

**CULTURE DIMENSION AFFECTING CORPORATE
SUSTAINABILITY OF A CHINESE FIRM IN THAILAND**



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ABSTRACT

The purpose of this study was to find the influences of culture toward the corporate sustainability practices. The sustainable criteria are based on Avery and Bergsteiner's Sustainable Leadership Practices which composes of 6 categories: long-term perspective, staff development, organizational culture, innovation, social responsibility, and ethical behavior. The data was collected from qualitative interviews with the Chinese company stakeholders.

The result of this study was based on one small Chinese company in Thailand and the research could be varied with different company condition.

KEY WORDS: Corporate sustainability / Chinese culture / Sustainable Leadership

27 pages

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CHAPTER I

INTRODUCTION

1.1 The sustainability concept

The boarder society concern about sustainability has grown from almost nothing in the early 1990s to a dominant theme today. Meanwhile, leaders of managing organizations that meet the expectations of a broad range of stakeholders (often themselves in conflict), while still delivering a return to shareholders. As a result, sustainability is now an essential for a company long-term success. (Robert Eccles, Ioannis Ioannou, and George Serafeim, 2012) This is the reason why many companies nowadays adopt and implement a sustainability approach. They are aware of the benefits that corporate sustainability can bring to their company as the concept of sustainability combines the environmental, social, financial, ethical, legal and political issues that can be both internal and external to the company. Here are some of primary benefits to becoming a more sustainable company.

- It helps increase productivity and reduce cost. When the company develops a more sustainable business practices, the efficiency in their operations will increase. (www.eco-efficiency.com)
- It increases employee retention and recruitment, as employees want to work with company who are “doing the right thing” and being proactive in corporate environmental and social programs. (www.eco-efficiency.com)
- It improves financial and investment opportunity. A Goldman Sachs study revealed that companies in six industries considered leaders in environmental social and governance policies have outperformed the

general stock market by 25% with 72% of the companies outperforming their peers since August 2005. (www.eco-efficiency.com)

- It helps manage risk more efficiently by reducing reputation risks, getting credit for the actions and avoiding operational disruptions. (Sheila Bonini and Stephen Gerner, 2011)

To sum up the above concept, we can say that sustainability management can help create profits and business opportunities.

1.2 The culture concept

Culture is an interesting topic to study as all counties or even different group of people within the same country have very unique culture. In this century, culture has been defined by many different authors as follows:

- Culture is that complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by man as a member of society. (Edward Tylor, 1871)
- what really binds men together is their culture, -- the ideas and the standards they have in common. (Ruth Benedict, 1934)
- Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of further action. (Kroeber and Kluckhohn, 1952)
- a cultural system; that is, a system of symbols. (David Schneider, 1968)

- It is a presupposition of cultural psychology that when people live in the world differently, it may be that they live in different worlds. (Richard Shweder, 1991)

To sum up the above definitions, culture can be described as the value or belief that lead the group of people together. The culture is appeared in many forms such as laws, arts, language, and etc. And culture is also a contributing factor for creating a unique corporate.

1.3 Problem Statement

Due to the increasing in the roles of sustainability in business world, many companies have adopted sustainability approach or practices to complete with other companies. However, there are many factors that influence a sustainability development in each company such as type of business, company policy, and culture. Culture is a key component in business and has an impact on the strategic direction, management and decisions. Culture influenced variety of aspects in all business functions from accounting to production.

Therefore, the practices that have been implemented in all companies, which have different cultures, will be different or diverse from other companies as culture could pay important roles in business.

1.4 Research Question

This study investigates how a small Chinese logistics company adopts sustainability practices based on Avery and Bergsteiner's Sustainable leadership "Honeybee" philosophy? How culture influences their practices?

1.5 Research Objective

The purpose of this paper is to find out

- How a small Chinese business develops sustainability practices such as labor relations, ethical behavior, long-term perspective, and responsibility for environment.
- How culture influences in corporate behavior toward sustainability practices.

1.6 Research Scope

The research scope will concentrate on

- The sustainability practices that have been adopted and implemented in a small Chinese firm.
- The cultural factors that influence the company's decision in implementing the practices.

The qualitative research approach will be conducted in this paper by interviewing the company's stakeholders.

1.7 Expected benefit

The research finding will contain the sustainability practices a small Chinese company implemented and the cultural factors that influence the company's decision in adopting sustainability approach to complete in the market.

CHAPTER II

LITERATURE REVIEW

2.1 Avery and Bergsteiner's Sustainable Leadership Practices

The specific advantages of the Honeybee or sustainable leadership approach over its short-term shareholder-first Locust counterpart have been investigated elsewhere (Albert, 1993; Avery, 2005; Avery and Bergsteiner, 2010, 2011; Hall and Soskice, 2001; Hutton, 2002). In particular, Avery and Bergsteiner (2010) identified specific principles that distinguish these approaches, showing how they differ in practice.

Avery and Bergsteiner's 23 elements are grouped into the following six core themes: adopting a long-term perspective, internal leadership development, strong organizational culture, support for both incremental and radical innovation, practicing social and environmental responsibility, and exhibiting ethical behavior.

2.1.1 Long-term perspective

Sustainable companies emphasize on long-term over goal rather than short-term goal. The long-term perspective influences every aspect of sustainability organizations, including strategic thinking, planning, investment, growth and work processes, human resource policies, and stakeholder relationships (Avery, 2005). While the Anglo/US emphasis on higher profits now can mortgage a firm's future long-term position (Kenedy, 2000).

Adopting a long-term perspective benefits Honeybee enterprises by providing continuity and minimizing abrupt shifts in strategy and unexpected organizational change – even after CEOs leave. Linking compensation to the long-term performance of a firm forces top management to become committed to the

consequences of its decisions, and simultaneously enables management to plan and invest for the long-term. Honeybee leadership and its stakeholders do not expect even a well-managed firm to grow every quarter, which in turn enables management to invest in the long-term. (Kantabutra, 2013)

2.1.2 Staff Development

As workforce development is fundamental to sustainability organizations. They prefer to grow their own managers and leaders, develop their own employees rather than hire outsiders. There is only one exception that if there is no internal employee has any special skills that the task requires. A global study of CEOs leaving office concluded that appointing CEOs from outside the company is a high-risk gamble (Hamilton, 2003).

2.1.3 Organizational culture

Culture is the key success factor in many organizations. The companies often manage their culture through statements of vision, values and/or philosophy designed to express core beliefs and the informal rules that guide members' behavior (Avery, 2005). Honeybee organizations' strong cultures make them a "special place to work" (Avery, 2005), and their long-term perspective allows Rhineland organizations more time to communicate a vision and have it take effect. This cohesive culture holds organizational members together even in difficult times.

2.1.4 Innovation

A radical or disruptive innovation is one that has a significant impact on a market and on the economic activity of firms in that market, while incremental innovation concerns an existing product, service, process, organization or method whose performance has been significantly enhanced or upgraded. Incremental innovation is the dominant form of innovation. The nature of innovation and the rate of technological change greatly differ from sector to sector and across countries and time

periods. (OECD, 2012) Rhineland enterprises are champions of both kinds of innovation (Avery, 2005; Lawler et al., 1995), which helps make them successful.

2.1.5 Social Responsibility

Organizations, which adopt sustainability practices, focus on being a social responsibility company to all stakeholders including suppliers, customers and surrounding community. Even though there are a lot of difficulties in doing the business, they prefer to do the right thing or ethical behavior and avoid making an unethical movement.

2.1.6 Ethical behavior

Basically, ethical behavior involves “doing the right thing” and is strongly evident among Rhineland enterprises. It is considered essential for organizational sustainability, given the recent exposure of unethical accounting and other practices in failed public corporations such as Enron, and many others during the 2008 global financial crisis (Kantabura, 2009). Ethics are a form of risk management and can enhance a firm’s reputation (Avery, 2005).

Table 2.1 Distinguishing Criteria for Typical Honeybee and Locust Perspectives

Leadership element	Sustainable leadership “Honeybee” philosophy	Shareholder-first “Locust” philosophy
<i>Foundation practices</i>	Develop everyone	Develop people selectively
1. Developing people	continuously	
2. Labor relations	Seeks cooperation	Acts antagonistically
3. Retaining staff	Values long tenure at all levels	Accepts high staff turnover
4. Succession planning	Promotes from within wherever possible	Appoints from outside wherever possible
5. Valuing staff	Is concerned about employees’ welfare	Treats people as interchangeable and a cost
6. CEO and top team	CEO works as top team member or speaker	CEO is decision maker, hero
7. Ethical Behavior	“Doing-the-right-thing” as an explicit core value	Ambivalent, negotiable, an assessable risk

Table 2.1 Distinguishing Criteria for Typical Honeybee and Locust Perspectives

Leadership element	Sustainable leadership “Honeybee” philosophy	Shareholder-first “Locust” philosophy
8. Long- or short-term perspective	Prefers the long-term over the short-term	Short-term profits and growth prevail
9. Organizational change	Change is an evolving and considered process	Change is fast adjustment, volatile, can be ad hoc
10. Financial markets orientation	Seeks maximum independence from others	Follows its masters’ will, often slavishly
11. Responsibility for environment	Protects the environment	Is prepared to exploit the environment
12. Social responsibility (CSR)	Values people and the community	Exploits people and the community
13. Stakeholders	Everyone matters	Only shareholders matter
14. Vision’s role in the business	Shared view of future is essential strategic tool	The future does not necessarily drive the business
<i>Higher-level practices</i>		
15. Decision making	Is consensual and devolved	Is primarily manager-centered
16. Self-management	Staffs are mostly self-managing	Managers manage
17. Team orientation	Teams are extensive and empowered	Teams are limited and manager-centered
18. Culture	Fosters an enabling, widely-shared culture	Culture is weak except for a focus on short-term-results that may or may not be shared
19. Knowledge sharing and retention	Spreads throughout the organization	Limits knowledge to a few “gatekeepers”
20. Trust	High trust through relationships and goodwill	Control and monitoring compensate for low trust
<i>Key performance drivers</i>		
21. Innovation	Strong, systemic, strategic innovation evident at all levels	Innovation is limited and selective; buys in expertise
22. Staff engagement	Values emotionally-committed staff and the resulting commitment	Financial rewards suffice as motivators, no emotional commitment expected
23. Quality	Is embedded in the culture	Is a matter of control

Source: Avery and Bergsteiner (2010, pp. 36-37)

2.2 Hofstede's cultural dimensions theory

Hofstede's cultural dimensions theory is a framework for cross-cultural communication, developed by Geert Hofstede. It describes the effects of a society's culture on the values of its members, and how these values relate to behavior, using a structure derived from factor analysis. Below is the Hofstede dimension of Chinese culture.

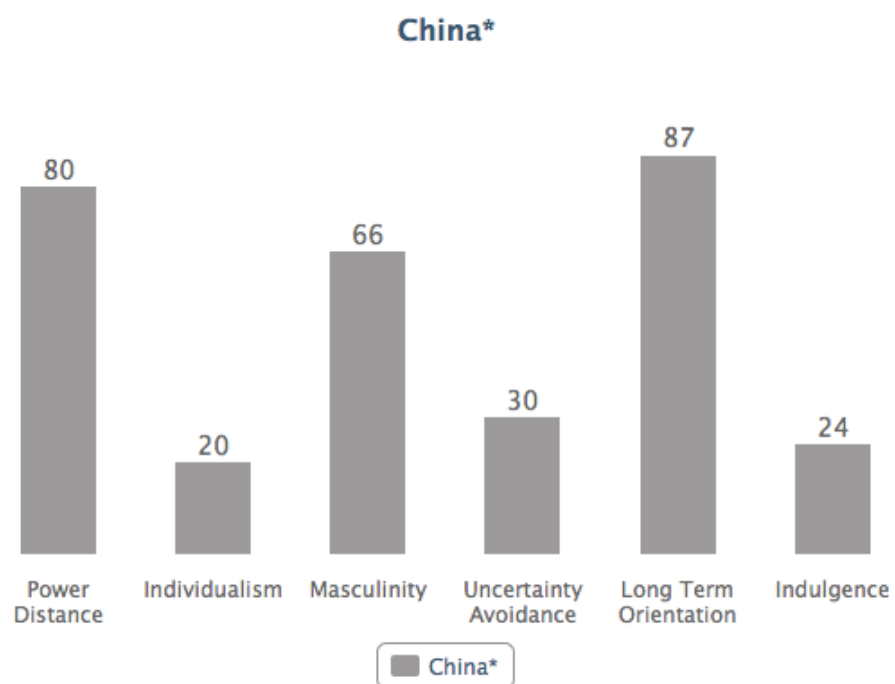


Figure 2.2 Hofstede's Cultural Dimension of China

2.2.1 Power Distance

This dimension deals with the fact that all individuals in societies are not equal – it expresses the attitude of the culture towards these inequalities amongst us. Power Distance is defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally.

At 80, China sits in the higher rankings of PDI – i.e. a society that believes that inequalities amongst people are acceptable. The subordinate-superior relationship tends to be polarized and there is no defense against power abuse by superiors and believe that people should not have aspirations beyond their rank.

2.2.2 Individualism

The fundamental issue addressed by this dimension is the degree of interdependence a society maintains among its members. It has to do with whether people's self-image is defined in terms of "I" or "We". At a score of 20 China is a highly collectivist culture where people act in the interests of the group and not necessarily of themselves. In-group considerations affect hiring and promotions with closer in-groups (such as family) are getting preferential treatment.

2.2.3 Masculinity

A high score (Masculine) on this dimension indicates that the society will be driven by competition, achievement and success, with success being defined by the winner / best in field – a value system that starts in school and continues throughout organizational life.

A low score (Feminine) on the dimension means that the dominant values in society are caring for others and quality of life. A Feminine society is one where quality of life is the sign of success and standing out from the crowd is not admirable. The fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine).

At 66 China is a Masculine society –success oriented and driven. The need to ensure success can be exemplified by the fact that many Chinese will sacrifice family and leisure priorities to work. Service people (such as hairdressers) will provide services until very late at night. Leisure time is not so important. The migrated farmer workers will leave their families behind in faraway places in order to obtain better

work and pay in the cities. Another example is that Chinese students care very much about their exam scores and ranking as this is the main criteria to achieve success or not.

2.2.4 Uncertainty Avoidance

Uncertainty Avoidance has to do with the way that a society deals with the fact that the future can never be known: should we try to control the future or just let it happen? This ambiguity brings with it anxiety and different cultures have learnt to deal with this anxiety in different ways.

According to G. Hofstede's four-dimension model (Uncertainty avoidance), Chinese societies are more Virtue oriented which means they accept multiple truths in terms of shades of gray that can coexist. As a result, Chinese with other East Asians respond to uncertainty environment differently from the rest of mankind. (Alon, 2003)

At 30 China has a low score on Uncertainty Avoidance. Truth may be relative though in the immediate social circles there is concern for Truth. Nonetheless, adherence to laws and rules may be flexible to suit the actual situation and pragmatism is a fact of life. The Chinese are comfortable with ambiguity; the Chinese language is full of ambiguous meanings that can be difficult for Western people to follow. Chinese are adaptable and entrepreneurial.

2.2.5 Long Term Orientation

This dimension describes how every society has to maintain some links with its own past while dealing with the challenges of the present and future, and societies prioritize these two existential goals differently.

China scores 87 in this dimension, which means that it is a very pragmatic culture. In societies with a pragmatic orientation, people believe that truth depends very much on situation, context and time. They show an ability to adapt traditions easily to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results.

CHAPTER III

METHODOLOGY

This research aims to find out the sustainability practices that are adopted at a small Chinese companies and to understand the influences of Chinese culture toward the sustainability practice implementation.

3.1 Research Design

This research will explore the sustainability elements practiced in the company, which will cover two main aspects:

- Avery and Bergsteiner's Sustainable Leadership Practices will indicate whether the company is qualified to be a sustainability organization or not. The 23 elements in Sustainable Leadership Practices framework cover many sustainable aspects such as employee, finance, internal & external relationship, environmental responsibility and top management direction.
- For culture aspects, Hofstede's cultural dimensions theory helps provide the cultural aspects or reasons to support the decision of the company in adopting Sustainable Leadership Practices. The company direction and management have been based on its culture which later on turn into their way of doing business.

So the result will benefit for both the company itself to learn how they have been doing regarding sustainability development and people who are interested in both sustainability development and Chinese culture. As this research will show how cultural believe can affect the company's decision in developing and adopting sustainability practices.

3.2 Data Collection Methodology

3.2.1 Interview methodology

The semi-structured interview was applied to this study to gather reliable, comparable qualitative data from interviewees.

3.2.2 Interview question

Data collection will conduct through face-to-face interview with the open-ended question that covers 3 topics: Company background, Company direction toward sustainability, and influences of Chinese culture.

Company background

Company background will lead to a better understanding of company direction, management style, company performance, company status in the market, and employee selection concept. The interviewees will be ask to answer general questions regarding company background such as how the company was established, what the organization structure is used in the company, who have the authority to make important in the company, or how the company communicate their goal and policy, etc.

- When did your company established in Thailand?
- What is the company product and service?
- Who are your target customers?
- Who are your direct competitors?
- What is your company's structure?
- How many employees are there in the company? What ethnicity are they?
- What is the welfare benefit toward Chinese and non-Chinese employees?
- Who are the top management?
- How does the company select or promote management staffs?

Company direction toward sustainability

This topic will cover 23 elements in Avery and Bergsteiner's Sustainable Leadership Practices. This part will ask interviewees more specifically toward their experience with the company regarding sustainability practices. The answer includes stories, insights, and opinions which can be varied as all interviews have different experiences and aspects with the company.

- What is the company vision?
- How do you communicate company vision to employees? How often the vision has been communicated?
- How does the company make decision?
- Who involve in the decision making process?
- Who is in-charge of managing the team and its goal?
- What are some training that the company provides for staff development?
- Who are allowed to participate in the training?
- What is the company long-term goal? What do they do to reach the goal?
- What are the activities that the company conducted to enhance social responsibility?
- Who are the company's stakeholders?
- What are the activities that company conduct to enhance stakeholder's relationship?
- How does the company increase their competitive advantage?
- What are some improvement activities that have been conducted in the companies?

3.2.3 Population

This research population focuses on the company stakeholders such as management, employee, customer and supplier as this group of stakeholders has experience with company's policy and their way of doing business in different levels and number of aspects. They could provide useful opinion and valuable experience,

which help to help understand more about company's sustainability practices and culture influences.

The sampling population of this research includes Operational Manager, senior supervisor, officer and customer. To avoid the bias of employees toward the company's direction, external parties such as customer has been included into the interview to gain diverse aspects of company's practices sustainability.

Table 3.1 Interviewee's Profile

Name	Stakeholder	Occupation	Nationality
Interviewee 1	Company	Operational Manager	Thai
Interviewee 2	Company	Project Operator	Thai
Interviewee 3	Company	Project Operator	Chinese
Interviewee 4	Company	Transportation Operator	Thai
Interviewee 5	Supplier	Sales Officer	Thai
Interviewee 6	Supplier	Sales Officer	Thai
Interviewee 7	Customer	Export Officer	Chinese
Interviewee 8	Customer	Export Officer	Chinese

3.3 Data Analysis

The result of the interview through note taking will analyze the data based on Avery and Bergsteiner's (2010) Sustainable Leadership Practices and Hofstede's cultural dimensions theory.

CHAPTER IV

FINDINGS

Findings were analyzed using Avery and Bergsteiner's (2010) research framework. The company's sustainability practices were not consistent with nearly all "Honeybee" leadership elements. Some of the elements that result in no evident or least evident were under the influences of Chinese culture characteristics.

Honeybee Elements on the Sustainable Leadership Grid		The Observed Conglomerate	Extent to Conform			Relevant Categories						
			Least Evident	Moderately Evident	Most Evident	1	2	3	4	5	6	
1	Developing people: grow their own	√										
2	Labor relations: cooperation	√										
3	Retaining staff: strong	-										
4	Succession planning: strong	√										
5	Valuing staff: strong	√										
6	CEO and top team: top team speaker	√										
7	Ethical behavior: an explicit value	√										
8	Long-or short-term perspective: long term	√										
9	Organizational change: considered process	-										
10	Financial markets orientation: challenge them	√										
11	Responsibility for environment: strong	-										
12	Social responsibility (CSR): strong	-										
13	Stakeholders: broad focus	√										
14	Vision's role in the business: shared future	√										
15	Decision making: concensual	√										
16	Self-management: strong	√										
17	Team orientation: strong, self-governing	√										
18	Culture: strong	√										
19	Knowledge sharing and retention: strong	-										
20	Trust: strong	√										
21	Innovation: strong	√										
22	Staff engagement: strong	√										
23	Quality: high is given	√										
Total elements in conformity		18										

Figure 4.1 Sustainable Leadership Grid Comparing Honeybee Criteria and the Small Chinese Company's Practices

Source: Based on Avery and Bergsteiner (2010),

Adopted: Kantabutra S. and Suriyankietkaew S. (2013)

Notes: ✓ = conforms; – = does not conform; ? = not known; category no.: 1 = long-term perspective; 2 = staff development; 3 = organizational culture; 4 = innovation; 5 = social responsibility; 6 = ethical behavior

Long-term perspective

In some way, the company takes a long-term view to enhance their current performance. According to the senior staff, he shared the insight of how company focus on their long-term goal without fear of being affected by what happens in the short-term. However, in practical implementation, the company still faces with struggle to follow their long-term goal:

“The company does focus on long-term goal and invest in the inputs to achieve the target. But the in some situation the management direction and decision are still not aligned with the plan and some adjustment occurred when the goal is affected by short-term objective.”

~ Interviewee 2

The company also values a long-term relationship with some group of stakeholders such as customers and government. Most of their customers are those who have good relationship with the company or a staff in the company. The Chinese General Manager has emphasized on building a good relationship with certain stakeholders:

“Most of our customers in the portfolio are those who have a long relationship with staffs both Thai and Chinese in the company. Due to the long relationship we have, they trust us in doing business.” ~ Interviewee 1

How they build and maintain the relationship with their stakeholder is aligned with Hofstede’s cultural dimension theory. The theory states that China has Long-term Orientation, which means they emphasize on building strong, and reliable, lasting relationship. And a certain amount of trust must be gained before any decision is made. This definition fits with the company’s practice.

In terms of uncertainty and risk management, the company has implemented the activity, but only concerns small number of employee such as top management or

working team at Headquarter in China. The matter is not communicated to employees in other locations or the employees are not educated on how to evaluate their risks or improve their current process. This makes employees unaware of how important of long-term perspective and how to reach them despite the obstacles.

“The risk management activity might be implemented in top management level but it never been communicated the junior management or staffs. The company does not focus much on how to manage uncertain situation. The company might have some emergency response plan but they never communicated to us.” ~ Interviewee 2

The company developed long-term plan to reach their goal but the most importantly point is their ability to reach those plans with or without interruption from short-term situation. They still lack of communication to staffs and encourage the staffs to actively take part in the plan.

Staff Development

For Honeybee enterprises, employees consider to be its most important asset. The sustainability enterprises invest heavily in staff development to improve their knowledge, skills, well-beings, and competencies. This company also provides training classes to all employees to cover all skills they need to perform their jobs. But other skills that could enhance their day-to-day life are not in the training courses.

“The company has program to develop and train employees, but the program only cover all aspects of employee’s skill, knowledge or competencies that are not related to work such as language. However, the company does not provide other types of training that are not relevant to work.” ~ Interviewee 2

In terms of employee promotion, the company prefers to promote staffs from within. They prefer to grow their own staffs and promote them when there are opportunities. However, there is still some inequality between Chinese and Non-Chinese staffs. The company takes care of their employees equally for welfare benefits and training. But when it comes to promoting employees, the Chinese staffs will become their priority.

“For manager position, it is really tough for Thai employees to reach that position. The positions are mostly filled in by Chinese staffs either from the local office or headquarter.

There are Thai managers in the company but the percentage is low.” ~ Interviewee 2

Due to the promotional concept, there are employees who lose their motivation to work for this company as they realize the chance that they will get promoted to higher position is small. Therefore, the company has issue in retaining their people who have been working for 3 – 4 years. But there is also bright side of the company as they emphasize on building a relationship with staffs. The company follows Chinese culture that value harmony and personal relationship, so they emphasize on teamwork and encourage staffs to be successful in achieving team target.

Besides staff development program, the company gives staffs the certain level of freedom to do their job. They could independently do what they can in their power to achieve the target.

The result from the interview is aligned with Hofstede’s Five Dimension on uncertainty avoidance index, Chinese has a low level of uncertainty avoidance, which means the company does allow individual to manage their own work without giving rules or procedure for them to follow. In the theory, country with low level of uncertainty avoidance does not feel an urge to establish strict rules to overcome uncertainty or ambiguity. They do not feel the need to control its environment.

Organizational culture

As the company’s headquarter is located in China with regional office in Hong Kong, their corporate vision and value are mainly under the influence of Chinese culture. The vision and value are usually communicated through meeting, morning talk or company activity by the General Manager, which is the highest position, is the affiliate company. The management considers it essential to make sure that all employees have a clear understanding of corporate vision and value. Even though there are around 60 people in the company but the background of employee is diverse, so it is very important to have the same understanding.

“Every year, the General Manager takes time to communicate the corporate vision himself to ensure that every employee could the importance and understand it core values.” ~ Interviewee

The vision that is from the General Manager is powerful as they have a high power distance environment. They respect and follow their boss's direction.

The culture is also communicated to new employees mainly through working. The senior employees who have worked in the company for quite some time will involve their team members into their working environment and teach them the company's way of working. This company culture is also aligned with Hofstede's culture dimension theory as well as China is a very collectivist society. They work together in groups and often put the needs of that group ahead of their own personal wants.

In terms of stakeholders, they believe that the company has a very strong culture and this strong Chinese culture business practice is one of the reason why they should to work with the company.

“Not all Chinese companies are able to maintain strong Chinese culture. From my experience doing business with this company, I can tell that the culture that has passed from the Headquarter is very strong and it is one of the reason while we pick them.” ~ Interviewee 6

Innovation

Innovation is crucial as it helps company to survive and increases capacity to complete with other companies in the market. The company claims to be one of the professional logistics service suppliers in Thailand who provide the most efficient and reliable sea, air, and land transportation services for domestic and international customers. Their services include freight forwarding by sea, land, and air, truck/trailer transportation, customs clearance, warehouse, and supply chain logistics.

“The company is well known among Chinese customers as a freight forwarder service provider that offers service at a low cost but fast service.” ~ Interviewee 5

The employees and customers both agree that they do not witness a lot of innovation from the company as have been providing service in the same way for many years. Even though they face some trouble and the company is open for improvement by involving employees to make a consensual decision to improve their current service but just a few of their ideas have been implemented. They think the company should have clearer direction regarding innovation.

This is aligned with Hofstede's cultural dimension theory in terms of high power distance element. China has a very high level of power distance which means China has a large hierarchy gap. The rules, procedure, or any important matters will be deployed from the top management who has an authority. Staffs will likely to have less power to make decision and must respect management's decision as well. This is one of the factors that could decrease the innovation in the company.

Social Responsibility

The company has concerned with certain group of stakeholders such as customers and suppliers. They do not consider a wide range of stakeholders in all their business process.

“We do not have any CSR activities at the company. The connection between that company and community is quite weak. From time to time, we brought the subject into the meeting but we never implemented it.” ~ Interviewee 2

Despite the fact that the company seems to focus on small group of stakeholders, they did their best to build a good relationship with their target stakeholders.

Ethical behavior

In the past, the company has experienced an illegal act from one of their suppliers and the supplier later on got sued in the court. This incident made the company to concern more on the ethical behavior issue. The company encourages their staffs to do the right thing or to follow the regulations.

“The company has learned a lesson in conducting business unethically. Top management realizes the price of doing it and encourages staffs to be an ethical individual.” ~ Interviewee 3

The company's ethical principles focus on being an ethical corporate person rather than social responsibility toward wide range of stakeholders. They emphasize on this matter and make sure that the supplier and customer know it as well.

CHAPTER V

CONCLUSION

5.1 Conclusion

In conclusion, the Chinese company's management practices do not fit with all of the elements in Honeybee criteria framework. The result reflects how the company still has a long way to go to be a sustainable enterprise. One of the factors that influence the company policy is their strong culture. The company has developed a Chinese working style, which could enhance their sustainable business practices.

From analysis result shown in Figure 1, for long-term perspective, the Chinese culture influences the company practices to develop long-term goal and building long-term relationship with stakeholders. As a result, the company values long-term goals and sees it as an important message from top management, which needed to communicate to all staffs.

In terms of staff development, the company does not support a wide range of staff development program. They only focus on program that is valuable to staffs' performance and ability to do their jobs. In terms of working or normal operation, they trust the staffs to manage their work without giving roles and procedure to follow.

For organizational culture, the company culture has been passed along from the Headquarter through top management communication. The culture is also passed down from one employee to another through involving new employees in the team activities.

The company does not focus much on creating an innovation. This mainly dues to the fact that most of company's goal is deployed from top management or headquarter which involves a small group of people. The company also has a very

high level of power distance that results in top management making important decisions.

For social responsibility, the company does not include a wide range of stakeholders in their consideration. There are also no evident that shows the company has done some CSR activities in the past.

Lastly, the ethical behavior is very important for the company. They ensure that the employees doing the rights things and avoiding any illegal act at all cost.

Chinese company focuses on building a long-term and friendly relationship with their valuable stakeholders. This relationship could come from both work and personal relationship. Chinese will ensure that they have a good relationship with opposite before conducting a business with them. While Thai companies might also value relationship but they will not set relationship as the most priority in doing business. Having a good relationship might be advantage but it does not guarantee certain success.

For Chinese companies as Chinese has very high level of masculinity, there are more competitive than Thai companies. They are willing to fight more in terms of price or fast to win over their competitors while Thai companies are more laid back. If Thai companies have influences from Thai culture based on Hofstede's cultural dimension theory, they will conduct business with femininity characteristics such as easy going or more flexible.

The person or company who would like to conduct a business with Chinese company needs to consider their nature characteristics, strengths and weaknesses. This well preparation will lead them to have a successful relationship with them.

We could sum up that based on the findings, people who are working with or looking for a job at Chinese companies will need to consider that not all Chinese companies are taking practices that lead them to be a sustainable organization. They value Chinese culture deeply and have an intention to pass on these cultures to next generation to maintain its original root. These culture dimensions might not be aligned

be the practices in sustainable organization framework. Therefore, it is a difficult job to motivate set up the practices that lead to become a sustainable organization while remains the tight relationship with Chinese culture.

5.2 Recommendations

For the company, they should focus on broader stakeholders besides customer such as society and environment. As nowadays, the stakeholders also play a really important role in business world in terms of company value and image. Also, the company need to step out of some strong cultures influences such as uncertainty avoidance or high power distant to encourage or achieve certain elements such as innovation.

Future researcher could examine other companies in Asia using a similar multi-method case study approach such as “Sufficiency Economy Philosophy” and other cultural theory.

5.3 Limitations and suggestions for future research

Due to time limitation and conflict schedule, some of the interviews were conducted through phone call instead of face-to-face interview. With this method, the interviewer was not able to observe the interviewee’s reaction. And because of time constraint, the interviewer could not ask all interviewees the same questions to cover all elements in Honeybee leadership practices. So to increase the accuracy of the result, the researcher should collect the information from all interviewees in the same method.

For more accuracy and wider perspective, there should be more interviewees in the research.

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