

**SUSTAINABLE LEADERSHIP: HONEYBEE PRACTICES IN
THAILAND'S SAFETY INDUSTRY**



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ABSTRACT

The aim of this paper is to adopt Avery and Bergsteiner's 23 sustainable leadership practices derived from the sustainable organizations as a framework to examine the leadership practices of Thailand's listed company in Safety industry.

Avery and Bergsteiner's framework are grouped into six categories for analysis: long-term perspective, staff development, organizational culture, innovation, social responsibility, and ethical behavior. Multi-data collection techniques, interviews, observations, reference to document and information supplied by the company were adopted. Six categories of 23 sustainable leadership elements will be identified

KEYWORDS: SUSTAINABLE LEADERSHIP / SUSTAINABILITY / RHINELAND / HONEYBEE / ANGLO / LOCUST

31 pages

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CHAPTER I

INTRODUCTION

Corporate Sustainability has become very important and is essential for today's business leaders. With the globalization and diversity, shortages of energy and resources, unethical corporate practices, businesses in different regions have different principles, and philosophies.

Arising with business failures and scandals, consequences of prevailing business models that emphasizes on maximizing short-term and shareholder value, more attention is now being aligned towards other management models that maintain long-term corporate success. Many researchers and scholars are seeking for alternatives to promote long-term management, instead of short-term, which arguably leads to sustained business success, investor attraction and corporate governance.

This paper will discuss the applicability of suggested framework to a listed enterprise in Thailand, **Phol Dhanya Public Company Limited**, focusing on the western concept of sustainable leadership and will provide recommendations to corporate leaders on how to adjust the business to ensure long-term sustainable success.

Phol Dhanya is recognized as the leading Personal Protective Equipment and safety products distributor in Thailand. The company is totally dedicated to distribute a broad range of equipment to give people safety and protection solution in working space offering personal protection equipment, such as safety helmets and glasses, respirators, gloves, and safety footwear and workwear, as well as technical safety equipment consisting of SCBA, fall protection equipment, emergency showers, leak and spill controls, portable ventilators, and other related safety products. It is also involved in water treatment system installation business.

CHAPTER II

LITERATURE REVIEW

Following recent business failures and scandals, consequences of prevailing **Anglo/US** business model that emphasizes on maximizing short-term and shareholder value, more and more attention is being directed to other management models that maintain long-term corporate success. Many researchers and scholars are seeking for alternatives to promote long-term management, instead of short-term, which arguably leads to sustained business success, investor attraction and corporate governance.

Europe's management principle, **Rhineland**, offers the basis for such an approach because of its concern with the long-term sustainability of enterprises and the value it places on relationships with many interest groups, not just with shareholders (Albert, 1993). Under this model, corporate sustainability requires balancing the needs of a firm's direct and indirect stakeholders (e.g. shareholders, employees, clients, pressure groups, and communities), not forgetting future stakeholders (Dyllick and Hockerts, 2002). "**Rhineland**" firms expect not only to maintain and to grow their economics, social and environment but also to actively contribute to sustainability in the public domain, for example, by participating in political discussions and attending in social needs.

Recently, Avery and Bergsteiner (specialist researchers in sustainable leadership) introduced the concept of "**Honeybee**" leadership referring to a resilient and humanistic approach to corporate sustainability that builds on the sustainable Rhineland leadership practices that Avery and others have identified.

Sustainable Leadership Framework

Discussing and identifying among the two fundamentally different ways of leading organizations, short term (Anglo/US, Locust) and long term (Rhineland, Honeybee) leadership principles, from the research, Rhineland/Honeybee enterprises are more sustainable than firms with Anglo/US principles (Albert, 1992, 1993; Avery, 2005; Avery and Bergsteiner, 2010).

Honeybee enterprises tend to stay ahead of other enterprises running with Anglo/US in terms of environmental and social measures, and long-term shareholder value. It has the greater sustainability of these main dimensions – financial, social and environmental.

Under the Honeybee model, a firm's success derives from taking a long-term perspective in making decisions; developing a skilled and loyal workforce; and offering innovative products, services, and solutions of high quality. The objective is not to maximize profits in the short term but to generate long-term value for all stakeholders. The long term sustainability business model concerns on enterprise's relationship with many interest groups, not only with shareholders, emphasizing on continuous satisfaction of shareholders, maintain on growing their economic, social and environmental capital bases, and the performance of the business.

The Honeybee framework focuses on more aspects of the organization than the traditional framework including long term perspective, human resource, culture, innovation, social and environmental responsibility, and ethical behavior. They present an evidence-based view of how Honeybee 23 practices can create outcomes that go beyond the triple bottom line, consisting of environmental sustainability, corporate social responsibility and financial success.

Long term perspective

Honeybee enterprises focus on the long term over the short term, in the aspects of strategic thinking, planning and investment, growth of work processes, human policies, and shareholder relationships (Avery, 2005). The long-term focused leaders are entrusted with the wellbeing of the business for the future generations.

In long term business perspective, the business avoids sudden changes or major strategies development to minimize the effects on sustainability. Instead, the development of long term strategies and commitment, decisions, investments and future plans are preferred, which can distinguish it from the short term business in terms of short term growth and performance.

People perspective

Developing staff is considered as the central to Honeybee businesses where they prefer to develop and enhance their own employees, managers, and leaders than hiring outsiders. A global study of CEOs leaving office concluded that appointing CEOs from outside the company is a high risk (Hamilton, 2003). Considerably, continuous staff development is a major part of the long term perspective to retain and promote staff.

Organizational culture

Organizations with Honeybee framework are challenged to distribute their core values and beliefs to their employees which adjust their employees to understand and act on the desirable behaviors. Positive results can be seen in many ways according to the organization's cultures, values, and philosophy, having effective leaders with high control within the organization, customer satisfactions, or product excellence. Honeybee organizations' strong cultures make them a "special place to work" (Avery, 2005).

Innovation

In the world of competition, innovation is a major part to the core competitiveness of business. Radical innovation refers to major shifts in product lines and processes or developing entirely new goods/services, whereas incremental innovation entails continuous, small-scale improvements to processes, services and products to enhance quality (Hall and Soskice, 2001). Honeybee enterprises are champions of both kinds of innovation (Avery, 2005; Lawler et al., 1995), which helps make them successful.

Social responsibility

Unlike Honeybee enterprises, traditional shareholders do not focus on corporate social responsibility (CSR) or environmental protection as there need to be expenses and investment which can affects short-term financial benefits. Shareholders with long term vision invest in being responsible on social and environmental issues. This leads to improved shareholder value and referred as good corporate citizen. Research shows that firms with social responsibility outperform their competitors.

Ethical behavior

Ethical behavior is strongly involved in Honeybee enterprises. It is considered essential to sustain the business, being a form of risk management and can enhance a firm's reputation. Companies that run in transparent, ethical ways can retain investor confidence and maintain their reputations.

Honeybee 23 leadership elements

Foundation Practices

1. **Developing people** – Invest in employee development in all level, not selectively. Continuous development is also required for all employees. For this element, training records, and budgets can be examined.
2. **Labor relations** – Seek cooperation from the labor or the workforce. Provide opportunities for labors to speak, to share ideas, and count them into considerations.
3. **Retaining staff** – Value long tenure at all levels, keeping knowledge and skillsets to the company. Create relations with all employees. Do not accept high staff turnover.
4. **Succession planning** – Promote from within wherever and whenever possible. Not appointing people from the outside. Create career path and opportunities for employees.
5. **Valuing staff** – Concern about employees' welfare (emotional, working environment, salary and attitude). Do not treat employees as interchangeable and a cost to the company.

6. **CEO and top team** – CEO joins and participates as a team member or speaker, not a sole decision maker. Collaborate with others in making decisions, directions.

7. **Ethical behavior** – Encourage everyone in the company to do the right thing. Create an ethical practice in the core value of the company. Prevent and control unethical activities.

8. **Long or short term perspective** – Focus and concern more on future success than short term profits, for instance, investing in long term objectives for sustainability, improving employees or process in organization, investing more in R&D.

9. **Organizational change** – React or adapt to the future change as planned. Consider change as an evolving and considered process. Organization, process, and employees are prepared and planned to change.

10. **Financial markets orientation** – Manage and direct the company independently without having to concern about external pressures, for instance, investors, banks, ventures or shareholders because these short term pressures can affect the company's sustainability.

11. **Responsibility for environment** – Protect the environment. Responsible for environmental activities. Promote and encourage employees to concern about environmental issues.

12. **Social responsibility** – Values people and the community. Contribute back to society. Do not exploit. Perform CSR activities.

13. **Stakeholders** – Consider everyone important to the company, employees, customers, partners, suppliers, communities. Not only owner or shareholders. Stakeholders are to be able to share ideas, to make changes to the company.

14. **Vision's role in the business** – Shared view of future is essential. All employees, top to bottom, share the same vision of the company. Communicate the vision throughout the company and drive the business accordingly.

Higher-Level Practices

15. **Decision Making** - Employees are encouraged and able to make decisions. Involvement of employees is accepted by managers or top management team in order to gain more ideas, information, and knowledge from others in decision making

16. **Self-Management** – Employees are more self-managing than being managed by managers. Provide flexibility and better utilization. Employees are authorized to work freely, to make decisions, to manage their own time in certain areas.

17. **Team orientation** – Encourage and empower employees to work in extensive teams, cross functions, not limited to managers decision or manager-centered.

18. **Culture** – Foster an enabling, widely shared culture, not focusing on short-term-results that may or may not be shared.

19. **Knowledge sharing and retention** – Knowledge is spread throughout the organization, easy to be retrieved, shared, and managed. Good retention of knowledge for other or new employees, not limited to only a few.

20. **Trust** – Honeybee approach requires the company to have high trust through relationships and goodwill of all employees. Not to be controlled and monitored. The more trust, the more productivity and utilization.

Key performance drivers

21. **Innovation** – Strong, systematic, strategic innovation evident at all levels, not limited or **selective**. Invest and count in all teams or departments equally. Bring ideas from all employees at all levels into consideration to develop innovative products, processes, or services.

22. **Staff engagement** – Value emotionally-committed employees and the resulting commitment. Bond to the employees to gain better and long lasting commitment. This element is to identify if the employees are emotionally satisfied and bound the company or not. If employees are financially committed to the company, the company will always have to provide financial rewards as motivators

23. **Quality** – Embed the quality into the culture of employees. Always prefer quality and exceed customers' expectations. The company should acquire the quality of culture, core values and beliefs which adjust their employees to understand and act on the desirable behaviors, not a matter of control.

Summary of the findings of the case studies in Thailand

Long term perspective of Thai case studies

From the previous studies, most of the Honeybee businesses do not only care about the short term profits. They invest in many aspects of long term benefits of future growth and competitiveness, not to be affected by short term decisions. Importance risk management is foreseen. Diversification strategies in products, customers, materials, are developed in order to minimize the risks and to gain sustainability in the long term. Investments in customers are clearly shown by Honeybee businesses, providing stability, consistency, and long term service to customers. For instance, a small company like Bathroom Design invests in 11 service centers throughout the country to make sure that their service is satisfactory delivered to all customers.

People perspective of Thai case studies

In Honeybee businesses, people are given priority which reflects high staff retention rate, allowing them to maintain the skill and knowledge within the organization. Reducing the process of appointing outsiders, promotion within the organization is preferred. It gives the employees the opportunities and rooms to grow. For most Honeybee business, employees are trained in work-related skills, some offer life skills. Not only the employees they care about, the families of their employees are also in the look of the organization as the new generation of their potential workers.

Organizational culture of Thai case studies

Vision and values are shared within Honeybee organizations, creating strong bonds of loyalty. With a strong culture, the business is bound with the people, helping each other to drive through the crisis. A clear example can be seen in Theptharin Hospital where the hospital survived the crisis in 1997 during which they

did not lay off any employees. Instead, the top and mid-level managers reduced their salaries to save money for the hospital, demonstrating a very strong teamwork culture, trusts, and respects for lower level employees. Most Honeybee organizations are supported by no lay off policy, strict employment entry practices, low turnover rates and promotion from within.

Innovation of Thai case studies

As mentioned in the long term perspective, innovation is a major part of the sustainability leadership. To sustain the business, the findings from the previous studies show that most of them invest in innovation to create more value for their products, services, processes, and new business models continuously, including soliciting creativity, and ideas from individual employees. Some companies also provide programs for employees to emphasize their thinking, generating ideas, problem solving, and decision making. Honeybee businesses in case studies invested in many major innovations within its field, extending benefits to stakeholders, enhancing service quality, managing knowledge, and uncertainties in the long term.

Social responsibility of Thai case studies

Each company has different ways of promoting social responsibility according to its business. Social responsibility is adopted mainly to create reputation, trusts, credibility towards stakeholders. It is a long term development to gain benefits from leading to world to a better place. Programs, training, and activities vary from each business. From the studies, some CSRs are bounded to the business' industry or service. For instance, Theptharin Hospital deploys SCR about healthcare sector, associating with the Thai Ministry of Public Health. Bathroom Design integrates it into its products, automatic emergency text from bathroom used by elderly people.

Ethical behavior of Thai case studies

Ethical cultures are adopted by the Honeybee business. From case studies, all companies have delivered the message to the employees to perceive ethical standards. Policies, core values, trainings and programs are developed for the employees on ethical behavior to deal with all stakeholders. This leads to the

organization's long term credibility and performance as to demonstrate no pressure to short term decision makings and performance to maximize shareholder value where unethical activities occur.

Since sustainable leadership has gained support in Thailand as an approach to ensure corporate sustainability and no study has been conducted into **Thailand's Safety Industry**, the presented study adopts the Honeybee Leadership as a framework to explore business practices of a business in the proposed industry to determine if they are consistent with the Honeybee leadership. Recommendations to improve the business practices, to become more sustainable, will also be provided. Methodology used for the presented study is discussed in the next chapter.



CHAPTER III

METHODOLOGY

A multi-data collection approach was adopted to explore whether Phol Dhanya business practices are consistent with the Honeybee approach, interviewing people at different levels in the company, supplementing with observations during the visits, researching from documentation and information supplied by the company (e.g. Phol Dhanya magazine, booklets, an annual report, certificates, awards) and a few relevant trusted sources (e.g. Stock Exchange of Thailand, Thai Institute of Directors).

Interviews were held with one top management, the CEO of Phol Dhanya, one Human Resource Manager, one Supervisor and one Administrator. Each level was interviewed selectively according to their roles. The questions were based the Honeybee leadership 23 elements. The interviewees were not prepared for the questions, in order to get straight answers from their real ideas and identities. All questions were open-ended, to explore the attitudes, detail answers, and to allow interviewees to share own experiences. Some questions

During the interview sessions, note-taking and sound recording techniques were used to record and observe the responses to the interview questions. Probing technique was employed to analyze the answers in particular areas from different levels, to see if the questions were answered in similar attitudes, and knowledge.

Honeybee framework

Discussed in the last chapter, the 23 sustainable leadership elements derived from observations of companies and supported by publish research are arranged in 3 groups: 14 foundation practices, 6 higher-level practices and 3 key performance drivers. All interview questions were based on these elements, so the study can analyze and distinguish whether Phol Dhanya is adopting the Honeybee approach or not.

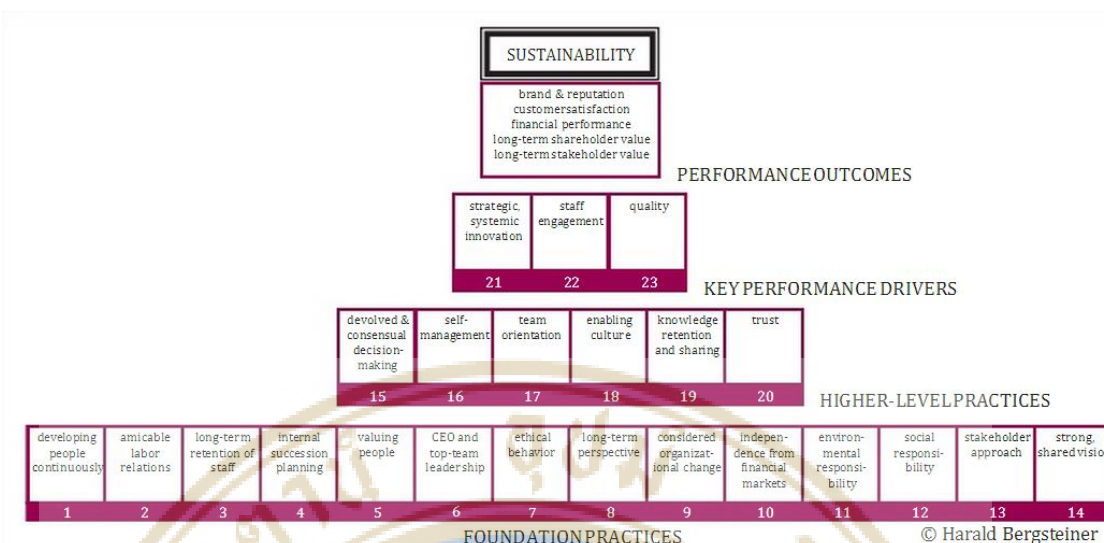


Figure 3.1 Honeybee Leadership Framework

Foundation practices

The foundation practices are the practices that can be developed immediately, without requiring other practices. These practices are staff development programs, managing labor relations, retaining staff to the company, succession planning, valuing employees throughout, considering the CEO as a team member, supporting ethical behavior, planning long-term management, managing change, orientation away from financial markets, promoting environmental and CSR activities, directing the company towards stakeholder interests and communicate the role of vision in driving the business.

Higher level practices

On the contrary, higher level practices do require relevant foundation practices to be developed before they can emerge. Higher level practices consists of devolved decision making, employee self-management, team orientation, organizational culture, managing knowledge and trust.

Key performance drivers

Various combinations of foundation practices and higher level practices will support the key performance of the company. The three key performance drivers are innovation, staff engagement and technology. These drivers will strengthen the performance of the company by providing what customers are looking for.

Open ended interview Questions derived from the framework

CEO

1. What is your policy or requirement for employee development?
2. What is your strategy to retain your staff and management team?
3. What is your perspective towards your employees?
4. How much do you value them?
5. How do you communicate your perspective?
6. How would you describe yourself, as a CEO, in the company?
7. How often do you join a project as a team member?
8. What is the CEO's perspective of ethics?
9. How does the company create ethical standard?
10. What is the role of CEO in building ethical organization?
11. How do you to entrust the wellbeing of the business for future generations?
12. How would you compare higher short term profits and long-term sustainable position?
13. How long does your investment plan cover?
14. How would you compare the long-term performance of the business and short-term growth?
15. Can you describe if the company self-focused or shareholder focused? Why?
16. How do you associate with outside investors? What are their requirements?
17. How do you invest/donate in environment protection?
18. How do you invest/donate in social responsibility?
19. Which one is more important to the company shareholders or stakeholders? Why?
20. How important is the vision for your business?
21. How do you communicate your vision?

22. What is the process of making decision in the company?

Human Resource manager and supervisor

1. How do you develop or train your subordinates?
2. How many managers had been promoted from within the organizations?
3. What are the main criteria for staff promotion?
4. Have you outsourced any staff?
5. How do you communicate to the employees that they are important?
6. What is your authorization or priority to participate in decision making?
7. What do you think about ethical behavior of the company?
8. How do you communicate it to the employees?
9. How do you deal with unethical issues?
10. What is your target and what happens if it is not achieved?
11. How often do you plan your target?
12. How often do you adopt new strategies?
13. How often do you acquire/develop new products?
14. As a manager, how do you see the company ten years from now?
15. How do you manage your subordinates?
16. Are they controlled efficiently?
17. How often delegations occur?
18. Do you usually combine many people from different departments in a project?
19. How do manage/share knowledge within the organization?
20. What is your strategy/system to retain the knowledge with the company?
21. How often do you develop/adopt new ideas?
22. What is your activity to support creativity and innovation, if any?
23. How is the company performing to ensure quality?
24. How do you exceed stakeholder expectations?

Administrator

1. How often do you get to attend training programs?
2. What do you think about your personal improvement?
3. What are the key reasons to keep you with Phol Dhanya?

4. Does Phol Dhanya give you the opportunity to be promoted?
5. How often do you see Phol Dhanya promote staff?
6. Do you feel Phol Dhanya is concerning about your welfare?
7. Please describe a situation in which you find Phol Dhanya is valuing the employees.
8. What do you think of your CEO?
9. What does he mean to you?
10. How is Phol Dhanya performing in term of ethic?
11. Please give an example of a known unethical issue. What happened? And how did you handle it?
12. How are targets given? What are the results?
13. What have you participated in environment responsibility? How?
14. How have you participated in social responsibility?
15. What is vision of Phol Dhanya?
16. How well is it communicated from the top?
17. How do you make decisions with your team?
18. Can you work efficiently without your managers? Why?
19. What do think of self-management approach when working on projects?
20. How often do you work with other teams?
21. What is the average number of members in a project?
22. How do you feeling working with other teams?
23. What is your corporate culture?
24. Where is the knowledge? Is it limited?
25. Do you get enough knowledge to perform in the company? Why? How?
26. How do you share your knowledge within the company?
27. Do you think your colleagues are trustable when working on a project? Why?
28. How is the relationship throughout the company?
29. When you have new ideas, how are they shared to others? Are the ideas adopted?
30. Which do you think is more important, emotional or financial offer? What does Phol Dhanya offer?

Interviewees

- Chief Executive Officer – Khun Boonchai Suwanvutthiwat
- Human Resource Manager – Khun Chompunuch Memak
- Administration Manager – Khun Sukanya Wingworn
- Human Resource Specialist – Khun Wararat Meknitikul



CHAPTER IV

FINDING

The research documents, observations and interviews showed that Phol Dhanya's management is reflecting most of the Honeybee elements, covering all core categories: long term management, employee development, organizational culture innovation, social responsibility and ethical behavior. These core categories are derived from Honeybee framework where sustainable leadership is obtained. The findings will be summarized according to the 23 elements and will be discussed below. All findings are consistent except for the element of labor relations since Phol Dhanya does not have a union.

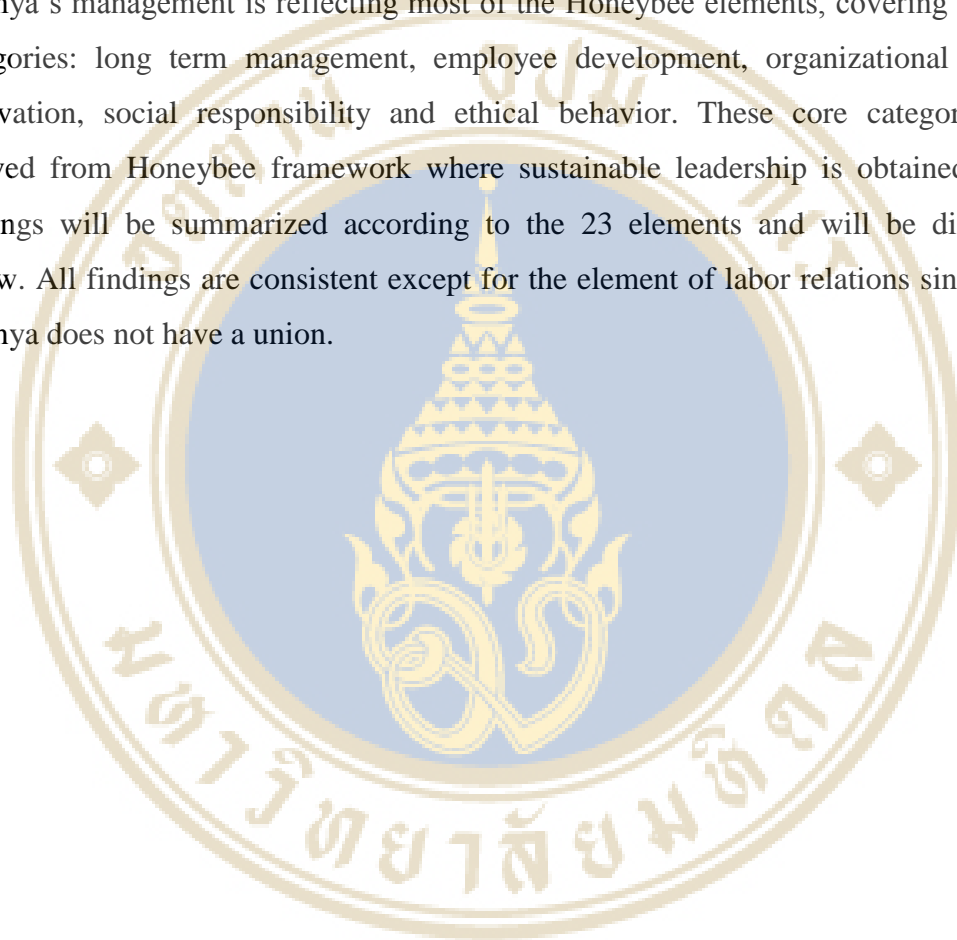


Table 4.1 Honeybee Leadership Grid

Honeybee Elements on the Sustainable leadership grid		True	Extent to Conform		
			Least Evident	Moderately Evident	Most Evident
1	Developing people	/			
2	Labor relations	-			
3	Retaining staff	/			
4	Succession planning	/			
5	Valuing staff	/			
6	CEO an Top team	/			
7	Ethical behavior	/			
8	Long-term or short-term perspective	/			
9	Organization change	/			
10	Financial markets orientation	/			
11	Responsibility for environment	/			
12	Social responsibility (CSR)	/			
13	Stakeholders	/			
14	Vision's role in the business	/			
15	Decision making	/			
16	Self-management	/			
17	Team orientation	/			
18	Culture	/			
19	Knowledge sharing and retention	/			
20	Trust	/			
21	Innovation	/			
22	Staff engagement	/			
23	Quality	/			
Total elements in conformity					
Legend: "/" = conforms; "-" = does not conforms; "?" = not known					

Findings from the 23 elements

Developing people

Phol Dhanya provides continuous training programs for all employees in all levels and departments. It is one of the requirements that Human Resource department has to make plans continuously for staff development, to improve and create competency, and to manage training requests.

From the research, there are 3 main developments for Phol Dhanya's staff.

1. A Competency program which allows it to assess employees according to job description whether the employees are up to the standard for their roles or not. There will be trainings every year and trainees must take a test and pass the standard. This program is mainly to create competency in each person.

2. Custom Training by requirement. Employees or departments are able to request to be trained in specific areas or topics as needed.

3. Custom training sessions or seminars arranged by HR. Human resource department will plan for general sessions or seminars for their staff yearly, for instance, "How to drive safely" for sales team and logistics.

Furthermore, Phol Dhanya also offers scholarship and extra money for expense to the well performed employees to study in Master degree.

This element clearly shows that Phol Dhanya is focusing on developing its people.

Labor relations

Labor relations element was not assessed as Phol Dhanya does not have a union.

Retaining staff

"Employees are one of the keys to our success" said Khun Boonchai, CEO. Phol Dhanya always has been concerning about their employees since the first generations as the company wants to retain people, knowledge, experience and relationships with customers. For safety industry, employees with experience are difficult to find. For retaining staff, Phol Dhanya offers employee improvement

programs discussed in Developing People element, and the company also ensures that employees have the better welfare than what other companies in the same industry are offering. From the interview session with the employee, the welfare is better than what others are offering as claimed by the company and the key to retain the employees is also the culture of the company. Employees are very helpful to each other, family oriented environment. Management team always listens to their employees. It can be easily observed that most of the employees have been working with Phol Dhanya for many years. Some have been working since the first generation. Many have been working with Phol Dhanya for more than 10 years. HR department confirmed low turnover rate. Another finding from observation that Phol Dhanya offer to retain staff is Phol Dhanya is the best working place in the areas (Lumlukka). The company has certified working environment standard OHSAS 18001, providing a safer, healthier work environment.

Succession planning

The company encourages promotion from within. Current employees are the first priority for the company when a position is available. An easy observation, Khun Boonchai, the current CEO, was also promoted from within the company, along with other top management and managers. “Phol Dhanya provides a career path for employees as possible” said an employee. Only sales team that the company will often recruit new employees.

Valuing staff

As discussed in Retaining Staff element, people are the core competency of the company. Phol Dhanya concerns about the salary, welfare, health, and families of its people. The employee interview session speaks for itself. Employees are satisfied financially and emotionally. Clear examples are no layoffs when having business crisis, low power distance, observed when Management team travels with their employees with the same transportation. Employees said “Management team cares and remembers most of the employees, and even their families”.

CEO and top team

In Phol Dhanya's management, decisions are made together among the teams including the CEO and top team. Employees are encouraged to participate in decision makings, not only the CEO that will make decisions. From the interview, CEO and top team join almost every project and are open minded to employees' ideas and concerns. Occasionally, when decisions cannot be made, CEO does make the decision for all.

Ethical Behavior

Company's perspective of ethical behavior is communicated throughout in meetings and conferences. Employees are provided with business code of conduct and small booklets promoting ethical behavior in the company. From the interview and discussion with employees, Phol Dhanya is very straight forward in business, no bribery, corruption, and also not taking bribery from related business stakeholders (i.e. vendors cannot give/offer any gift with value over 3,000 Thai baht.) This perspective of ethical behavior is mentioned in organization's core competency announcement, and managerial competency meeting. No known unethical issues were acknowledged. Phold Dhanya is also being awarded in Corporate Governance, from Stock Exchange of Thailand, 2 years in a row. And in 2013, Phol Dhanya was awarded "Board of director of the year" from Thai Institute of Director.

Long or short term perspective

Many evident are pointing that Phol Dhanya is focusing on long term management, the employee retention and development, the mission of the company which refers to long term relationship with stakeholders. Targets and KPIs are both monthly and yearly. Phol Dhanya does not give much pressure on meeting short term targets, but annual targets are essentials. Investment in R&D, systems, and innovation are made constantly. Stakeholders are treated in a way that emphasis long-term

relationship. Generally, the company plans its business over the next 5 years, focusing on long term performance

Organizational change

Annual plans are discussed to cover over 5 years onwards. Not often that Phol Dhanya applies changes to the company. Most of the changes are planned. Only sometimes, small changes occur. From discussing with employees, the workflows and processes are said to be stable.

Financial markets orientation

From research, the company performs independently away from financial markets. There are some foreign investors and stakeholders relating with Phol Dhanya but only minor part. There is usually no pressure from financial markets demanding short term performance, only a few shareholders. “Frankly speaking, everyone likes to have higher profits. We have to manage it not to affect our main objectives or our principles” said the CEO.

Responsibility for environment

Phol Dhanya has invested and is certified with OHSAS 14001, implementing and managing their environmental management systems that meet the standard and OHSAS 18001, meeting an international occupational health and safety management system specification. The company also encourages employees to reduce electricity consumption, to turn all the lights and air conditions off during lunch and after 6PM, also growing trees and using recycle paper. Employees are reminded with booklets of 5 rules to help promoting cleanliness of the working environment.

All light bulbs in the building are T5 which reduce 40% of electricity consumption. Plants in some areas are edible and meant for employees to consume healthy vegetables. Phol Dhanya also filters water from the canal (using its product and technology) and provides it to the locals in the area. Free water filters are given to schools. A trip for tree growing is established yearly.

In addition, Phol Dhanya conducts seminars to provide knowledge and information about safety environment to public. “Environmental responsibility is transferred into our product, the water treatment system.” said the CEO.

Social Responsibility

When this element was raised during the interview, Khun Boonchai said “We give the priority to our people first, making sure that our people and their families are well taken care of. Then we invest in CSR.”

For CSR activities, Phol Dhanya invests in a team specifically to provide free safety courses for factories, manufacturers, industrials, and public. They also make donations to forest temples, schools, giving scholarships, and other social needs. Employees are involved in social activities. One example, there is a club for employees to learn how to knit hats. All the hats that are made by the employees are given to the community of cancer patients. “It is our duty to create and increase awareness of safety management. It is our core value.” said the CEO.

Stakeholders

Phol Dhanya focuses on stakeholders or “everyone in our value chain” as Khun Boonchai said. The main focus is on 1) customers, in term of quality, cost, and delivery 2) suppliers in term of relations, partnership, target and profit 3) Shareholders, reasonable returns 4) employee, road to success.

Vision’s role in business

The future vision of the company is communicated to the employees, but is not a strategic tool. As mentioned above, Phol Dhanya always has future vision for the next coming 5 – 10 years which the vision will be mentioned in the major meeting 2 times a year.

Decision making

As discussed with the CEO, all employees at all levels have the authority to make certain decisions. Decision power is balanced throughout the employees

according to the job roles which they are encouraged to participate in decision making. The decision making system in Phol Dhanya is clearly not manager-centered.

Self-management

Relevant to the previous answer, Phol Dhanya develops a system in which all employees have their own authority to decide and manage their own resources independently according to job description, not depending on managers or supervisors. Activities are not strict to one. From the interview with employees, self-management is efficiency in working with teams and individually.

Team orientation

Working in teams is extensive in Phol Dhanya. The company encourages employees to work in teams to get create better productivity and utilization. Knowledge is often shared among different departments for further functions or activities. The HR Manager mentioned about how Phol Dhanya has MMM (Middle Management Meetings) to join all department to discuss and share problems and issues to be solved together. In the staff level, the interviewee said that they always join with others. Teams are usually extended to more than 10 people where big teams can help small teams.

Culture

Top management encourages helpful and family oriented culture to the employees. It is one of the strategies to make long term relations of all employees. From the interviews and discussions, employees are directed and being treated to the same way, working independently but people always help. The low power distance is perceived.

Knowledge sharing and retention

One way of retaining knowledge is to retain employees as discussed in the previous element, which Phol Dhanya is performing well. The company also has a guide for people to share knowledge, for instance, when someone has taken a training course or attended a seminar, he/she has to spread the information and relevant

document to other teams or colleagues. Phol Dhanya is also investing in Knowledge Management System where all the knowledge, know-how, experience, and solutions can be shared to all employees and are centralized for management.

Trust

As discussed in relevant elements, Culture, Self-management, CEO and Top team and Decision making, Phol Dhanya employees are built on trust, not only with employees but also stakeholders as well. From the interview and observations, employees said Phol Dhanya has good relationship with all stakeholders, no known major conflicts with any party. Phol Dhanya builds trust by always joining stakeholders in their activities.

Innovation

Phol Dhanya adopts strong and systematic innovation evident at all levels. In term of investment, the company invests in R&D to design and customize the OEM products to exceed the market requirement (the investment budget is not available) and also in a new service center to receive and response to customer feedbacks, to improve quality control and maintenance. Training center was developed to ensure the quality of the service person, and to improve customer satisfaction.

The company always has internal meetings to discuss technology, service and product improvement, and problems encountered. For all employees, any new ideas, or suggestions can be made to the management team in half year meetings (2 times per year). All information, ideas, and suggestions are discussed openly by management team. Some ideas are adopted when possible and beneficial. This shows that the creativity of employees is encouraged to be shared to the management team. If the ideas are solid, the management team will support the testing or prototyping.

Staff engagement

This element was a good fit for probing technique. In staff engagement, the company is considered Honeybee when it values emotionally-committed staff and the resulting commitment, not using financial rewards as motivators. Khun Boonchai, the CEO, said “We need to balance between emotional

engagement and financial engagement. An employee will not be satisfied without one or another”. Phol Dhanya values their employees and sees them as the key success factor. The company provides both emotional engagement (clearly seen in previous elements) and financial engagement. Financially, Phol Dhanya is offering better than the industry average.

From the discussion with one of the employees, “I am satisfied with the financial offers. And I even more satisfied with the emotional engagement from the management team. That is the reason why I have been working with the company for a very long time”.

Quality

Quality is the core value of Phol Dhanya, to give quality products and services in safety industry. “In this industry, it is necessary to provide high quality products and services because it is about life and death of our customers. It is about health and risk of the customer” said Khun Boonchai. As a safety company, Phol Dhanya offers high quality products and high end brands to ensure quality and customer satisfaction. The company is certified with ISO9000, meeting the requirements of a quality management system, and OHSAS18001, for occupational health and safety management systems. Board of the year and Corporate Governance awards are also given to Phol Dhanya the last 3 years, ensuring the quality. “It is in our nature of business” said the CEO about the quality. In employee’s perspective, Phol Dhanya is very quality oriented, especially with customers. The company always has customer insights and always gives extensive services.

CHAPTER V

RECOMMENDATION

From the findings of the research, it clearly shows that Phol Dhanya adopts all of the elements of Honeybee framework except the Labor relation element. The company has 19 strong evident out of the 23 elements, 2 moderately evident, and 1 least evident.

First I will discuss on the moderately evident elements, Succession planning and Knowledge sharing and retention. The reason why succession planning has moderately evident is because some of the employees have high experience and have been working with Phol Dhanya for a long period but they are not promoted due to the limited position of the company. If a position is not available, they will never get promoted. For instance, an employee has been working with the company for 20 years, but the upper position is still limited for him/her to be appointed. The employee might feel disappointed and undervalued, especially comparing with the new recruits with less who come in to the same position. For this concern, I suggest Phol Dhanya, if possible, make divisions of department so that the seniors can earn the higher positions and gain benefits financially and emotionally, or expand the area of opportunities, allowing employees to request for a position in new or another department or branch. Knowledge sharing and retention of Phol Dhanya is still a manual system. The employees have to share knowledge in person, and documents have to be copied to be distributed to the colleagues. This can be an obstacle for employees for not wanting to share their knowledge or even not wanting to be trained or to attend a seminar. When a person is constantly asked for details about the new topics he/she was trained, it can be frustrated and can reduce the training efficiency in the future. I would recommend Phol Dhanya to develop a Knowledge Management System to manage all the knowledge and document from the central. It will allow employee self-management, to share their knowledge and documents gained from the training remotely. In the future, when employees require any information or any material, they can access

directly to the system they get their answers and the needed resource. This system will increase the efficiency and performance of the organization.

Discussing about the least element evident, Vision's role in business, Phol Dhanya is not really using their vision to strive for success. Even though the vision is clearly communicated to the employees, the vision has not been seen as a business driver. Employees are not passionate and are not into the vision. They just know what the vision is, what the future Phol Dhanya is being directed to. To gain Honeybee leadership, I would suggest Phol Dhanya to develop and embed the vision into each and every employee, as a shared goal, dream, and passion that all of the employees have to work together to achieve it. Lead the employees to work as a whole, to achieve one thing in common as a teamwork, as a company.

Phol Dhanya achieved strong evident in other elements. Some of them still have rooms to be improved. The company can consider investing more in CSR and environmental. Innovation techniques can be adopted to maximize the value of employees' creativity, e.g. innovation session which focuses on bringing new ideas to reality. For ethical behavior, investing in a preventive system is a promising method to ensure zero corruption, the system that can manage the sales team in terms of document processing and bidding activities, to avoid unethical behavior.

CHAPTER VI

CONCLUSION

From the research and analysis, it shows that Phol Dhanya is already adopting Honeybee leadership framework in actual business practices. The company achieved 22 out of 23 elements of the framework, where 19 elements have strong evident, 2 elements have moderate evident, and 1 element that has least evident.

The company focuses on the long-term perspective, emphasizing on long term relationships with stakeholders. People development is well managed looking at the evident of employees' happiness and working time with the company. People work as a team. It is in the culture of the company that employees trust each other and treat each other as a family. In innovation, Phol Dhanya invests in many aspects, quality, people, service and customer, to strive for the sustainability of the business. With the core value of social responsible, and being in the safety industry, the company concerns and invests in the society and environment.

In overall, Phol Dhanya is well managed according to Honeybee leadership practice and it appears that Avery and Bergsteiner Sustainable Leadership practices do apply usefully to this Company and leaving the way open for future researches to similarly examine other Thai business.

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