Country	Alternative Capital	Reasons to select
Thailand	MAI	Subject to be studied
UK	Alternative Investment Market (AIM)	AIM is one of the most successful cases for alternative capital market due to flexibility and full support for SMEs. Also, number of establishment years is close to the MAI. Hence, there are models and best practices that MAI can take as a lesson learned.
USA	NASDAQ	Initially, NASDAQ was established as an alternative market for high potential start-up. However, the firms listed in NASDAQ have been continuously growing and NASDAQ becomes one of the biggest capital markets in the world. Therefore, it is worthwhile to learn from the best practice.
Singapore	SGX Catalist	SGX Catalist is an alternative capital market in Southeast Asia. Market conditions and characteristics are not too different from the MAI. Market capitalization and the listed number of company in SGX Catalist are also similar to the MAI. This market can be a good benchmark.

Table 3.3 (Continued)

Country	Alternative Capital	Reasons to select
China	Chinext	Chinext is one of the alternative capital markets with the highest market capitalization in Asia. China is considerably a high growth market with new businesses constantly established. Hence, this would be an interesting case study in the Asian context.

3.4 Policy Implications

This will be a concluding section of the dissertation. After all, the findings from all analyses in this dissertation, include: 1) Analysis of Thai SMEs' IPO intention Determinants, 2) Analysis of Corporate Governance Determinants, and 3) Comparative Study of selected alternative capital markets. Finally, the major implications in establishing policies for the MAI and the SME exchange were concluded and recommended.

CHAPTER 4

RESULTS AND ANALYSIS

In this chapter, the findings and results from the both identification of Thai SMEs' IPO Intention Determinants and Corporate Governance Determinants will be discussed.

4.1 Analysis of Thai SMEs' IPO Intention Determinants

The focus of this research was to determine the determinants that impacted the intention of Thai SMEs to pursue IPO and to be listed in the Market for Alternative Investment (MAI). As discussed in Chapter 3, Multiple regression techniques were used for analyzing the data of this research.

4.1.1 Outlooks and Distribution of Samples

The data collection process was performed and finally ended up with 241 valid sample SME firms. All samples were firms that had not yet been listed in the capital market. All sample firms responded to the 73-questions 6-points likert scale questionnaire. In this section, the overall picture of sample firms and their demographic characteristics were described as follows:

4.1.1.1 Characteristics of The Respondents

The respondents were supposedly decision makers at the sample firms so that the results would be valid and would represent real viewpoints of IPO intention. Due to the carefully selective process of the respondents based on their positions. The respondents from all sample firms were either in ownership positions, such as owners, successors, and shareholders, or in management positions, such as directors, managing directors, and executives. In some cases, the respondents also held more than one title. The following was the summary of the respondent positions in the sample firms (Table 4.1). The majority of the representatives held an ownership

status (171 respondents). Moreover, another 61 respondents were in the highest rank in the management, such as Chief Executive Officer (CEO), Managing Director, and President. Thus, the survey could be said to represent the perspective of leadership and decision-makers of the firms.

Table 4.1 Summary of Questionnaire Respondents

Respondent Status	Example Title / Position	Frequency
Ownership Status	Owner / Successor / Partner / Shareholder	171
Directorship Status	Chairman / Director / Executive Director	28
Organization Leader	CEO / Managing Director / President	61
Management Status	CFO / COO / Executive / Manager	95

Note: *Respondent in 78 sample firms out of 241 sample firms held more than one title.

4.1.1.2 Distribution by Region

With regard to regional distribution, comparison was made between the regional distribution of sample firms and the regional distribution of total private companies (registered as company limited), based on DBD (2014) under the Ministry of Commerce. The distribution comparison were described in Table 4.2.

Table 4.2 Summary of Regional Distribution for all Sample Firms

Region	Regional Distribution of Sample Firms (%)	Regional Distribution of Private Companies registered on DBD (%)	Difference
Bangkok	53.11 %	49.83 %	3.29 %
North	4.98 %	4.16 %	0.82 %
North-East	4.98 %	3.63 %	1.35 %

Table 4.2 (Continued)

Region	Regional Distribution of Sample Firms (%)	Regional Distribution of Private Companies registered on DBD (%)	Difference
West	4.56 %	2.24 %	2.33%
South	9.96 %	8.00 %	1.96%
East	6.22 %	11.19 %	- 4.97%
Central	16.18 %	20.97 %	- 4.78%

In Table 4.2, the regional distribution of sample firms was fairly close to the regional distribution of registered private firms (DBD, 2014). The difference was still under the threshold $\pm 5\%$. However, if the regional distribution focused only on the sample firms registered in Bangkok and other provinces, the regional distribution of sample firms and registered private firms (DBD, 2014) would be statistically equal. Table 4.3 displayed the distributions of firms in Bangkok and non-Bangkok regions.

Table 4.3 Summary of Regional Distribution: Bangkok vs. Non-Bangkok

Region	Regional Distribution of Sample Firms (%)	Regional Distribution of Private Companies registered on DBD (%)
Bangkok	53.11 %	49.83 %
Non-Bangkok	46.89 %	50.17 %

Hence, Chi-Square technique was applied to verify the representativeness of the sample firms. According to Table 4.4, the observed N illustrated the real distribution of the sample firms while the expected N illustrated the expected distribution based on the secondary data of registered private firms (DBD, 2014). The result was shown in Table 4.5. The test confirmed that the null hypothesis of equality of the two distributions could not be rejected as the p value indicated the value of 0.361, which was more than 0.05. Therefore, the regional distribution of sample firms

and the regional distribution of registered private firms (DBD, 2014) were statistically indifferent.

Table 4.4 Observed N and Expected N: Bangkok vs. Non-Bangkok

	Observed N	Expected N	Residual
BANGKOK	113	120.1	-7.1
NON-BANGKOK	128	120.9	7.1
Total	241		

Table 4.5 Chi-Square Test on the Sample Distribution: Bangkok vs. Non-Bangkok

Test Statistics	
REGIONCODE (BANGKOK and NON-BANGKOK)	
Chi-Square	.834 ^a
df	1
Asymp. Sig.	.361

Note: a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 120.1.

Perhaps, separation into the Central region vs. the non-Central region would be proper because firms located in Samut Prakan, Samut Sakorn, Pathumthani, and Nakorn Phathom were basically close to Bangkok. Thence, there would not be a large gap in terms of information flows, location, funding access, and nature of input factors, such as labors, material, management, equipment, and technology. Table 4.6 presents the distribution between the sample firms in the Central region and the non-Central region.

Table 4.6 Summary of Regional Distribution: Central vs. Non-Central Region

Region	Regional Distribution of Sample Firms (%)	Regional Distribution of Private Companies registered
Central	69.29 %	70.79 %
Non-Central	30.71 %	29.21 %

Chi-Square technique was also applied to verify the representativeness of sample firms. The results were shown in Table 4.7 and Table 4.8. The test confirmed that the null hypothesis of equality of the two distributions could be rejected as the p value indicated the value of 0.610, which was more than 0.05. Thus, in comparing the distribution of sample firms in the Central region with the sample firms outside the Central region, the regional distribution of the sample firms and the regional distribution of registered private firms (DBD, 2014) were not statistically different. Therefore, the sample firms appeared to be in good distribution in terms of region.

Table 4.7 Observed N and Expected N: Central vs. Non-Central

	Observed N	Expected N	Residual
Non-Central	74	70.4	3.6
Central	167	170.6	-3.6
Total	241		

Table 4.8 Chi-Square Test on Sample Distribution: Central vs. Non-Central

Test Statistics	
AREACODE (CENTRAL and NON-CENTRAL)	
Chi-Square	.261 ^a
df	1
Asymp. Sig.	.610

Note: a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 70.4.

4.1.1.3 Distribution by Sector

The sample firms were divided into six categories: agriculture and food, consumer product, industrial, property and construction, service, and resources and technology. The distribution by sector is illustrated in Figure 4.1.

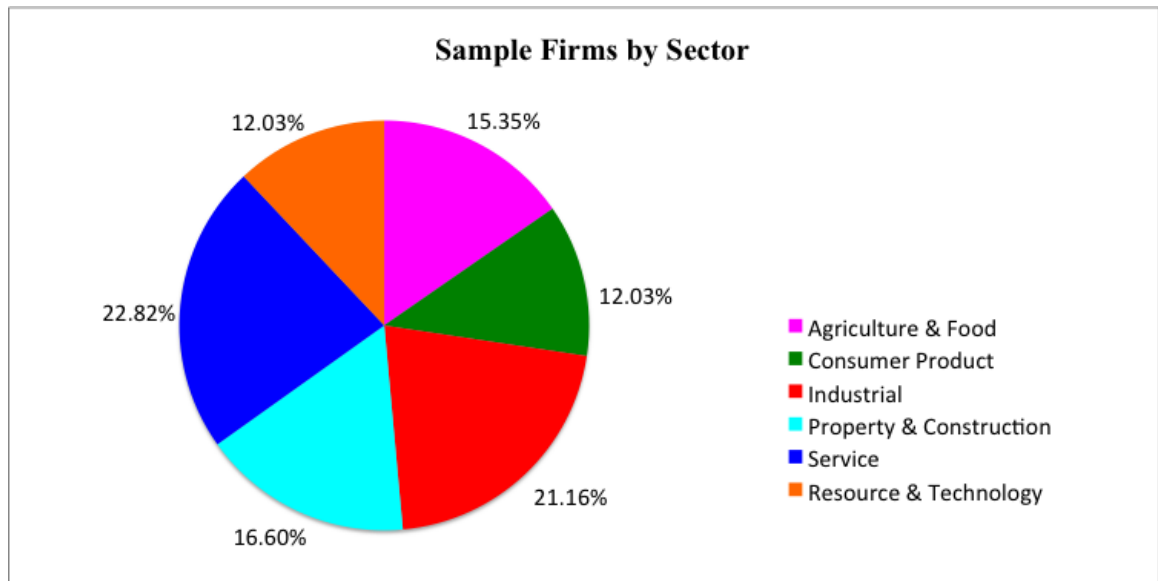


Figure 4.1 Summary of Distribution by Sector

Indeed, the percentage of distribution in each category was quite close to each other. Only the industrial sector and the service sector, which were big industries in terms of number of firms, had significantly higher proportions than others. Nevertheless, the samples had proper distribution and could represent all sectors.

4.1.1.4 Distribution by Family Generation

Another interesting characteristic of the sample firms was the generation that currently took control of the firms. The distribution of generation of sample firms is illustrated in Figure 4.2. The generation factor was, in fact, one of the important factors in considering and analyzing SME and family firms.

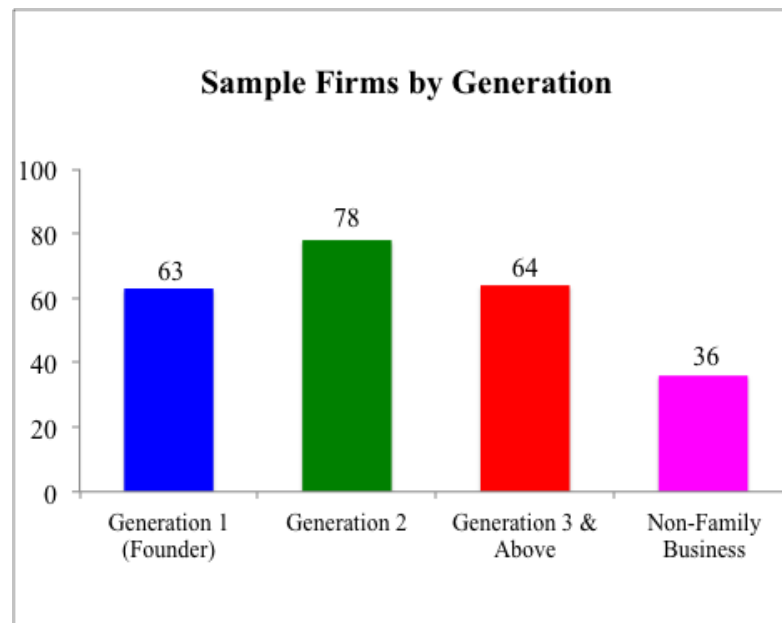


Figure 4.2 Summary of Distribution by Family Generation

4.1.1.5 Distribution by Employment

The firm's employment can give some indication of its size. The equal distribution of employment among the sample firms was expected as to ensure a good balance. Chi-Square test was used to test the equality of each firm category classified by the level of employment high, medium, and low.

The sample firms with high employment hired at least 200 people or above while the sample firms with medium employment hired at least 50 employees but less than 200 employees, whereas the firms with low employment hired less than 50 employees. According to Table 4.9, the expected N should be equal so further analysis could be made with a proper sample size in each category, while the observed N was the real number of samples under the respective category. The result of Chi-Square test in the Table 4.10 showed that p-value was 0.757, so the null hypothesis of equality of the three distributions could not be rejected. Therefore, the number of samples in each category was statistically equal.

Table 4.9 Observed N and Expected N: Employment Level

EMPLOYMENT LEVEL			
	Observed N	Expected N	Residual
Low Employment (Employees less than 50)	82	80.3	1.7
Medium Employment (Employees above 50 but less than 200)	84	80.3	3.7
High Employment (Employees above 200)	75	80.3	-5.3
Total	241		

Table 4.10 Chi-Square Test on the Sample Distribution: Employment Level

Test Statistics	
	EMPLOYMENT
Chi-Square	.556 ^a
df	2
Asymp. Sig.	.757

Note: a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 80.3.

4.1.2 Multiple Regression Assumptions

Before proceeding the multiple regression, it is highly important that all prerequisite assumptions to be met. There are four major assumptions (Osborne, Jason, and Elaine Waters, 2002).

- 1) Variables must be normally distributed.
- 2) There is a linear relationship between dependent and independent variables (Assumption of Linearity).
- 3) Variables must be measured without errors.
- 4) Assumption of Homoscedasticity must be met.

Therefore, different statistical techniques had been applied to test and ensure all the above assumptions were met.

4.1.2.1 Reliability Test

One of the key assumptions of multiple regressions is that the variables must be measured without errors. The reliability test can be applied to identify whether the measurement scales of each variable is consistent. All variables were tested using Cronbach's Alpha statistics. The reliability of measurement and variables was satisfactory as Cronbach's alpha values for all variables were more than 0.7 (Appendix B). Therefore, the reliability was proved and the variables were measured with appropriate scales.

4.1.2.2 Normality Test

The first assumption is that variables must be normally distributed. To test the normality of the variables, the graphical methods were employed and the technique used was Q-Q plots. The Q-Q plots for all variables are shown in Appendix C. Apparently, the data showed that each Q-Q plot fairly fitted along the regression line. Therefore, the variables could be accepted as normally distributed.

4.1.2.3 Linearity Test

Multiple Regressions also require the valid assumption of linearity. The scatter plot for each independent variable against the dependent variable was conducted. The scatter plot of each variable was shown in Appendix D. All scatter plots demonstrated the linear nature of the relationship between each independent variable and the dependent variable. Hence, the linearity existed between both types of variables.

4.1.2.4 Homoscedasticity Test

Last but not least, the homoscedasticity test was performed. The regression standardized predicted values were plotted against the regression standardized residual values. The result was illustrated in Appendix E. The regression residuals were randomly distributed around the point of zero. The test showed that there were constant variances among error terms and the assumption of homoscedasticity was valid.

4.1.3 Multiple Regression Analysis and Results

4.1.3.1 Multicollinearity Assessment

The multicollinearity problem occurs when there is a significant correlation among independent variables. Essentially, this is one of the major problems in analyzing the results from multiple regression as it can cause the misinterpretation of regression results and reduction of predictability power. In this case, the variance inflation factor (VIF) was used to determine the multicollinearity problem. The correlation among all independent variables was tested one by one. The result was illustrated in Appendix F.

Most of the VIF values for all tests were below 3 (Appendix F). There were rare cases in which the VIF values went beyond 3; however, the maximum VIF value was 3.116. There was no VIF value on this test that exceeded 4. In conclusion, there was no serious multicollinearity problem.

4.1.3.2 Multiple Regression Results

According to the conceptual framework, the regression equation was hypothesized as follows:

$$\begin{aligned} \text{INTENT} = & b_1 + b_2\text{FINOPT} + b_3\text{PUBIMG} + b_4\text{EXIT} + b_5\text{ORGIMP} + b_6\text{WEALT} \\ & + b_7\text{LCONT} + b_8\text{LPRIV} + b_9\text{IPOCOST} + b_{10}\text{CHANGE} \\ & + b_{11}\text{SN} + b_{12}\text{PBC} + U \end{aligned}$$

The multiple regression technique was used to test the research hypothesis and determine the proper regression model. In order to identify the best-fitted regression model, stepwise analysis was performed. The descriptive statistics of all 241 sample firms were illustrated in Figure 4.3.

Descriptive Statistics			
	Mean	Std. Deviation	N
INTENT	4.2091	1.29232	241
FINOPT	3.7574	1.19033	241
PUBIMG	4.1619	1.20004	241
EXIT	3.1491	1.18068	241
ORGIMP	3.9695	1.13003	241
WEALT	3.6944	1.23657	241
LCONT	2.1101	.90780	241
LPRIV	1.6882	.86273	241
IPOCOST	1.7931	.90703	241
CHANGE	1.9799	.85698	241
PBC	4.1185	1.05645	241
SN	2.7316	1.25862	241

Figure 4.3 Summary of Descriptive Statistics for Multiple Regression

In Figure 4.4, the final model was constructed in five steps. Each of which improved the model fit, as the adjusted R-square increased from 0.680 to 0.740, 0.744, 0.748 and finished at 0.753. Thus, the fifth model could be considered as the final model that provided best fitted with satisfied R-square.

Model Summary ^f									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.825 ^a	.681	.680	.73114	.681	510.802	1	239	.000
2	.862 ^b	.743	.740	.65846	.061	56.677	1	238	.000
3	.864 ^c	.747	.744	.65421	.004	4.100	1	237	.044
4	.867 ^d	.752	.748	.64846	.005	5.222	1	236	.023
5	.871 ^e	.758	.753	.64224	.006	5.591	1	235	.019

a. Predictors: (Constant), PBC

b. Predictors: (Constant), PBC, SN

c. Predictors: (Constant), PBC, SN, FINOPT

d. Predictors: (Constant), PBC, SN, FINOPT, WEALT

e. Predictors: (Constant), PBC, SN, FINOPT, WEALT, CHANGE

f. Dependent Variable: INTENT

Figure 4.4 Model Summary and R-Square Changes

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.051	.190		.268	.789	-.323	.425
	PBC	1.010	.045	.825	22.601	.000	.922	1.098
2	(Constant)	.467	.180		2.597	.010	.113	.821
	PBC	.645	.063	.527	10.231	.000	.520	.769
	SN	.398	.053	.388	7.528	.000	.294	.502
3	(Constant)	.352	.187		1.879	.062	-.017	.721
	PBC	.600	.066	.490	9.038	.000	.469	.731
	SN	.389	.053	.379	7.382	.000	.285	.493
	FINOPT	.086	.042	.079	2.025	.044	.002	.170
4	(Constant)	.455	.191		2.381	.018	.079	.832
	PBC	.603	.066	.493	9.168	.000	.474	.733
	SN	.410	.053	.399	7.726	.000	.305	.514
	FINOPT	.140	.048	.129	2.903	.004	.045	.236
	WEALT	-.102	.045	-.098	-2.285	.023	-.190	-.014
5	(Constant)	.593	.198		2.994	.003	.203	.983
	PBC	.614	.065	.502	9.402	.000	.486	.743
	SN	.424	.053	.413	8.019	.000	.320	.528
	FINOPT	.158	.048	.146	3.263	.001	.063	.254
	WEALT	-.115	.045	-.110	-2.584	.010	-.203	-.027
	CHANGE	-.122	.051	-.081	-2.364	.019	-.223	-.020

a. Dependent Variable: INTENT

Figure 4.5 Summary of Coefficients

In Figure 4.5, the coefficient analysis was conducted. There were five independent variables that remained in the final model, which were PBC, SN, FINOPT, WEALT, and CHANGE. All these five variables were statistically significant ($p\text{-value} < 0.05$) with the coefficients of 0.614, 0.424, 0.158, -0.115, and -0.122, respectively and were designated as predictors of the dependent variable (IPO intention). Nonetheless, some variables were excluded from the regression model - PUBIMG, EXIT, ORGIMP, LCONT, LPRIV, and IPOCOST were not statistically significant ($p\text{-value} > 0.05$), and thus disqualified to be predictors. The excluded variables were shown in Appendix G.

4.1.3.3 Results of Final Regression Model and Hypothesis Testing

Based on multiple regression stepwise analysis and results, the regression model for IPO intention could be written as follows:

$$\begin{aligned} \text{INTENT} = & 0.593 + 0.158 \text{ FINOPT} - 0.115 \text{ WEALT} - 0.122 \\ & \text{CHANGE} \\ & + 0.424 \text{ SN} + 0.614 \text{ PBC} + U \end{aligned}$$

The hypothesis testing results were summarized in Table 4.11.

Table 4.11 Summary of Hypothesis Testing Results, Using Multiple Regression

Hypothesis	Variable	Result	Remarks
H1: The owner's expectation to have better financing opportunities for the firm's future growth through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.	FINOPT	Could not be rejected	Significant positive correlation with coefficients value of 0.158.
H2: The owner's expectation to increase the firm's public image and visibility through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.	PUBIMG	Rejected	No significant relationship.
H3: The owner's expectation to exit the business through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.	EXIT	Rejected	No significant relationship.

Table 4.11 (Continued)

Hypothesis	Variable	Result	Remarks
H4: The owner's expectation to improve the organization through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.	ORGIMP	Rejected	No significant relationship.
H5: The owner's expectation to increase personal wealth through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.	WEALT	Rejected	Significant negative correlation with coefficients value of 0.115.
H6: The owner's concern over loss of control after IPO has a negative relationship with his or her intention to pursue IPO in the MAI market.	LCONT	Rejected	No significant relationship.
H7: The owner's concern over loss of privacy after IPO has a negative relationship with his or her intention to pursue IPO in the MAI market.	LPRIV	Rejected	No significant relationship.
H8: The owner's concern over direct and indirect costs during and after IPO has a negative relationship with his or her intention to pursue IPO in MAI market.	IPOCOST	Rejected	No significant relationship.

Table 4.11 (Continued)

Hypothesis	Variable	Result	Remarks
H9: The owner's concern on changes in culture and management styles after IPO has a negative relationship with his or her intention to pursue IPO in the MAI market.	CHANGE	Could not be rejected	Significant negative correlation with coefficients value of 0.122.
H10: Subjective norm of IPO decision has a positive relationship with the owner's intention to pursue IPO in the MAI market.	PBN	Could not be rejected	Significant positive correlation with coefficients value of 0.614.
H11: Perceived behavioral control of IPO decision has a positive relationship with the owner's intention to pursue IPO in the MAI market.	SN	Could not be rejected	Significant positive correlation with coefficients value of 0.424.

4.1.4 Impacts of the Firm's Characteristics

As discussed in Chapter 2, some of previous studies highlighted that some characteristics of the firms did impact IPO intention and decision. Therefore, it was worthwhile to explore further on this issue. The four characteristics tested were:

- 1) Family Generation
- 2) Sectors
- 3) Region (whether the firms were registered in Central/Bangkok or other regions)
- 4) Level of firm's employment

One-way ANOVA was applied for statistical testing to compare the mean scores of all characteristics. The four characteristics above were independent variables while the dependent variable was IPO intention.

4.1.4.1 Family Generation and IPO Intention

Different family generations may have different consideration regarding IPO. In this case, the family generation variable was determined by the generation that currently took control of the business in the sample firms.

Descriptives								
INTENT								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean			
					Lower Bound	Upper Bound	Minimum	Maximum
0	38	4.4368	1.17161	.19006	4.0517	4.8219	1.00	6.00
1	61	4.3246	1.38716	.17761	3.9693	4.6799	1.00	6.00
2	78	4.1872	1.28097	.14504	3.8984	4.4760	1.00	6.00
3	64	3.9906	1.27463	.15933	3.6722	4.3090	1.40	6.00
Total	241	4.2091	1.29232	.08325	4.0451	4.3731	1.00	6.00

ANOVA					
INTENT					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.877	3	1.959	1.176	.320
Within Groups	394.943	237	1.666		
Total	400.820	240			

Figure 4.6 ANOVA Test on the Impact of Family Generation on IPO Intention

The statistical test was shown in Figure 4.6. This variable had four values. Value 0 meant non-family business, value 1 meant that the first generation was currently taking control, value 2 meant that the second generation was currently taking control, and value 3 meant that the third generation or beyond was currently taking control. The ANOVA test in Figure 4.6 showed the p-value of 0.320, which was more than 0.05. This indicated that the mean difference of IPO intention among family generations was not statistically significant. In other words, the means of IPO intention of all generations were statistically equal. This implied that IPO intention was not impacted by different generations taking control of the business.

4.1.4.2 Sector and IPO Intention

The sector factor was also undergone the ANOVA test to identify if it had any relationship with IPO intention. There were six sectors in the test as follows:

Value 1 = Agriculture and food sector

Value 2 = Consumer product sector

Value 3 = Industrial sector

Value 4 = Property and construction sector

Value 5 = Service sector

Value 6 = Resource and technology sector

Descriptives								
INTENT								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean			
					Lower Bound	Upper Bound	Minimum	Maximum
1	37	3.9243	1.31094	.21552	3.4872	4.3614	1.00	6.00
2	29	4.0759	1.48364	.27550	3.5115	4.6402	1.00	6.00
3	51	4.1294	1.40104	.19619	3.7354	4.5235	1.00	6.00
4	40	4.0500	1.33647	.21131	3.6226	4.4774	1.80	6.00
5	55	4.4836	1.07613	.14511	4.1927	4.7746	2.00	6.00
6	29	4.5448	1.11342	.20676	4.1213	4.9683	1.20	6.00
Total	241	4.2091	1.29232	.08325	4.0451	4.3731	1.00	6.00

ANOVA					
INTENT					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	12.266	5	2.453	1.484	.196
Within Groups	388.554	235	1.653		
Total	400.820	240			

Figure 4.7 ANOVA Test on the Impact of Sector on IPO Intention

In Figure 4.7, the ANOVA test was performed. The p-value was 0.196, which was more than 0.05. This indicated that the mean difference of IPO intention among the sectors was not statistically significant. Thus, IPO intention was not impacted by sector.

4.1.4.3 Region and IPO Intention

Regions were another factor that underwent the ANOVA test to determine its impact. Anyway, regions were divided into two categories. Value 0 referred the sample firms that registered in other regions than Bangkok and the Central region while value 1 referred to the sample firms that registered in Bangkok or Central region. The regions were separated into two categories to compare the

effects of different regional characteristics. In contrast to firms in other region, firms in Bangkok and the Central region potentially gained more access to information, location advantage, and access to other inputs, such as labor, money, material, management, and technology. Therefore, it is worthy to test if these factors really impacted IPO intention.

ANOVA test (Figure 4.8) showed that the p-value was 0.921, which was more than 0.05. This indicated that the mean difference of IPO intention between Bangkok/Central and other regions was not statistically significant. Thus, IPO intention was not impacted by region whether the firms were registered in Bangkok and the Central region or not.

Descriptives								
INTENT								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
0	74	4.2216	1.27121	.14777	3.9271	4.5161	1.00	6.00
1	167	4.2036	1.30531	.10101	4.0042	4.4030	1.00	6.00
Total	241	4.2091	1.29232	.08325	4.0451	4.3731	1.00	6.00

ANOVA					
INTENT					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.017	1	.017	.010	.921
Within Groups	400.803	239	1.677		
Total	400.820	240			

Figure 4.8 ANOVA Test on the Impact of Region on IPO Intention

4.1.4.4 The Firm's employment and IPO Intention

In this case, the firm's employment was used for ANOVA test to identify the relationship with IPO intention. The firm's employment rate was divided into three levels represented by different values as follows:

Value 1 = Low employment rate (less than 50 employees)

Value 2 = Medium employment rate (50 employees or over but still less than 200 employees)

Value 3 = High employment rate (more than 200 employees)

Descriptives								
INTENT								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean			
					Lower Bound	Upper Bound	Minimum	Maximum
1	82	3.9390	1.31982	.14575	3.6490	4.2290	1.00	6.00
2	84	4.3310	1.34666	.14693	4.0387	4.6232	1.00	6.00
3	75	4.3680	1.16296	.13429	4.1004	4.6356	1.00	6.00
Total	241	4.2091	1.29232	.08325	4.0451	4.3731	1.00	6.00

ANOVA					
INTENT					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.122	2	4.561	2.771	.065
Within Groups	391.698	238	1.646		
Total	400.820	240			

Figure 4.9 ANOVA Test on the Impact of the Firm's Employment on IPO Intention

The ANOVA test (Figure 4.9) showed that the p-value was 0.065, which was more than 0.05. This indicated the mean difference of IPO intention among firms with different employment rates was not statistically significant. However, it is worth noting that the p-value was almost significant.

By taking a closer look on the mean of each group, the average IPO intention of firms with the low employment rate was fairly lower than those with the medium and the high employment rates. This was reasonable since the firms with a bigger size tended to be more interested and more capable in organizing their organizational structure to accommodate IPO. However, in the statistical point of view, the ANOVA test clearly stated that IPO intention was not impacted by the firm's employment rate.

In conclusion, ANOVA test on these four characteristics of the firms clearly indicated that these factors had neither correlation nor impact on IPO intention.

4.2 Analysis of Corporate Governance Determinants

The focus of this research was to determine the firm's characteristics and performance that impacted the level of corporate governance of the firms in MAI. The variables were given in Table 4.12.

Table 4.12 Summary of Variables for Logistic Regression

Variable	Definition of Variable	Measurement	Unit of measurement
Independent Variables			
BODSIZE	Board Size of the firm	Number of Board Member	Person
FIRMSIZE	Size of the firm	Total Assets	THB Billions
PROFIT	Firm's profitability	Return on Assets (ROA)	ROA
DEBT	Firm's debt financing	Percentage of total debts to total assets	Debt ratio
CAPEX	Firm's capital investment	Capital expenditure	THB Millions
INTAN	Firm's intangible assets	Percentage of intangible assets to total assets	Percentage of Intangible assets of all assets
GROWTH	Firm's sales growth	Annual sales growth	Percentage of Sales Growth
INSTIT	Total shares owned by institutional or corporate investors	Percentage of institutional or corporate ownership to total ownership	Percentage of shares owned by institutional or corporate investors
MGDIR	Total shares owned by directors	Percentage of director ownership to total ownership	Percentage of shares owned by directors

Table 4.12 (Continued)

Variable	Definition of Variable	Measurement	Unit of measurement
Dependent Variable			
CORP	Corporate governance ranking	Corporate governance rating (CGR) ranked by the Institute of Directors (IOD)	Categorical variable value (0 or 1) If $CGR < 3$, CORP = 0 If $CGR \geq 3$, CORP = 1

4.2.1 Data Collection

The secondary data were collected from the SET and the MAI databases. The samples were the firms listed in MAI during the financial year 2008 to 2012. The corporate governance rating and other values of independent variables for each firm each year were collected. To summarize, the samples were ended up at 273 datasets. The descriptive statistics of the samples were shown in Figure 4.10.

Statistics									
		BODSIZE	FIRMSIZE	PROFIT	DEBT	CAPEX	INTAN	GROWTH	MGDIR
N	Valid	272	273	273	273	273	273	264	273
	Missing	1	0	0	0	0	0	9	0
Mean		9.11	904.30557	.040018	.430358	242.870916	.015902	.281034	.271062
Std. Error of Mean		.114	55.119221	.0066385	.0135429	18.1930574	.0031754	.1991587	.0125334
Median		9.00	675.00000	.040400	.430600	148.103500	.003200	.086450	.237900
Mode		9	787.410 ^a	-.0316 ^a	.1290 ^a	129.8650 ^a	.0000	-.0160 ^a	.0000
Std. Deviation		1.887	910.718994	.1096863	.2237656	300.598642	.0524667	3.2359458	.2070854
Variance		3.560	829409.086	.012	.050	90359.544	.003	10.471	.043
Range		10	8984.160	.8344	1.1814	1685.3883	.5915	64.1172	.8868
Minimum		6	60.860	-.4808	.0077	.0089	.0000	-15.1372	.0000
Maximum		16	9045.020	.3536	1.1891	1685.3972	.5915	48.9800	.7126

a. Multiple modes exist. The smallest value is shown

Figure 4.10 Summary of Descriptive Statistics for Logistic Regression

In short, the samples had on an average 9.11 board members with an average total asset size of 904.3 THB billions. Of that, averagely 1.5% was an intangible asset while an average capital expenditure was 242.87 THB millions. Additionally, an average return on assets was approximately 4% with averagely 28.1% sales growth while an average debt ratio was 43%. In terms of ownership, institutional and corporate ownership accounted for 24.08% and director ownership for 27.10%.

4.2.2 Logistic Regression

The binary logistic regression was applied in order to identify the determinants that impacted corporate governance. For logistic regression, the assumption of normal distribution was not required. However, the dependent variable must be a categorical variable, which is mutually exclusive and set to be either 0 or 1. In this case, the dependent variable (CORP) was set as 0 if the sample was ranked lower than level three of corporate governance rating, while the dependent variable (CORP) was set as 1 if the sample was ranked higher than or equal to level three of corporate governance rating. In fact, the firms in MAI would get the Corporate Governance (CG) star after the firm passed the score higher than 70 of 100 and ranked on at least level three. The firms with level three, level four, and level five ranking, would receive one CG star, two CG stars, and three CG stars, respectively. Hence, these firms with such ranking were given with the symbols indicated the level of their corporate governance, which the stakeholders and investors could use for decision-making.

For the reasons above, the level three was designated as cut-off for the dependent variable. That is, if the dependent variable value was 1, it meant that the sample achieved good corporate governance, while the value of 0 meant that the sample was still underdeveloped for corporate governance (score less than 70 of 100) and needed to improve further.

4.2.3 Goodness of Fit Test

Before proceeding to the results, it was important to test the model-fit to ensure the predictability power of the regression model. Table 4.13 illustrated that there were 273 cases to be processed.

Table 4.13 Case Processing Summary

Case Processing Summary			
Unweighted Cases ^a		N	Percent
Selected Cases	Included in Analysis	263	96.3
	Missing Cases	10	3.7
	Total	273	100.0
Unselected Cases		0	.0
Total		273	100.0

Note: a. If weight is in effect, see classification table for the total number of cases.

The logistic regression started with block 0 model that included only the dependent variable and a constant. The independent variables were not included at this stage. As illustrated in Figure 4.11, block 0 model provided the value of -2 Log of Likelihood (-2LL) at best 342.908, while the classification table showed the overall percentage of correct prediction was at only 64.3%. Afterwards, all independent variables were entered to the model to improve predictability.

Block 0: Beginning Block

Iteration History^{a,b,c}

Iteration		-2 Log likelihood	Coefficients
			Constant
Step 0	1	342.924	.570
	2	342.908	.587
	3	342.908	.587

- a. Constant is included in the model.
 b. Initial -2 Log Likelihood: 342.908
 c. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001.

Classification Table^{a,b}

Observed			Predicted		Percentage Correct
			CORP		
			0	1	
Step 0	CORP	0	0	94	.0
		1	0	169	100.0
	Overall Percentage				64.3

- a. Constant is included in the model.
 b. The cut value is .500

Variables in the Equation

	B	S.E.	Wald	df	Sig.	Exp(B)
Step 0 Constant	.587	.129	20.785	1	.000	1.798

Variables not in the Equation^a

		Score	df	Sig.
Step 0	Variables			
	BODSIZE	2.380	1	.123
	FIRMSIZE	19.526	1	.000
	PROFIT	38.948	1	.000
	DEBT	4.425	1	.035
	CAPEX	.794	1	.373
	INTAN	10.408	1	.001
	GROWTH	1.938	1	.164
	INSTIT	.450	1	.502
	MGDIR	15.576	1	.000

- a. Residual Chi-Squares are not computed because of redundancies.

Figure 4.11 Logistic Regression: Summary of Statistics in Block 0
 (Beginning Block)

In Figure 4.12, block 1 model was constructed. According the block 1 classification table, the predictability power increased from 64.3% in block 0 model to 75.3%. Additionally, the iteration history demonstrated that the value of -2 Log of Likelihood (-2LL) was improved from 260.193 during the first iteration in block 1 model to 221.986 in the final block 1 model after six iterations. Compared to the value of -2 Log of Likelihood (-2LL) at 342.908 at the beginning block 0, the improvement was 120.922. Indeed, the less the -2LL value, the more the predictability and model fitted.

Block 1: Method = Enter

Classification Table^a

		Predicted		
		CORP		Percentage Correct
		0	1	
Observed				
Step 1	CORP 0	54	40	57.4
	1	25	144	85.2
Overall Percentage				75.3

a. The cut value is .500

Iteration History^{a,b,c,d}

Iteration	-2 Log likelihood	Coefficients									
		Constant	BODSIZE	FIRMSIZE	PROFIT	DEBT	CAPEX	INTAN	GROWTH	INSTIT	MGDIR
Step 1 1	260.193	-.735	-.026	.000	6.575	1.303	-.001	-3.627	.040	.224	1.957
2	230.943	-1.917	-.001	.002	9.450	1.529	-.003	-5.080	.068	.345	3.063
3	222.793	-2.810	.014	.003	11.190	1.813	-.004	-5.757	.093	.359	3.709
4	221.995	-3.134	.016	.003	11.908	1.952	-.004	-6.011	.107	.341	3.953
5	221.986	-3.171	.016	.003	11.992	1.968	-.004	-6.039	.111	.340	3.984
6	221.986	-3.171	.016	.003	11.993	1.968	-.004	-6.039	.111	.340	3.985

a. Method: Enter

b. Constant is included in the model.

c. Initial -2 Log Likelihood: 342.908

d. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	120.922	9	.000
	Block	120.922	9	.000
	Model	120.922	9	.000

Figure 4.12 Logistic Regression: Summary of statistics in Block 1 Model

The Omnibus Test of Model Coefficient was applied and Chi-Square was used to test the difference between the -2LL value of 342.908 in block 0 model and that of 221.986 in block 1 model. The difference was 120.922, so it was subject to Chi-Square test. The p-value from Chi-Square test was 0.00, which was less than 0.05.

The difference of -2LL value between beginning block 0 model and block 1 model was statistically significant. Hence, the new model (block 1) that included independent variables was significantly different from the null model (block 0) in only the constant. Therefore, the independent variables meaningfully improved the model fit. Last but not least, when the case wise analysis was performed, there was no outlier found. At this point, the model was in good fit.

4.2.4 Results of Final Regression Model and Hypothesis Testing

In block 1 model, all independent variables were included in the equation as shown in Figure 4.13.

Variables in the Equation								
	B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
							Lower	Upper
Step 1 ^a								
BODSIZE	.016	.093	.028	1	.866	1.016	.847	1.218
FIRMSIZE	.003	.001	25.805	1	.000	1.003	1.002	1.004
PROFIT	11.993	2.445	24.062	1	.000	161574.610	1340.607	19473534.8
DEBT	1.968	.851	5.342	1	.021	7.156	1.349	37.971
CAPEX	-.004	.001	22.531	1	.000	.996	.994	.997
INTAN	-6.039	4.846	1.553	1	.213	.002	.000	31.785
GROWTH	.111	.193	.329	1	.566	1.117	.765	1.631
INSTIT	.340	.920	.137	1	.712	1.405	.232	8.520
MGDIR	3.985	1.263	9.962	1	.002	53.780	4.529	638.667
Constant	-3.171	1.120	8.019	1	.005	.042		

a. Variable(s) entered on step 1: BODSIZE, FIRMSIZE, PROFIT, DEBT, CAPEX, INTAN, GROWTH, INSTIT, MGDIR.

Figure 4.13 Logistic Regression: Summary of Variables in the Equation

Noticeably, the following variables, i.e., FIRMSIZE, PROFIT, DEBT, CAPEX, and MGDIR, were statistically significant to the equation as the p-value was less than 0.05, while the coefficients were 0.03, 11.993, 1.968, -0.004, and 3.985, respectively. Therefore, the prediction equation could be described as follows:

Probability that firms in MAI would be ranked on CG Rating (Level three or above)

$$= \frac{e^{(0.003 \text{ FIRMSIZE} + 11.993 \text{ PROFIT} + 1.968 \text{ DEBT} - 0.004 \text{ CAPEX} + 3.985 \text{ MGDIR} - 3.171)}}{1 + e^{(0.003 \text{ FIRMSIZE} + 11.993 \text{ PROFIT} + 1.968 \text{ DEBT} - 0.004 \text{ CAPEX} + 3.985 \text{ MGDIR} - 3.171)}}$$

In conclusion, firm size, profitability, debt percentage, and management and director ownership had a significant positive relationship with the likelihood that firms in the MAI would be ranked on CG Rating level three or above, while capital investment had a negative relationship with the mentioned likelihood. Thus, coefficient of each independent variable signified the magnitude of impact from that independent variable on dependent variable, the likelihood that firms in the MAI would be ranked on CG Rating (Level three or above). The hypothesis testing results were summarized in Table 4.14.

Table 4.14 Summary of Hypothesis Testing Results, Using Logistic Regression

Hypothesis	Variable	Result	Remarks
H12: Size of the board of directors has a negative relationship with corporate governance.	BODSIZE	Rejected	No significant relationship.
H13: Size of the firm has a positive relationship with corporate governance.	FIRMSIZE	Could not be rejected	Significant positive correlation with coefficient value of 0.003.
H14: Profitability has a positive relationship with corporate governance.	PROFIT	Could not be rejected	Significant positive correlation with coefficient value of 11.993.
H15: Debt financing has a positive relationship with corporate governance.	DEBT	Could not be rejected	Significant positive correlation with coefficient value of 1.968.
H16: Capital investment has a positive relationship with corporate governance.	CAPEX	Rejected	Significant negative correlation with coefficient value of 0.004.

Table 4.14 (Continued)

Hypothesis	Variable	Result	Remarks
H17: Intangible assets have a positive relationship with corporate governance.	INTAN	Rejected	No significant relationship.
H18: Sales Growth has a positive relationship with corporate governance.	GROWTH	Rejected	No significant relationship.
H19: Institutional ownership has a positive relationship with corporate governance.	INSTIT	Rejected	No significant relationship.
H20: Director ownership has a positive relationship with corporate governance.	MGDIR	Could not be rejected	Significant positive correlation with coefficient value of 3.985.

CHAPTER 5

FINDINGS AND DISCUSSIONS

This chapter discusses the findings from the analyses and research results highlighted in the previous chapter. Each hypothesis will be reviewed and the results as well as comments will be incorporated.

5.1 Findings and Discussion on the Analysis of Thai SMEs' IPO Intention Determinants

This analysis addressed the first research objective by examining determinants that impacted intention to pursue initial public offering (IPO) of small and medium enterprises (SMEs) in the MAI. The results of multiple regression analysis in the previous chapter, are illustrated as per a framework in Figure 5.1.

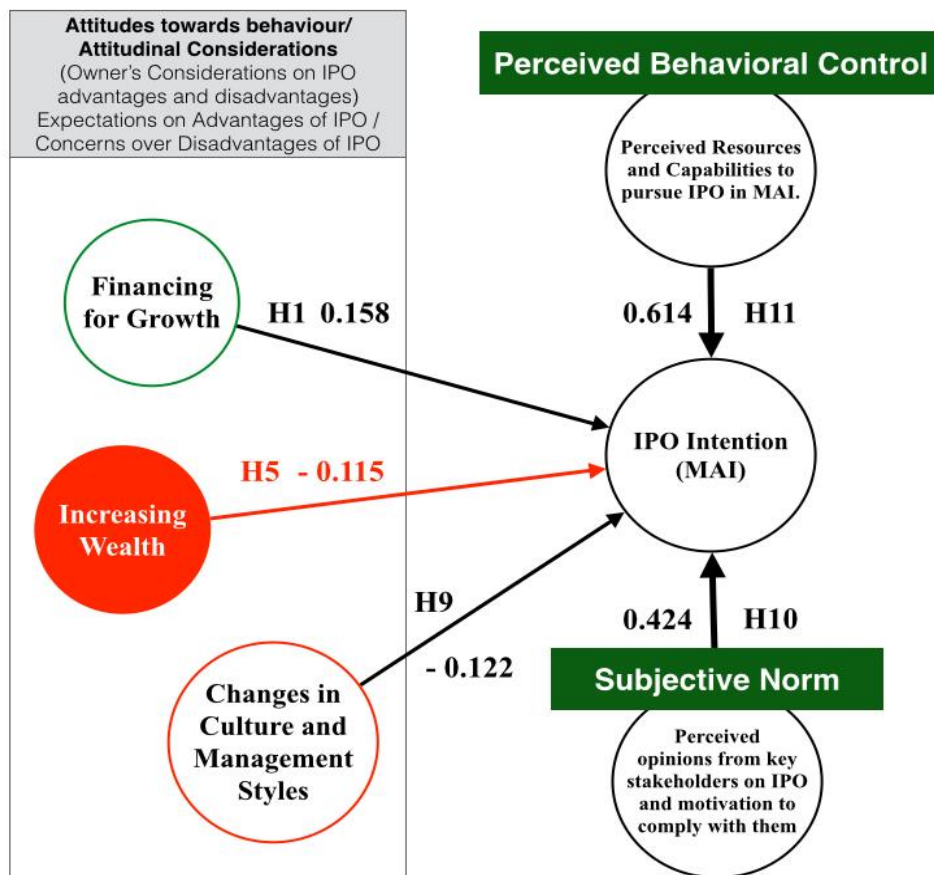


Figure 5.1 Final Results & Framework: Analysis of Thai SMEs' IPO Intention Determinants

After conducting multiple regressions, five out of eleven determinants in the initial framework remained valid. The four hypotheses (H1, H9, H10, and H11) could not be rejected. One hypothesis (H5) was still remained; however, the negative correlation was found, the other six hypotheses were rejected. Each hypothesis and the result was discussed as follows.

Hypothesis 1: The owner's expectation to have better financing opportunities for the firm's future growth through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.

Result: The hypothesis could not be rejected. There was a statistically significant positive correlation with the coefficient value of 0.158.

Discussion: Needless to say, financing growth is the main purpose of the capital market. In fact, capital market funding can help firms to improve liquidity and

gain bargaining power with creditors. The result was consistent with key takeaways and findings from many of previous studies in the literature review, including those by Chorruck and Worthington (2010), Fischer (2000), Gill de Albornoz and Pope (2004), Kim and Weisbach (2008), Pagano et al. (1998), and Ritter and Welch (2002). Especially, for the MAI, SME businesses usually have burdens to get the funding of their growth. As discussed in Chapter 1, bank loans have caused SME to pay a high cost of interest and have required significant collateral and credit guarantee. Therefore, it is not surprising that the higher the expectation on financing growth in MAI, the more intention to pursue IPO in MAI.

Hypothesis 2: The owner's expectation to increase the firm's public image and visibility through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.

Result: The hypothesis was rejected. No significant relationship was found.

Discussion: In contrast to previous studies by Bancel and Mitoo (2009) and Röell (1996) who regarded public visibility as key benefit of IPO, this analysis found no significant relationship. Although being listed in the capital market may broaden the firm's reputation and visibility to the public, it might not directly be a main reason why SMEs intended to pursue IPO in the MAI. Perhaps, this benefit might be valid to the firms that utilized their reputation and visibility as an asset for growth. For instance, the firm that specializes in luxury products or property management may need to gain trust from its customers; therefore, listing in the MAI can provide some advantage. Additionally, the firms in construction, resources and energy industry may need to gain financial credibility from their clients and prove funding capability to undergo the project tender. Thus, these firms may expect to achieve this advantage through the MAI.

Hypothesis 3: The owner's expectation to exit the business through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.

Result: The hypothesis was rejected. No significant relationship was found.

Discussion: Business exit through IPO is a famous concept in many developed economies. Business owners can cash out their money and possibly get the capital gain. Additionally, businesses that received funding from venture capitalists or angel

investors at the early stage often obligated to pursue an exit strategy at some point, so the investors can take out their money and gain returns. Previous studies also demonstrated the importance of IPO as an exit mechanism (Black and Gibson, 1998), and vice versa. Being an exit mechanism is a key reason of the emergence of IPO (Ritter and Welch, 2002). Also, Brau and Fawcett (2006) and Zingales (1995) identified that IPO could be a mechanism for the firm's valuation and acquisition process. Additionally, the advantage of the capital market is that business owners can diversify their portfolio and reduce risks (Pagano, 1993) as well as have more opportunities to sell equity to diverse groups of people (Chemmanur and Fulghieri, 1999).

Nevertheless, this hypothesis was rejected. Indeed, exiting the business through IPO may not yet be widespread in Thailand. Especially, most Thai SMEs are family business and the main funding is bank loans. Essentially, the tradition to pass the family business and ownership to younger generations is still very strong. Moreover, owners of the firms equipped with huge fixed assets, such as machines and manufacturing lines, might not be highly interested in exit their businesses in a short term, as they can still utilize these assets to generate growth. Therefore, at present, there might hardly be a motive for business owners to exit their business through IPO or even merger and acquisition. In the future, this expectation is anticipated to be a major consideration for IPO in the MAI for business ventures that have been newly started up or firms that focused on IT applications and digital technologies. In this case, capital gain and exiting at a right time become more crucial than sustaining the business over generations.

Hypothesis 4: The owner's expectation to improve the organization through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.

Result: The hypothesis was rejected. No significant relationship was found.

Discussion: Although being listed as public firms can lead to professionalism and organizational improvement (Brav et al., 2009; Caccavaio et al., 2012; Holmstrom and Tirole, 1993; Röell, 1996), this might not directly be a factor that leads to IPO intention in the MAI. Perhaps, business owners expect to improve their organizational performance and management practices regardless of whether the firms are private or

public. Indeed, the firms should improve their organizational structure and practices even before being listed and pursuing IPO in the MAI so that the firms can operate flawlessly and able to meet prerequisite requirements.

Hypothesis 5: The owner's expectation to increase personal wealth through IPO has a positive relationship with his or her intention to pursue IPO in the MAI market.

Result: The hypothesis was rejected. There was a significant relationship but it was a negative one, with the coefficient value of 0.115.

Discussion: This result was unexpected and contrasted to an implication from the study by Ritter (1991). Conceptually, business owners who expect to increase their personal wealth may intend to pursue IPO and anticipate substantial capital gain after the IPO stock is already in the market. Anyway, the findings in this research proved otherwise. The more the owners desired to increase personal wealth, the less intention the owners would have to pursue IPO. The implication could be that SME owners might not be interested in increasing their personal wealth by using IPO as a means. Although SME owners may perceive this as one of IPO benefits, they might not intend to pursue IPO for this reason. Additionally, there are several means for business owners to increase their personal wealth regardless of whether their firms are private or public. In their viewpoints, being private could generate more personal wealth than going public.

Hypothesis 6: The owner's concern over loss of control after IPO has a negative relationship with his or her intention to pursue IPO in the MAI market.

Result: The hypothesis was rejected. No significant relationship was found.

Discussion: In the past, SME owners might be afraid that being public could cause a loss of control of their own firms, and that it was a crucial trade-off between losing control and getting public funding. Benninga et al. (2005), Cressy and Olofsson (1997), and Hwang (2004) discussed the control of firms in the previous studies. This factor should have reduced IPO intention. However, the findings proved no significant correlations. In fact, owners had no need to give up and distribute all shares to the market. The owners and their family members can still keep the majority of shares. Therefore, they can retain control and management of the firms. There is a fair argument that public firms are subject more to the check and balance system as

well as examination from outside parties, such as regulators, media, and investors. Unlike private family businesses, the SME owners do not take full control. This argument is reasonable; however, these concerns are indirect impacts. Thus, they might not directly cause the owners to push back their IPO intention.

Hypothesis 7: The owner's concern over loss of privacy after IPO has a negative relationship with his or her intention to pursue IPO in the MAI market.

Result: The hypothesis was rejected. No significant relationship was found.

Discussion: According to the implications from Campbell (1979), Caccavaio et al. (2012), and Yosha (1995), loss of confidential information could be problematic and a serious concern for firms. However, the research results indicated that loss of privacy and important information was not a significant concern for SME owners to pursue IPO. Indeed, being listed does not mean the firm is required to expose all confidential information, such as trade secret, production formulas, technology, and client agreement. The information to be declared is largely for investors' considerations. For example, companies may need to announce their strategic roadmap, so investors can anticipate the company's future but they may not need to declare in-depth details of what specific strategy to be taken. The regulators may require some specific information for transparency and reporting purpose. However, the information is usually designated for a specific purpose only and not required to reveal to public. Although some information about the firm's organization, general information, management, and financial performance is required to be publicly visible, such information is the general facts of the firm's situation and operation and it can be somehow discovered regardless of whether the firm is private or public. Therefore, the concern over privacy might not be a big issue for business owners in considering IPO.

Hypothesis 8: The owner's concern over direct and indirect costs during and after IPO has a negative relationship with his or her intention to pursue IPO in MAI market.

Result: The hypothesis was rejected. No significant relationship was found.

Discussion: During the IPO process and even after being listed, firms need to undergo several requirements and regulations. Moreover, there are both direct and indirect costs of issuing IPO. The direct costs include filing and listing fees and

management fees for financial advisories and underwriters, while indirect costs include money, efforts, and times spent setting proper mechanisms to meet regulatory requirements or hiring management consultants. These matters - costs and fees of undergoing IPO - were discussed in Boot et al. (2006), Caccavaio et al. (2012), Chorruck and Worthington (2010), Di Maggio and Pagano (2012), and Ritter (1987). In fact, these factors are expected to be major concerns for business owners in undergoing IPO. However, the finding of this research proved otherwise. Possibly, the business owners in this study might view the expenses and compliance with the regulations as consequences of an IPO decision rather than the considerations. These costs are preconditions for IPO firms. Therefore, the business owners may consider other factors as well as their overall readiness to make an IPO decision at first and then worked on the procedures afterwards.

Hypothesis 9: The owner's concern on changes in culture and management styles after IPO has a negative relationship with his or her intention to pursue IPO in the MAI market.

Result: The hypothesis could not be rejected. There was a statistically significant negative correlation, with the coefficient value of 0.122.

Discussion: As discussed intensively in Chapter two, there were several changes that firm owners needed to undergo once they decided to pursue IPO and to be listed in the MAI. Especially, the family organization culture and management practices are most likely to be adapted from the private firm context to the public firm context. However, most entrepreneurs or business owners might get used to the old management practices. For example, in a private firm, the owner may be a one-man show and make all decisions in less than a minute. However, in a public firm, various parties will get involved in decision-making. Some decisions may require the board's approval or need to be verified through the code of conducts or subject to the regulator's approval. This is also the case for work culture. Management in a family business may also be family members. They may get used to discussing and agreeing upon important matters at home or during the family vacation. Nevertheless, when the firm goes public, this culture must be changed, as there are several parties and other owners involved and transparency as well as conflict of interests would be an issue.

These matters may cause some business owners to put aside their IPO intention, even though they have strong capabilities to do so. This finding was in line with previous studies by Brav et al. (2009) and Caccavaio et al. (2012), which highlighted cultural resistance and changes as burdens of going public, as well as the study of Bertrand and Schoar (2006), which highlighted the importance of family values towards family business operations.

Hypothesis 10: Subjective norm of IPO decision has a positive relationship with the owner's intention to pursue IPO in the MAI market.

Result: The hypothesis could not be rejected. There was a statistically significant positive correlation, with the coefficient value of 0.614.

Discussion: This is a noteworthy finding and it is aligned with the theory of planned behavior by Ajzen (1991). Many business owners or decision makers are still subject to opinions of relevant parties, such as other family members, business partners, important employees, their respected individuals, and their significant intimates. Perhaps, Thailand is relatively a collective culture; therefore, people tend to take the idea of important related parties into consideration before making a decision or pursuing the intention. Especially, going IPO is a decision that essentially impacts all stakeholders and even the family as well as the future generation. Owners possibly handle this with care and tend to be open to opinions of others. Most importantly, the degree of coefficients for this factor was the highest (0.614) of all significant factors. Therefore, the subjective norm is a critical factor that leads to IPO intention.

Hypothesis 11: Perceived behavioral control of IPO decision has a positive relationship with the owner's intention to pursue IPO in the MAI market.

Result: The hypothesis could not be rejected. There was a statistically significant positive correlation, with coefficient value of 0.424.

Discussion: The finding about this factor is also aligned with the theory of planned behavior from Ajzen (1991). If the owners strongly believe that they are capable and will be most likely to succeed in taking their firm on IPO, they will have more intention to do so. The magnitude of this factor is 0.424, which is the second highest coefficient. Regardless of any expectation and concern over IPO, the perceived behavioral control plays an essential role in leading the owner's intention to pursue IPO.

5.2 Findings and Discussion of the Analysis of Corporate Governance Determinants

This analysis addressed the second research objective by investigating whether the difference in firm characteristics affected the level of corporate governance of the firms in MAI. Based on the logistic regression analysis in the previous chapter, the results are illustrated in the framework in Figure 5.2.

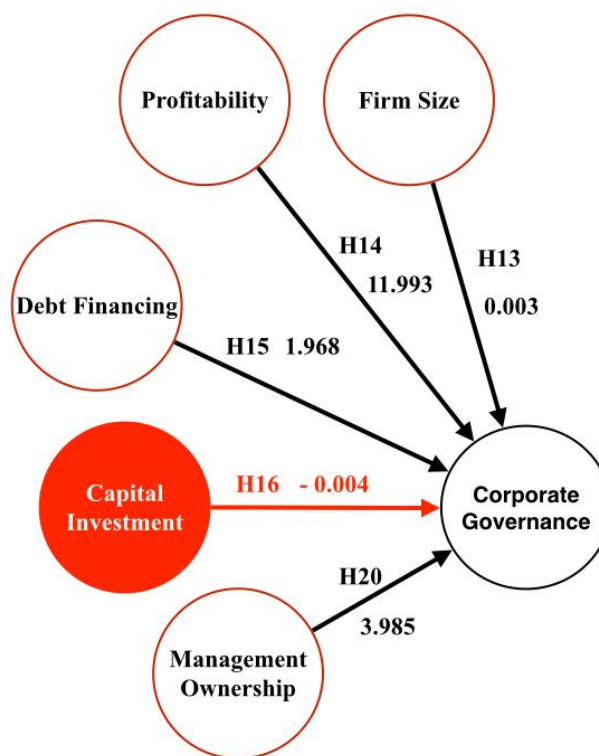


Figure 5.2 Final Results & Framework: Analysis of Corporate Governance Determinants

After conducting logistic regression, five out of nine determinants in the initial framework remained valid. The four hypotheses (H13, H14, H15, and H20) could not be rejected. The correlation of one hypothesis (H16) was, however, negative. The other three hypotheses were rejected. All the findings from hypothesis testing were discussed and highlighted as follows:

Hypothesis 12: Size of the board of directors has a negative relationship with corporate governance.

Result: The hypothesis was rejected. No significant relationship was found.

Discussion: As discussed in Chapter two, most previous studies (Drobetz et al., 2002; Eisenberg et al., 1998; Jensen, 1993; Yermack, 1996) indicated that a large size of the board could be problematic. Usually, large-sized board may cause a coordination problem and a lack of sense of obligation. In this analysis, the size of the board, however, was not correlated with the level of corporate governance. In fact, the small-sized board may cause insufficient resources and expertise in monitoring the firm. Therefore, whether a small-sized board or a large-sized board is appropriate for firms depends on the context and situation of a particular firm. Additionally, the right team combination and expertise of board members would be an important part.

Hypothesis 13: Size of the firm has a positive relationship with corporate governance.

Result: The hypothesis could not be rejected. There was a statistically significant positive correlation, with the coefficient value of 0.003.

Discussion: Although Klapper and Love (2004) indicated no clear conclusion in this aspect, the findings showed that the size of the firm had a positive impact on the corporate governance in the MAI. It can be implied that the larger firms are in a better shape in implementing the structure and policy that support the establishment of corporate governance, since they have adequate assets. On the contrary, smaller firms may need to be concerned more about generating high growth and achieving financial performance rather than establishing policies and the corporate governance mechanism.

Hypothesis 14: Profitability has a positive relationship with corporate governance.

Result: The hypothesis could not be rejected. There was a statistically significant positive correlation, with the coefficient value of 11.993.

Discussion: Firms with profitability in terms of return on assets (ROA) tend to well manage their resources and be able to utilize their assets to generate income. These firms mostly operate with high efficiency and effectiveness. The firms probably have a proper monitoring and control mechanism. Hence, they are more likely to

achieve higher satisfaction of corporate governance than the firms with inefficient management. Additionally, the high profitability level allows the firms to dedicate some resources and efforts to implement the policy on structuring corporate governance and constructing the check and balance system for long-term sustainability. The finding and result of this analysis is aligned with Klapper and Lover (2004).

Hypothesis 15: Debt financing has a positive relationship with corporate governance.

Result: The hypothesis could not be rejected. There was a statistically significant positive correlation, with the coefficient value of 1.968.

Discussion: Firms with the need for financing from outside are likely to comply with external requirements and set a proper system with transparency to gain credibility from external creditors. The finding proved this argument. The firms that relied more on debt financing tended to perform better in establishing corporate governance. The reason could be that these firms had to get ready for external assessment and already found it necessary to comply with certain regulations and agreements to gain trustworthiness from other parties, especially creditors. This finding is also in line with previous studies by Durnev and Kim (2005), Khanchel (2007), and Klapper and Love (2004).

Hypothesis 16: Capital investment has a positive relationship with corporate governance.

Result: The hypothesis was rejected. There was a statistically significant negative correlation, with the coefficient value of 0.004.

Discussion: The finding was unexpected as it was supposed to be a positive correlation, since the firms with potential capital investment tended to build credibility in order to attract new financing or business opportunities. The result was in contrast with implications from the studies by Durnev and Kim (2005), Khanchel (2007), and Klapper and Love (2004). The negative correlation was possibly caused by the fact that capital investment and expenditures reduced profitability in a short-term, as the firms invested for future. For example, new machines or a new factory cost more during the early year, when the investment expenses and depreciation was taken into account. Therefore, the firms may shift their focus towards generating a

short-term income to cover the expenses rather than structuring corporate governance and forming long-term policies.

Hypothesis 17: Intangible assets have a positive relationship with corporate governance.

Result: The hypothesis was rejected. No significant relationship was found.

Discussion: The firms with more intangible assets should have a strong interest to set up the proper system to control the proper use of assets and ensure transparency. The study by Khanchel (2007) also supported this correlation. However, the finding rejected this hypothesis. In fact, this factor might not be substantial in the context of firms in the MAI. In the sample group of firms in the MAI, the mean of intangible assets was only 1.59% while the median was approximately 0.03%. Moreover, the mode was 0%, which meant most firms in the MAI did not have intangible assets at all. The impact of this factor in the context of MAI was insignificant. Therefore, no correlation was found.

Hypothesis 18: Sales Growth has a positive relationship with corporate governance.

Result: The hypothesis was rejected. No significant relationship was found.

Discussion: It is expected that firms with high growth are likely to keep up on the expectation of external parties: creditors, customers, and suppliers. Hence, these firms tend to be motivated to achieve good corporate governance to gain credibility from others. In contrast with the studies by Durnev and Kim (2005) and Klapper and Love (2004), the finding did not prove this argument was true since no correlation was found. In fact, sales growth meant just a growth in revenue and may not necessarily imply any efficiency and effectiveness, as all the costs and expenses were not taken into account. In short, it hardly indicated corporate governance.

Hypothesis 19: Institutional ownership has a positive relationship with corporate governance.

Result: The hypothesis was rejected. No significant relationship was found.

Discussion: Shleifer and Vishney (1986) indicated bargaining power of large shareholders and Khanchel (2007) also documented a positive relationship between institutional ownership and corporate governance. Institutional and corporate investors in vest are expected to have a motivation to install corporate governance and

a transparency mechanism in the invested firms, since they usually control sizable shares and their main focus is on monitoring and control the overall performance rather than picking on daily operation. However, no correlation was found. Possibly, different institutional and corporate investors have different objectives. Some do not invest in many firms so they are proactive and highly focus on monitoring and controlling the invested firms. In contrast, some invest in many firms so as to diversify portfolio so they do not have an ownership concentration and their risks are already diversified. Hence, whether this factor will have an impact or not depends on the nature and the goal of different institutional owners.

Hypothesis 20: Director ownership has positive correlation with corporate governance.

Result: The hypothesis could not be rejected. There was a statistically significant positive correlation, with the coefficient value of 3.985.

Discussion: In literature review, Holmstrom and Tirole (1993) discussed incentive alignment of management and directors. This finding proved the hypothesis to be true. Directors and those in the boardroom, including the CEO or managing director are the key persons who have a fiduciary duty to ensure the firm's overall performance and take care of the firm governances. Indeed, directors and top management are in the excellent position to push forward policies and to enforce of corporate governance and transparency in their firms. When director interest is aligned with the firm's interest, good corporate governance can be straightforwardly achieved. Therefore, it is quite predictable that directors' and management's ownership can directly lead to good corporate governance. The finding is also in line with a study from Khanchel (2007).

5.3 Findings and Discussion on Comparative Analysis of Selected Alternative Capital Markets

This analysis addressed the third research objective to find out the similarities and differences between the MAI and alternative capital markets in other countries. As discussed in Chapter 3, there were four other alternative capital markets selected for comparative analysis, which included Alternative Investment Market (AIM) in the UK, NASDAQ in the USA, Chinext in China, and SGX Catalist in Singapore.

5.3.1 Key Takeaways and Lesson Learned

The lessons learned from the market review can be summarized as follows:

5.3.1.1 Key Takeaways from Alternative Investment Market (AIM)

Alternative Investment Market (AIM) is one of the most successful alternative capital markets in the world. Although AIM is operated under London Stock Exchange, the listing requirement is essentially different as it serves a different purpose. Indeed, AIM focuses on promoting SMEs with a fund-raising platform that equipped with full support. The highlight is that AIM requires neither any minimum market capitalization nor any minimum level of shares under public ownership, while the main market of London Stock Exchange requires a certain level of minimum market capitalization and 25% of the shares under public ownership. Additionally, there is no trading record required for being listed in AIM, while the main market requires at least three years. Furthermore, there is no requirement of a certain level of company performance to be reached, such as sales revenues, profit level, and company growth, in AIM. Hence, there is very low listing barrier and the AIM market condition really supports SMEs and small growing firms. Table 5.1 displayed the listing requirements of AIM in comparison to the main market.

Table 5.1 Criteria Comparison between AIM and the Main Market

Admission criteria and obligations: AIM vs. the main market	
AIM	MAIN MARKET
Minimum market capitalization is not required.	Minimum market capitalization is required
Trading record is not required	Trading record at least 3 years is typically required.
Level of shares to be in public hands is not required	At least 25 percent of total shares is required to be in public hands.
Most transactions do not require prior approval by shareholders.	Substantial acquisitions and disposals require prior shareholder approval. (Application for Premium Listing)
Nominated Adviser (NOMAD) is required for all cases.	Only some transactions require sponsors. (Application for Premium Listing)

Source: AIM, 2010, p. 6.

Nevertheless, the only major requirement is that listed firms in AIM must appoint Nominated Adviser (NOMAD). NOMAD can be a financial advisory firm, an accounting firm, or an investment bank that are approved by London Stock Exchange. NOMAD must take responsibilities to perform due diligence, assess the board and director capabilities, ensure the readiness and suitability of the firm to be listed, prepare the firm for documentation and admission, and advise the firm on important matters about being public. Most importantly, NOMAD is the main regulator for the firm to ensure its compliance to market rules and regulations (AIM, 2010). Although AIM has very minimal listing requirements and regulations, it is interesting that NOMAD performs the role of gatekeeper. For instance, NOMAD may require the firm to undergo IPO to prove some credible track records, such as profitability, company growth, and positive public visibility. Indeed, NOMAD represents London Stock Exchange in ensuring that firms under their supervision are appropriate to be listed in AIM. Therefore, NOMAD must act upon the interest of the AIM market and stakeholders as a whole. In AIM, NOMAD performs crucial roles as an assessor, as a judge and a regulator for firms that want to be listed in AIM. Essentially, AIM provides regulatory flexibility for SME firms while giving substantial authority and judgment to NOMAD to act upon the interest of AIM and stakeholders in the market.

It is also worthwhile to explore further on responsibilities of NOMAD. Basically, NOMAD is responsible for the AIM admission process of the firms as well as an ongoing responsibility of supervising the firms already listed. Regarding the admission responsibility, NOMAD must be able to assess AIM's applicant firms in many aspects, including business potential and appropriateness of the board of directors. Additionally, NOMAD must ensure and be actively involved in the admission process, which encompasses due diligence, admission document preparation, and regulation compliances. With regard to ongoing responsibility, regular interaction between NOMAD and the firms is expected. NOMAD has responsibility to advise the firms regarding important matters such as change of directors, substantial trading activities, and regulation compliances.

Although AIM decentralizes substantial monitoring and control power to NOMAD, it still performs check and balance. Indeed, AIM can conduct a formal

performance review and access NOMAD records and important information to ensure that NOMAD has performed its roles and responsibilities properly. Additionally, in case of any misconduct or negligence in the responsibilities, AIM can take disciplinary actions, such as warning, fine, censure, or even remove NOMAD from the list. Undeniably, the nominated adviser system of AIM was established with a clear role, responsibility, and a proper control system. Thus, AIM demonstrates an excellent model that soundly integrates decentralization, empowerment, and a proper governance system.

5.3.1.2 Key Takeaways from NASDAQ

Despite the fact that NASDAQ was originated to be an alternative capital market for high-tech start-ups and small growing businesses, it has come too far from the originality and achieved approximately USD 8 trillions in market capitalization as of Q3 of 2014, with around 3,000 companies listed worldwide. NASDAQ was founded in 1971 and the abbreviation “NASDAQ” stands for the “National Association of Securities Dealers Automated Quotation”. NASDAQ is also the first capital market in the world that utilizes the electronic trading technologies.

Table 5.2 NASDAQ Listing Requirements

Requirements	Equity Standard	Market Value of Listed Securities Standard	Net Income Standard
Listing Rules	5505(a) and 5505(b)(1)	5505(a) and 5505(b)(2)	5505(a) and 5505(b)(3)
Stockholders' Equity	\$5 million	\$4 million	\$4 million
Market Value of Publicly Held Shares	\$15 million	\$15 million	\$5 million
Operating History	2 years	N/A	N/A
Market Value of Listed Securities	N/A	\$50 million	N/A

Table 5.2 (Continued)

Requirements	Equity Standard	Market Value of Listed Securities Standard	Net Income Standard
Net Income from Continuing Operations (in the latest fiscal year or in two of the last three fiscal years)	N/A	N/A	\$750,000
Publicly Held Shares	1 million	1 million	1 million
Shareholders (Round lot holders)	300	300	300
Market Makers	3	3	3
Bid Price OR Closing Price*	\$4 \$3	\$4 \$2	\$4 \$3

Source: NASDAQ, 2014, p. 9.

Note: *Companies must have at least \$ 6 million in average annual revenues or in net tangible assets for three years, or at least \$5 million in net tangible assets, or at least \$2 million in net tangible assets with an operating history of at least three years in order to eligible for the Closing Price option.

Unlike AIM, NASDAQ has much more stringent listing requirements. It has three market tiers: namely, NASDAQ Global Selected Market, NASDAQ Global Market, and NASDAQ Capital Market. In this research, only NASDAQ Capital Market was analyzed. The firms that want to be listed in NASDAQ Capital Market can undergo one of the three standards: Equity Standard, Market Value Standard, and Net Income Standard. The Table 5.2 illustrates the listing requirements in the NASDAQ Capital Market. There are specific requirements of company

performance and status, including revenues, net profits, minimum public shares, number of shareholders, market values, and minimum equity of the shareholders. Compared to AIM, NASDAQ's listing requirements put more burdens to SMEs and small growing firms to be listed.

An interesting point, however, is the fact the NASDAQ provides a straightforward and efficient listing process. NASDAQ highly utilizes its technology and computerized systems. All listing application and documentation submission as well as signed-off agreements can be done electronically online through the NASDAQ listing center. Full-scale electronic systems and computerized workflow are key components of NASDAQ. For instance, board members or board administrators of NASDAQ firms can access board portal services equipped with collaboration tools, virtual workspace, documentation resources, and paperless workflow. Thence, important procedures such as governance and workflow procedures can be completed electronically and virtually.

Moreover, there are available tools and training resources to enhance the board's and management's understanding of important matters, such as corporate governance practices, director training, and media communication strategy to enhance the firms' visibility. Besides, there is a solution system for corporate governance, internal control, and risk management that allows firms to achieve better monitoring and control as well as more transparency. Last but not least, NASDAQ has a whistleblower hotline that fully operated without face-to-face interaction so that the misconduct and fraudulent behaviors can be securely reported for further action. In short, the major takeaway from NASDAQ is the efficient processes based on electronic workflow, well-rounded supporting resources, and corporate solutions.

5.3.1.3 Key Takeaways from Chinext

Chinext is one of the major alternative capital markets in Asia with a total market capitalization of approximately USD 396 billion. It is operated under the Shenzhen Stock Exchange, which is one of the two main stock markets in China. The listing requirement of Chinext is much less stringent than that of Shenzhen Stock Exchange and the differences between the two capital markets are briefly summarized in Table 5.3.

Table 5.3 Criteria Comparison between Chinext and the Main Board

Comparison Aspects	Shenzhen Stock Exchange Main Board	Chinext
Profitability	Profitable for the last three consecutive years with the accumulative net profit of at least RMB 30 millions	Profitable for two consecutive years with the accumulative net profit of at least RMB 10 million / or Gain profit of RMB 5 million for the previous year with more than revenue of RMB 50 million plus the revenue growth rate for the last two years of at least 30%.
Assets	Intangible assets at the last reporting period not over than 20% of net assets	Minimum Net Assets of RMB 20 million
Cash flow and Revenues	Cumulative Net Cash Flow from operation during last three consecutive years must be over than RMB 50 million / or Cumulative Revenue during last three consecutive years must be over than RMB 300 million	N/A
Share Capital	Minimum RMB 30 million, before offering	Minimum RMB 30 million, after IPO
Other requirements	No heavy reliance on tax benefits / No uncovered loss / No serious debt service risk / Free from risk of significant contingent event / sustainable profitability.	No heavy reliance on tax benefits / No uncovered loss / No serious debt service risk / Free from risk of significant contingent event / sustainable profitability.

Source: Shenzhen Stock Exchange, 2014.

According to Table 5.1, Chinext put the main focus on reducing risks and ensuring that the company listed on it must have proven historical records in sales, profits, and company growth. Nevertheless, it is worth noting that the share capital required for Chinext is a minimum amount of RMB 30 million after IPO while the main board requires minimum RMB 30 million before IPO. This provides the firms with funding flexibility. This is a great financing opportunity for firms with high growth potential and promising business idea, which may really need capital funding for future growth. Thus, they can access public funding without prerequisite initial share capital on hand. Compared to AIM and NASDAQ, Chinext seems to be more conservative and extensively avoid the downside risks.

5.3.1.4 Key Takeaways from SGX Catalist

SGX Catalist is an alternative capital market operated under the Singapore Stock Exchange (SGX). SGX Catalist also employed a similar concept as AIM, since it has developed the sponsor system. SGX Catalist requires no minimum quantitative financial status and performance in terms of sales, assets, and share capital. Unlike AIM which has very minimal listing requirements, SGX Catalist still has certain requirements for listed firms to comply, the minimum of 200 shareholders, 15% of share capital in public ownership, and the promoters - who are either controlling shareholders or executive directors with ownership of 5% or more of the issued shares during the listing - must retain full IPO shares during the first six months and 50% of IPO share during the next six months. Firms that desire to list on SGX Catalist must have sponsors.

The sponsors in SGX Catalist are professional firms with authorization and approval from SGX. The roles of sponsors in SGX Catalist are quite similar to those of NOMAD in AIM. In general, SGX Catalist sponsor roles are, for example, to assess the appropriateness of the firms to be listed on Catalist, perform due diligence, supervise the firms in listing and continuing business, and ensuring the necessary compliances. Additionally, there are two types of sponsors. The first type is a full sponsor who is eligible to perform the sponsor's roles for pre-listing firms and continuing firms. The second type is a continuing sponsor who can only support the firms that have already been listed and the ongoing activities but have no right to get involved in the listing activities.

In short, SGX Catalist is an interesting model in Asia, as it applies the sponsor system from AIM while tailor-making some details, such as putting further listing precondition. Hence, this could be a good example of applying the mix model.

5.3.2 Comparative Analysis

According to the lesson learned and review of selected alternative capital markets, there were three important dimension related to this research topic. The first dimension is the entry requirement, which will determine the ease of access for SMEs to enter the capital market. The point in focus of this dimension is whether or not the entry requirement provides flexibility and support, or even tailor-made prerequisites for SMEs. The second dimension is the monitoring and control system - whether it is still centralized and highly dependent on the exchange commission or decentralized through the sponsorship scheme. The third dimension is the nature of regulations and compliance - whether it is stringent and all firms must act rigidly or it is flexible and supportive for SME firms. The comparative analysis has been conducted and summarized in Table 5.4.

Table 5.4 Summary of Comparative Analysis

Selected Market	Entry Requirement	Monitoring and Control System	Regulations and Compliance
MAI	Rigid. Firms must meet minimum paid-up capital requirement and minimum number of shareholders. No other entry channel is available.	Centralized.	Stringent. Firms in MAI and SET must comply with the same set of regulations.
AIM	Very flexible. NOMAD shall approve firms to be listed. Requirements can be varied according to different types	Decentralized through NOMAD.	Flexible and dynamic. The exchange commission

Table 5.4 (Continued)

Selected Market	Entry Requirement	Monitoring and Control System	Regulations and Compliance
	of firms and NOMAD measures.		empowers NOMAD to supervise and advise the listed firms in order to achieve proper corporate governance and regulation compliance.
NASDAQ	Somewhat flexible. Firms can choose to enter market via different routes, including equity standard, market value standard, and net income standard. Thus, firms can choose the criteria that suit them properly.	Centralized.	Listed firms must comply with a certain set of regulations; however, IT application and online platform are in place to support the listed firms for better efficiency and flexibility.
Chinext	Somewhat flexible. Regarding profitability requirements, firms have options to comply with accumulative profit or previous year performance plus sales growths. Hence, it is opportunity for high-growth start-ups.	Centralized.	Stringent. There are a number of measures to prevent downside risks by ensuring the listed firms have no heavy reliance on tax benefits, no uncovered loss, no serious debt service

Table 5.4 (Continued)

Selected Market	Entry Requirement	Monitoring and Control System	Regulations and Compliance
			risk, and are free from risk of significant contingent event.
SGX Catalyst	Flexible. Sponsors will mainly supervise and approve the firms to be listed, although there are certain requirements, such as a minimum of 200 shareholders and 15% of share capital in public ownership.	Decentralized through sponsors.	Flexible. Sponsors shall be mainly responsible for supervision and ensure regulation compliance.

In general, most alternative capital markets - AIM, NASDAQ, Chinext, and SGX Catalyst - provide some degree of entry flexibility. For instance, NASDAQ offers different sets of prerequisites as options for firms that want to be listed. The firms can choose to comply with requirements under the equity standard, or the market value standard, or the net income standard. In contrast, AIM mainly relies on a nominated adviser (NOMAD) to supervise and set their own requirements to approve firms to be listed. Interestingly, SGX Catalyst applies a hybrid approach since sponsors are responsible for supervise and promote the firms to enter the market while exchange commission also has certain requirements for every firm to comply. Nevertheless, the MAI's entry requirement is considerably rigid since there is only one track with a certain requirement applied for all firms to be listed.

With regard to the monitoring and control system, AIM and SGX Catalyst are decentralized through the sponsorship system while the MAI, NASDAQ, and Chinext are still centralized and primarily controlled by the exchange commission. Regarding

ongoing regulations and compliance, AIM and SGX Catalist are fairly flexible since the nominated advisers or sponsors are responsible for supporting the listed firms to comply with rules and regulations. Therefore, the differences and the nature of firms are taken into consideration with close supervision and the counseling process through nominated advisers and sponsors.

On the other hand, the regulations for MAI, NASDAQ, and Chinext are relatively stringent. For instance, firms in the MAI have to comply with the same rules as firms in SET regardless of the different nature and the company size. In addition, Chinext has a number rules to prevent downside risks by ensuring that the listed firms have no heavy reliance on tax benefits, no uncovered loss, no serious debt service risk, and are free from risk of significant contingent event. On the contrary, NASDAQ has a certain set of requirements; however, it still provides the firms with IT platform and application to improve the efficiency and support the compliance.

CHAPTER 6

POLICY IMPLICATIONS AND CONCLUSION

In this chapter, the policy implications for Market for Alternative Investment (MAI) will be discussed. In addition to the research results from Chapter 4 and Chapter 5, it is worthwhile to take the international aspects into consideration. Hence, this chapter starts with a brief review of alternative capital markets in other countries. Then, key takeaways from research findings will be integrated. Last but not least, the policy implications from the current study that could be suitable for the MAI and the SME exchange will be highlighted.

6.1 Policy Implications

In this part, both the findings from the research analysis and key takeaways from other alternative capital markets will be integrated. Then, the policy implications for the MAI and the SME exchange will be elaborated.

6.1.1 Implications from Analysis of Thai SMEs' IPO Intention Determinants

From this analysis, the major factors positively impacting IPO Intention of SMEs in the MAI market are the IPO expectation on financing opportunities, perceived behavioral control, and subjective norm, while the major factors negatively impacting IPO intention is concern over changing culture and management practices. First of all, it is positive that Thai SMEs have perceived the importance and benefit of the MAI's IPO as a mechanism for financing their future growth. This expectation directly increases their intention to undergo IPO process in the MAI. Secondly, the different characteristics of SMEs in terms of region, generation, firm's employment rate, and sector may not always necessarily be taken into account in IPO promotion policy-making. The analysis proved that there was no significant difference among sectors, generations, regions, and the firms' employment rates.

As reflected further on these findings, the significant factors on IPO Intention were mainly psychological issues rather than technical issues. For instance, the technical aspects, such as cost of IPO, exit mechanism, and public visibility were not significant factors. However, the subjective norm and perceived behavioral control, which are purely psychological factors, had a positive relationship with IPO intention. They have the highest magnitude among all factors, although these two factors are not related with consideration on IPO advantage and disadvantage. Additionally, the only IPO concern that really impacted IPO intention was fear of changes, which was also psychological.

In short, these findings clearly imply that psychological factors play a crucial part in the IPO decision-making process and cannot be neglected. Rather than only pointing out the rational causes and reasons why firms should pursue IPO in the MAI, it could be worthwhile to examine these psychological factors and find out the way to address them directly. For example, to promote new IPO, it might be more effective to provide necessary information and concept and educate all decision makers and relevant personnel in each firm at the same time. This can increase the subject norm of IPO and could directly increase IPO intention. Moreover, it is important to encourage and build up the confidence of decision makers by providing essential tools and knowledge as well as necessary counseling, which can increase perceived behavioral control of IPO and directly increase IPO intention.

6.1.2 Implications from Analysis of Corporate Governance Determinants

From this analysis, it was found that size of firm, profitability, debt financing, and director ownership were the main determinants that impacted corporate governance. These findings can be beneficial for regulators and the capital market, as they can apply these findings to promote corporate governance among public firms in the MAI and other capital markets.

First and foremost, the fact that the firm's performance in terms of profitability (return on assets) and increase in asset size leads to better corporate governance suggests another side of corporate governance implementation. Rather than enforcing corporate governance by imposing regulations and stringent requirements, promoting and increasing competitiveness as well as managerial efficiency of the firms in the

MAI can be another track to achieve good corporate governance. In fact, the regulator can encourage firms to build corporate governance practices upon what they have already complied with the creditor's guidelines and directions. This can be a good start for further development of corporate governance. Last but not least, the alignment of incentives is an important factor. The finding proves that more directors' ownership led to better corporate governance of the firms. Therefore, if regulators can get buy-in from the directors in promoting corporate governance initiatives, it is more likely to be successful implementation. Therefore, instead of imposing the regulations and corporate governance initiatives through documentation and rigid announcement, it is highly sensible to enhance interaction and communication with the firm's directors and get them on the same page.

6.1.3 Implications from Lessons Learned from Other Alternative Capital Markets

From the comparative analysis of selected alternative capital markets, two dimensions can be highlighted. The first dimension is whether the capital market mandates a stringent and rigid guideline or makes it more flexible. In this aspect, regulations and guidelines under Chinext and MAI are considerably stringent due to rigid entry requirements and regulation compliance. Conversely, AIM is obviously flexible since it primarily relies on NOMAD to supervise and utilize their judgment based on the conditions of each firm. Besides, NASDAQ and SGX Catalist are fairly flexible. NASDAQ offers various entry tracks for pre-listing firms while SGX Catalist deploys the sponsorship system. However, both markets still have mandated requirements and entry prerequisites that are applied strictly to all companies.

The second dimension is governance approaches - whether the capital market pursues a high degree of centralization, or empowerment and decentralization through sponsorship. The first approach is a sponsorship framework. This approach is more decentralized and empowers the expertise body, such as a sponsor or NOMAD, to mentor and supervise the listed and pre-listed firms. This approach allows tailor-made advice and customization of requirements based on the context of each individual firm. In this approach, the sponsor is one of the major actors, who provide business support and promote corporate governance as well as ensure regulation compliance.

This approach; however, relies heavily on the expertise body. Therefore, the setback may occur in case the expertise body, such as a sponsor or NOMAD, does not perform well. Additionally, since the guidelines are loose, flexible, and depend primarily on sponsor's judgments, the issue of fairness and claims of lacking standards can occur. Examples of alternative capital markets with this framework are AIM and SGX Catalyst.

The second approach is a centralized framework. In this approach, the market itself as well as regulatory body will be supervised all listed and pre-listed firms in the market. The main preconditions are clearly stated with certain quantitative minimum requirement. Additionally, the capital market or the exchange commission itself performs the regulator's and supervisor's roles as well as the promoter's roles for market listing and support. In this approach, all firms are supposed to be treated fairly and are able to access similar information and gain similar support. However, drawbacks of this approach are lack of flexibility as well as lack of consideration on different firms' characteristics and industry. Furthermore, this framework has limited room for customizing advice for each individual firm, which has different needs and necessities. Lastly, with centralized structure, it is difficult to understand expectations of all listed and pre-listed firms and to implement initiatives that can help promote the capital market as well as overall corporate governance. Examples of alternative capital markets within this framework are NASDAQ, Chinext, and MAI .Figure 6.1 shows the conceptual map of both dimensions.

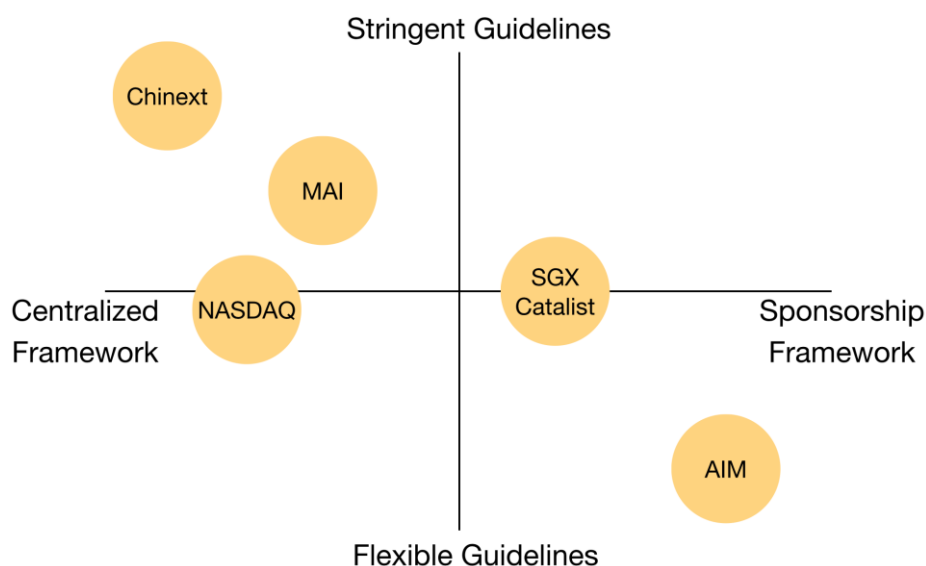


Figure 6.1 Conceptual Map – Comparison of Alternative Capital Markets

6.1.4 Conclusion

Based on the analyses, the following implications can be drawn:

- 1) Consideration on pursuing IPO in the MAI can be mostly based on psychological factors rather than technical factors. These factors include perceived behavioral control of IPO and subjective norm of IPO.
- 2) Fear of changes is a major concern over IPO in the MAI and this should be addressed.
- 3) Corporate Governance should be achieved not only by imposing rigid regulations but also by increasing competitiveness, efficiency, and profitability of the firms.
- 4) Corporate governance in of firms in the MAI can be initially built upon the firms' current governance structure and practices that they already use to fulfill the requirement of creditors. Hence, there is no need to start from scratch.
- 5) In promoting corporate governance initiatives, it is important to get buy-in and align the incentives with the directors and top management of the firms in the MAI. This can lead to successful execution of good corporate governance. Therefore, it is advisable for regulators or the exchange commission to enrich interaction and strengthen the relationship with the firms' directors in order to align

incentives and build a sense of ownership and obligation to enhance the firms' corporate governance.

6) By studying other alternative capital markets, two governance frameworks are highlighted, the sponsorship framework and centralized framework. Both frameworks have their own advantages and drawbacks as already examined.

6.2 Recommendations

To provide Thai SMEs with opportunities for long-term quality growth, the proper capital market platform for SMEs is necessary. Primarily, it is essential to understand what SMEs and high growth start-ups need and what their burdens are. To begin with, SME burdens will be discussed. To increase the firm's value, SMEs or start-up firms are typically faced with two burdens as illustrated in Figure 6.2. The first burden is access to capital and funding.

As discussed earlier, many SMEs face the problem that their cost of capital is too high due to high dependency on bank loans. Hence, they are usually loaded with huge obligations, including interest payment, collateral, and bank requirements. Even though SMEs have alternatives to consider - listing and IPO in a capital market, the burden still exists. Initially, the physical burdens, such as rigid entry requirements and stringent regulations preclude SMEs from being listed in the first stage. As discussed in the research findings, the psychological burdens, such as fear of changes, also diminish IPO intention. Therefore, it is important that the capital market must stipulate more flexibility on entry requirements and regulations so that the SMEs with small and medium capital can have more potential to access the public funding. Essentially, the psychological burdens must be addressed. However, the mentorship system can be established to help SMEs identify their capital needs, address their concerns and provide sufficient tools and knowledge to increase confidence at day one.

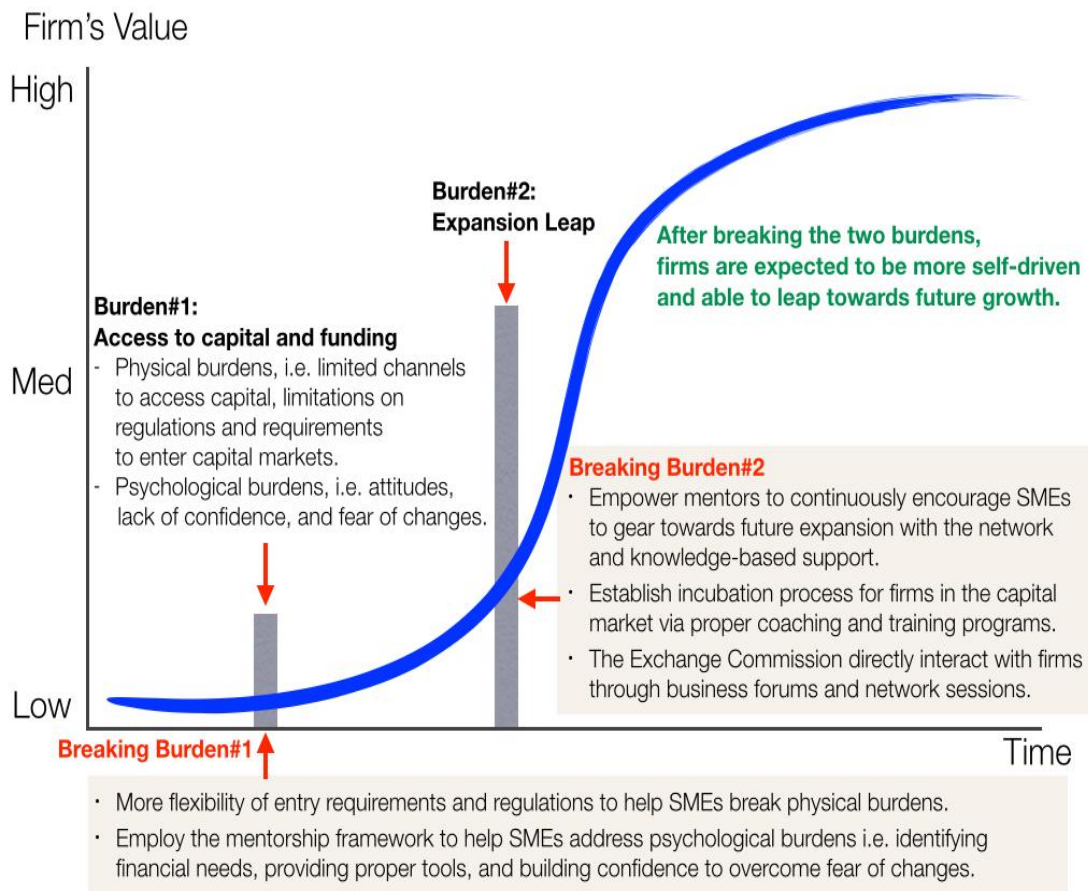


Figure 6.2 Conceptual Illustration of SME Burdens

Consequently, after SME firms have proper access to the capital market and funding, they are quite ready for further growth. The firms are now able to manage operational efficiencies, achieve the economy of scales, and control their standards. At some point, the second burden would come into place. The second burden is an expansion leap. It is a moment that the firms will leap up to another level to be high value firms. Rather than only focusing on operational aspects, the firms at this stage have to differentiate themselves and leverage research and development, technology, business intelligence, and intangible assets. Therefore, to break this burden, the capital market should closely interact with SMEs to understand their conditions and factors that could expedite their growth. Also, the new exchange can support the SMEs directly through business forum and network building. Additionally, an incubation process with a proper coaching and training system should be in place for

firms in the new exchange for the sake of continuous improvement. Last but not least, the new exchange should assign and empower mentors or sponsors to facilitate and encourage SMEs with idea and knowledge sharing. Thenceforth, once the two burdens are disrupted, the firms are expected to be more self-driven and able to expand for future growth.

Furthermore, the need of SMEs and high growth start-ups will be identified. From the analyses and policy implications addressed in this dissertation, SMEs need to enter the capital market to gain access to finance for continuous growth. At the same time, they still have to retain the entrepreneurial spirits and keep moving fast as well as to act quickly. Hence, the capital market environment should support them in a less stringent and flexible way. Besides, they need supporting tools to build confidence and address fear of changes. Thence, ongoing mentoring and incubation as well as further education on capital market knowledge are crucial.

The key question is how to establish the capital market platform that could mostly suit the nature and need of SME firms as well as enrich their capabilities. On the one hand, the MAI platform can be utilized since its original purpose is to support SMEs with capital access. However, there are still many challenges.

First and foremost, there are no upper limited capital requirements for firms to be listed in the MAI. Therefore, any firm with paid-in capital more than THB 20 million and meeting shareholder as well as profit requirements can be listed in MAI. Thus, in many instances, a number of large-sized firms issue IPO in the MAI, even though these firms have strong potential to be listed in the SET. Secondly, the MAI's entry requirements are fairly rigid and regulations are stringent. There is not much difference in regulations and practices between the SET and the MAI. Also, there is only a one-way route for entering MAI: the requirements of paid-up capital, number of shareholders, and profitability. This; however, could limit high potential start-ups with strong business ideas and promising blueprints that may need to access capital to boost the growth. Thirdly, the MAI's governance structure is fairly centralized. Most supervision relies mainly on the capital market itself and the exchange commission. However, decentralization and empowerment are rare. The financial advisor and underwriter mainly play their role as transactional facilitators to help firms issue IPO. However, nobody plays the role of sponsor or mentor who would help SME firms to

overcome each stage of changes and advise them how to exploit an opportunity and how to establish proper corporate governance.

With current MAI practices, there is no clear platform for business incubations and mentoring for SMEs and start-ups. For these reasons, MAI seems to become another SET market with less capital requirements to enter. However, the platform and regulations are not different. Indeed, many firms listed in MAI are large-capital firms with around THB 200-300 million paid-up capital and strong capabilities to be even listed in the SET since day one anyway, while it is a rare case that SMEs with very limited capital and high need of funding at the beginning stage, will be listed in the MAI. This makes the MAI platform are concerned more about large firm's environment than SMEs' supportive ecosystem. For these reasons, the MAI platform is probably suitable for upper medium and large-sized firms rather than SMEs and high growth start-ups.

Therefore, a new capital market designated for SMEs and high growth start-ups would be a viable alternative solution. The goal of this new capital market is to establish an alternative capital market that provides SMEs and high growth start-ups with suitable access to funding as well as a proper business incubation process. This new capital market can be entitled the "New Exchange for SMEs in Thailand (NEST)".

As for the capital market platform for this new exchange, it is worthwhile to learn from similar capital markets. In this case, four capital markets have been brought up, as they are capital markets designated for supporting SMEs with public funding and the potential development system. These markets include AIM from the UK, KONEX from South Korea, GISA from Taiwan, and TSX Venture from Canada. The comparison has been made in three major aspects: entry requirement, sponsorship system, and ongoing support. The highlights and comparison of these exemplars are listed in Table 6.1.

Table 6.1 Exemplars of Capital Market for SMEs and High Growth Start-up

Selected Market	Entry Requirement	Sponsorship	Ongoing Support
AIM (UK)	Almost no requirement from Exchange Commission. Mainly rely on Nominated Adviser (NOMAD).	NOMAD plays an important role to supervise the IPO, sets entry requirements, and supervises the firms.	NOMAD continuously supports firms with advice and ensures proper compliances.
KONEX (S. Korea)	Open up to three tracks of listing either by equity capital, sales amount, or net profits.	Nominated Adviser facilitates and expedites the listing process and support SMEs to maintain the listing status.	Disclosure is required only for the really significant matters for investors. Compared to the main market, only half of disclosure matters are required.
GISA (Taiwan)	No minimum requirement on profitability and operation years but there is a maximum limit on paid-in capital at NT 50 millions.	No sponsorship structure. However, firms must agree to undergo the integrative counseling process.	Free counseling offered.
TSX Venture (Canada)	Different listing requirements for different sectors.	Sponsorship by a participating organization listed in the TSX directory is usually required and is subject to specific prerequisites from the exchange commission.	Equipped with a mentoring program for newly listed firms.

In the entry requirement perspective, all of these examples provide flexibility as they either open more than one track to enter the market or leave it up to sponsorship endorsement. Interestingly, all of these exemplars, except Taiwan's GISA, have relied on sponsorship approach in some way. For instance, AIM are fully relies on the sponsorship approach as they have completely empowered nominated advisers (NOMAD), while TSX Venture may require sponsorship based on specific requirements in each case. Although GISA does not employ the full-scale sponsorship approach, the firms listed on GISA must agree to under go the integrative counseling process. Hence, this can be considered as mentorship and an incubation platform to help the listed SME firms for forthcoming expansion. Last but not least, it is observable that all these markets emphasize ongoing SME support. For example, AIM has NOMAD, which supports the firms, as advisors and supervisors to ensure proper corporate governance and compliance while KONEX strongly supports firms by deregulating around half of disclosure requirement compare to those of the main market and focusing only on the matters that are truly important for investors. Besides, GISA and TSX Venture offer counseling and mentoring services for listed firms.

From these exemplars, the capital market for SMEs and high growth start-ups highly focuses on flexibility as well as continuous business incubation and supports through sponsors, nominated advisers, or counselors. Based on all above analyses and exemplars, the key policies of the New Exchange for SMEs in Thailand (NEST) are recommended as follows:

1) Entry Requirements Should be Highly Flexible:

The NEST should provide more room for SMEs and high growth start-ups to enter the market. The MAI offers only a single track that mainly focuses on the amount of paid-up capital. However, some firms may show potential growth with strong profitability; however, they may be businesses that do not require a big initial capital investment. They are, for example, firms in service sectors or trading companies. Unlike the MAI, the NEST should open different tracks for firms to enter the market: paid-up capital track, sales growth track, and net profit track. The minimum requirements of each track should be lesser than the MAI requirements to widen opportunities to real small and medium firms. For example, the NEST may

require at least only THB 5 million paid up capital for firms that wish to enter the market through the paid-up capital track.

On the other hand, the NEST should be designated for only SMEs and high growth start-ups. Large firms or upper medium firms should enter the SET or the MAI instead. GISA is a good example in this aspect as it sets a maximum limit of paid up capital to prevent large firms from being listed. Therefore, the NEST should also set its maximum paid up capital limit, e.g., THB 100 million, to ensure that all firms listed are really SMEs and high growth start-ups. Hence, the NEST can effectively utilize and allocate resources to support and incubate those that really need it.

2) Empowerment Through Mentorship Framework

The mentorship framework is proposed as a solution that addresses the policy implications stated in this dissertation. Basically, the NEST should appoint a nominated mentor as an important actor to work closely with pre-listing firms and listing firms to provide the firms with necessary knowledge and information about IPO, the capital market, regulations and corporate governance.

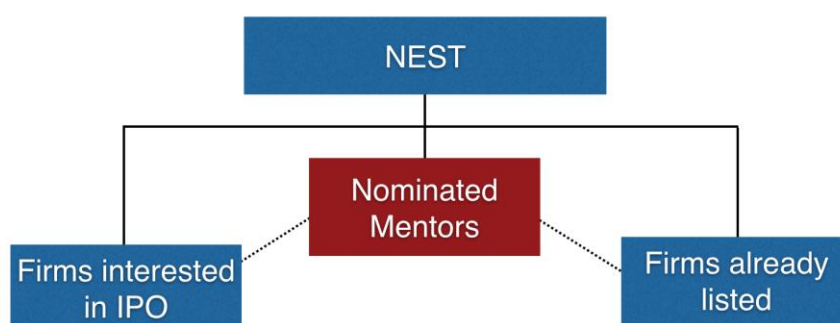


Figure 6.3 Recommended Mentorship Governance Structure

The recommended governance structure of the NEST is illustrated in Figure 6.3. Fundamentally, the NEST will exercise empowerment and decentralization through the qualified nominated mentors, which are designated financial advisories or consulting firms. While the key market entry requirements and regulations are designed and mandated by the exchange commission and the NEST itself, nominated mentors will work closely with pre-listing firms and listed firms to provide the firms

with necessary knowledge about IPO, the capital market, regulations, and corporate governance.

With the presence of nominated mentors, the psychological burdens can be straightforwardly addressed. Firstly, nominated mentors are expected to escalate the perceived behavioral control and subjective norm by providing compulsory tools and knowledge for related parties in the pre-listing firms so that they can gain more confidence and reduce the fear of changes. Secondly, nominated mentors can work collaboratively with listed firms on corporate governance initiatives. Expectedly, nominated mentors should understand the firm's corporate governance foundation, which will help in constructing the corporate governance structure by leveraging the existing groundwork. Lastly, nominated mentors can perform the liaison role between the exchange commission or regulators and the directors of the listed firms. This will increase constructive interaction and help regulators effectively align the corporate governance directions with the firm's directors.

3) The Business Incubation System Should be Established.

Unlike large firms, SMEs and high growth start-ups need ongoing support. Only capital access may not be sufficient for successful growth and expansion. Thence, ongoing business support and incubation are very crucial. The incubation process can be established both internally and externally. Internally, unlike the SET and the MAI, the independent directors of the listed firms in the NEST should have entrepreneurial mindsets rather than corporate mindsets. Thus, the qualifications of independent directors of the listed firms in the NEST should be different from those in the SET and the MAI. For instance, the independent directors are required to have entrepreneur or venture capitalist background so that they can understand the nature of SMEs and have supportive mentality, idea sharing, and encouragement rather than focus on only monitoring and control with a risk-avoidance approach.

Externally, the NEST should provide ongoing incubation support, including training and coaching program for directors, executives, and financial controllers to increase the interaction between the market as well as the exchange commission and the listed firms. Also, nominated mentors should be empowered as business incubators to provide listed firms with necessary networks and connections as well as insightful information and research results. Thence, the listed firms are equipped with

adequate instruments and intelligence to enhance their competitiveness and capabilities. As illustrated in Figure 6.4, in contrast to the SET and the MAI, the NEST should gear towards flexibility approaches and the sponsorship framework. Although the degree of sponsorship and flexibility of the NEST may be less than those of the AIM, the NEST still offers a new capital market paradigm for Thai SMEs.

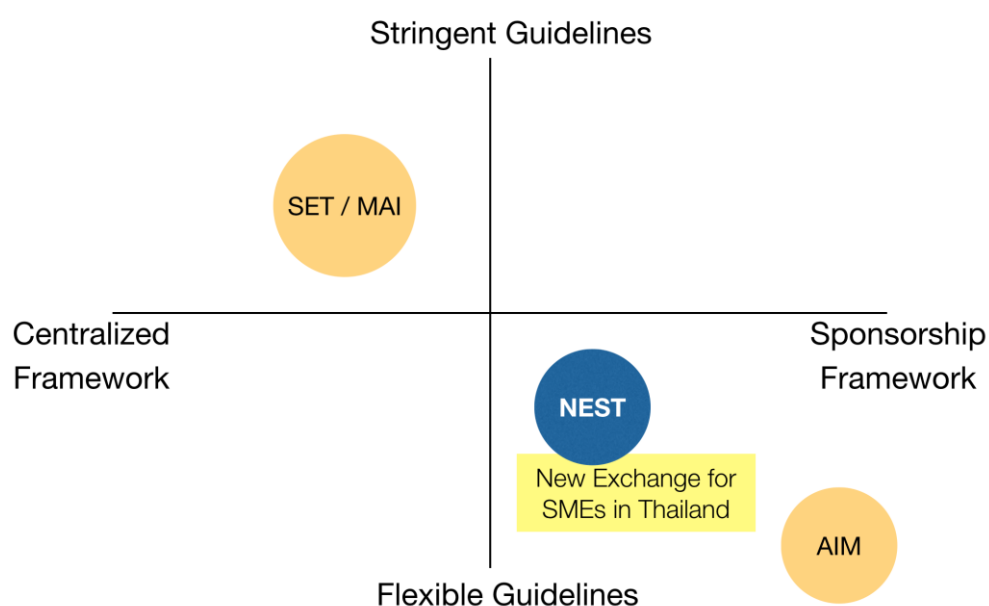


Figure 6.4 Conceptual Map –Positioning of the New SME Exchange

In conclusion, this dissertation has discussed and addressed the policy implications and governance framework by incorporating the important findings from research analyses as well as key takeaways from other alternative capital markets. In the end, establishment of the new exchange platform “New Exchange for SMEs in Thailand (NEST)” is recommended to offer more flexibility in entry requirements and more support with the mentorship framework and the incubation system.

6.3 Recommendations for Further Studies

This dissertation focused on general policy implications and governance frameworks of the MAI in general. Now, the influence of psychological factors over IPO intention was clearly recognized. Nevertheless, it would be useful to study further in deep details on the subjective norm of IPO and behavioral control of IPO. These two factors were proved to be important determinants for the firm's intention to pursue IPO.

Regarding subjective norms, it is worthwhile to examine further what parties and groups of people within the sphere of business owners or decision makers are related to IPO intention and decision. Additionally, how these actors are related to each other and how these actors influence IPO intention and are involved in the IPO decision-making process are another interesting aspects. With regard to perceived behavioral control, this dissertation mainly gauged the level of perceived behavioral control directly from the respondents. However, in further studies, it will be beneficial to examine how entrepreneurs and business owners attain perceived behavioral control of IPO in the first stage and what factors and characteristics determine the perceived behavioral control of IPO. Therefore, these are other steps to betaken to understand the nature and the actual process of psychological and behavioral factors that significantly lead to IPO intention.

Finally, it is worth studying how IPO intention transforms into IPO decision and its magnitude of correlation. Whether IPO intention purely determines the final IPO decision or there are other significant external factors that play important roles is another interesting aspect of further analysis. Indeed, these recommended further studies will provide key insights to the MAI and capital market policy implications. It will provide more understanding on Thai SMEs' psychological and behavioral aspects concerning IPO as well as clarify the Thai SMEs' decision-making process.

In summary, further studies on this subject matter should be widely applied not only in the area of the MAI or the IPO promotion policy but also general policies, development strategies and supports for Thai SMEs.

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APPENDICES

APPENDIX A

QUESTIONNAIRE ITEMS FOR IPO DETERMINANTS ANALYSIS

QUESTIONNAIRE ITEMS FOR IPO DETERMINANTS ANALYSIS

Questionnaire Items: Measuring attitude towards behavior (Attitudinal Considerations)										Variables to be measured
I believe that issuing IPO in the MAI market will help my firm to have better financing opportunities for future investment.										FINOPT
ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI จะช่วยให้บริษัทของฉันมีโอกาสในการระดมทุนที่ดีขึ้นสำหรับการลงทุนในอนาคต										
strongly disagree		1	2	3	4	5	6	strongly agree		
ไม่เห็นด้วยอย่างยิ่ง								เห็นด้วยอย่างยิ่ง		
I believe that issuing IPO in the MAI market will help my firm to bargain with creditors to get lower interest rate or better credit terms.										FINOPT
ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI จะช่วยให้บริษัทของฉันสามารถต่อรองกับ เจ้าหนี้เงินกู้เพื่อให้ได้มาซึ่งดอกเบี้ยเงินกู้ที่ลดลงหรือเงื่อนไขการกู้เงินที่ดีขึ้น										
strongly disagree		1	2	3	4	5	6	strongly agree		
ไม่เห็นด้วยอย่างยิ่ง								เห็นด้วยอย่างยิ่ง		
I believe that issuing IPO in the MAI market will substantially enhance my firm's growth and development.										FINOPT
ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI จะช่วยให้บริษัทของฉันเติบโตและพัฒนา ได้อย่างก้าวกระโดด										
strongly disagree		1	2	3	4	5	6	strongly agree		
ไม่เห็นด้วยอย่างยิ่ง								เห็นด้วยอย่างยิ่ง		

Questionnaire Items: Measuring attitude towards behavior (Attitudinal Considerations)	Variables to be measured
Financing for my firm's future investment is การจัดหาแหล่งเงินทุนสำหรับการลงทุนของบริษัทของฉันในอนาคตนับว่า very unimportant 1 2 3 4 5 6 very important ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	FINOPT
Ability of my firm to bargain with creditors is ศักยภาพของบริษัทของฉันในการต่อรองกับเจ้าหนี้เงินกู้ นับว่า very unimportant 1 2 3 4 5 6 very important ไม่สำคัญอย่างยิ่ง สำคัญอย่างยิ่ง	FINOPT
Substantial growth and development of my firm is การเติบโตและพัฒนาของบริษัทของฉันอย่างก้าวกระโดด นับว่า very unimportant 1 2 3 4 5 6 very important ไม่สำคัญอย่างยิ่ง สำคัญอย่างยิ่ง	FINOPT
I believe that issuing IPO in the MAI market will help my firm to gain visibility to public. ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาด หลักทรัพย์ MAI จะช่วยให้บริษัทของฉันเป็นที่รู้จักของสาธารณชน strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	PUBIMG
I believe that issuing IPO in the MAI market will help my firm to have better public images. ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ใน ตลาด หลักทรัพย์ MAI จะช่วยให้บริษัทของฉันมีภาพลักษณ์ต่อสาธารณะที่ดีขึ้น strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	PUBIMG

Questionnaire Items: Measuring attitude towards behavior (Attitudinal Considerations)	Variables to be measured
I believe that issuing IPO in the MAI market will help my firm to create more credibility to customers and suppliers.	PUBIMG
ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ใน ตลาด หลักทรัพย์ MAI จะช่วยให้บริษัทของฉันมีความน่าเชื่อถือที่มากขึ้นต่อ คู่ค้า หรือ ลูกค้า	
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	
Public image of my firm is	PUBIMG
การที่บริษัทของฉันมีภาพลักษณ์ที่ดีต่อสาธารณะนับว่า very unimportant 1 2 3 4 5 6 very important ไม่สำคัญอย่างยิ่ง สำคัญอย่างยิ่ง	
My firm's credibility to customers and suppliers is	
การที่บริษัทของฉันมีความน่าเชื่อถือต่อลูกค้าหรือคู่ค้านับว่า very unimportant 1 2 3 4 5 6 very important ไม่สำคัญอย่างยิ่ง สำคัญอย่างยิ่ง	PUBIMG
I believe that issuing IPO in the MAI market will help me cash out return from my firm.	EXIT
ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ใน ตลาด หลักทรัพย์ MAI จะช่วยให้ฉันสามารถนำเงินค่าหุ้นและผลตอบแทนจาก การถือหุ้นของ ฉันออกจากบริษัท	
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	
I believe that issuing IPO in the MAI market will help facilitate business selling or merger and acquisition in the future.	EXIT
ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ใน ตลาด หลักทรัพย์ MAI จะช่วยให้ฉันสามารถดำเนินการขายบริษัทหรือควบรวม กิจการได้ สะดวกในอนาคต	
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	

Questionnaire Items: Measuring attitude towards behavior (Attitudinal Considerations)	Variables to be measured
<p>I believe that issuing IPO in the MAI market will allow me to diversify my investment to other securities for better risk management.</p> <p>ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ใน ตลาดหลักทรัพย์ MAI จะช่วยให้ฉันสามารถกระจายการลงทุนของฉันสู่หลักทรัพย์อื่นๆ เพื่อประโยชน์ในการบริหารความเสี่ยง</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	EXIT
<p>Cashing out return from my firm is</p> <p>การนำเงินค่าหุ้นและผลตอบแทนจากการถือหุ้นออกจากบริษัทของฉันนับว่า</p> <p>very unimportant 1 2 3 4 5 6 very important</p> <p>ไม่สำคัญอย่างยิ่ง สำคัญอย่างยิ่ง</p>	EXIT
<p>Business selling or M&A of my firm in the future is</p> <p>การที่บริษัทของฉันสามารถขายหรือควบรวมกิจการในอนาคตนับว่า</p> <p>very unimportant 1 2 3 4 5 6 very important</p> <p>ไม่สำคัญอย่างยิ่ง สำคัญอย่างยิ่ง</p>	EXIT
<p>My investment diversification from my firm to other securities is</p> <p>การกระจายการลงทุนของฉันจากบริษัทของฉันสู่หลักทรัพย์อื่นๆ นับว่า</p> <p>very unimportant 1 2 3 4 5 6 very important</p> <p>ไม่สำคัญอย่างยิ่ง สำคัญอย่างยิ่ง</p>	EXIT
<p>I believe that issuing IPO in the MAI market will help my firm improve and develop managerial professionalism.</p> <p>ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ใน ตลาดหลักทรัพย์ MAI จะช่วยให้บริษัทของฉันได้ปรับปรุงและพัฒนา ความเป็นมืออาชีพในการบริหารจัดการ</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	ORGIMP

Questionnaire Items: Measuring attitude towards behavior (Attitudinal Considerations)	Variables to be measured
I believe that issuing IPO in the MAI market will increase my employee motivation.	ORGIMP
ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ใน ตลาด หลักทรัพย์ MAI จะช่วยเพิ่มแรงจูงใจของพนักงานในบริษัทของฉัน	
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	
I believe that issuing IPO in the MAI market will help sustain my firm's business succession.	ORGIMP
ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ใน ตลาด หลักทรัพย์ MAI จะช่วยให้บริษัทของฉันดำรงอยู่ได้อย่างยั่งยืน	
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	
Professional management development for my firm is	ORGIMP
การพัฒนาความเป็นมืออาชีพในการบริหารจัดการสำหรับบริษัทของฉันนับว่า	
very unimportant 1 2 3 4 5 6 very important ไม่สำคัญอย่างยิ่ง สำคัญอย่างยิ่ง	
Employee motivation for my firm is	ORGIMP
แรงจูงใจของพนักงานในบริษัทของฉัน นับว่า	
very unimportant 1 2 3 4 5 6 very important ไม่สำคัญอย่างยิ่ง สำคัญอย่างยิ่ง	
Sustainable business succession for my firm is	ORGIMP
การดำรงอยู่ได้อย่างยั่งยืนของบริษัทของฉันนับว่า	
very unimportant 1 2 3 4 5 6 very important ไม่สำคัญอย่างยิ่ง สำคัญอย่างยิ่ง	

Questionnaire Items: Measuring attitude towards behavior (Attitudinal Considerations)	Variables to be measured
<p>I believe that issuing IPO in the MAI market will substantially increase my personal wealth from capital gain on my firm's shares.</p> <p>ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ใน ตลาดหลักทรัพย์ MAI จะช่วยให้ฉันมีความมั่งคั่งที่มากขึ้นจาก การเพิ่มขึ้น ของมูลค่าหุ้นของ บริษัทของฉัน</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	WEALT
<p>I believe that my firm value will substantially increase during the first three years after issuing IPO in the MAI market.</p> <p>ฉันเชื่อว่ามีมูลค่าของบริษัทของฉันจะเพิ่มขึ้นภายใน 3 ปี หลังจากการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	WEALT
<p>Increasing my personal wealth is</p> <p>การเพิ่มความมั่งคั่งของฉันนับว่า</p> <p>very unimportant 1 2 3 4 5 6 very important</p> <p>ไม่สำคัญอย่างยิ่ง สำคัญอย่างยิ่ง</p>	WEALT
<p>Increasing in my firm value is</p> <p>การเพิ่มขึ้นของมูลค่าของบริษัทของฉัน นับว่า</p> <p>very unimportant 1 2 3 4 5 6 very important</p> <p>ไม่สำคัญอย่างยิ่ง สำคัญอย่างยิ่ง</p>	WEALT
<p>I believe that I will lose control power after issuing IPO in the MAI market.</p> <p>ฉันเชื่อว่าฉันจะสูญเสียอำนาจในการบริหารหลังจากได้นำบริษัทเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	LCONT

Questionnaire Items: Measuring attitude towards behavior (Attitudinal Considerations)	Variables to be measured
I believe that I will lose influence and leadership over my employees after issuing IPO in the MAI market.	LCONT
ฉันเชื่อว่าฉันจะสูญเสียอิทธิพลและภาวะผู้นำต่อพนักงานในบริษัทของฉันหลังจากได้นำบริษัทเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI	
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	
I believe that I will need to put more effort in getting buy in from related parties when I need to make important decision after issuing IPO in the MAI market.	LCONT
ฉันเชื่อว่าหลังจากฉันได้นำบริษัทเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI แล้ว ฉันจะต้องใช้ความพยายามที่มากขึ้นในการชักจูงให้ผู้เกี่ยวข้องสนับสนุนเมื่อฉันต้องการตัดสินใจครั้งสำคัญของบริษัท	
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	
Losing my control power in my firm is	
การสูญเสียอำนาจการควบคุมและบริหารในบริษัทของฉัน เป็นสิ่งที่ฉัน...	LCONT
strongly unacceptable 1 2 3 4 5 6 strongly acceptable ยอมรับไม่ได้อย่างยิ่ง ยอมรับได้อย่างยิ่ง	
Losing my influence and leadership over my firm's employees is	LCONT
การสูญเสียอิทธิพลและภาวะผู้นำที่มีต่อพนักงานในบริษัทของฉัน เป็นสิ่งที่ฉัน	
strongly unacceptable 1 2 3 4 5 6 strongly acceptable ยอมรับไม่ได้อย่างยิ่ง ยอมรับได้อย่างยิ่ง	
Losing my autonomy in important decision making about my firm is	LCONT
การสูญเสียความเป็นอิสระในการตัดสินใจในประเด็นสำคัญของบริษัทของฉัน เป็นสิ่งที่ฉัน	
strongly unacceptable 1 2 3 4 5 6 strongly acceptable ยอมรับไม่ได้อย่างยิ่ง ยอมรับได้อย่างยิ่ง	

Questionnaire Items: Measuring attitude towards behavior (Attitudinal Considerations)	Variables to be measured
<p>I believe that public will know more in-depth information of my firm after issuing IPO in the MAI market.</p> <p>ฉันเชื่อว่าหลังจากฉันได้นำบริษัทเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI แล้ว ข้อมูลเชิงลึกของบริษัทของฉันจะเป็นที่รับรู้ของสาธารณชนมากยิ่งขึ้น</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	LPRIV
<p>I believe that competitors can easily access to and take advantage on my firm's confidential information after issuing IPO in the MAI market.</p> <p>ฉันเชื่อว่าหลังจากฉันได้นำบริษัทเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI แล้ว บริษัทคู่แข่งสามารถเข้าถึงและใช้ประโยชน์จากข้อมูลที่เป็นความลับของบริษัทได้อย่างง่ายดาย</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	LPRIV
<p>Providing more in-depth information about my firm to public is</p> <p>การถูกเปิดเผยข้อมูลเชิงลึกของบริษัทของฉันสู่สาธารณชน เป็นสิ่งที่ฉัน</p> <p>extremely unacceptable 1 2 3 4 5 6 extremely</p> <p>ยอมรับไม่ได้อย่างยิ่ง ยอมรับได้อย่างยิ่ง</p>	LPRIV
<p>Losing my firm's confidential information to competitors is</p> <p>การสูญเสียข้อมูลที่เป็นความลับของบริษัทให้กับคู่แข่งเป็นสิ่งที่ฉัน</p> <p>strongly unacceptable 1 2 3 4 5 6 strongly acceptable</p> <p>ยอมรับไม่ได้อย่างยิ่ง ยอมรับได้อย่างยิ่ง</p>	LPRIV
<p>I believe that there are substantial costs and expenses on listing fees and other annual charges in order to issue IPO in the MAI market.</p> <p>ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI มีต้นทุนและค่าใช้จ่ายในการจดทะเบียนครั้งแรก และค่าธรรมเนียมรายปีที่สูงมาก</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	IPOCOST

Questionnaire Items: Measuring attitude towards behavior (Attitudinal Considerations)	Variables to be measured
<p>I believe that there are substantial costs and expenses on underwriting and advisory fees to be paid to investment banks in order to issue IPO in the MAI market.</p> <p>ฉันเชื่อว่าการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI มีต้นทุนและค่าใช้จ่ายที่ต้องจ่ายให้กับวณิชธนกิจที่สูงมาก สำหรับการออกขายหุ้นและ ค่าที่ปรึกษา</p> <div style="display: flex; justify-content: space-between; align-items: center;"> strongly disagree 1 2 3 4 5 6 strongly agree </div> <div style="display: flex; justify-content: space-between; align-items: center;"> ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง </div>	IPOCOST
<p>I believe that my firm has to spend considerable time and put significant efforts in complying market rules and regulation after issuing IPO in the MAI market.</p> <p>ฉันเชื่อว่าหลังจากฉันได้นำบริษัทเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI แล้ว บริษัทของฉันจะต้องใช้เวลา และความพยายามอย่างมากในการปฏิบัติตามกฎเกณฑ์ กฎระเบียบ และเงื่อนไข ของตลาดหลักทรัพย์</p> <div style="display: flex; justify-content: space-between; align-items: center;"> strongly disagree 1 2 3 4 5 6 strongly agree </div> <div style="display: flex; justify-content: space-between; align-items: center;"> ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง </div>	IPOCOST
<p>I believe that there are significantly higher ongoing expenses to remain a status as public firm than being a private firm.</p> <p>ฉันเชื่อว่า หลังจากที่เราได้นำบริษัทเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI แล้ว บริษัทของเรามีค่าใช้จ่ายระยะยาวที่สูงขึ้นอย่างมากในการรักษาสถานะการเป็นบริษัทมหาชน เมื่อเทียบกับการเป็น บริษัทเอกชน</p> <div style="display: flex; justify-content: space-between; align-items: center;"> strongly disagree 1 2 3 4 5 6 strongly agree </div> <div style="display: flex; justify-content: space-between; align-items: center;"> ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง </div>	IPOCOST
<p>Substantial costs and expenses on listing fees and other annual charges for IPO issuing is</p> <p>ต้นทุนและค่าใช้จ่ายในการจดทะเบียนครั้งแรก และค่าธรรมเนียมรายปีที่สูงมากเป็นสิ่งที่ยอมรับไม่ได้</p> <div style="display: flex; justify-content: space-between; align-items: center;"> strongly unacceptable 1 2 3 4 5 6 strongly acceptable </div> <div style="display: flex; justify-content: space-between; align-items: center;"> ยอมรับไม่ได้อย่างยิ่ง ยอมรับได้อย่างยิ่ง </div>	IPOCOST

Questionnaire Items: Measuring attitude towards behavior (Attitudinal Considerations)	Variables to be measured
<p>I believe that there will be huge changes in my firm's day-to-day operations after issuing IPO in the MAI market.</p> <p>ฉันเชื่อว่า หลังจากที่ดินนำบริษัทเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI แล้ว จะเกิดการเปลี่ยนแปลงครั้งใหญ่กับการดำเนินงานประจำวันของบริษัทของฉัน</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	CHANGE
<p>I believe that I need to significantly adjust and change my working styles and management practices after issuing IPO in the MAI market.</p> <p>ฉันเชื่อว่า หลังจากที่ดินนำบริษัทเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI แล้ว ฉันจำเป็นต้องปรับรูปแบบการทำงานและบริหารงานของฉันอย่างมาก</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	CHANGE
<p>Significant changes in my firm's culture and core values is</p> <p>การเปลี่ยนแปลงครั้งใหญ่ของวัฒนธรรมและค่านิยมหลักของบริษัทของฉัน เป็นสิ่งที่ฉัน</p> <p>strongly unacceptable 1 2 3 4 5 6 strongly acceptable</p> <p>ยอมรับไม่ได้อย่างยิ่ง ยอมรับได้อย่างยิ่ง</p>	CHANGE
<p>Significant changes in my firm's day-to-day operations</p> <p>การเปลี่ยนแปลงครั้งใหญ่กับ การดำเนินงานประจำวันของบริษัทของฉัน เป็นสิ่งที่ฉัน</p> <p>strongly unacceptable 1 2 3 4 5 6 strongly acceptable</p> <p>ยอมรับไม่ได้อย่างยิ่ง ยอมรับได้อย่างยิ่ง</p>	CHANGE
<p>Significant changes and adjustment in my management practices is</p> <p>การปรับเปลี่ยนรูปแบบการทำงานและบริหารงานของฉัน เป็นสิ่งที่ฉัน</p> <p>strongly unacceptable 1 2 3 4 5 6 strongly acceptable</p> <p>ยอมรับไม่ได้อย่างยิ่ง ยอมรับได้อย่างยิ่ง</p>	CHANGE

Questionnaire Items: Measuring owner's subjective norm	Variables to be measured
<p>I believed that the other family owners think that my firm should issue IPO in the MAI market</p> <p>ฉันเชื่อว่า เจ้าของบริษัทคนอื่นๆที่เป็นสมาชิกครอบครัวหรือตระกูลเดียวกับฉัน เห็นว่า บริษัทของฉัน ควรเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	SN
<p>I believed that the other non-family owners think that my firm should issue IPO in the MAI market</p> <p>ฉันเชื่อว่า เจ้าของบริษัทคนอื่นๆที่ไม่ได้เป็นสมาชิกสมาชิกครอบครัวหรือตระกูลเดียวกับฉัน เห็นว่าบริษัทของฉันควรเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	SN
<p>I believed that my key employees think that my firm should issue IPO in the MAI market</p> <p>ฉันเชื่อว่า ผู้ใหญ่หรือนุคคลที่ฉันเคารพนับถือเห็นว่าบริษัทของฉันควรเข้าจดทะเบียน และ นำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	SN
<p>I believed that my key employees think that my firm should issue IPO in the MAI market</p> <p>ฉันเชื่อว่า ลูกจ้างคนสำคัญของฉันเห็นว่าบริษัทของฉันควรเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	SN

Questionnaire Items: Measuring owner's subjective norm	Variables to be measured
I believed that my close acquaintances think that my firm should issue IPO in the MAI market	SN
ฉันเชื่อว่า คนใกล้ชิดคนอื่นๆของฉันเห็นว่าบริษัทของฉันควรเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI	
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	
I tend to do what the other family owners think I should	SN
ฉันมักจะปฏิบัติในสิ่งที่เจ้าของบริษัทคนอื่นๆที่เป็นสมาชิกครอบครัวหรือ ตระกูลเดียวกับฉัน เห็นว่าฉันควรทำ	
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	
I tend to do what the other non-family owners think I should	SN
ฉันมักจะปฏิบัติในสิ่งที่เจ้าของบริษัทคนอื่นๆที่ไม่ได้เป็นสมาชิกครอบครัวหรือ ตระกูลเดียวกับฉัน เห็นว่าฉันควรทำ	
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	
I tend to do what the key employees think I should	SN
ฉันมักจะปฏิบัติในสิ่งที่ลูกจ้างคนสำคัญของฉัน เห็นว่าฉันควรทำ	
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	
I tend to do what my close acquaintances think I should	SN
ฉันมักจะปฏิบัติในสิ่งที่ผู้ใหญ่หรือบุคคลที่ฉันเคารพนับถือของฉันเห็นว่าฉันควรทำ	
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	

Questionnaire Items: Measuring owner's subjective norm	Variables to be measured
I tend to do what my close acquaintances think I should ฉันมักจะปฏิบัติในสิ่งที่คนใกล้ชิดอื่นๆของฉัน เห็นว่าฉันควรทำ	SN
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	
Questionnaire Items: Measuring owner's perceived control behavior (PBC)	Variables to be measured
I believe that issuing IPO for my firms in the MAI market is ฉันเชื่อว่าการนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI เป็นสิ่งที่	PBC
highly infeasible 1 2 3 4 5 6 highly feasible เป็นไปไม่ได้อย่างสูง เป็นไปได้อย่างสูง	
I have no reservation to bring my firm public by issuing IPO in the MAI market. ฉันไม่ติดขัดใดๆ ในการนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขาย ครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI	PBC
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	
I think I could successfully issue my firm's IPO in the MAI market if I decide to. ถ้าฉันตัดสินใจนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI ฉันคิดว่าฉันจะสามารถดำเนินการได้สำเร็จ	PBC
strongly disagree 1 2 3 4 5 6 strongly agree ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง	

Questionnaire Items: Measuring owner's perceived control behavior (PBC)	Variables to be measured
<p>I believe that I will be one of key decision makers who decide whether to take my firm public and issue IPO in the MAI market.</p> <p>ฉันเชื่อว่าฉันจะเป็นหนึ่งในผู้ตัดสินใจหลักว่าจะนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI หรือไม่</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	PBC
<p>I believe that I have control over result in taking my firm public and issuing IPO in the MAI market.</p> <p>ฉันเชื่อว่าฉันสามารถควบคุมผลลัพธ์ของการนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI ได้</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	PBC
<p>I believe that my firm is ready for issuing IPO in the MAI market</p> <p>ฉันเชื่อว่าบริษัทของฉันมีความพร้อมที่จะเข้าจดทะเบียนและนำหุ้นออกขาย ครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	PBC
Questionnaire Items: Measuring owner's IPO intention	Variables to be measured
<p>I consider issuing IPO in the MAI market in the future.</p> <p>ฉันพิจารณาที่จะนำบริษัทของฉันเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI</p> <p>strongly disagree 1 2 3 4 5 6 strongly agree</p> <p>ไม่เห็นด้วยอย่างยิ่ง เห็นด้วยอย่างยิ่ง</p>	INTENT

แบบสอบถามการศึกษาวิจัย หัวข้อ “ปัจจัยที่ส่งผลต่อความตั้งใจในการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ เอ็ม เอ ไอ (MAI)”
 เพื่อนำไปใช้ประกอบการจัดทำดัชนีพันธะ หลักสูตรรัฐประศาสนศาสตร์ดัชนีพันธะ คณะรัฐประศาสนศาสตร์ สถาบันบัณฑิตพัฒนบริหารศาสตร์ (นิด้า)

คำชี้แจง: การศึกษาวิจัยนี้มีวัตถุประสงค์เพื่อทำความเข้าใจถึงปัจจัยที่ส่งผลต่อความตั้งใจในการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ เอ็ม เอ ไอ (MAI) ของผู้ประกอบการธุรกิจเอกชน เพื่อนำไปใช้ประกอบการจัดทำดัชนีพันธะ หลักสูตรรัฐประศาสนศาสตร์ดัชนีพันธะ คณะรัฐประศาสนศาสตร์ สถาบันบัณฑิตพัฒนบริหารศาสตร์ (นิด้า)

คำนิยาม: ตลาดหลักทรัพย์ เอ็ม เอ ไอ (MAI) เป็นตลาดหลักทรัพย์ทางเลือกของประเทศไทย จัดตั้งภายใต้พระราชบัญญัติหลักทรัพย์และตลาดหลักทรัพย์เพื่อเป็นตลาดทุนสำหรับการระดมทุนระยะยาวของธุรกิจซึ่งเกี่ยวข้องกับตลาดหลักทรัพย์แห่งประเทศไทย (SET) โดยตลาดหลักทรัพย์ เอ็ม เอ ไอ (MAI) เป็นแหล่งระดมทุนสำหรับธุรกิจที่มีขนาดกลางและขนาดย่อม โดยบริษัทที่จะเข้าจดทะเบียนต้องมีทุนชำระแล้วขั้นต่ำ 20 ล้านบาทหลังจากการนำหุ้นออกขายครั้งแรก (IPO) ขณะที่ตลาดหลักทรัพย์แห่งประเทศไทย (SET) มุ่งเน้นการเป็นแหล่งระดมทุนสำหรับธุรกิจขนาดใหญ่ โดยบริษัทที่จะเข้าจดทะเบียนต้องมีทุนชำระแล้วขั้นต่ำ 300 ล้านบาทหลังจากการนำหุ้นออกขายครั้งแรก (IPO)

ส่วนที่ 1: ข้อมูลทั่วไป

1) กรุณาระบุตำแหน่งหรือสถานะของท่านในบริษัท (สามารถเลือกได้มากกว่า 1 ข้อ)

- ☐ 1.1) เจ้าของกิจการ (Owner) ☐ 1.2) ทายาทธุรกิจ (Successor) ☐ 1.3) หุ้นส่วนธุรกิจ (Partner) ☐ 1.4) ผู้ถือหุ้น (Shareholder)
- ☐ 1.5) ประธานกรรมการ (Chairperson) ☐ 1.6) ประธานบริษัท (President) ☐ 1.7) รองประธานบริษัท / รองประธานบริหาร (Vice President / Executive Vice President)
- ☐ 1.8) ประธานเจ้าหน้าที่บริหาร (CEO) ☐ 1.9) ประธานเจ้าหน้าที่บริหารสายงานต่าง เช่น CFO CMO COO ☐ 1.10) กรรมการผู้จัดการ (Managing Director)
- ☐ 1.11) กรรมการบริหาร (Executive Director) ☐ 1.12) กรรมการ (Director) ☐ 1.13) ผู้อำนวยการฝ่าย / ผู้จัดการฝ่าย (Director / Manager)
- ☐ 1.14) ผู้จัดการทั่วไป (General Manager) ☐ 1.15) ผู้บริหาร (Executive) ☐ 1.16) อื่นๆ ระบุ _____

2) บริษัทของท่านในปัจจุบันมีพนักงานทั้งสิ้นประมาณ _____ คน

3) ผู้บริหารยุคปัจจุบันในบริษัทของท่านที่เป็นสมาชิกหรือลูกของท่านนับเป็นทายาทรุ่นที่ _____ (ในกรณีที่เป็นธุรกิจครอบครัว)

ตัวอย่าง: ถ้าผู้บริหารยุคปัจจุบันในบริษัทของท่านยังเป็นรุ่นบุกเบิกหรือผู้ริเริ่มธุรกิจ กรุณาใส่หมายเลข 0 ถ้าผู้บริหารยุคปัจจุบันในบริษัทของท่านเป็นทายาทรุ่นแรก กรุณาใส่หมายเลข 1 เป็นต้น

4) ธุรกิจของท่านอยู่ในอุตสาหกรรมประเภทใด (กรุณาเลือกตอบเพียง 1 ข้อ)

- ☐ 4.1) เกษตรกรรม ☐ 4.2) อาหารและเครื่องดื่ม ☐ 4.3) แฟชั่น ☐ 4.4) สินค้าเกี่ยวกับบ้านและสำนักงาน ☐ 4.5) สินค้าเกี่ยวกับร่างกายและผลิตภัณฑ์ยา
- ☐ 4.6) บรรจภัณฑ์ ☐ 4.7) ยานยนต์และอะไหล่ยนต์ ☐ 4.8) วัสดุอุตสาหกรรมและเครื่องจักร ☐ 4.9) กระดาษและการพิมพ์ ☐ 4.10) น้ำมันและเคมีภัณฑ์
- ☐ 4.11) อุตสาหกรรมเหล็ก ☐ 4.12) วัสดุก่อสร้าง ☐ 4.13) รับเหมาก่อสร้าง ☐ 4.14) กองทุนอสังหาริมทรัพย์ ☐ 4.15) พัฒนาอสังหาริมทรัพย์
- ☐ 4.16) สื่อและสิ่งพิมพ์ ☐ 4.17) บริการด้านสุขภาพ ☐ 4.18) คำขายเล็ก/ส่ง/จัดจำหน่าย ☐ 4.19) การให้บริการทางวิชาการและการอบรม ☐ 4.20) การท่องเที่ยวและขนส่ง
- ☐ 4.21) การบริการโทรคมนาคมและเทคโนโลยีสารสนเทศ ☐ 4.22) พลังงานและสาธารณูปโภค ☐ 4.23) เหมืองแร่และถ่านหิน ☐ 4.24) ชิ้นส่วนและอุปกรณ์อิเล็กทรอนิกส์
- ☐ 4.25) อื่นๆ ระบุ _____

กรุณาทำเครื่องหมายกากบาท X ระดับคะแนนที่ตรงกับความคิดของท่านมากที่สุด

ส่วนที่ 2: ความคาดหวังต่อการนำบริษัทจะเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI

ฉันเชื่อว่า...		ไม่เห็นด้วยอย่างยิ่ง		เห็นด้วยอย่างยิ่ง	
		1		2	
1. บริษัทของฉันมีโอกาสในการระดมทุนที่ดีขึ้นสำหรับการลงทุนในอนาคต		1	2	3	4
2. บริษัทของฉันสามารถต่อรองกับเจ้าหนี้เงินกู้เพื่อให้ได้มาซึ่งดอกเบี้ยเงินกู้ที่ลดลงหรือเงื่อนไขการกู้เงินที่ดีขึ้น		1	2	3	4
3. บริษัทของฉันเติบโตและพัฒนาได้อย่างก้าวกระโดด		1	2	3	4
4. บริษัทของฉันเป็นที่รู้จักของสาธารณชนมากขึ้น		1	2	3	4
5. บริษัทของฉันมีภาพลักษณ์ต่อสาธารณะที่ดีขึ้น		1	2	3	4
6. บริษัทของฉันมีความน่าเชื่อถือที่มากขึ้นต่อลูกค้าหรือลูกค้า		1	2	3	4
7. ฉันสามารถขายหุ้นเพื่อรับเงินสดมูลค่าหุ้นพร้อมกับผลตอบแทนจากการถือหุ้นในบริษัทของฉัน (Cash Out)		1	2	3	4
8. ฉันสามารถดำเนินกิจการขายบริษัทหรือรวบรวมกิจการได้สะดวกในอนาคต		1	2	3	4
9. ฉันสามารถกระจายการลงทุนของฉันสู่หลักทรัพย์อื่นๆ เพื่อประโยชน์ในการบริหารความเสี่ยง		1	2	3	4
10. บริษัทของฉันได้ปรับปรุงและพัฒนาความเป็นมืออาชีพในการบริหารจัดการ		1	2	3	4
11. แรงจูงใจของพนักงานในบริษัทของฉันเพิ่มขึ้น		1	2	3	4
12. บริษัทของฉันสามารถดำรงอยู่ได้อย่างยั่งยืน		1	2	3	4
13. ฉันมีความมั่นใจที่มากขึ้นจากการเพิ่มของมูลค่าหุ้นของบริษัทของฉัน		1	2	3	4
14. มูลค่าของบริษัทของฉันจะเพิ่มขึ้นภายใน 3 ปี หลังจากนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI		1	2	3	4

ฉันคิดว่า.....		ไม่เห็นด้วยอย่างยิ่ง		สำคัญอย่างยิ่ง	
		1		2	
15. การจัดหาแหล่งเงินทุนสำหรับการลงทุนของบริษัทของฉันในอนาคตนับว่า		1	2	3	4
16. คติภาพของบริษัทของฉันในการต่อรองกับเจ้าหนี้เงินกู้ นับว่า		1	2	3	4
17. การเติบโตและพัฒนาของบริษัทของฉันอย่างก้าวกระโดดนับว่า		1	2	3	4
18. การที่บริษัทของฉันเป็นที่รู้จักของสาธารณชนนับว่า		1	2	3	4
19. การที่บริษัทของฉันมีภาพลักษณ์ที่ดีต่อสาธารณะนับว่า		1	2	3	4
20. การที่บริษัทของฉันมีความน่าเชื่อถือต่อลูกค้าหรือคู่ค้านับว่า		1	2	3	4
21. การขายหุ้นเพื่อรับเงินสดมูลค่าหุ้นพร้อมกับผลตอบแทนจากการถือหุ้นในบริษัทของฉัน (Cash Out) นับว่า		1	2	3	4

ฉันคิดว่า.....	ไม่เห็นด้วยอย่างยิ่ง			—————>			สำคัญอย่างยิ่ง
22. การที่ฉันสามารถนำบริษัทออกขายหรือควบรวมกิจการได้ในอนาคตนับว่า	1	2	3	4	5	6	
23. การกระจายการลงทุนของฉันจากบริษัทของฉันสู่หลักทรัพย์อื่น ๆ นับว่า	1	2	3	4	5	6	
24. การพัฒนาความเป็นมืออาชีพในการบริหารจัดการสำหรับบริษัทของฉันนับว่า	1	2	3	4	5	6	
25. แรงจูงใจของพนักงานในบริษัทของฉันนับว่า	1	2	3	4	5	6	
26. การดำรงอยู่ได้อย่างยั่งยืนของบริษัทของฉันนับว่า	1	2	3	4	5	6	
27. การเพิ่มความมั่นคงของบริษัทของฉันนับว่า	1	2	3	4	5	6	
28. การเพิ่มขึ้นของมูลค่าของบริษัทของฉันนับว่า	1	2	3	4	5	6	

ส่วนที่ 3: ความกังวลต่อการนำบริษัทจะเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI

ฉันกังวลว่าการตัดสินใจนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) จะทำให้.....		ไม่เห็นด้วยอย่างยิ่ง—————> เห็นด้วยอย่างยิ่ง					
29.	ฉันสูญเสียอำนาจในการบริหาร	1	2	3	4	5	6
30.	ฉันสูญเสียอิทธิพลและภาวะผู้นำต่อพนักงานในบริษัทของฉัน	1	2	3	4	5	6
31.	ฉันต้องใช้ความพยายามที่มากขึ้นในการชักจูงให้ผู้เกี่ยวข้องสนับสนุนเมื่อฉันต้องการตัดสินใจครั้งสำคัญของบริษัท	1	2	3	4	5	6
32.	ข้อมูลเชิงลึกที่สำคัญของบริษัทของฉันจะเป็นที่รับรู้ของสาธารณชนมากเกินไป	1	2	3	4	5	6
33.	บริษัทของฉันสามารถเข้าถึงและใช้ประโยชน์จากข้อมูลที่เป็นความลับของบริษัทได้อย่างง่ายดาย	1	2	3	4	5	6
34.	บริษัทของฉันมีต้นทุนและค่าใช้จ่ายในการจดทะเบียนครั้งแรกกับตลาดหลักทรัพย์และค่าธรรมเนียมรายปีที่สูงมาก	1	2	3	4	5	6
35.	บริษัทของฉันมีต้นทุนและค่าใช้จ่ายที่ต้องจ่ายให้กับวาณิชธนกิจที่สูงมากสำหรับการออกขายหุ้นครั้งแรก (IPO) และค่าที่ปรึกษา	1	2	3	4	5	6
36.	บริษัทของฉันต้องใช้เวลาและความพยายามอย่างมากในการปฏิบัติตามกฎหมาย (PO) และเงื่อนไขของตลาดหลักทรัพย์	1	2	3	4	5	6
37.	บริษัทของฉันมีค่าใช้จ่ายระยะยาวที่สูงขึ้นอย่างมากในการรักษาสถานะการเป็นบริษัทมหาชนเมื่อเทียบกับการเป็นบริษัทเอกชน	1	2	3	4	5	6
38.	บริษัทของฉันมีการเปลี่ยนแปลงครั้งใหญ่กับวัฒนธรรมและค่านิยมหลักขององค์กร	1	2	3	4	5	6
39.	บริษัทของฉันมีการเปลี่ยนแปลงครั้งใหญ่ในการดำเนินงานประจำวัน	1	2	3	4	5	6
40.	ฉันจำเป็นต้องปรับรูปแบบการทำงานและแนวทางการบริหารงานของฉันอย่างมาก	1	2	3	4	5	6

ฉันคิดว่า.....	ยอมรับไม่ได้อย่างยิ่ง →				ยอมรับได้อย่างยิ่ง →			
41. การเปิดเผยข้อมูลเชิงลึกที่สำคัญของบริษัทของนักลงทุนสู่สาธารณชน เป็นสิ่งที่ฉัน	1	2	3	4	5	6		
42. การสูญเสียข้อมูลที่เป็นความลับของบริษัทให้กับคู่แข่ง เป็นสิ่งที่ฉัน	1	2	3	4	5	6		
43. ต้นทุนและค่าใช้จ่ายในการจดทะเบียนครั้งแรกกับตลาดหลักทรัพย์และค่าธรรมเนียมรายปีที่สูงมาก เป็นสิ่งที่ฉันและบริษัทของฉัน	1	2	3	4	5	6		
44. ต้นทุนและค่าใช้จ่ายสำหรับการออกขายหุ้นครั้งแรก (IPO) และค่าที่ปรึกษาที่สูงมาก เป็นสิ่งที่ฉันและบริษัทของฉัน	1	2	3	4	5	6		
45. การใช้เวลาและความพยายามอย่างมากในการปฏิบัติตามกฎหมาย กฏระเบียบ และเงื่อนไข ของตลาดหลักทรัพย์ เป็นสิ่งที่ฉันและบริษัทของฉัน	1	2	3	4	5	6		
46. ค่าใช้จ่ายระยะยาวที่เกิดขึ้นในการที่บริษัทของฉันจะต้องรักษาสถานะการเป็นบริษัทมหาชน เป็นสิ่งที่ฉันและบริษัทของฉัน	1	2	3	4	5	6		
47. การสูญเสียอำนาจการควบคุมและบริหารในบริษัทของฉัน เป็นสิ่งที่ฉัน	1	2	3	4	5	6		
48. การสูญเสียอิทธิพลและภาวะผู้นำที่มีต่อพนักงานในบริษัทของฉัน เป็นสิ่งที่ฉัน	1	2	3	4	5	6		
49. การสูญเสียความเป็นอิสระในการตัดสินใจประเด็นสำคัญของบริษัทของฉัน เป็นสิ่งที่ฉัน	1	2	3	4	5	6		
50. การเปลี่ยนแปลงครั้งใหญ่ของวัฒนธรรมและค่านิยมหลักของบริษัทของฉัน เป็นสิ่งที่ฉัน	1	2	3	4	5	6		
51. การเปลี่ยนแปลงครั้งใหญ่ในการดำเนินงานประจำวันของบริษัทของฉัน เป็นสิ่งที่ฉัน	1	2	3	4	5	6		
52. การปรับเปลี่ยนรูปแบบการบริหารงานของฉัน เป็นสิ่งที่ฉัน	1	2	3	4	5	6		

ส่วนที่ 4: ปัจจัยอื่นๆที่เกี่ยวข้องและความตั้งใจในการนำบริษัทจะเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI

	ไม่เห็นด้วยอย่างยิ่ง →				เห็นด้วยอย่างยิ่ง →			
53. ฉันไม่รู้สึกมีความขัดข้องอันใดต่อการนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขาย ครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI	1	2	3	4	5	6		
54. ถ้าฉันตัดสินใจนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI ฉันคิดว่าฉันจะดำเนินการสำเร็จ	1	2	3	4	5	6		
55. ฉันเชื่อว่าฉันจะเป็นหนึ่งในผู้ตัดสินใจหลักในการนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI	1	2	3	4	5	6		
56. ฉันเชื่อว่าฉันสามารถควบคุมผลลัพธ์ของการนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI ได้	1	2	3	4	5	6		
57. ฉันเชื่อว่าบริษัทของฉันมีความพร้อมที่จะเข้าจดทะเบียนและนำหุ้นออกขาย ครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI	1	2	3	4	5	6		
58. ฉันเชื่อว่าการนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI นั้นมีความเป็นไปได้	1	2	3	4	5	6		
59. ฉันเชื่อว่าเจ้าของบริษัทคนอื่นๆที่เป็นสมาชิกกรอบครัวหรือตระกูลเดียวกัน เห็นว่าบริษัทของฉัน ควรเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI	1	2	3	4	5	6		
(โปรดข้ามไปหัวข้อ 60 ถ้าบริษัทของท่านไม่มีเจ้าของคนอื่นที่เป็นสมาชิกกรอบครัว/ตระกูลเดียวกัน)								

	ไม่เห็นด้วยอย่างยิ่ง	→				เห็นด้วยอย่างยิ่ง
		1	2	3	4	5
60. ฉันเชื่อว่าเจ้าของบริษัทคนอื่นที่ไม่ได้เป็นสมาชิกสโมสรควรหรือควรเสียเปรียบและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI (โปรดข้ามไปหัวข้อ 61 ถ้าบริษัทของท่านไม่มีเจ้าของคนอื่นที่ไม่ได้เป็นสมาชิกสโมสร/ตระกูลเดียวกัน)		1	2	3	4	5
61. ฉันเชื่อว่าผู้ใหญ่หรือบุคคลที่ฉันเคารพเห็นว่าบริษัทของฉันควรเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI		1	2	3	4	5
62. ฉันเชื่อว่าพนักงานที่มีบทบาทสำคัญในบริษัทของฉันเห็นว่าบริษัทของฉันควรเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI		1	2	3	4	5
63. ฉันเชื่อว่าคนใกล้ชิดคนอื่นๆของฉันเห็นว่าบริษัทของฉันควรเข้าจดทะเบียน และนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI		1	2	3	4	5
64. ฉันมักจะปฏิบัติในสิ่งที่เจ้าของบริษัทคนอื่นๆที่เป็นสมาชิกสโมสรหรือ ตระกูลเดียวกับฉัน เห็นว่าฉันควรทำ (โปรดข้ามไปหัวข้อ 65 ถ้าบริษัทของท่านไม่มีเจ้าของคนอื่นที่ไม่ได้เป็นสมาชิกสโมสร/ตระกูลเดียวกัน)		1	2	3	4	5
65. ฉันมักจะปฏิบัติในสิ่งที่เจ้าของบริษัทคนอื่นๆที่ไม่ได้เป็นสมาชิกสโมสรหรือ ตระกูลเดียวกับฉัน เห็นว่าฉันควรทำ (โปรดข้ามไปหัวข้อ 66 ถ้าบริษัทของท่านไม่มีเจ้าของคนอื่นที่ไม่ได้เป็นสมาชิกสโมสร/ตระกูลเดียวกัน)		1	2	3	4	5
66. ฉันมักจะปฏิบัติในสิ่งที่พนักงานที่มีบทบาทสำคัญในบริษัทของฉัน เห็นว่าฉันควรทำ		1	2	3	4	5
67. ฉันมักจะปฏิบัติในสิ่งที่ผู้ใหญ่หรือบุคคลที่ฉันเคารพบิถือของฉันเห็นว่า ฉันควรทำ		1	2	3	4	5
68. ฉันมักจะปฏิบัติในสิ่งที่คนใกล้ชิดอื่นๆของฉัน เห็นว่าฉันควรทำ		1	2	3	4	5
69. ฉันพิจารณาที่จะนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI		1	2	3	4	5
70. ฉันต้องการเห็นบริษัทของฉัน ได้รับการจดทะเบียนและมีการนำหุ้นออกขาย ครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI ในอนาคต		1	2	3	4	5
71. ฉันจะศึกษาวิธีการและขั้นตอนในการนำบริษัทเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI ในอนาคต		1	2	3	4	5
72. ฉันจะวางแผนเพื่อนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI ในอนาคต		1	2	3	4	5
73. ฉันมุ่งมั่นที่จะนำบริษัทของฉันเข้าจดทะเบียนและนำหุ้นออกขายครั้งแรก (IPO) ในตลาดหลักทรัพย์ MAI ในอนาคต		1	2	3	4	5

ขอขอบพระคุณเป็นอย่างสูงที่ท่านได้ใช้เวลาอันมีค่าและให้ความร่วมมือในการทำแบบสอบถาม

APPENDIX B

SUMMARY OF RELIABILITY TEST

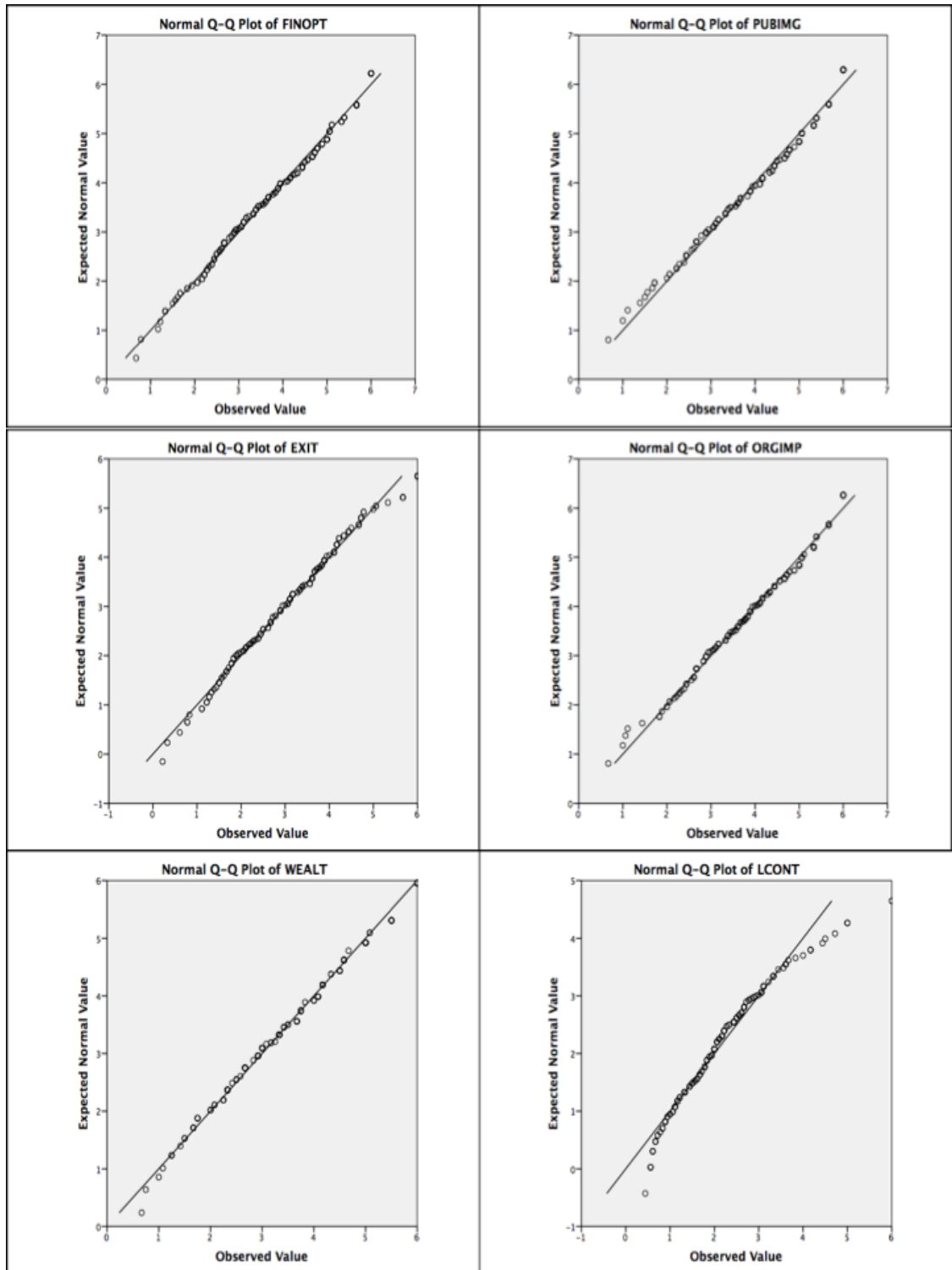
SUMMARY OF RELIABILITY TEST

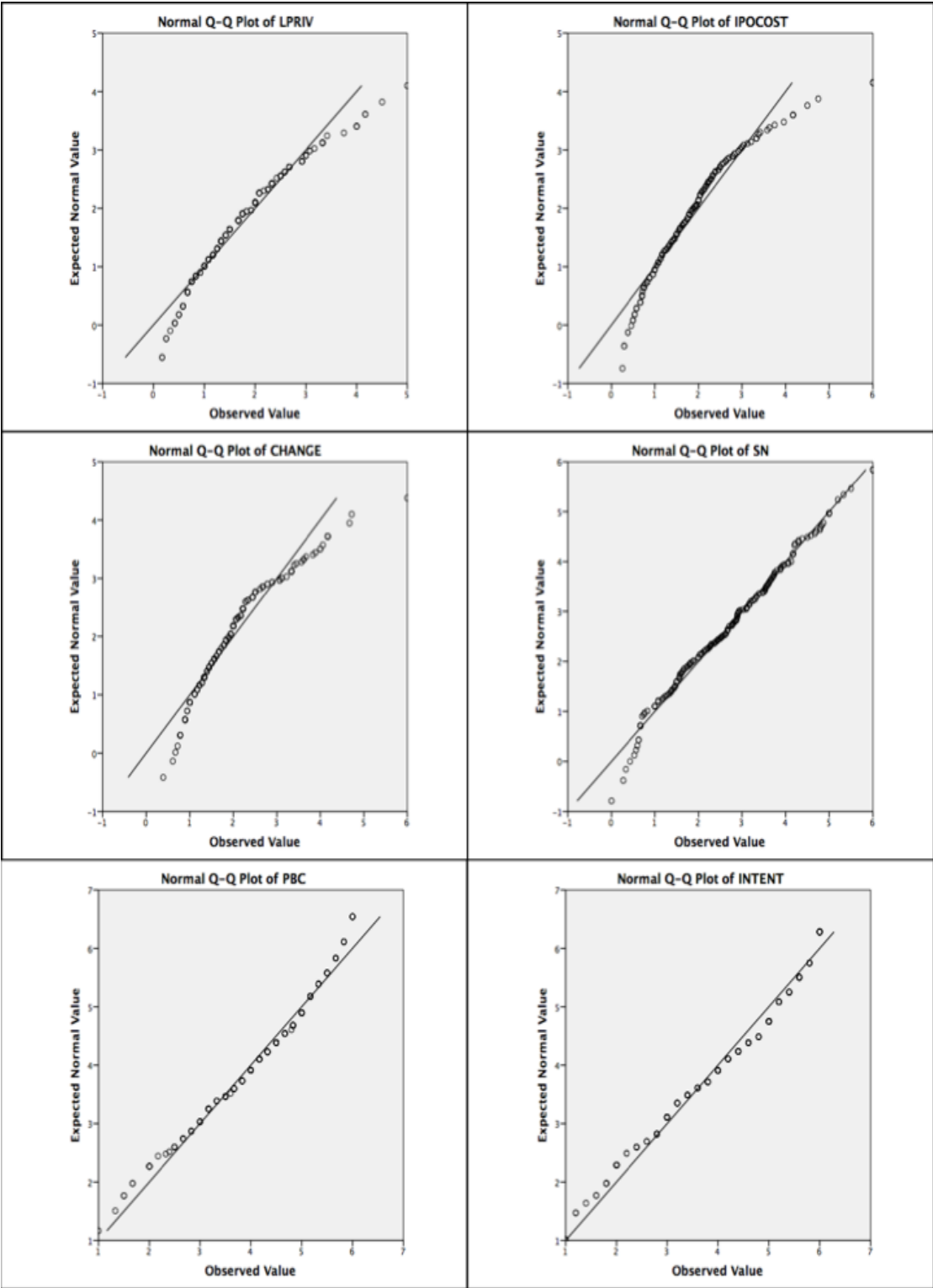
Variable	Variable Explanation	Cronbach's Alpha
FINOPT	Owner's expectation to have better financing opportunities for firm's future growth through IPO	0.807
PUBIMG	Owner's expectation to increase firm's public image and visibility through IPO	0.883
EXIT	Owner's expectation to exit the business through IPO	0.821
ORGIMP	Owner's expectation to improve organization through IPO	0.805
WEALT	Owner's expectation to increase personal wealth through IPO	0.807
LCONT	Owner's concern on loss of control after IPO	0.798
LPRIV	Owner's concern on loss of privacy after IPO	0.714
IPOCOST	Owner's concern on direct and indirect costs during and after IPO	0.889
CHANGE	Owner's concern on changes in culture and management styles after IPO	0.832
PBC	Owner's Subjective Norm	0.885
SN	Owner's Perceived Behavioral Control	0.813
INTENT	Owner's Intention to pursue IPO issuing.	0.948

APPENDIX C

ILLUSTRATION OF Q-Q PLOTS

ILLUSTRATION OF Q-Q PLOTS

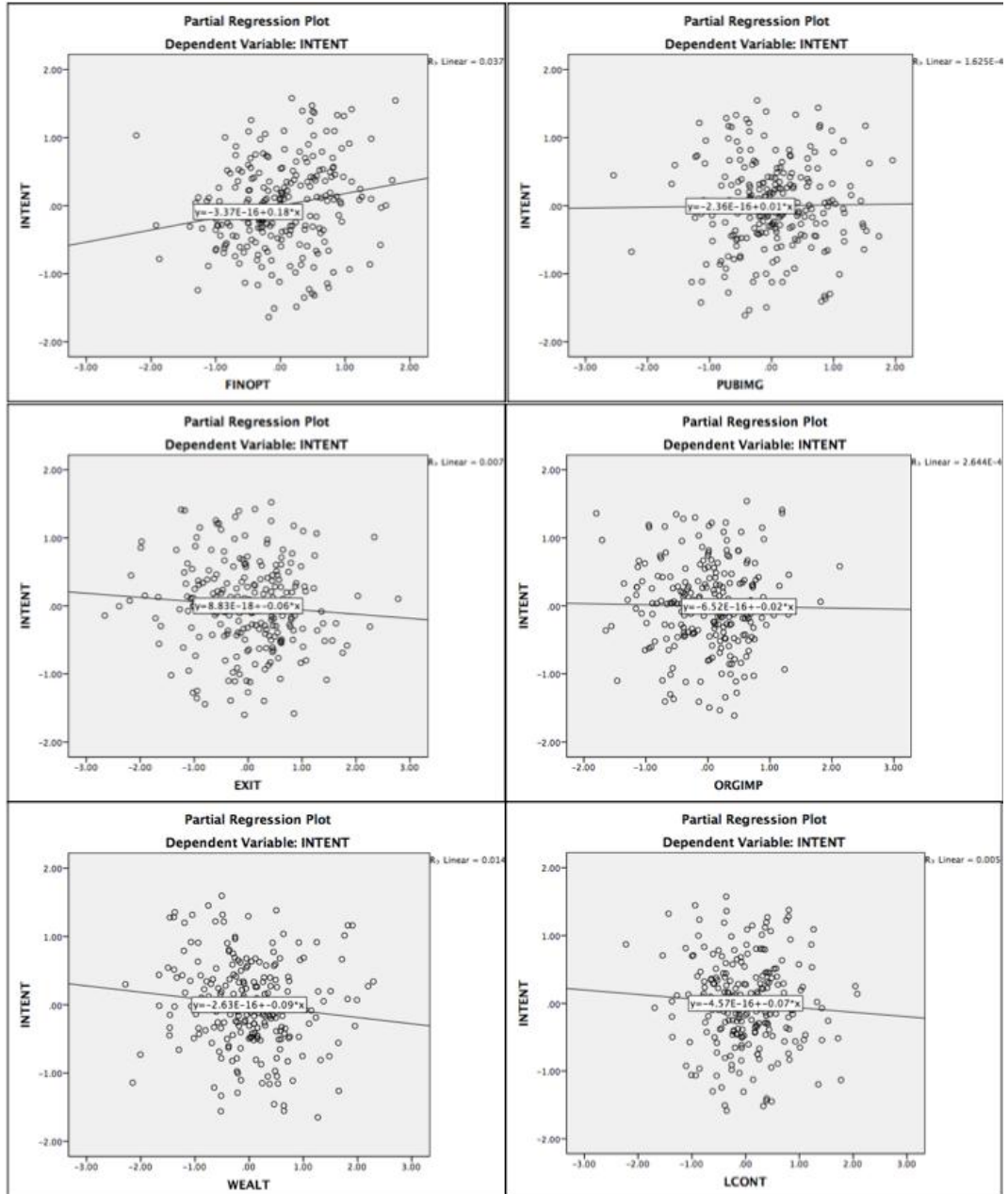


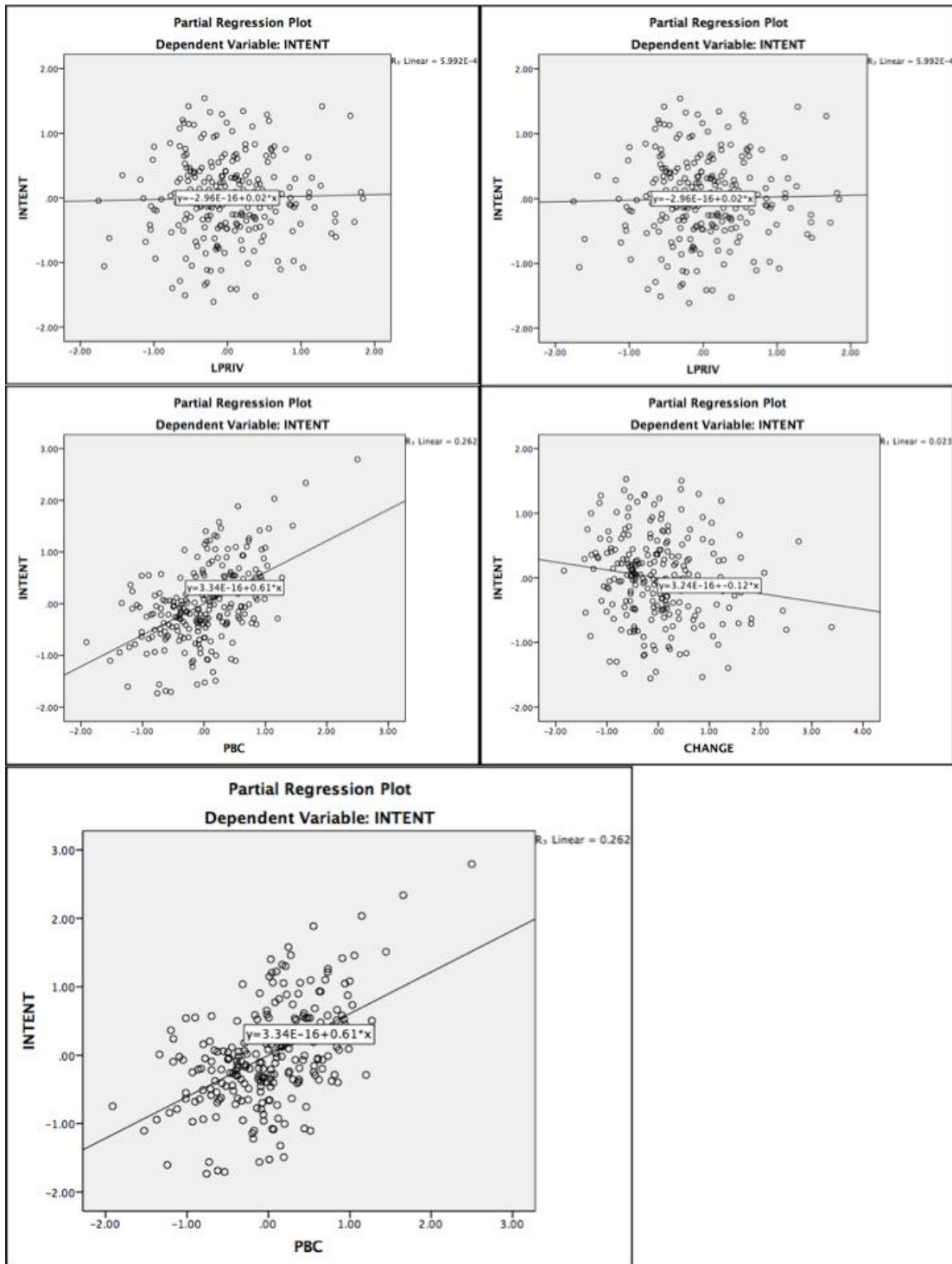


APPENDIX D

ILLUSTRATION OF SCATTER PLOTS

ILLUSTRATION OF SCATTER PLOTS

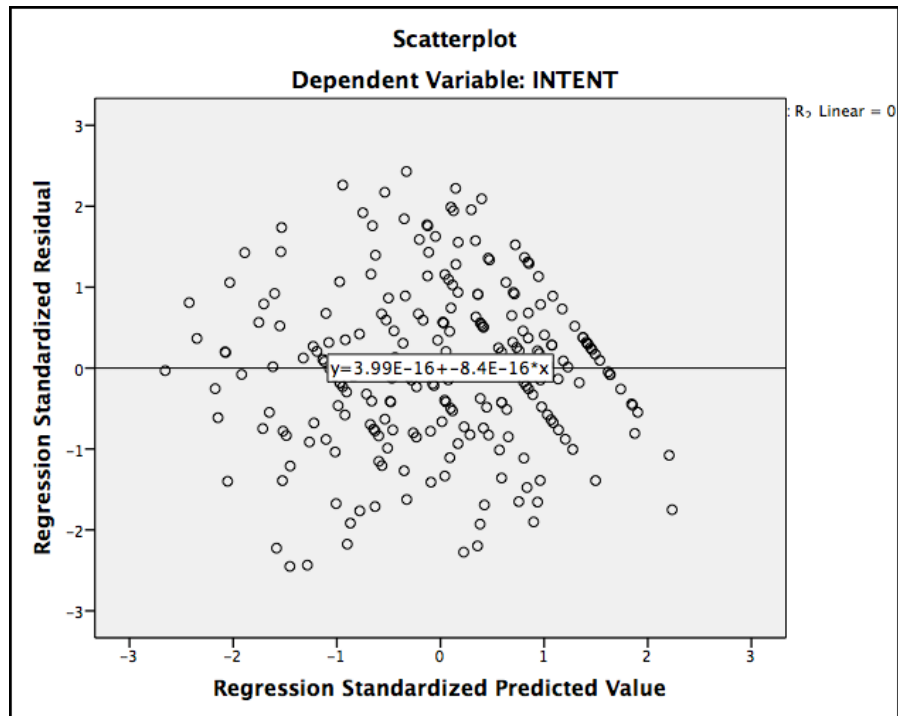




APPENDIX E

TEST OF HOMOSCEDASTICITY ASSUMPTION

TEST OF HOMOSCEDASTICITY ASSULMPTION



APPENDIX F

SUMMARY OF MULTICOLLINEARITY TEST

SUMMARY OF MULTICOLLINEARITY TEST

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	PUBIMG	.382	2.621
	EXIT	.571	1.751
	ORGIMP	.339	2.953
	WEALT	.426	2.350
	LCONT	.552	1.812
	LPRIV	.529	1.890
	IPOCOST	.601	1.664
	CHANGE	.612	1.634
	PBC	.358	2.791
	SN	.362	2.760

a. Dependent Variable: FINOPT

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	FINOPT	.370	2.699
	EXIT	.520	1.922
	ORGIMP	.430	2.326
	WEALT	.431	2.321
	LCONT	.555	1.802
	LPRIV	.523	1.912
	IPOCOST	.601	1.665
	CHANGE	.590	1.695
	PBC	.345	2.900
	SN	.362	2.759

a. Dependent Variable: PUBIMG

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	FINOPT	.369	2.708
	ORGIMP	.328	3.053
	WEALT	.519	1.927
	LCONT	.551	1.814
	LPRIV	.526	1.902
	IPOCOST	.601	1.664
	CHANGE	.605	1.654
	PBC	.348	2.878
	SN	.370	2.706
	PUBIMG	.346	2.887

a. Dependent Variable: EXIT

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	FINOPT	.355	2.819
	WEALT	.431	2.318
	LCONT	.560	1.786
	LPRIV	.522	1.915
	IPOCOST	.605	1.654
	CHANGE	.588	1.702
	PBC	.349	2.864
	SN	.366	2.731
	PUBIMG	.464	2.155
	EXIT	.531	1.884

a. Dependent Variable: ORGIMP

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	FINOPT	.340	2.945
	LCONT	.551	1.814
	LPRIV	.523	1.912
	IPOCOST	.601	1.664
	CHANGE	.588	1.701
	PBC	.345	2.897
	SN	.363	2.752
	PUBIMG	.354	2.824
	EXIT	.641	1.561
	ORGIMP	.328	3.045

a. Dependent Variable: WEALT

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	FINOPT	.337	2.964
	LPRIV	.637	1.569
	IPOCOST	.600	1.666
	CHANGE	.632	1.582
	PBC	.344	2.903
	SN	.368	2.720
	PUBIMG	.349	2.862
	EXIT	.521	1.919
	ORGIMP	.327	3.062
	WEALT	.422	2.368

a. Dependent Variable: LCONT

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	FINOPT	.341	2.935
	IPOCOST	.685	1.460
	CHANGE	.593	1.686
	PBC	.344	2.904
	SN	.362	2.761
	PUBIMG	.347	2.884
	EXIT	.523	1.910
	ORGIMP	.321	3.116
	WEALT	.422	2.369
	LCONT	.672	1.489

a. Dependent Variable: LPRIV

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	FINOPT	.337	2.969
	CHANGE	.656	1.525
	PBC	.349	2.863
	SN	.361	2.766
	PUBIMG	.347	2.884
	EXIT	.521	1.920
	ORGIMP	.323	3.092
	WEALT	.422	2.370
	LCONT	.550	1.817
	LPRIV	.596	1.678

a. Dependent Variable: IPOCOST

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	FINOPT	.350	2.855
	PBC	.344	2.904
	SN	.361	2.769
	PUBIMG	.348	2.875
	EXIT	.535	1.868
	ORGIMP	.321	3.116
	WEALT	.422	2.370
	LCONT	.592	1.689
	LPRIV	.527	1.896
	IPOCOST	.670	1.493

a. Dependent Variable: CHANGE

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	FINOPT	.350	2.857
	SN	.599	1.670
	PUBIMG	.347	2.883
	EXIT	.525	1.905
	ORGIMP	.326	3.072
	WEALT	.423	2.366
	LCONT	.550	1.817
	LPRIV	.522	1.914
	IPOCOST	.609	1.642
	CHANGE	.588	1.702

a. Dependent Variable: PBC

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	FINOPT	.338	2.958
	PUBIMG	.348	2.871
	EXIT	.533	1.875
	ORGIMP	.326	3.068
	WEALT	.425	2.353
	LCONT	.561	1.782
	LPRIV	.525	1.905
	IPOCOST	.602	1.662
	CHANGE	.589	1.699
	PBC	.572	1.748

a. Dependent Variable: SN

APPENDIX G

SUMMARY OF EXCLUDED VARIABLES

SUMMARY OF EXCLUDED VARIABLES

Excluded Variables^a

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
1	FINOPT	.103 ^b	2.393	.017	.153	.703	1.423	.703
	PUBIMG	.054 ^b	1.346	.180	.087	.813	1.231	.813
	EXIT	.034 ^b	.879	.380	.057	.890	1.124	.890
	ORGIMP	.071 ^b	1.627	.105	.105	.698	1.433	.698
	WEALT	.017 ^b	.408	.683	.026	.784	1.275	.784
	LCONT	-.004 ^b	-.098	.922	-.006	.918	1.089	.918
	LPRIV	.006 ^b	.165	.869	.011	.944	1.060	.944
	IPOCOST	-.018 ^b	-.481	.631	-.031	.912	1.097	.912
	CHANGE	-.034 ^b	-.899	.370	-.058	.920	1.087	.920
	SN	.388 ^b	7.528	.000	.439	.408	2.453	.408
2	FINOPT	.079 ^c	2.025	.044	.130	.698	1.433	.363
	PUBIMG	.034 ^c	.939	.349	.061	.808	1.237	.384
	EXIT	-.022 ^c	-.619	.536	-.040	.851	1.175	.390
	ORGIMP	.033 ^c	.837	.403	.054	.686	1.457	.369
	WEALT	-.037 ^c	-.969	.333	-.063	.757	1.322	.393
	LCONT	-.054 ^c	-1.560	.120	-.101	.885	1.129	.393
	LPRIV	-.036 ^c	-1.048	.296	-.068	.919	1.088	.397
	IPOCOST	-.033 ^c	-.950	.343	-.062	.909	1.100	.398
	CHANGE	-.061 ^c	-1.785	.075	-.115	.910	1.098	.403
3	PUBIMG	-.017 ^d	-.379	.705	-.025	.503	1.989	.362
	EXIT	-.069 ^d	-1.733	.084	-.112	.677	1.477	.359
	ORGIMP	-.016 ^d	-.345	.730	-.022	.473	2.116	.355
	WEALT	-.098 ^d	-2.285	.023	-.147	.573	1.744	.362
	LCONT	-.055 ^d	-1.578	.116	-.102	.885	1.129	.362
	LPRIV	-.031 ^d	-.920	.358	-.060	.915	1.093	.362
	IPOCOST	-.033 ^d	-.957	.340	-.062	.909	1.100	.355
	CHANGE	-.070 ^d	-2.034	.043	-.131	.900	1.112	.361
4	PUBIMG	.010 ^e	.209	.835	.014	.470	2.128	.362
	EXIT	-.037 ^e	-.841	.401	-.055	.552	1.811	.357
	ORGIMP	.008 ^e	.175	.861	.011	.448	2.231	.355
	LCONT	-.066 ^e	-1.910	.057	-.124	.871	1.149	.362
	LPRIV	-.038 ^e	-1.121	.264	-.073	.909	1.101	.361
	IPOCOST	-.039 ^e	-1.136	.257	-.074	.904	1.106	.354
	CHANGE	-.081 ^e	-2.364	.019	-.152	.886	1.129	.361
5	PUBIMG	.006 ^f	.127	.899	.008	.469	2.131	.360
	EXIT	-.054 ^f	-1.233	.219	-.080	.539	1.855	.356
	ORGIMP	.006 ^f	.121	.904	.008	.448	2.233	.353
	LCONT	-.037 ^f	-.978	.329	-.064	.703	1.423	.360
	LPRIV	-.007 ^f	-.176	.860	-.012	.756	1.323	.360
	IPOCOST	-.002 ^f	-.056	.955	-.004	.710	1.409	.354

a. Dependent Variable: INTENT

b. Predictors in the Model: (Constant), PBC

c. Predictors in the Model: (Constant), PBC, SN

d. Predictors in the Model: (Constant), PBC, SN, FINOPT

e. Predictors in the Model: (Constant), PBC, SN, FINOPT, WEALT

f. Predictors in the Model: (Constant), PBC, SN, FINOPT, WEALT, CHANGE

BIOGRAPHY

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ACADEMIC BACKGROUND

Master of Business Administration (MBA)
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