

**SUSTAINABLE LEADERSHIP  
IN AN IN VITRO DIAGNOSTICS INDUSTRY**

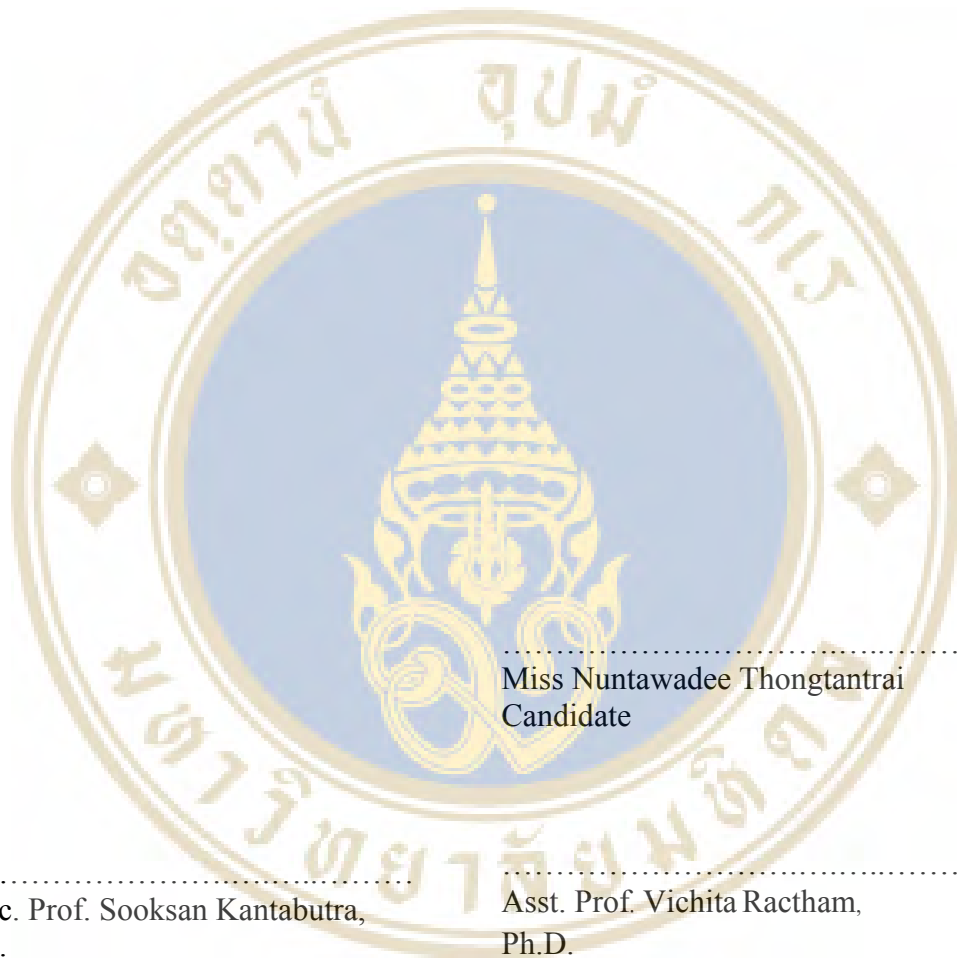


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IN AN IN VITRO DIAGNOSTICS INDUSTRY**

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**SUSTAINABLE LEADERSHIP IN AN IN VITRO DIAGNOSTICS INDUSTRY**

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**ABSTRACT**

Given the reinforcing to be sustainability in business operation, the sustainable leadership becomes alternatives to be practiced. In vitro diagnosis industry in Thailand could possibly deliver sustainability to their organization by adopting Avery's 23 Sustainable Leadership Grid elements to examine their practices and improve to become more sustainable. To examine the close fit the practices between the Honeybee and Roche Diagnostics (Thailand) Company, the in-depth interviews, non-participant observation and the reflective note taking have been used for research methodology.

The result indicates that there are 17 of Avery's 23 grids representing RDT's leadership close fit with the Honeybee elements on sustainable leadership. Thai healthcare enterprises even in in vitro diagnosis industry that would need growing their business with sustainability could adopt the Avery's 23 sustainable leadership grid elements to guide their practices.

**KEYWORDS:** SUSTAINABLE/ LEADERSHIP/ HONEYBEE/ PRACTICE/  
IN VITRO DIAGNOSIS

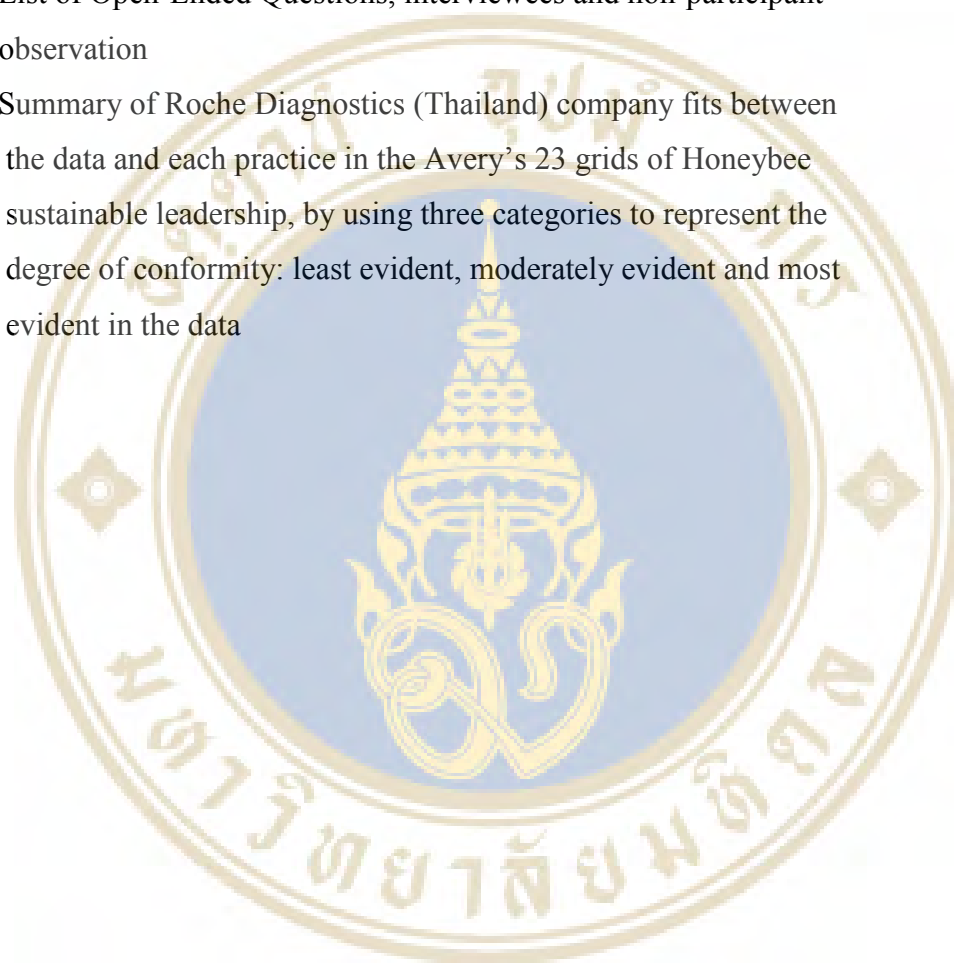
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## **CHAPTER 1**

### **INTRODUCTION**

Corporate sustainability has been widely discussed among corporate leaders and scholars. Although it is an important issue, only few approaches to corporate sustainability have been examined in the Thai context.

The present study therefore adopts Avery and Bergsteiner's Sustainable Leadership concept that has been supported by previous studies as a relevant approach to corporate sustainability in Thailand. The study examines business practices of Roche diagnostics (Thailand) Co; Ltd Company to determine if there is a fit between Sustainable Leadership practices and those of the case company.

Roche diagnostics (Thailand) (RDT) is an in vitro diagnosis company which is based in Bangkok and was established as an affiliate of Hoffmann-La Roche since 1984. The Roche Group is organized the two pillars of pharmaceuticals and diagnostics. Roche headquarter in Basel covers the entire business chain from research, development and production through to the corporate marketing. Recently, Roche diagnostics (Thailand) has 240 employees following corporate strategy and culture. It ranks number 1 in in vitro diagnosis business in Thailand and ranks number 4 in Asia Pacific region.

To determine the fit, the literature on Sustainable Leadership in Thailand is reviewed in Chapter 2 and the methodology used to test the Sustainable Leadership concept is explained in Chapter 3. This includes how to collect and analyze data. Chapter 4 presents findings, while Chapter 5 discusses the findings and concludes the study with practical recommendations to enhance the prospect of corporate sustainability for the case company.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Literature Overview**

Business enterprises nowadays are developing more sophisticated approaches and are more being cognizant of the fact that the world has already entered an era of a corporation's reputation which has become an important measurement of competitiveness. The interconnected complex world is overwhelmed with social, environmental economic and ethical issues (Wong & Avery, 2009). Business leaders are more concerned about these pressures and organizations want to shift towards more sustainable practices.

The number of CEOs opinion from the UN Global Compact - Accenture CEO Study 2010 shows 93% of CEOs believe that sustainability issues will be critical to the future success of their business. By 72% of CEOs rank the top three factors "brand, trust and reputation" as number one in driving the organization to take action on sustainability issues, while a revenue growth and cost reduction ranks second with 44%. Nowadays, CEOs recognize that the scale and complexity of global challenges will require a significant acceleration in their efforts, both individually and in collaboration, to embed sustainability at the heart of business. By 96% of CEOs believe that sustainability issues should be fully integrated into the strategy and operations of a company (up from 72% in 2007). The number also shows that 49% of CEOs cite complexity of implementation across functions as the most significant barrier to implementing an integrated, company- wide approach to sustainability. Competing strategic priorities is second with 48% (Peter, Tim, Rob and Lisa, 2010). Therefore if managers or CEOs would need to implement sustainable practice, how can corporate leaders embed practice into their company and ensure long term sustainability efficiently? Which practices are most effective?

There are several approaches for running business profitability effectively. The Anglo-American (Anglo/US) model is characterized by shareholder-oriented,



individuals and enterprises pursuing their interests. This approach enhances increasing of the financial markets and weight employees as a cost (Bergsteiner & Avery, 2006). It promotes mainly for shareholder-value (Kantabutra, 2009), focuses on short-term profitability discouraging long-term perspectives, investment and planning (Avery & Bergsteiner, 2011).

Difference from the Anglo/US, The Triple Bottom Line (TBL) approach developed by John Elkington seems to be more sustainable leadership practices. The organization should prepare three different bottom lines which are the traditional measure of corporate profitability, people account and planet account for environmental responsibility (Elkington, J., 1997). The TBL dimensions are called the three Ps: people, planet and profits. There were some examples throughout the United States showing that the TBL practice can be used to grow a region's economic base in a sustainable manner (Timothy F., 2011).

In Thailand, adopting of Sufficiency economy philosophy advocated in 2004 by His Majesty King Bhumipol Adulyadej, is practical to corporate sustainability. The practice is an approach to life and conduct that is applicable at every level, from the individual through to the family and community to the management and development of the nation. This theory is well established in the Thai agricultural sector (Fresh Thoughts in Sustainable Leadership 2013, P. 140).

There are researches and observations in over 50 enterprises around the world, including in many listed corporations, indicates that sustainable practice requires taking a long-term perspective in decision making, fostering systemic innovation in order to enhance customer value, developing highly engaged workforce and offering quality products, services and solutions (Bergsteiner & Avery, 2006).

The one of alternative approaches to sustainable leadership is referred to a "Rhineland" or "Honeybee" model. This Rhineland or The Honeybee leadership practices differently from the short-term maximization of profitability Anglo/US or Locust business model. The characteristics of the Rhine model or Rhineland leadership promotes organizational sustainability by building relationship engagement not only shareholders but among all groups of their stakeholders. Business operation in this practices concerns taking coordinately action in adherence of long-term

economic and social perspectives (Albert, 1993) and valuing employees as the organization's primary asset (Bergsteiner & Avery, 2006).

Several studies (Albert, 1992, 1993; Avery, 2005; Kantabutra, 2009; Avery & B Bergsteiner, 2011) indicate that organizations practicing the Rhineland leadership are more sustainable than the others running on the Anglo-American (Anglo/US) principles. The value on employees under the Rhineland leadership reverberate a much more efficiency and productivity of an organization than the shareholder-value leadership or (Anglo/US) principles (Bergsteiner & Avery, 2006). It seems that running business under the Rhineland leadership leads to business sustainability at least in highly developed economies (Avery & Bergsteiner, 2011). And in Europe, Rhineland model is praised as an alternative philosophy to promote corporate sustainability (Albert, 1992; Kantabutra, 2009).

Avery (2005) uses 19 elements to distinguish different business approaches between the Rhine model and the Anglo-American (Anglo/US) model. The Avery's Sustainable Leadership Grid containing 19 elements offers a comprehensive approach to assess embedded sustainable leadership practices in organizations (Avery & B Bergsteiner, 2011). Avery demonstrates that organizations habituating these 19 elements can become a sustainable success in various industries. Moreover, Avery's 19 leadership practices can be implemented efficiently not only in the developed economies such as USA, UK, Australia, Europe or Scandinavia, but also in the less developed economies such as South Africa and Thailand (Avery & B Bergsteiner, 2011) as well.

The Rhineland leadership becomes more attractive to managers or management team in term of practicing for future sustainability. Therefore, it becomes possibility to practice the Rhineland or the Honeybee Leadership in business sector including in vitro diagnostics industry in Thailand.

## **2.2 The Honeybee Sustainable Leadership**

Avery and Bergsteiner expanded the list of Rhineland practices Sustainable Leadership Grid elements from 19 to 23, by adding four elements. The criterion distinguishes typically of sustainable “Honeybee” leadership and shareholder-first or “locust” perspective (Avery & Bergsteiner, 2011). The 23 elements of Honeybee Sustainable Leadership have been characterized as below details.

### **2.2.1 Developing people**

A sustainable leadership considers all members in organization as well as the interests of future generations. Business practice led under honeybee philosophy cares for their people and has its own managers preparing from junior levels to grow within the organization. As well as CEO, it seems that not usually be hired from the outsiders. If they need to hire workers from outside the organization, these new workers are carefully selected to fit the culture and values of the organization.

### **2.2.2 Labour relations**

People in the organization as employees and unions share their power with management team in a friendly relationship.

### **2.2.3 Retaining staff**

Organization under honeybee philosophy tries to reduce employee turnover rate and focuses on developing their staff competencies. The organization values their skilled workforce and invests heavily in training and developing their staff. As their staff are the core part of the organization so they tries to retain staff in the long term even in the difficulty. At that time of difficulty or crisis, organization can adjust, retrain and or restructure of their staff instead of laying them off.

### **2.2.4 Succession planning**

Organization with honeybee philosophy also plan for the future by conducting succession planning and prefer to promote people from within the organization wherever possible.

### **2.2.5 Valuing staff**

Organization with honeybee philosophy normally values and always provides outstanding benefits to their people exceeding from competitors. Recognition also is generally issue to be concerned. People are given priority and organization spends or allocates budget investing in people.

### **2.2.6 CEO or top team**

There is no heroic CEO in honeybee sustainable practice. A team based leadership approach characterizes the organizational executive teams can be the speaker of a group and seamlessly can be representative of the management team.

### **2.2.7 Ethical behavior**

Honeybee organization practices to impede wrong-doing by embedding ethical behaviour in their organizational culture. People are required to do the right thing binding to a set of principles, codes of conduct and values that support ethics. People in organization behave ethical. Ethics are their core value.

### **2.2.8 Long-term perspective**

The honeybee model values the long term running. Organization always looks forwards to long term effects and adopt a long-term perspective in their decision making. They might accept that operating results in some reporting periods will be outstanding, while in others will be only modest. Rewards to managers are based on long-term returns encouraging the continuous improvement.

### **2.2.9 Organizational Change**

Major change is always considered in the honeybee organization. Organization always prepare for change not only wait to fix the future problem or crisis. The continuous improved process is concerned about reinforcing and protecting the organizational culture and reputation.

### **2.2.10 Financial markets**

Contrasting from the locust approach, honeybee sustainable practices do not focus on the short-term interests of investors, the stock markets and their financial reports. Organizational operation demonstrates in a particular business's future. Organization tries to run away making quick money from relatively short-term deals. Managers are encouraged for long-term planning to contributor the organization return in the future. The operation challenges the investors to take a long term investment, not about short term profitability.

### **2.2.11 Responsibility for environment**

Organization practicing honeybee leadership tends to achieve their objectives not only by polluting the air, water or environmental harmful, but they mostly initiate competitive advantage of environmental friendly.

### **2.2.12 Social responsibility (CSR)**

Organization with honeybee practice beliefs that not only providing jobs and generating wealth for shareholders are enough, but organization should spend more in term of community development. Organization would not think that spending for community as reducing their profits.

### **2.2.13 Stakeholders**

Organization of honeybee sustainable leadership does not focus only shareholders, but future generation and society. They focus on the long-term returns and deliver more responsibly for their all stakeholders. The interests of shareholders and owners can be met the achievement when the interests of all stakeholders involving contribution of shareholders' enrichment are fulfilled. The stakeholders would include of board members, managers, employees, customers, suppliers, government, regulatory affairs, alliance partners and future generations.

### **2.2.14 Vision's role in the business**

Visionary leadership draws positively the people's motivations, organizational commitment, organizational performance and future outcomes. People

in honeybee organization mostly are empowered and work autonomously towards a shared vision. They deliver their commitment from the shared vision for transformative outcomes in the long-term perspectives.

#### **2.2.15 Decision making**

People in honeybee organization, not only managers, can put their ideas or opinions in order to decision making process. Organization with honeybee practices tries to eliminate hierarchical decision making leading to initiative solutions and innovations. They try to empower their people and disperse decision making to the lowest level within their organization.

#### **2.2.16 Self-management**

People in organization with honeybee leadership, mostly tends to be self-managing. With a sense of autonomy, people manage setting goals, plan and scheduling, developing self-motivation and individually monitoring. They can also direct their aspects of learning paths.

#### **2.2.17 Team orientation**

People in organization with honeybee practices, tend to work as a team. Team is a core process. With a strong team orientation, they effectively draw skilled colleagues who are committed to organization's vision and willing to share knowledge to form teams. The team generally is trustworthy driving innovation exceeding customers' expectations.

#### **2.2.18 Culture**

Most of people in honeybee organization are retained so that they have a strong history enabling a strong culture in the long run.

#### **2.2.19 Knowledge sharing and retention**

Transitional sharing of knowledge and information generally happens among honeybee organization which mostly enables high staff retention.



### **2.2.20 Trust**

The approach to trust is preferred by honeybee leadership. Integrity and trustworthiness generally experiences in organization that practice the sustainable leadership. Retaining their people in their organization, people know each other well and are highly trustworthy and trusting of each other to form flexible innovative working teams.

### **2.2.21 Innovation**

Honeybee sustainable leadership focuses not only radical innovation, but also incremental innovation in product, service and process.

### **2.2.22 Staff engagement**

Without motivation or reinforcing from management, People engaged in their work. This engagement results in better productivity, more efficiency, customer satisfaction and enhances better organizational performance.

### **2.2.23 Quality**

Organization with honeybee practice, quality is embedded in their culture. Differencing from locust leadership, they concern and strive to contribute more in quality development continuously.

## **2.3 The Rhineland/ Honeybee Leadership Practices in Thailand**

For Thailand, some published papers demonstrate that the Rhineland and the Honeybee Sustainable Leadership practice can be used to enhance the integrity of organizational brand and reputation, customer satisfaction, generate shareholder value as well as long-term value of stakeholders in various industries and sizes of organizations.

### **2.3.1 A Thai healthcare services provider (Kantabutra, 2009)**

Kantabutra (2009) adopted the Rhineland Sustainable Leadership by using Avery's Sustainable Leadership Grid containing 19 elements as a framework to evaluate Theptarin hospital. Evidence was found for compliance with 15 of 19 Avery's Sustainable Leadership Grid Elements. It shows that Avery's 19 Rhineland practices provide a useful framework for evaluating the corporate sustainability of Thai Enterprise.

### **2.3.2 Bathroom Design Company (Kantabutra, 2012)**

Katabutra (2012) demonstrated the close fit between the Rhineland Sustainable Leadership and Bathroom Design's practices by adopting Avery's Sustainable Leadership Grid containing 19 elements as a framework. Evidence was found for compliance with 17 of 19 Avery's Sustainable Leadership Grid Elements showing business sustainability in one industry of Thai enterprise under the Rhineland practices.

### **2.3.3 Sa Paper Preservation House (Kantabutra and Suriyankietkaew, 2013)**

Sa Paper Preservation House is a small enterprise operating in a community in Chiangmai, Thailand. Kantabutra and Suriyankietkaew (2013) adopted the Avery's Sustainable Leadership Grid containing 19 elements as a framework to evaluate their business operation. The study was found the compliance with 14 of Avery's 19 sustainable leadership elements. It showed that even small enterprises in Thailand can investigate their leadership practices by the Rhineland philosophy and adjust them to become more sustainable.

### **2.3.4 True Corporation (Kantabutra, 2012)**

Kantabutra (2012) adopted a framework of 23 Avery and Bergsteiner's grids of the Honeybee leadership elements to evaluate a Thai telecommunications enterprise. With 22 of 23 grids of elements, it showed the close fit between the Honeybee Sustainable Leadership and the True Corporation's practices enhancing corporate sustainability. The researcher persuades other enterprises that wish to



promote their effective success, can adopt the Avery and Bergsteiner's Honeybee elements to evaluate their organizational leadership and adjust to become more long-term sustainable.

### **2.3.5 Thailand's oldest university (Kantrabutra and Saratun, 2012)**

Even in an autonomous, public university in Thailand where competition is intense, the Honeybee philosophy can be practiced to enhance the organizational sustainability. This study demonstrated the finding of the close fit between the Honeybee Leadership and the practices of Thailand's oldest university. It showed the compliance with 21 of 23 Avery and Bergsteiner's grids of the Honeybee leadership elements endorsing the Honeybee Leadership as relevant to a large, higher-education institute in Thailand.

### **2.3.6 A leading Asian industrial conglomerate (Kantabutra, 2013)**

In 2011, Kantabutra and Avery examined the business operation at Siam Cement Group by using the Avery's 19 sustainable leadership elements as a framework and were found that SCG's management practices mirror 18 of 19 Rhineland criteria. Since Avery and Bergsteiner's updated set of 23 sustainable leadership practices and derived to the Honeybee philosophy, in 2013, they adopted the 23 Avery and Bergsteiner's leadership elements to evaluate the organization leadership as well. The investigation demonstrated that even a publically-listed company can adopt the Honeybee leadership and resist pressure to conform to business-as-usual practices. The researchers persuade that the Thai enterprise seeking to sustain their organizational success can adopt the 23 Avery and Bergsteiner's leadership elements as the Honeybee philosophy to guide their business development.

The previous studies in Thailand provide the useful information of all investigated enterprises. The studies demonstrated that Theptarin hospital, Bathroom Design Enterprise, True corporation, the Thailand's oldest university, Sa Paper Preservation House and the Siam Cement Group (SCG), they all meet three criteria following Avery 2005 for sustainable organizations. Firstly, they all have delivered strong financial performance. Secondly, they demonstrated a capacity to endure social

and economic difficulties. And finally, they have maintained a leadership position in their relevant market (Kantabutra, 2009; Kantabutra, 2011; Kantabutra, 2012; Kantabutra and Saratun, 2012; Kantrabutra and Suriyakietkaew, 2013; Kantabutra and Aver, 2011; Kantrabutra and Avery, 2013). The Rhineland and the Honeybee philosophy endorse their business outperform the Anglo/US or business-as-usual practices in the long run.

## **2.4 Study Direction**

Referring to previous studies, sustainable leadership both the Rhineland and the Honeybee philosophy have gained support in Thailand as an approach to ensure corporate sustainability. Healthcare enterprises in Thailand and possibly in other Asian countries that would need to deliver sustainability to their organization, could adopt Avery's 19 Sustainable Leadership Grid elements to examine their practices and improve to become more sustainable (Kantabutra, 2009). There is no study has been conducted adoption of both the Rhineland and the Honeybee Sustainable leadership into in vitro diagnostics industry. Therefore, the present study adopts the honeybee leadership as a framework to explore business practices of a business in the proposed industry. It would determine if they are consistent with the honeybee leadership or not. Recommendations to improve the business practices then the business can be more sustainable will also be provided. Methodology used for the present study is discussed in the next chapter.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

To answer whether practices of Thai in vitro diagnostics company; Roche Diagnostics (Thailand) (RDT) are consistent with the Honeybee sustainable leadership approach, the in-depth interview focusing on people at different levels in the company is adopted as the data collection. A depth interview is a one-on-one interview between a professional researcher and a research respondent. It explores the unique aspects of the case in great detail because the research respondents can answer questions as much in detail as they want (Devault, 2013). Non – participant observation is adopted as well because with limited time, non- participant observer can take a position without interacting directly with employees in their workplace or try to gain knowledge from their web page, Medias, literature records or another (Ostrower, F., 1998).

The in-depth interview provides more insight into a particular individual. Open-ended questions are used (De vault, 2013) because it generates high quality data than Close-ended questions. Interviewees can answer in their own words. Answers aren't forced and the questions might be helpful to explore things which we do not have a hypothesis or theory.

During interviews, if the answers from interviewees were not clear or irrelevant, the researcher asks many questions and follows up each answer with probes for additional elaboration. To ensure the validity of the data, the probing technique was adopted. Probing techniques might be repeating questions and use more explicit words to get more accurate information. A probe is used to encourage conversation without influencing the answer. Two kinds of probes are used for open ended questions. One is probing for clarity. The second is probing for either clarity or for additional information (The University of Illinois Extension Service-Office of Program Planning and Assessment).

Reflective note taking is an essential tool in situation of information transmission (Batch and Piolat, 2005). It was used as well to record what interviewees

answer to the questions including notification of their opinions, responses, reactions or the gaps might have.

The interviews were held with the 14 interviewees who are Managing Director, Business Unit Manager, Human Resource (HR), CSR Manager, Senior Product Manager, Product Manager, Application Manager, Application, Sales Executive, Product Executive and their 4 customers.

Following the previous studies (Sooksan Kantabutra and Gayle C. Avery, 2011), the Honeybee leadership was adopted as the framework to collect and analyze data in Thai enterprise. It also shows that even publicly-listed company can resist pressures to conform to business-as-usual practices and adopt the long-term, socially responsible principles of “honeybee” sustainable leadership (Kantabutra & Avery, 2013).

Characteristics of the honeybee sustainable leadership as mentioned earlier have 23 elements as followings;

**Table 3.1 Honeybee Leadership Framework**

Honeybee Elements on the Sustainable Leadership Grid		Typical Thai Firm	Extent to Conform		
			Least Evident	Moderately Evident	Most Evident
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 behaviour: an explicit value				
8	Long- or short- term perspective: long term				
9	Organizational change: considered process				
10	Financial markets orientation: challenge				
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 a given				
Total elements in conformity					
Legend: √ = conforms; - = does not conform; ? = not known.					

- (1) Developing people  
Develops everyone continuously
- (2) Labour relations  
Seeks cooperation
- (3) Retaining staff  
Values long tenure at all levels
- (4) Succession planning  
Promotes from within wherever possible
- (5) Valuing staff  
Is concerned about employees' welfare
- (6) CEO or top team  
CEO works as top team member or speaker
- (7) Ethical behavior  
“Doing-the-right thing” as an explicit core value
- (8) Long-term perspective  
Prefers the long-term over the short-term
- (9) Organizational Change  
Change is an evolving and considered process
- (10) Financial markets  
Seeks maximum independence from others
- (11) Responsibility for environment  
Protects the environment
- (12) Social responsibility (CSR)  
Values people and the community
- (13) Stakeholders  
Everyone matters
- (14) Vision's role in the business  
Shared view of future is essential strategic tool
- (15) Decision making  
Is consensual and devolved
- (16) Self-management  
Staffs are mostly self-managing

- (17) Team orientation
  - Teams are extensive and empowered
- (18) Culture
  - Fosters an enabling, widely shared culture
- (19) Knowledge sharing and retention
  - Spreads throughout the organization
- (20) Trust
  - High trust through relationships and goodwill
- (21) Innovation
  - Strong, systemic, strategic innovation evidence at all levels
- (22) Staff engagement
  - Values emotionally committed staff and the resulting commitment
- (23) Quality
  - Is embedded in the culture

To investigate the practices of RDT Company, the study developed lists of open-ended questions align with the honeybee framework to be the useful tool as the followings.



**Table 3.2 List of Open-Ended Questions, interviewees and non-participant observation**

Honeybee Elements on the Sustainable Leadership Grid	Open ended Question	Interviewee	Other sources of information
1 Developing people: grow their own	Are you prepared for the leadership in the future?	Human Resource	
	Do you prefer some outsider to be your colleague or management team?	Employee - Product Manager	
	Is performance development important to your career path?	Employee - Sales Executive	
2 Labor relations: cooperation	Do you have a labour union who advice provision for employee benefit?	Human Resources	
	Do you share you have a chance to share your power to company management?	Employee - Sales Executive	
3 Retaining staff: strong	Do you have a layoff policy?	Managing Director	: Training budget
	Do you allocate budget to develop RDT people?	Human Resources	: Development scholarship
4 Succession planning: strong	Do you have a succession plan for your employee?	Human Resources	: "Roche talent Pool"
	How do you explore your career succession?	Employee - Senior Product Manager	: "CHRIS portal"
	Do you have to attend any training or developing courses?	Employee - Sales Executive	: Individual Development Plan
	Do you benefit from company individual development plan?	Employee - Application	
5 Valuing staff: strong	What benefits or welfare does company provide to employee?	Human Resources	: Benefits, Welfare, Rewards
	Do you have any rewards to RDT people?	Managing Director	
	Do you think RDT company concerns about employee benefit and payment?	Employee - Product Executive	
6 CEO and top team: top team speaker	Who are the speaker of RDT?	Customer - Research physician	: Medias, Publication, News, Events
	Who do you think first when we ask for RDT?	Customer - Laboratory Technician	
7 Ethical behaviour: an explicit value	Do you think RDT people practice ethics?	Customer - Laboratory Technician	: Code of conduct, Potentially Critical Case, etc.
	How do you practice with local regulation?	Employee - Sales Executive	
8 Long- or short- term perspective: long term	What do you see your company envision in the next 10 years?	Employee - Product Executive	: Financial report - R&D investment
			: Year plan, Medium-term plan and Long-term strategies
9 Organizational change: considered process	How do you prepare for the upcoming AEC market trend?	Managing Director	: Reorganization
10 Financial markets orientation: challenge	Does RDT focus to increase sales quarterly?	Employee - Sales Executive	: Financial report - Earnings per share
11 Responsibility for environment: strong	Does RDT care about global warming?	Management - Business unit manager	: Medias, Publication, News, Events
12 Social responsibility (CSR): strong	Is it necessary to be a part of the community?	Employee - CSR manager	: Medias, Publication, News, Events
			: Financial report - CSR budget
13 Stakeholders: broad focus	Do you have a sales push on your target?	Employee - Product manager	: Medias, Publication, News, Events
		Customer - Cardiologist	
		Customer - MT Association committee member	
14 Vision's role in the business: shared future	What do you do today and in the future?	Employee - Application	
15 Decision making: consensual	Who make major decisions in your RDT Company?	Employee - Product Manager	
	Do you participate in making decisions in your RDT Company?	Employee - Product Executive	
16 Self-management: strong	How do you practice for job accountability?	Employee - Product Manager	
	How do you prioritize your tasks?	Employee - Sales Executive	
17 Team orientation: strong, self-governing	Do you prefer to work with team or individually?	Employee - Product Manager	
		Customer - Laboratory Director	
18 Culture: strong	How do you practice company core values?	Employee - Sales Executive	
		Employee - Sales Executive	
19 Knowledge sharing and retention: strong	Do you have a chance to access knowledge or experience sharing?	Employee - Sales Executive	
	How do you share the work experiences among your team?	Employee - Application Manager	
	Do you invest to maintain and improve RDT know how?	Managing Director	
20 Trust: strong	Do you rely on the operation from your colleagues?	Employee - Product Executive	
	Do you have trust in your RDT people?	Managing Director	
21 Innovation: strong	Do you have a launch plan for new products and when?	Employee - Product Manager	: R&D investment
	Do you think RDT company is innovative?	Customer - Laboratory Technician	: New product launch plan
22 Staff engagement: strong	Do you advise your friend to work with RDT?	Employee - Sales Executive	: Global Employee Opinion Survey (GEOS)
23 Quality: high is a given	Do you think RDT has a good quality of service?	Employee - Application Manager	
	Do you think RDT has a good quality of service?	Customer - Laboratory Director	

Observed data were also collected from their back officers during a company visit. Moreover, the published documentation, related sources and websites about RDT was used as well.

## **CHAPTER 4**

### **FINDINGS**

#### **4.1 Company Background**

Roche Diagnostics is a diagnostic division of Hoffmann-La Roche which manufactures equipment and reagents for research and medical diagnostic applications. Internally, it is organized into five major business areas: Roche Applied Science, Roche Professional Diagnostics, Roche Diabetes Care, Roche Molecular Diagnostics and Roche Tissue Diagnostics (Ventana).

The headquarters in Basel is one of Roche's largest sites. It is home to the Corporate Executive Committee, the Pharmaceuticals and Diagnostics Divisions and the global business functions. Roche Basel also covers the entire business chain from research, development and production through to marketing.

In 2010, Roche had over 80,000 employees worldwide and invested over 9 billion Swiss francs in R&D. The Group posted sales of 47.5 billion Swiss francs. Genentech, United States, is a wholly owned member of the Roche Group.

Roche diagnostics (Thailand) is an affiliate of the Roche Group since 1984 and based in Bangkok. RDT passed the economic crisis and difficulties without employee laid off and remains grow in sales beyond market growth internationally (YTD 2011, worldwide market growth +3.8%, RDT growth +9.2%). Recently, RDT has 240 employees and follows corporate strategy and culture. It ranks number 1 in in vitro diagnostics business in Thailand and ranks number 4 in Asia Pacific region.

#### **4.2 Findings**

The investigation results as showing in an analysis table indicates that RDT's leadership is mostly align with the Honeybee elements on sustainable leadership. There are 17 of Avery's 23 grids representing close fit on Honeybee leadership, 4 grids of the elements revealing a moderately evident and 1 grid in



financial markets representing for least evident. The study has been investigated that there is no labour union for RDT Company therefore this element could not conform to honeybee philosophy.

**Table 4.1** Summary of Roche Diagnostics (Thailand) company fits between the data and each practice in the Avery's 23 grids of Honeybee sustainable leadership, by using three categories to represent the degree of conformity: least evident, moderately evident and most evident in the data

Honeybee Elements on the Sustainable Leadership Grid		Typical Thai Firm	Extent to Conform		
			Least Evident	Moderately Evident	Most Evident
1	Developing people: grow their own	√			
2	Labor relations: cooperation	N/A			
3	Retaining staff: strong	√			
4	Succession planning: strong	√			
5	Valuing staff: strong	√			
6	CEO and top team: top team speaker	√			
7	Ethical behaviour: an explicit value	√			
8	Long- or short- term perspective: long term	√			
9	Organizational change: considered process	√			
10	Financial markets orientation: challenge	√			
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: consensual	√			
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 a given	√			
		22			
Total elements in conformity					
Legend: √ = conforms; - = does not conform; ? = not known.					

#### 4.2.1 Developing people

RDT Company has prepared well ongoing training and development to their existing managers encouraging them become more effective, and taking on bigger and more significant challenges. Even in a top team management, they were also have prepared skill needed in order to move into a new roles.

*Employee – Sales Executive ----“I know if I have a good performance, I can get a promotion to the other advanced roles.”*

*Employee - Product Manager----* “I work for RDT for 10 years. At first I was Sales Executive for 2 years, without MBA master degree, company gave me a chance to learn marketing in a real practice with position of Product Executive, Senior Product Executive and Product Manager, respectively. Today, I have another chance to take care subordinates and I know that it would be difficult to find some outsider fitting with company culture. I prefer finding internal colleague suitable for the positions.”

*HR ----* “For the top team leaders always attend the diversity summit in Basel at least once a year, to address the role leaders’ play in creating an inclusive and diverse workplace.”

RDT Company practices explicitly growing their own supervisors, managers and top management and preparing from junior levels to grow within their organization. RDT has never appointed outsiders as CEO or top management team preferring insiders instead. Therefore, RDT Company conform honeybee philosophy to most evident.

#### **4.2.2 Labour relationships**

There is no any amalgamation or labour union who have banded together to achieve employees’ common goals in the working environment. So it seems not to conform in cooperation of their employees at RDT. However, they implement “Labour Welfare Committee” which has a power and duties to jointly discuss, give advice and recommendations to the employer regarding the provision of welfare to the employees. Committee also has to inspect, control, oversee the provision of welfare that the employer provides for the employees and give opinions and guidelines in the provision of welfare for the benefit of the employees to the Labour Welfare Committee. But because the power of “Labour Welfare Committee” is very low, the study illustrates that RDT Company does not conform honeybee philosophy.

#### **4.2.3 Retaining staff**

Roche globally realizes the cost of employee turnover so that they implement worldwide the strategic planning of retaining employees and minimizing

turnover. Roche believes that employee engagement is important for the success of the company as well as for the wellbeing of their employees. They implement Global Employee Opinion Survey (GEOS) which is the survey to be better understood what employees think and how they feel about working at Roche. Based on the findings, Roche will take steps to maintain or further improve employee engagement and ensure Roche stays a better place to work. This GEOS programme is implemented since 2011 at RDT as well for Thai workers.

*Managing Director ---- “RDT does not have a staff laid off policy. Even in a time of financial crisis, we will reform the organizational structure seeking alternatives.”*

RDT values their skilled workforce and invests heavily in training and developing their people. RDT offers graduate study scholarships to employees for MBA degrees. Approximately 30 from 200 employees (15%) have received scholarship offers.

*HR ---- “Next year 2014, we RDT moves forwards deeply focusing on their employees’ value and develop actions for Roche Core Competencies; Strategic Agility, Decision Making, Technical and Business Expertise, Communication, Managing Change, Inspiring and Influencing, Teamwork & Collaboration, Achieving Results, Feedback and Coaching, Innovation. Budget 9 million THB has been allocating this year 2013 to develop our people.”*

RDT Company intends to retain and develop their people heavily and conform to honeybee sustainable leadership practice at most evident.

#### **4.2.4 Succession planning**

RDT attempts to discover, develop and conduct career discussions with potential employees supported by regular coaching.

*HR ---- “RDT follows the Roche strategic planning of company success. Roche is a place where we are learning every day, building our careers and pursuing our passions.”*

To enhance employee development and performance management, RDT provides existing employees the career opportunities throughout the Roche world

including a wide-range of activities, exchange experiences and roles that promote meaningful learning and growth.

*Employee - Senior Product Manager ---- “RDT employees can actively register their profiles in “Roche Talent Pool”, manage their career to pursue personal goals and priorities, seek candid feedback on their performance, create and implement an annual individual development plan partnership with their human resource department. Employees have a feedback and encouragement challenging stretch assignments. For me, an opportunity of exchange programme to Vietnam for 3 months, it created pursuing expandable experience where the success is.”*

Every RDT people have their own profile in “CHRIS portal” which contains working history, training record, performance, personal goals, individual development plan and future expectation.

*Employee - Sales Executive ---- “I always have to attend many courses of training. They were good courses and helped me developing my skills. For example, my job needs to approach different types of customer, company sent me to attend "Pharmaceutical Versatile Programme" to learn approaching styles for each type of people. Company also sent me to attend "Negotiation skill training" making me better dealing with customers.”*

*Employee - Application ---- “This helps to measure my performance apparently and I can plan by advisement from my supervisor and HR consultation where I am at the year end, next year, next 3 years and so on.”*

RDT plans for the future by conducting succession planning and promotes their people from within the organization wherever possible in the Roche world. Therefore, RDT Company conform honeybee practice at most evident.

#### **4.2.5 Valuing staff**

RDT concerns about employees’ welfare and provides benefits as upper industry benchmark and competitors. Besides standards of payment and benefits, RDT

gives a way of investment in the “Roche Connect” to RDT people in the price of the Genussscheine. RDT also spends for a lot of rewards to all hard working team such as sport clubs, yoga courses, John Robert personality class, birthday voucher, monthly happy hours, Lunch and Learn, quarterly fun together activities, etc.

*Employee - Product Executive ---- “RDT offers better payment than my previous company which is one of RDT’s competitors comparing in the same job position.”*

RDT fosters and maintains a collaborative working environment, recognized internally through “Best Performance Awards” and “Long Service Awards”.

*Managing Director ---- “We recognizes RDT people who work with us for 5, 10, 15 and 20 years long and gives gold for 2, 4, 6, 10 Baht to rewards them. Every year, each department will propose the name of best performance and rewards them as well.”*

*HR ---- “Recently, around 20% of our employees are people who have been working with us more than 10 years. They are our core value”*

There are 31.67% (76 employees) who have 5-9 years long service, 12.08% (29 employees) who have 10-14 years long service, 7.08% (17 employees) who have 15-19 years long service and 2.08% (5 employees) who have >20 years long service from total 240 employees. More than 50% of RDT people received “Long Service awards”. RDT implements Employee Suggestion Programme – “AIM: All Idea Matter” for pooling initiate innovative ideas from their employees how to improve leveraging healthcare service. And next year 2014, RDT will launch the “Applause” campaign as recognition to their RDT people. RDT Company conforms at most evident for honeybee sustainable leadership because it provides outstanding benefits to their people exceeding from competitors. Recognition also is generally issue to be concerned. RDT People are given priority and RDT spends or allocates budget investing in their people.

#### **4.2.6 CEO and top team**

It has been known that Khun Pichetpong Srisuwankul is a current Managing Director for RD-Thailand. But it seems that senior managers of the



company take roles explicitly on each of their business sectors. In each project, project leader is the person who contact directly to key opinion customers and takes role as company representative in order to business authorization.

*Customer - Research physician ---- “We conduct big national projects by RDT support and express some Medias to public. I have never met RDT Company Managing Director. I know only their business unit manager and deal with their team. That’s O.K.”*

*Customer - Laboratory Technician ---- “We know RDT Company Managing Director. But RDT has several line managers and teams for each laboratory portfolio, so if we think about RDT, we think about their team.”*

There is no heroic CEO but team speaker in RDT, then it conforms at most evident in honeybee practice.

#### **4.2.7 Ethical behaviour**

Roche commit to run their business in a way that is ethical. They have implemented a number of policies, directives, position statements and guidelines that apply Group-wide. Employees at all Roche sites have access to all external and internal documents. RDT are committed to meeting high ethical standards and complying with all applicable Thai and international laws wherever they do business. Their ethical standards are embodied in their Corporate Principles. RDT people are as well expected to conduct the company’s business with honesty, integrity and in a professional manner that fosters the company’s reputation.

*Customer - Laboratory Technician ---- “RDT is an ethical company.”*

*Employee - Sales Executive ---- “I have to complete training of code of conduct, Potentially Critical Case, Roche SHE and other requirement. I have to behave professional and ethical dealing on welfares, tenders or even when contact competitors.”*

RDT Company practice honeybee philosophy at most evident because ethics are their core value. 100% of RDT people are required to complete e-training by regulatory department and keep fulfilling their compliance status as requests. RDT People commit to behave ethical.

#### 4.2.8 Long term perspective

RDT shares the same figure in financial aspect as RD-Global. Even they always focus on increasing dividend per share for shareholders, but they invest much in R&D. Year 2012, Roche Group gained sales volume 45,499 million of CHF and investments were made at the necessary levels to support the future development of the business, notably for research and development which invests 18.63% from sales in R&D (8,475 million of CHF) and increased by 4%. RDT shares the same mission and vision from corporate strategy and “Doing now what patients need next” is their vision. RDT believes it is urgent to deliver medical solutions right now even as they develop innovations for the future.

*Employee - Product Executive ---- “Aligning with company strategy, I think next 10 years, we insist to provide unmet needed laboratory testing and deliver medical values to healthcare professionals.”*

The Roche Group and RDT develop a year plan, medium-term plan and long-term strategies for future growth and competitiveness. They have a huge budget and 18 research centers making sure to meet patients’ needs in the future. RDT looks forwards to long term perspective at most evident in honeybee practice.

#### 4.2.9 Organizational change

RDT continues the implementation of several major organizational restructuring plans initiated in prior years, notably the reorganization to address long-term profitability in the Diabetes Care. This change will be implemented early in 2015 and process of change has been considered and prepared. To enhance better service for their customers, restructuring of all sales team, marketing team, application team and service team has been also considered previous couple years and at the end of year 2013 the structuring will become more flat organization with single face for customer contact person of the whole product portfolios.

*Managing Director ---- “Next coming AEC, trend of laboratory networks or chains influences laboratory solution and information technology requirement. RDT keep momentum of change in the near future in term of indicated team to support key account customers for the total*

*laboratory solution or network management aligning with market trends.”*

RDT Company always prepares for change and continuously improves internal process in order to be concerned about reinforcing and protecting the culture and reputation. RDT conform the honeybee practice at most evident.

#### **4.2.10 Financial markets orientation**

RDT shares some of the same financial figure as the Roche Group. The Roche Group's results for the first half of 2013 shows growth in its core operating activities, with sales up by 5% and core operating profit up by 10% at constant exchange rates. This strong operating performance combined with lower financing costs, is responsible for an increase in Core EPS of 12% at constant exchange rates. The strong operating results are also evident in the operating free cash flow, which are 7.4 billion Swiss francs or 32.0% of sales. Roche expects Group sales in 2013 to increase in line with the sales growth recorded in 2012 at constant exchange rates. Core earnings per share are targeted to grow ahead of sales. Increasing value for shareholders and investors, Dividend per share and Payout ratio (dividend per share divided by core EPS) is increasing. Dividend per share in year 2012 was 7.35 CHF increasing 8% from year 2011 which was 6.80 CHF. Roche expects to further increase its dividend for 2013.

*Employee - Sales Executive ---- “It is not easy here in RDT for sales monitoring. My best performance aligns with my sales target achievement presenting quarterly.”*

RDT conform the honeybee practice at least evident because RDT Company focuses on the short-term interests of investors, the dividend per share and their financial reports.

#### **4.2.11 Responsibility for environment**

There is no outstanding initiative campaign in RDT. They encourage employees doing save and care the world such as having a recycle paper use, a common rule of 2 pages printing, avoiding tons of plastic use, etc.



*Management - Business unit manager ---- “RDT shares “Heal the World” activity since year 2009 in order to environmental friendly. We allocate marketing expenses seeking more environmental friendly premiums representing to our customers such as implementing fabric bags representing Roche brand to their market instead of plastic or paper bags and it initiated difference from other healthcare companies at that time. Today, we still encourage employees to reduce environmental harmful as much as we can.”*

However, there are some activities creating to heal the world. The budgeting of 50,000 THB each in year 2010 and 2011 were set to top 3 champions who collect milk carton for the recycle project. RDT implemented the COREMAP campaign since year 2011 and aimed to reduce significantly use of paper filings. They nominated team of people and reward them as special incentive payment in order to implement successfully. RDT office can reduce paper use 10% annually. With these activities, RDT conform the honeybee sustainable leadership at moderately evident.

#### **4.2.12 Social responsibility (CSR)**

RDT concerns about Thai community. RDT teams work with stakeholders to address healthcare inequality and strengthen healthcare services nationwide. Some activities have been initiated and participated. RDT spend their instruments, testing reagent, staff working hours, educational materials, professional fees for doctors and nurses in order to support “Roche on the road” for health check-up in community.

*Employee - CSR manager ---- “RDT holds “Roche on the road” several times a year in several provinces throughout Thailand. We are very proud to be the initiator in “ChekPoint campaign – สุขภาพดีเริ่มต้นที่นี่” and we will continue support the event.”*

RDT annually participates in “Children Walk” with donation for children, last year 2012 they donated to Children Institute around 300,000 THB. RDT people always set company activities with management budget allocation making a donation for disadvantage people such as children or women in foundations, etc. At the year end, RDT creates some activities. RDT will collect used calendar and donate for blind.

RDT set budgeting for a class of Diabetes children patients to draw their pictures and printed out on the New Year Calendar. RDT people make a blood donation for Thai Red Cross Society as annually campaign supported by RDT CSR budget and can have free second half relaxing day. RDT Company has set and budgeting several CSR activities and conform the honeybee leadership at the most evident.

#### 4.2.13 Stakeholders

By launching innovative products, RDT aims to provide value to all stakeholders who are patients, doctors, employees, investors or society as a whole. RDT plays a vital role in tackling the local and global healthcare challenge, not only through innovative products, but also through working with stakeholders to address healthcare inequality and strengthen healthcare services nationwide. RDT contributes academic programme with healthcare institutions, set educational session, workshops, seminars and meetings for healthcare professionals and support researches in the professional healthcare sectors. RDT also provide workshop and education programme for group of patients such as Diabetes patients, Oral Anticoagulant Therapy patients in order to improve healthcare best practice. In cooperation with healthcare institutions and government sectors, RDT also support enhancing Thailand standards of care. RDT staffs contribute academic session in university faculties as well.

*Employee - Product manager ---- “We do not only sale product to customers but we have to make sure we can go together with customer in term of lifting up Thai healthcare standard.”*

*Customer - Cardiologist ---- “RDT support us a lot in term of setting up healthcare facilities and improve our working process. With their expertise of laboratory testing, they provide us clinical trial, educational programme to our multi disciplines and patients. They are our partner.”*

*Customer - MT Association committee member ---- “In a field of Medical Technologist, we can call RDT to support our activities and academic improvements.”*

RDT Company delivers more responsibly for their stakeholders and conform the honeybee practice at the moderately evident. RDT Company may lack

activity or campaign for some of their stakeholders such as their employees, suppliers, etc.

#### 4.2.14 Vision's role in the business

RDT differentiates itself in the marketplace through innovation in testing efficiency and medical values align with corporate strategy. Roche introduces a purpose statement for their company. A strong statement which describes in simple, credible and powerful words: “who we are, what we aspire to and how we want to work”. The simplicity of the new vision makes it real and tangible – “Doing Now What Patients Need Next” has resonated in affiliates including Thailand. It inspires RDT people to implement creative activities to fulfill patients’ needs in the next future.

*Employee - Application ---- “I do now to enhance quality of healthcare service. With my expertise, I can do next to explore the healthcare standard of practice nationwide in reference medical schools, provincial hospitals, and community hospitals or even in a primary care setting. This helps patients accessible to quality healthcare.”*

RDT Company conform the honeybee practice at the most evident because their people work autonomously towards a shared vision and commit to transform outcomes in the long-term perspectives.

#### 4.2.15 Decision making

Roche aims to strengthen employee decision making accountable and transparent. RDT management team encourages RDT people for accountability and transparency. Junior employees are also encouraged to share ideas and generate a group decision making.

*Employee - Product Manager ---- “I account on projects that I have involved and can make a decision how to go on supporting by group consensus.”*

*Employee - Product Executive ---- “I have to make an agreement with my supervisors for the best choice of decision making.”*

RDT Company gives the empowerment to their people and tries to disperse decision making to the lowest level within their organization. The practice in RDT is a consensual decision making and conform to honeybee philosophy at the most evident.

#### **4.2.16 Self-Management**

Workers in RDT organization tends to have freedom to manage their own tasks and priorities. Employees normally have their own business objectives and KPIs to guide and manage themselves.

*Employee - Product Manager ---- “As a manager, I have a freedom to prioritize my own tasks. As a project leader, I have to take responsibility for the on-going process, design how to manage, budget and gain results at the end. Managers at RDT can nominate ourselves leading junior to a dream team for special event and nominate ourselves as group leaders cooperating with other countries colleagues on projects as well.”*

*Employee - Sales Executive ---- “I will discuss with my supervisor whether areas of tasks that I have to take responses and I will take managing and prioritizing on.”*

RDT people tend to be self-managing especially in high working experiences so that RDT conform to the honeybee practice at the most evident.

#### **4.2.17 Team orientation**

RDT tends to approach and provide total solution to customers and works as a team. Referring to GEOS 2013, it shows that 87% of employees work together to achieve goals within team.

*Employee - Product manager ---- “Team creates our confidence and quality of service to our customers. Initiative ideas are also generated. We work here as a team and coordinate crossing department. However, we could not avoid some conflicts of different interests.”*

*Customer - Laboratory Director ---- “Every projects implementing by RDT, they will comes up with professional team.”*

RDT people prefer working as a team and conform to sustainable leadership, but because they need improvement to eliminate some conflicts so RDT Company conforms the practice at moderately evident.

#### **4.2.18 Culture**

RDT embrace the diversity of cultures and people across the Roche Group. RDT people share three fundamental values: integrity, courage and passion and would need to have a decision making accountably and transparently.

*Employee - Sales Executive ---- “I know that company expects me to have a positive passion to achieve sales target. And I try to encourage myself gaining more experiences and doing business transparently.”*

*Employee - Application ---- “I provide facts to our customers and comply with guidance improving Thai healthcare standards.”*

RDT people realize and practice the company and corporate culture. It seems that RDT Company conform the practice of honeybee sustainable leadership at the most evident.

#### **4.2.19 Knowledge sharing and retention**

RDT intranet becomes knowledge tanks for all departments. RDT shared all activities, campaigns, standards of procedure, medical guidelines, reference scientific information, reference site, cases and e-learning on the share drives.

*Employee - Sales Executive ---- “Our company has many shared drives. For example, we do have internal V drive sharing within department, RDT intranet that we can find all information needs and we can access RD-Global intranet connecting to others in the world. We usually have to take e-learning and pass the exam.”*

*Employee - Application Manager ---- “We manage training session to our applications into standard level for junior staff and advanced level for supervisors. We manage supervisors to be the expertise having a*



*role to coach junior staff, cloning them to be the next generation of experts.*

*Managing Director ---- “We invest to set up APAC regional training center here in Bangkok. The center accumulates tanks of knowledge, pools of in vitro diagnosis professionals and learning facilities. Our RDT people can schedule themselves attending to courses and share with colleagues or expertise from other countries. Not only our staff, our customers can visit for a show case or conduct a practice or hands on here with us.”*

The learning path for RDT people can be a coaching or on the job training from their supervisors, job shadowing and project assignments. Senior persons are nominated to supervise new or junior staffs and strengthen employee experiences. They also have knowledge “Lunch and Learn” for cross functional knowledge sharing to broaden RDT people expertise. So that RDT are mostly conform to the honeybee practice.

#### **4.2.20 Trust**

Integrity has been developed in RDT Company culture and with their staff retaining, RDT people more than 50% know and trust each other.

*Employee - Product Executive ---- “Depending on tasks and person, in case of routine practice, we can trust each other for the best outcomes. For special issues, I think we need high level or supervisor level to corporate or assist. But in generally, yes, we trust our colleagues.”*

*Managing Director ---- “We belief in ability and potentiality of our RDT people. We are expert in in vitro diagnosis, we are ethical professionals and we have lots of experiences.”*

RDT Company practices the sustainable leadership and conform the honeybee practice at the most evident.

#### 4.2.21 Innovation

Roche is a leader in research-focused healthcare with combined strengths in pharmaceuticals and diagnostics, with a robust R & D foundation. It has three autonomous research units, as well as 150 partnerships all over the world, to foster diversity of research and translate science into medicines. Excellence in science through discovery and innovation is the answer to the medical challenges the world faces. By continuously investing in research and development (R & D), it seeks to gain a better understanding of disease and harness the potential of modern biological sciences in treating those diseases. That is why Roche has invested more than 946 million CHF for Diagnostics Core Research and Development expenditure in 2012.

*Employee - Product Manager ---- “We have new products launch every year. For my product portfolios, next year 2014, we have 2 new product lines launch and 4 product items upgrading. Definitely, we have launch plan in next 2015 and so on.”*

*Customer - Laboratory Technician ---- “RDT always update us new information of product and technology. Our laboratory instruments, firmware, software, reagents are always be upgraded. Products from RDT are innovative. RDT team is innovative as well.”*

RDT Company focuses on investment of innovation and conform the most evident in the honeybee practice because not only having key product launches planned in each year, RDT keep innovating in laboratory automation, workflow integration, information technology based solution and be also a frontrunner in novel educational programme.

#### 4.2.22 Staff engagement

Staff engagement is a key important driven for company growth. RDT needs to maintain or improve employee engagement and ensure environment of RDT office stays a better place to work. RDT joins the GEOS survey from Roche Group. Engagement score of the survey from 0-20% is a risk range, 21-40% is a warning range, 50-60% is an opportunity range and 61-100% is an optimal range. Referring to GEOS survey of year 2013, RDT people participation rate increases 90% to 95% compared to year 2011. This shows how important the survey is to RDT people. 57%

of employees in Roche Diagnostics Thailand are fully engaged, compared to 41% in the previous GEOS in year 2011. Areas that scores highly in 2013, 89% of employees are confident that this organization will be successful in the future and proud of our company. 82% believe that this organization delivers on the promises it makes to employees and 87% work together to achieve goals within team. Engagement score remains in Opportunity Range as same as year 2011 but has a significant increasing. Some of the major areas for improvement identified by GEOS 2011 have shown positive results.

*Employee - Sales Executive ---- “It is hard to recommend my friend applying for job position here at RDT. RDT provides good payment, benefits and career path opportunities. But I’m not sure if my friend could accept environment of hard-working here or not. RDT people are professional and concentrate.”*

Form the GEOS survey data, it shows that RDT Company conform the honeybee practice at the moderately evident.

#### **4.2.23 Quality**

It has been known in a market that RDT’s products have high quality. Not only products, RDT also has a good reputation as company who provide high quality solution by high quality team.

*Employee - Application Manager ---- “When it comes to disease there are as many questions, we can’t provide an answer to them all but we can help with our expertise. We will do our best seeking reference guidelines, referencing standard practice to find a solution for customers. It might not be a part of our testing but it is a professional aspect. Yes, we try our best to provide good quality of service.”*

*Customer - Laboratory Director ---- “RDT have reliable products and solutions. RDT team is professional and always generate quality outcome that we can rely on.”*



RDT Company practices quality improving the reliability transforming their customers' benefits. RDT can be relied on, in the point of their customers' views, so that RDT conform to the honeybee leadership at most evident.

### **4.3 Conclusion of findings**

The study examines the compliance of the RDT Company to the Honeybee Sustainable Leadership by using Avery and Bergsteiner's 23 grids of sustainable elements. The results as showing in an analysis table indicates that RDT's leadership close fit with the Honeybee elements on sustainable leadership but in various degrees. There are 17 of Avery's 23 grids representing close fit on Honeybee leadership. RDT Company outperforms developing their own people, retaining their staff, succession planning, valuing staff, have a top team speaker, an explicit value of ethical behavior, long-term focus, prepare for change, shared future, decision making, self-management, team orientation, strong culture, knowledge sharing and retention, trust, innovation and quality.

RDT Company has 4 grids of the elements revealing a moderately evident of sustainability. They have areas to improvement as responsibility for environment, social responsibility, focusing on stakeholders and staff engagement.

The study shows 1 grid in financial markets representing for least evident. Big challenge for RDT Company is to resist business as usual practice leading to more sustainable in the future. The labour union as well, RDT Company has no labour union therefore this element could not conform to honeybee philosophy.

## **CHAPTER 5**

### **RECOMMENDATIONS AND CONCLUSIONS**

#### **5.1 Recommendations**

Overall, RDT Company practices 21 of Avery's 23 grids of the honeybee elements on sustainable leadership. There are 17 of Avery's 23 grids representing most evident which are Developing people, Retaining staff, Succession planning, Valuing staff, CEO and top team, Ethical behavior, Long-term perspective, Organizational change, Vision's role in the business, Decision making, Self-management, Team orientation, Culture, Knowledge sharing and retention, Trust, Innovation and Quality. There are 4 grids of the elements revealing a moderately evident as following elements; Responsibility for environment, Social responsibility (CSR), Stakeholders and Staff engagement. With the data from company investigation, the study shows that 1 grid representing for least evident is financial markets. The study has been investigated that there is no labour union for RDT Company therefore this element could not conform to honeybee philosophy.

By mapping the Avery's grids with RDT Company practices, it shows that RDT mostly complies with the honeybee sustainable leadership and there are some areas needed for future improvement.

##### **5.1.1 Environmental responsibility, Social responsibility, Stakeholders and Staff engagement**

Looking through the leading Asian conglomerate, Siam Cement Group (Kantabutra and Avery, 2013) sponsors numerous environmentally and socially beneficial projects. Employee engagement is managed strategically to support community. For example, during the 2011 flooding in Bangkok, SCG provided assistance to their employees and their families as well as the rest of community. In time of difficulties, SCG distributed immediate relief and also provided flood prevention materials. SCG also demonstrated practice benefit the nation even against

their own interests despite being a listed company (Kantabutra and Avery, 2011). RDT Company can apply this role model in order to improve their environmentally and socially responsibilities, care more for employees' families, other stakeholders and community. The return would benefit company brand reputation and staff engagement as well.

The Roche Group has implemented the Roche eco-balance programme referring to the consumption of energy and resources and the pollution caused by their business activities, it impacts for production process globally. Locally in Thailand, RDT Company implements a lot of activities but there are some activities can be added. The investigation has founded that RDT office consumes extravagant of electricity. RDT Company may implement saving campaign such as computer screen shutting down during lunch time, automatically time setting to light off, etc. Moreover, RDT should encourage more for RDT people in energy sparing. For example, RDT Company may think about a "Mini-Bus Pool" campaign transporting back officers going to office and backing homes.

RDT Company concerns to grow with communities, it can do more for social responsibility, their stakeholders and support nation's healthcare improvement. Current point of view, RDT Company might focus only for their customers so that there are a lot of contributions for healthcare industry, patients or disadvantaged people. RDT Company should explore their aspect peeking more to other stakeholders which are their employees and families, distributors, suppliers, etc. They can take benefit from AIMS campaign getting ideas from their employees to create attractive CSR and impressive behaviours for their stakeholders.

From their GEOS survey, RDT Company has already realized that recognition is the issue needed to be improved. Applause recognition platform is a campaign that can enhance more employee engagement. It will allow employees to recognize each other's achievements. This implementation on next year 2014 definitely helps employees feel that company is really care of their feelings. If RDT Company keeps moving to raise employees' satisfaction, retaining of their staff brings their sustainable growth in the future.

### **5.1.2 Financial market**

The big issue is the element of financial markets. RDT Company follows business strategy and financial policy from the Roche Group which concretely focuses on sales target achievement and increasing dividend per share for shareholders. SCG (Kantabutra and Avery, 2013) challenges their investors to take a long-term perspective by paying stable dividends while maintaining share price. Step by step, RDT managers may gradually propose long term investment with long term return by balancing stable earnings per share, it could be a solution leading to be more sustainability and gaining wealth to the Roche Group in the long run.

### **5.1.3 Labour union**

Lacking share of employees' power can lead to unsustainable company performance. Therefore, RDT Company should explore the experience of "Welfare Committee" sharing more power by union and then share ideas growing sustainability together by company, employees and other stakeholders. As same as SCG, the relationship between their "quasi-union" and top management leading SCG more in line with the Honeybee philosophy practice (Kantabutra and Avery, 2013).

## **5.2 Conclusion**

By this interviewing and investigation results, Thai healthcare enterprises even in in vitro diagnosis industry who would need growing their business with sustainability could adopt the Avery's 23 sustainable leadership grid elements to guide their practices. This framework can usefully guides managers or management team to examine leadership practices in their organization even they are affiliate countries following corporate culture. With obvious picture, management team can make it easier to fill in the gap of unwholesome.

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