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Research Article
Factors Affecting Creative Innovation for Entrepreneur in the Furniture Industry Business in Asia

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Abstract

Background and Objective: Innovation is important to building a competitive advantage for businesses. Furniture industry is another industry that focuses on innovation so that products are more modern and distinctive than their competitors. But in the innovation of the organization's products, there are many factors that affect the success. This research aimed to study factors that impact on the creation of innovation for entrepreneur in furniture industry business. **Materials and Methods:** The sample group includes 400 people who were in furniture industry business. The instrument was a questionnaire. Statistics used stepwise multiple regression. **Results:** The results showed that factors on general characteristics that impact on creating innovation contain (1) Business operation period less than 5 years, (2) The majority product of the business is the built-in type, (3) The public company limited type of business, (4) The listed companies in stock market and (5) The registered capital is between 10-50 million baht. The factors on internal management of the organization include (1) Business structure aspect, (2) Technology aspect, (3) Organizational culture/innovation aspect and (4) Interpersonal communication aspect. **Conclusion:** Creating innovative manufacturing enterprise, attention is needed to factors that are a general characteristics of the organization and the internal management of the organization. This will make the organization succeed in innovation.

INTRODUCTION

In the age of globalisation, it creates impacts on pattern of products, goods consumption and competition to steal market share. Many countries around the world have tried to urge the creative industry development to be the major policy of the nation in order to add value to products and create difference to the rival.

Furniture industry is an important industry for the economy. It is an industry that uses domestic raw materials and labor intensive. Most manufacturers are small and medium manufacturers. Secondly, it is produced by the factory as a designer. However, there may be some improvements as customers offer and there are few factories that can be produced under their own brand. It is not widely accepted in the world market[1]. Furniture production grows according to economic conditions[2]. Since 2007, the furniture industry has been affected by the shortages of raw materials such as rubber wood. Cost of production increased, rubber prices, oil prices, transportation costs and labor costs, as well as political unrest as a result, the domestic economy and domestic real estate situation slowed down. The overall picture of furniture distribution has decreased.

Thailand's export of furniture to the world market have a downward trend as a result of the global economic slowdown. In the year 2015, the furniture export value totaled $ 829.13 million. Compared to the year 2014, the furniture industry is down by 16.56%. In 2014, furniture exports total US $ 993.75 million. Compared with 2556, down 5.79%, respectively[3,4].

Exports of Thailand compared to ASEAN countries. Especially Indonesia is famous for its furniture. It is a country with abundant natural resources. It is the world's largest manufacturer of rattan and it is the production base of furniture companies. Due to the wages and skills of carpenters and skilled carvers. Including a lot of natural resources. It is the eighth largest forest area in the world and the second largest tropical forest in the world[3]. Found that exports of furniture and parts of Thailand to Indonesia from the 2012-2015 figures Thailand has less export value than Indonesia and the value of exports of Thailand has decreased[5,6]. The problem with the furniture industry entrepreneurs to solve the problem. Another way is creating new products. The concept of innovation is used in production. Due to, innovation: To create an advantage in the export of furniture and parts in the world market amidst increasing competition. Differentiated and new product design is very important in attracting consumers to the product. Production of new things or innovation is essential to doing business[7,8], but to be successful in innovation, there are many factors that contribute to and promote success. In order to achieve success in innovation, there are several factors depending on different type of business.

From the problem mentioned above. Researchers are interested to study the innovation for the furniture industry. What are the factors that affecting success? Or can be predicted success in innovation. This study was aimed to examine the factors that influenced on the creation of innovation for entrepreneur in furniture industry business.

MATERIALS AND METHODS

This research had been designed as a survey research with the purposes to study: (1) The current operating condition on creating innovation for entrepreneur in furniture industry business and (2) The impact factors to the success in creating innovation for entrepreneur in furniture industry business.

Research methods can be presented in the following order:
The study population was 783 entrepreneurs in the furniture industry in Bangkok metropolitan area (Division of the Industrial factory)[9].

The sample size of this study was the entrepreneurs in the furniture industry in Bangkok and its suburbs. The sample was formulated using Yamato formula Yamane[10]. The confidence level was 95%. The sample size of the sample was 265 people. In this study to make it more reliable researchers added sample to 400 people. The research and data collection through questionnaire were conducted 13 months in total, from May, 2016 to June, 2017.

Questionnaire include four main sections: In the first part, general status of the furniture industry; general characteristics of organization, business genre, product pattern, operation period, business time frame and number of staff. The questionnaire was check list.

In the second part, questions measuring about the level of thinking organizational behavior in innovative furniture design of current business. The questionnaire was rated scale (Rating Scale); 1 = Agree with this message at the lowest level, 2 = Agree with this message in lesser degree, 3 = Agree with this message Moderate, 4 = Agree on this high level and 5 = Agree with this message at the highest level.

In the third part, questionnaire about the importance of factors that contribute to the success of design innovation in the furniture industry; Business structure aspect; Knowledge aspect, Technology aspect, Organizational culture aspect, Marketing aspect and Internal organization communication.

The questionnaire was rated scale (Rating Scale). Five point Like rt, s scale is used to find factors that Influence Innovation[11], (1) This factor is of minimal importance, (2) This factor is of low importance, (3) This factor is important in the medium level, (4) This factor is very important and (5) This factor is at the highest level. The criteria for the interpretation of the results is as follows; 1.00-1.49 is set to the minimum, 1.50-2.49 is low, 3.50-4.49 is very high and 4.50-5.00 is set to the highest criteria.

In the fourth part, questionnaire about other ideas and suggestions. Assess the questionnaire by 5 experts in order to validate the content of the questionnaire. The item objective congruence (IOC) of the questionnaire is between 0.60 and 1.00. Find reliability of the questionnaire by piloting questionnaire with a group of 30 people. The obtained reliability value for the whole questionnaire was 0.98. Scope of research time frame.

Data was analyzed using the SPSS software package.

- Calculate the general characteristics of the business status of the respondents, use statistics, frequency and percentage
- Calculate the behaviour of an organization to create innovative furniture designs; use statistics, mean ($\bar{x}$) and standard deviation (SD)
- Calculate the level of importance the factors affecting to create the innovation of the furniture industry, use statistics, mean ($\bar{x}$) and standard deviation (SD)
- Calculate the factors affecting the creative innovation in furniture industry; use statistics, stepwise multiple regression analysis

RESULTS

The results from the data collection and the analysis by the statistics can be described as follows:

- The general characteristics of the business status of the respondents found that most of them were limited companies. being calculated into 96.50%. Duration of business, the majority had run the business for over 20 years, being calculated into 56.00%. Number of employees, there were more than 1,000 employees, being calculated into 60.25%. Registered capital, most of them had registered capital of 51-100 millions, being calculated into 45.75%. And business registration in the stock exchange, most of them reported that there businesses were not listed in the stock exchange, being calculated into 96.50%. Other general characteristics of the furniture industry samples were shown in Table 1

- The level of opinion of the organization's behaviour toward the innovation of modern furniture design. Found that overall, the level of opinion of organizational management behaviours was at a high level ($\bar{x}$ = 3.63). When considering each item, it was found that the four highest mean scores were: (1) Your organization has an organizational structure that can be adapted to the current situation ($\bar{x}$ = 3.99), (2) Your organization is recruiting and selected qualified personnel in accordance with the creation or development of innovation ($\bar{x}$ = 3.94), (3) Executives in your organization has the knowledge and the ability to manage innovation ($\bar{x}$ = 3.81) and (4) Your organization is finding new ideas and driving or transferring ideas into the innovation process ($\bar{x}$ = 3.80). The other item is shown in Table 2

- Level of importance the factors affecting to create the innovation of the furniture industry; use statistics, mean ($\bar{x}$) and standard deviation (SD). Found that the level of importance of the factors that contribute to the creation of innovative, found that the overall is very important ($\bar{x}$ = 4.37). When considering each side found that there are two the topics that have the highest average score: Organizational culture/innovation aspect ($\bar{x}$ = 4.55) and consumer demand ($\bar{x}$ = 4.52). The other side is shown in Table 3

Table 1: Descriptive summary of general characteristics of the furniture industry profile (400 samples)

Items	N	Percentage
Type of business		
Limited company	386	96.50
Public limited company	14	3.50
Duration of business		
Less than 5 years	19	4.25
5-10 years	51	12.75
11-20 years	107	27.00
More than 20 years	223	56.00
Number of employees		
Up to 50 employees	2	0.50
51-250 employees	2	0.50
251-1,000 employees	155	38.75
More than 1,000 employees	241	60.25
Registered capital		
Less than 10 million baht	4	1.00
10-50 million baht	42	10.50
51-100 million baht	183	45.75
More than 100 million baht	171	42.75
Business registration in the stock exchange		
Registration In the stock exchange	14	3.50
not registration in the stock exchange	386	96.50

Table 2: Mean and standard deviation, the level of opinion about behaviour of an organization management to create innovative furniture

Organization management behaviour	x̄	SD	Level of opinion
(1) Your organization has a vision that focuses on innovation. To gain a competitive advantage	3.70	0.86	High
(2) Your organization requires innovation as the core competency of your business	3.52	0.81	High
(3) Your organization communicates its vision, strategy and innovation goals to different levels of organization	3.57	0.90	High
(4) Organizational structure can be adapted to the current situation	3.99	0.84	High
(5) Your organization has a policy and practices that promote innovation	3.52	0.86	High
(6) Your organization has established a strategic business unit. Or the agency responsible for innovation	3.51	0.92	High
(7) Your organization has an R and D department	3.72	0.94	High
(8) Your organization has an open corporate culture that supports diversity. Recognize the difference of the person encourage personnel to dare to make and accept mistakes or failures from work	3.64	1.45	High
(9) Executives in your organization has the knowledge and the ability to manage innovation	3.81	0.89	High
(10) Your organization has an operational plan. and support innovation budgets	3.57	0.87	High
(11) Your organization has the technology and innovative tools that support innovation	3.75	0.89	High
(12) Your organization has areas that support activities or create an organizational climate that is conducive to innovation	3.22	0.98	Moderate
(13) Your organization is recruiting. The selection of qualified personnel is consistent with the creation or development of innovation	3.94	0.89	High
(14) Your organization is developing. And train the leaders to learn how innovation processes.	3.52	0.87	High
(15) Your organization is trained. Develop and develop creative thinking skills for personnel.	3.60	0.90	High
(16) Your organization gives people the opportunity to see jobs or excursions outside of a recognized organization for innovation	3.59	0.91	High
(17) Your organization is gathering knowledge and information. Innovation from both inside and outside the organization	3.56	1.02	High
(18) Your organization has a knowledge exchange channel and information on innovation in the organization that all personnel can easily access	3.56	0.89	High
(19) Your organization looks for new ideas and drives or transfers ideas into the innovation process	3.80	0.81	High
(20) Your organization is focused on building partnerships and networks for innovation	3.72	0.93	High
(21) Your organization is supported by financial literacy or advanced technology tools and resources from the Alliance	3.54	0.94	High
Overall	3.63	0.92	High

Table 3: Mean and standard deviation, level of importance the factors affecting to create the Innovation of the furniture industry

Factors	x̄	SD	Level of importance
Business structure aspect	4.21	0.64	High
Interpersonal communication aspect	4.04	0.66	High
Knowledge aspect	4.19	0.63	High
Technology aspect	4.14	0.66	High
Organizational culture/innovation aspect	4.55	0.76	Very high
Consumer demand	4.52	0.61	Very high
Overall	4.37	0.60	High

Analytical results, factors affecting the creative innovation in furniture industry: Factors affecting on the innovation creation for entrepreneur in furniture industry business in terms of the general characteristics of the organization. The finding of this study to innovate the internal factors affecting the success of the furniture industry that there are 5 factors affecting on the innovation creation for entrepreneur in furniture industry business. The business operating period less than 5 years is the first variable that can predict innovation, later the built-in type of product, public company limited, listed companies in stock market and registered capital between 10-50 million baht, respectively. The multiple regression coefficient of correlation (R) was 0.380 at the 0.05 level of significance. These factors could predict the success of innovation creation for entrepreneur in furniture industry business at the

statistically significant level of 0.05, with 14.4% ($R^2 = 0.144$) and estimated standard error of SE_{est} 0.56. Details were shown in Table 4.

Table 4 analysis result on factor affecting on the innovation creation for entrepreneur in furniture industry business in terms of the general characteristics of the organization. Show multiple correlation coefficients (R) and forecasting coefficients (R^2). When added to the factors one by one (A_1 = Business operating period less than 5 years, A_2 = Built-in type of product, A_3 = Public company limited, A_4 = Listed companies in stock market, A_5 = Registered capital between 10-50 million baht).

Table 5 showed multiple coefficients of regression (b, β), constant value (a). The values show the degree of discrepancies caused by the use of all independent variables (Se_{est}).

Table 4: Analysis result on factor affecting on the innovation creation for entrepreneur in furniture industry business in terms of the general characteristics of the organization

Predictor variables	R	R^2	SE_{est}	Adjust R^2	B	Std. error (b)	b	T-test	Significance
A_1	0.213	0.046	0.59	0.043	0.740	0.135	0.26	5.46*	0.00
A_1, A_2	0.332	0.111	0.57	0.106	0.264	0.061	0.21	4.34*	0.00
A_1, A_2, A_3	0.347	0.121	0.56	0.114	1.759	0.565	0.49	3.11*	0.00
A_1, A_2, A_3, A_4	0.368	0.135	0.56	0.126	1.536	0.589	0.41	2.60*	0.00
A_1, A_2, A_3, A_4, A_5	0.380	0.144	0.56	0.133	0.195	0.096	0.09	2.03*	0.04

*$p<0.05$. R: The relationship between the groups of all independent variables in the equation with the dependent variable. R^2: The influence of all independent variables on the equation for the dependent variable, SE_{est}: The values show the degree of discrepancies caused by the use of all independent variables, Adjust R^2: Is the value that shows the influence of all independent variables on the equation for the modified variable, b: The coefficient of regression in the form of raw scores. Std. Error (b) = Standard error of predictive variables, b: The coefficient of the predictor, which is predicted in the form of standard scores, T: test statistics, statistics used to test which independent variables can be used to forecast variables, a: Constants of predictive equations in the form of raw scores

Table 5: Analysis result on factors affecting on the innovation creation in terms of the internal management of the organization

Predictor variables	b	β	T	Significance
Business operating period less than 5 years (A_1)	0.740	0.26	5.46*	0.00
Built-in type of product (A_2)	0.264	0.21	4.34*	0.00
Public company limited (A_3)	1.759	0.49	3.11*	0.00
Listed companies in stock market (A_4)	1.536	0.41	2.60*	0.00
Registered capital between 10-50 million baht (A_5)	0.195	0.09	2.03*	0.04

a: 3.501, SE_{est}: 0.56. *$p<0.05$

From Table 5, found that the regression coefficients of the predictors. Public company limited and Listed companies in stock market, can predict the most innovative and statistically significant at the 0.05 level. The regression coefficients in raw score and regression coefficients in standard score (b, β) be 1.759, 1.536 and 0.49, 0.41, respectively. The least predictable factor was a registered capital between 10-50 million baht. There were statistically significant at 0.05 level. The regression coefficients in raw score and regression coefficients in standard score (b, β) be 0.195 and 0.09. The values show the degree of discrepancies caused by the use of all independent variables = 0.56.

From Table 4 and 5 the results of the data analysis can be used as predictive equations.

The prediction equation in raw score form:

$$Y' = a+b_1X_1+b_2X_2+\ldots+b_kX_k$$

Definition: When Y' is, the predictive scores of the variables follow (the criteria). a is, constants of predictive equations in the form of raw scores. b_1, b_2...b_k is the weighted scores or regression coefficients of the independent variables (the predictors), 1 to k, respectively. X_1, X_2⋯X_k stand for the scores of the independent variables (the predictors) 1 to k, respectively. K, represents the number of independent variables (predictor).

Substitute the value in the equation:

$$\hat{Y}_1 = = 3.501+0.740\,(A_1)+0.264\,(A_2)+1.759\,(A_3)+1.536(A_4)+0.195(A_5)$$

Prediction equation in standard score:

$$Z'^Y=\beta_1Z_1+\beta_2Z_2+\ldots+\beta_kZ_k$$

Definition: When Z'^Y represents the predicted score in the form of the standard score of the dependent variable, (the criterion) β_1, β_2...β_k is, the beta weights or regression coefficients of the independent variables (predictors) 1 to k, respectively. Z_1, Z_2...Z_k is the standard scores of the independent variables (the predictors) are 1 to k, respectively. K, represents the number of independent variables (predictor).

The beta weight (β) differs from the weight of the raw score b, where β is the standard score, so β is the value that indicates that, when the independent variable (the predictor) (X) changes, Independent variables (Criteria) (Score of the dependent variable) changed to β.

Substitute the value in the equation:

$$\hat{Z}_{y1} = 26Z(A_1) + 0.21Z(A_2) + 0.49Z(A_3) + 0.41Z(A_4) + 0.09Z(A_5)$$

Factors affecting on the innovation creation for entrepreneur in furniture industry business in terms of the internal management. The study finding that there are 4 factors affecting on the innovation creation for entrepreneur in furniture industry business. The business structure aspect is the first variable that can predict innovation, later the organizational technology aspect, organizational culture/innovation aspect and interpersonal communication aspect, respectively. The multiple regression coefficient of correlation (R) was 0.508 at the 0.05 level of significance. These

Table 6: Analysis result on factors affecting on the innovation creation in terms of the internal management of the organization

Predictor variables	R	R^2	SE_{est}	Adjust R^2	b	Std. error(b)	b	T	Significance
B_1	0.433	0.187	0.54	0.185	0.54	0.09	0.36	5.80*	0.00
B_1, B_2	0.456	0.208	0.54	0.204	0.45	0.09	0.32	4.92*	0.00
B_1, B_2, B_3	0.485	0.235	0.53	0.229	0.18	0.04	0.18	3.80*	0.00
B_1, B_2, B_3, B_4	0.508	0.258	0.52	0.251	0.26	0.07	0.19	3.51*	0.00

*$p < 0.05$

Table 7: Multiple coefficients of regression (b,b), constant value (a)

Predictor variables	b	β	T	Significance
Business structure aspect	0.54	0.36	5.80*	0.00
Organizational technology aspect	0.45	0.32	4.92*	0.00
Organizational culture/innovation aspect	0.18	0.18	3.80*	0.00
Interpersonal communication aspect	0.26	0.19	3.51*	0.00

The values show the degree of discrepancies caused by the use of all independent variables (Se_{est}). a: 1.416, $SE_{est} = 0.52$. *$p < 0.05$
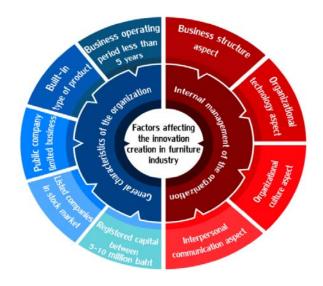

Fig. 1: Factors affecting the creative Innovation in furniture industry

factors could predict the success of innovation creation for entrepreneur in furniture industry business at the statistically significant level of .05, with 25.8% ($R^2 = 0.258$) and estimated standard error of (SE_{est}) 0.52. Details are shown in Table 6. This table showed multiple correlation coefficients (R) and forecasting coefficients (R^2). When added to the factors one by one (B_1 = Business structure aspect, B_2 = Organizational technology aspect, B_3 = Organizational culture/innovation aspect and B_4 = Interpersonal communication aspect).

From Table 7 found that the regression coefficients of the predictors. Business structure aspect and organizational technology aspect, can predict the most innovative and statistically significant at the 0.05 level. The regression coefficients in raw score and regression coefficients in standard score (b, β) be 0.54, 0.45 and 0.36 and 0.32, respectively. The least predictable factor is an organizational culture/innovation aspect. There were statistically significant at 0.05 level. The regression coefficients in raw score and

regression coefficients in standard score (b, β) be 0.18 and 0.18. The values show the degree of discrepancies caused by the use of all independent variables = 0.52.

From Table 6 and 7 the results of the data analysis can be used as predictive equations.

Prediction equation in raw score:

$$Y' = a + b_1X_1 + b_2X_2 + \ldots + b_kX_k$$

Substitute the value in the equation:

$$\hat{Y}_1 = 1.416 + 0.54(B_1) + 0.45(B_2) + 0.18(B_3) + 0.26(B_4)$$

Prediction equation in standard score:

$$Z'_Y = \beta_1Z_1 + \beta_2Z_2 + \ldots + \beta_kZ_k$$

Substitute the value in the equation:

$$\hat{Z}_{y1} = 0.36Z(B_1) + 0.32Z(B_2) + 0.18Z(B_3) + 0.19Z(B_4)$$

The result states the factors that influenced on the creation of innovation for entrepreneur in furniture industry business include: Main factors and subfactors are as follows:

The main factors on general characteristics of the organization consists of sub factors. (1) Business operating period for less than 5 years, (2) Built-in type of product, (3) Public company limited business, (4) Listed companies in stock market and (5) The company with registered capital between 10-50 million baht.

The main factors on internal management of the organization consists of sub factors: (1) Business structure aspect, (2) Organizational technology aspect, (3) Organizational culture/innovation aspect and (4) Interpersonal communication in the organization aspect.

The main and the sub factors affecting the innovation creation in furniture industry could be portrayed into the Fig. 1.

DISCUSSION

According to the result of the study, it can be observed that there are various factors to predict the success of the innovation creation for entrepreneur in furniture industry business. Factor on internal management of the organization includes, (1) Business structure aspect, (2) Organizational technology aspect, (3) Organizational culture/innovation aspect and (4) Interpersonal communication in the organization aspect. This relates to the study of Piya[12] on "Factors affecting the innovative organization. Case study: Super Rich International Ex Company". In Piya's study, the result stated that factors affecting the innovative organization includes advancement in technology, knowledge and research development, structure of the organization, job system, skill of human resources, technology and research and organizational value and culture. Factor affecting the status of innovative organization (Correlation coefficient) includes advancement in technology, skill of human resources, organizational value and culture and structure of the organization. In addition, the important key to develop to become the innovative organization is to define explicit guidelines in objective, target and development strategy, including the strong determination and devotion of the administrators. Factor on the aspect of organizational innovation affecting the innovation in furniture industry has been related to the result of the study of Thanakorn and Chirrapol[13] about "The Role of Innovation on the Success of Medium and Small Businesses in Furniture and Home Decorations". It was found that the innovations on product and design of the organization have influenced on the success of medium and small businesses in furniture and home decorations with the statistical significance of 0.05 and consistent with the Aegtawan[14] meaning that. Competitive advantage is the talent of an organization that competitors can not imitate or competitors have to spend time adjusting themselves. Such as innovation, management systems within the organization, organization management and corporate image. The most important factor in gaining competitive advantage is the knowledge that the organization has to make by learning and developing into a learning organization. From there, administrators need to draw on the knowledge that people have come to Innovation to the following organizations.

The organizational structure is the relationship between authority and responsibility. Including the size of the control. Consolidation and decentralization of management[15]. The appropriate structure for innovation is to have a flexible organizational structure. Decentralization has worked as a team. Focus on the results of the work rather than the strict rules, there is an agency that takes care of innovation clearly. Consistent with the concept of Padilha and Gomes[16], who reported that, the flexible work structure combined with the commitment to work. Teamwork and cross-functional It helps to create creativity from brainstorming. Develop solutions to problems more than just one. In addition, the team work across the line. This is a great way to make a difference. It can lead to innovation or new solutions to problems[17]. Organizational structure should be appropriate and consistent with the development of innovation in the organization, so that the development of innovation is easy and not limited to the idea. Employees in the organization (National Innovation Agency)[18].

The results of the analysis found that organizational culture/innovation. It is a factor that affects to create innovation. Organizational innovation is the basis of economic development and is a necessary guide to organizational development[19]. Consistent with the concept of Jaramillo *et al.*[20], who said, corporate innovation is a factor significant influence on quality and efficiency of innovation. Organizational innovation is a process. It is the result of the knowledge, skills and creativity combined with the ability. Organization management to create a competitive advantage in terms of offering products and services that are different from those available in the market. The development of work processes in the organization to provide quality and performance superior to competitors.

Besides the mentioned factors on the current operation process of furniture industry about innovation creation, the overview on the management and administration behavior about the innovation creation of the organization has got high level mean. The result stated that the furniture industry business people would like the adjustable business structure from the organization in order to survive the changing situations. In addition, the efficient recruitment and selection on human resources are also related to the innovation creation and development. It is necessary for the organization administrator to obtain knowledge and capability in managing innovation. It is also important to search for cutting edge ideas from existing human resources, then push forward or communicate those ideas into the process of creating innovation. The management behavior by using innovation of the organization will increase efficacy and potentiality of the business to be novel and differ from competitor. This concept follows the idea of Schumpeter[21] stating that innovation has highly influenced on the economic circle. After considering 5 different perceptions on the innovation, it leads to these 5 definitions:

(1) Introducing new product to consumer or same product with additional features, (2) Participating product process in industrial section, not necessary to be new product, (3) Exploring new market, (4) Using new sources for raw material and (5) Finding new pattern to compete or adjusting new industrial structure. The mentioned definitions could be related to the study of Pitchanee[22] found that to manage the organization to increase advantage in competition in order to defeat competitor and survive in the business, it is necessary to create innovation. The innovation means the creation of new ideas or items. It is not only applied to new service or product, but also new working process. For now or in the future, it may be necessary for the organization to invent innovation to strengthen the ability to compete or to offer distinction in business. The organization could obtain the innovation from human resources with creative idea and teamwork. The work of Wasant and Prasobchai,[23]" Factors Affecting Innovation Creation Behavior of Personnel Level in Office of the Basic Education Commission", also suggested similar idea. There were 3 independent variables namely, (1) Social network, (2) Open-mindedness and (3) Initiative affecting innovation creation of personnel level in Office of the Basic Education Commission. The result could then be applied in the strategic plan of human resources management.

Based on the findings, it can be seen that the type of furniture is another factor contributing to the innovation of the furniture industry. Especially, Built-in Furniture or Fixed Furniture means the furniture is designed and installed for a specific area. Difficult to move and reinstall. The advantages are: Very strong. Because of sticking to the building. Or building structure have a unique style. Luxury is unique to the area. Can be installed and adapted to different areas without restrictions. Consistent with Sullivan and Dooley[24], who defined, product Innovation is to make a physical change in the product. Both of them explained that product innovation has been used interchangeably with product design. Research and development and development of new products. The National Innovation Agency[18] has defined the meaning of product innovation as: The product was manufactured commercially. There may be improvements or something new in the market. It may be a new product on a global, national or corporate level. It is in the nature of the product.

CONCLUSION AND FUTURE RECOMMENDATIONS

The results of this study show that innovation in the manufacturing process of the organization. There are many factors that affect success. The entrepreneur must give priority. The limitations of this study only make it clear what

factors affect innovation. Future studies can bring the information from this study leading to the formation of strategies, training courses or a model for innovation. To develop entrepreneurs and those involved in the organization to have more knowledge and ability to innovate.

SIGNIFICANCE STATEMENTS

This study shows that there are factors contributing to the success of corporate innovation. Factors affecting the innovation in furniture industry could be used as guidelines for developing, inspiring and continuing the innovation for the organization that aims to become innovative organization. It is dependent upon different conditions or contexts of each organization to apply the guidelines and it is not necessary for organization to possess some mentioned characteristics in the research result such as type or size of business.

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