

**PUTTING HONEYBEE PRINCIPLE INTO PRACTICE IN  
THAI FAMILY BUSINESS AT LIME MASTER CO., LTD**



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## **PUTTING HONEYBEE PRINCIPLE INTO PRACTICE IN THAI FAMILY BUSINESS AT LIME MASTER CO., LTD**

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M.M. (MARKETING AND MANAGEMENT)

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### **ABSTRACT**

This paper adopts Avery and Bergsteiner's 23 sustainable leadership practices derived from sustainable enterprises and categorized into three groups performance outcomes provide, foundation practices, higher-level practices and key performance drivers. A framework is to examine the business practices of Thai family business at Lime Master Co.,Ltd (LMC). The aimed of this paper is to build on and expand Kantabutra and Avery's study and elements fit to Thai family business. Using a case study approach, research question, in-depth interview, questionnaire and non-participant observation techniques, reflective note taking were adopted as the data collection approaches to gather information at LMC Company. There were nine out of 23 that were strongly evident where the company value from the CEO perspectives that were valuing staff, ethical behavior, organizational change, responsibility for environment, social responsibility, stakeholders focused, innovation, staff engagement, and quality. Though Thai family business tend to be heroic leader rather than team leader, the overall business show some close fit elements with the Honeybee sustainable leadership. The result from the study suggested the Thai family businesses if they want to adopt Avery and Bergsteiner's 23 sustainable leadership, they must make appropriate adjustment accordingly to achieve sustainability.

**KEY WORDS:** SUSTAINABLE LEADERSHIP / RHINELAND PRINCIPLES /  
HONEYBEE LEADERSHIP / FAMILY BUSINESS / THAILAND

48 pages

## **CHAPTER I**

### **INTRODUCTION**

Corporate sustainability has been widely discussed subject among corporate leaders and scholars. Although it is an important element for any organizations of long-term sustainability, only a few approaches have been examined within the Thai companies context. The present study will therefore adopts Avery and Bergsteiner's Sustainable Leadership concept particularly the Honeybee philosophy as a studied framework in a relevant approach to corporate sustainability in Thailand. The study will examine business practices of the family business, Lime Master Company (LMC). To determine the company current ability to enabling long-term corporate sustainability, this study will use Avery's Honeybee Sustainable Leadership practices.

Lime Master Co.,Ltd. (LMC) is a family owned business and a subsidiary company of Siriphattana Rock Quarry Company Limited. Siriphattana Rock Quarry Company saw the future in demand of Calcium Oxide product from witnessed a dramatic rise in the industrial consumption of calcium oxide since 1999. Moreover, with more than 60 years of hands-on experience and concession permit of quality limestone resources, Siriphattana decided to establish the Lime Master to manufacture Calcium Oxide from limestone raw materials. Today Lime Master is facing growing competition and decreasing of raw material in the area.

This study will present the literature review on Sustainable Leadership in Thailand for Chapter 2. In Chapter 3, the study will introduce the methodology used to test the Sustainable Leadership concept in detail, including the method of data collection and analyzes. Chapter 4 will present the findings result, while Chapter 5 will discuss the findings in detail and recommendation. Chapter 6 concludes the study with practical to enhance the prospect of corporate sustainability for the case company.

## **CHAPTER II**

### **LITERATURE REVIEW**

As a middle-income country with strong growth potential, Thailand has achieved steady expansion due largely to industrial and agriculture export - mostly electronics, agriculture commodities and processed foods. Moreover, Thai government has been trying to maintain the economy growth by encouraging more domestic consumption and public investments. Unfortunately, Thai economy has weathered both internal and external economic shocks in recent years. In 2008, the global economic crisis sent negative financial wave throughout the world, especially North American and European countries. Thailand's exporting was severely cut, with almost all sectors experiencing double-digit drops. However, by the end of 2009, the economy quickly rebounded and expanded around 7.8%, its fastest pace since 1997. Thailand encountered another economy set back in the late of 2011. The series of typhoon and storms created the historic flooding the country have never experience. World Bank calculated the approximate economic losses at around THB1.4 trillion (USD 45.7 billion), making it one of the top five costliest natural disaster events in modern history. (2011 thailand floods, 2012) The floods destroyed people home and their agriculture crops in the Central of Thailand including large industrial areas in the north of Bangkok, crippling many the manufacturing sectors and interrupted growth.

To recover from the economic set back, the country's ultimate goal for the economy is to gradually transformation itself into a "developed, first-world nation, capable of sustaining long-term quality, growth and lasting prosperity". Therefore, many small and medium size business investors and managers in Thailand are in need searching for an alternative to achieve their goal.

## 2.1 Sustainable Leadership Research Framework

Sustainability is important for all business organization to survive and thrive through difficult time. The business choices to pursue any today opportunity and other significant business decisions will affect the performance and company well being in the future.

The corporate sustainability is an evolution on more traditional phrases describing ethical corporate practice. The corporate sustainability is a business approach that creates long-term consumer and employee value as well as creating a "green" strategy aimed towards preserving the natural environment, but also taking into consideration every dimension of how a business operates in the social, cultural, and economic environment. Phrases such as corporate social responsibility (CSR) or corporate citizenship continue to be used but are increasingly superseded by the broader term, corporate sustainability. Unlike the other phrases that focus on "added-on" policies, corporate sustainability describes business practices in which built around social and environmental considerations. Sustainable development can be described as the type of "development that meets the present need without compromising the ability of future generations to meet its own needs". This desire to grow without damaging future generations' prospects is becoming more and more central to business philosophies. For that reason, the challenge for many businesses is to quantify the positive impacts of sustainability. Sustainability are quantified as the way to improve business corporate through increase revenue, reduce energy expenses, reduce waste expenses, reduce materials and water expenses, increase employee productivity, reduce hiring and attrition expenses, and reduce strategic and operational risks.

*“But are there any business models or practices, which can be used to improve on sustaining development under the developed economy such as Thailand?”*



## 2.2 Rhineland Philosophy

The existing business culture does not stop business from embracing sustainable Rhineland practices (Avery,2005). Rhineland philosophy can be found in many firms throughout the business world. It is also been associated with the higher level of sustainability. Adopting a sustainable leadership philosophy is the first matter of choice, then changing mindsets, business systems and eventually firm culture. Sustainable Leadership Grid of 19 elements (**Table 2.1**) offers a relatively comprehensive approach to assessing embedded sustainable leadership practices in organization.

Although the Rhineland model may be considered an example of best practice, adopting only practice alone may not be enough if other organizations decide to copy it and implement the similar practices. Thus, the best practice will depend on the integration of strategies, practices or variables used in a particular context at a given time. Hence, it is a subject to change and underpinned by continuous improvement and learning. Rhineland leadership, however, is sensitive to its context socially, politically, environmentally, economically, technologically, and legally. Establishing the range of possibilities, as the benchmark should be the aim for any best practice and not merely copying what others are doing (Hoag and Cooper, 2006). This raises the question of whether a business based on Anglo/US practices can ever be sustainable. On the other hand, this is no relevant indications that firms wishing to pursue sustainable practices are condemned to stay out of countries that favor Anglo/US capitalism, or vice versa. Geography does not, in any ways, determine an enterprise's leadership philosophy. Many businesses around the world have adopted sustainable leadership principles and the ideas based on Anglo/US capitalism can take hold in Rhineland countries. It is commonly happen to the corporations that listed on international stock exchanges or when private equity groups, hedge funds and other investors buy up Rhineland companies. In short, the influence of capitalist thinking both forms can be found all over developed regions of the world. There are firms that have adopted and followed Rhineland principles in developing economies also.

**Table 2.1 : Criteria to assess the extent to which data conformed elements**

Avery's Grid Element	Least Evident	Most Evident
1. CEO concept: top team speaker	CEO is recognize as the hero	CEO is not recognized as the hero but another member of the organization.
2. Decision making: consensual	Decisions are being made by managers.	Consensual decision making abounds.
3. Ethical behavior: an explicit value	Ethics are not considered to be part of any decision making at all levels.	Ethics are taken into account in decision making at all levels.
4. Financial markets: challenge them	Organization tries to maximize its quarterly profit by all means.	Organization does not try to maximize its quarterly profit, but a long-term one.
5. Innovation: strong	Organization focuses mainly on R&D	Organization focuses on both radical and incremental innovation.
6. Knowledge management: shared	Knowledge is not being systematically managed throughout the organization.	Knowledge management is an essential process of the organizational practice.
7. Long-term perspective: yes	Organization is not willing to invest in advance for long-term benefits.	Organization is willing to invest in advance for long-term benefits.
8. Management development: shared	Many outsiders are appointed to management team.	Internal promotion abounds.
9. Organizational culture: strong	No common values are shared within the organization.	Shared common values are demonstrated throughout the organization.
10. People priority: strong	Organization focuses on shareholders rather than employees.	Organization is willing to invest in employees, despite times of crisis.
11. Quality: high is a given	Top quality does not necessarily have to be maintained due to cost cutting and speed.	Investments are made continuously to improve quality.
12. Retaining staff: strong	Layoffs are frequent.	Organization avoids laying off staff, even in times of crisis.
13. Skilled workforce: strong	People bring in generic skills.	Firm-specific skills are developed and nurtured.
14. Social responsibility: strong	Social responsibility is considered an expense.	Social responsibility is considered an ethical behavior and investment.
15. Environmental responsibility: strong	Environmental responsibility is considered an expense.	Environmental responsibility is considered an ethical behavior and investment.
16. Stakeholders: broad focus	Organization mainly focuses on shareholders.	Organization focuses on a wide range of stakeholders, including society, environment, customers, shareholders, future generations, minority groups, and the rest of the society.
17. Teams: self-governing	Teams are directed and managed by employees, but with intervention from managers.	Teams are directed and managed by employees, without intervention from managers.
18. Uncertainty and change considered process	Uncertainty and change are not managed at all, given relevant expenses.	The organization anticipates uncertainty and change in the future and is willing to invest to prepare for the change and uncertainty.
19. Union-management relations: cooperation	Unions and the top management have an adversarial relationship.	Unions and the top management work together constructively.

Rhineland principle of sustainable leadership has been very beneficial method to the survival of many large firms around the world, especially European companies. Many Thailand firms are also would like to maintain the success through generations after generations. Thus, some firms were willing to take a chance on new methods to accomplish this goal. A study of Sooksan Kantabutra, College of Management, Mahidol Univeristy has show Rhineland Sustainable leadership is one principle, which those firms were adopted and able to maintain and continuously grow over time such as SCG, Bathroom Design Company, and Sa Paper.

### 2.2.1 Rhineland: Sustainable Leadership Studies In Thailand

**Siam Cement Group (SCG):** From a finding in 2011, the business practice case of SCG is a good example of a Thai company that successfully adopted the used of the six core categories Rhineland approach which are long-term perspective, investing in staff, organizational culture, innovation, social and environmental responsibility and ethical behavior. SCG demonstrated its long-term sustainability vision in improving future business performance such as financial performance and long term investor return, and statements wide range of stakeholder interests. Also, SCG leadership was becoming more of “top team speaker” rather than heroic leadership. However, traditional Thai culture respect the seniority status, so top team speaker can be an exception for many Thai companies. (Kantabutra & Avery, 2011)

**Bathroom Design Company:** In 2012, Bathroom Designs another Thai company that endorsed the practice Rhineland leadership as relevant to an enterprise in less developed economies. From the study Bathroom Design has fit with 18 out of 19 elements from Avery’s Sustainable Leadership Grid criteria. For long-term perspective, training would lead practice that provided for strong organization culture characterized by ethics, diligence, perseverance, social responsibility as well as innovation supporting by not layoff policy. Low staff turnover rate would improve staff performance evaluation and promotion the business. Company has demonstrates a responsibility toward the best interests of stakeholders with ethical concerns. The results from Bathroom Design Company study have outlined a path for future academics to follow and examine the experiences of other Southeast Asian companies as they strive to accomplish their organizational goals. (Kantabutra, 2012)

**Sa Paper:** In 2013, Sa Paper Preservation House implements the Avery's 19 Rhineland leadership practice derived from sustainable enterprises as a framework to examine the sustainable business practices, exhibits 14 of Avery's 19 elements characterizing Rhineland enterprises. It focused on the wide range interests of stakeholders and adopted a long-term perspective by investing in its future and not attempting to maximize short-term profitability for its owner alone. With a very strong culture deeply rooted in the founder's values, Sa Paper Preservation House preferred to develop their own employees in manager level and entry level and promote from in-house rather bringing someone in from the outside, and avoid employees lay off during difficult times. (Kantabutra & Suriyankietkaew, 2013)

### 2.3 Honeybees Philosophy

Avery and Bergsteiner developed new philosophy from Rhineland Sustainable Leaderships called Honeybees Philosophy. Honeybees were building specifically to the advantage of sustainable leadership approach over its short-term shareholder. They collaborate and generate value for themselves, their communities and their environment. Others serve their own self-interests. They consumer whatever lies is their paths like locusts. Locusts like practices, delivered less value for the enterprises themselves, and in the long run impoverish the communities and environments in which they operate. Avery describes the theoretical concept of the "Honeybee and Sustainable Leadership: Honeybee and Locust Approaches" as the two creatures of lifestyle that is different. ("มองการดำเนินธุรกิจอย่างยั่งยืนผ่านวิถีแบบ "ผึ้ง"และ "ตั๊กแตนปาทังก้า", 2555) "Honeybee and Locust" is used to describe the philosophy of the two business operations as show on **Table 2.2**.

Honeybees' approaches to business operation take stakeholders who are involved with many business organizations from the social environment, customers, employees, or even the surroundings population in the future as part of business considerations. These organizations often beloved by the surroundings community and often development activities create social value to the community, stable and grateful culture. Similarly to the lives of bees, they together create a strong nest and balance within, also add value to the environment around, a true reflection of sustainable business practices. ("มองการดำเนินธุรกิจอย่างยั่งยืนผ่านวิถีแบบ "ผึ้ง"และ "ตั๊กแตนปาทังก้า", 2555).

Attitude of "Locus" business approach is a business that takes into account the only interested on specific outcomes such as concentrating only on being profitable and generates the best returns to shareholders. Firm policy and practice were created to support any activities that geared toward the benefit the shareholders only. Integration of locusts is benefit ingestion of the resources, which destroyed gradually from one point to another point. Once it had no resources left to eat, it will start eating each other. Avery used locusts as a comparison and reflection of business operations for short-term and unsustainable. For example, a locust company is likely to hold them self-out as their first priority, isolated themselves from society, and often featured in other activities not associated with the company. Likened the life of locusts the benefits of all sources and resources are geared and eat everything until the ending.

Avery's found that style of doing business and the leaders of the organizations have Honeybee approaches are mostly world-renowned guru such as Warren Bennis, Stephen Covey, Peter Drucker, Gary Hamel, Charles Handy, Tom Peters, Margaret Wheatley and many more. Although the results of Avery research and many others, including researchers from College of Management, Mahidol University by Sooksan Kantabutra has suggested that some of Thailand business using Honeybee approaches will provide long-term returns higher than shareholders and the way in which a business can sustain. Most of these organizations are continuing to grow, and the leader of the organizations can overcome any business challenges such as the economic crisis and still maintain the stability.

**Table 2.2 : Distinguishing criteria for typical Honeybee and Locust perspectives**

Leadership Element	Sustainable leadership “Honeybee” philosophy: Sophisticated, Stakeholder, Social, Sharing	Shareholder-first “Locust” philosophy: Tough, Ruthless, Asocial, Profit-at-any-cost
<i>Foundation practices</i>		
1. Developing people	Develops everyone continuously	Develops people selectively
2. Labor relations	Seeks cooperation	Act antagonistically
3. Retaining staff	Values long tenure at all levels	Accepts high staff turnover
4. Succession planning	Promotes from within wherever possible	Appoints from outside wherever possible
5. Valuing staff	Is concerned about employees welfare	Treats people as interchangeable and a cost
6. CEO and top team	CEO works as top team member or speaker	CEO is decision maker, hero
7. Ethical behavior	“Doing-the-right thing” as an explicit core value	Ambivalent, negotiable, an assessable risk
8. Long-or Short-term perspective	Prefers the long-term over the short-term	Short-term profits and growth prevail
9. Organizational Change	Change is an evolving and considered process	Change is fast adjustment, volatile, can be <i>ad hoc</i>
10. Financial markets orientation	Seeks maximum independence from others	Follows its masters’ will, often slavishly
11. Responsibility for environment	Protects the environment	Is prepared to exploit the environment
12. Social responsibility (CSR)	Values people and the community	Exploits people and the community
13. Stakeholders	Everyone matters	Only shareholders matter
14. Vision’s role in the business	Shared view of future is essential strategic tool	The future does not necessarily drive the business
<i>Higher-level practices</i>		
15. Decision making	Is consensual and devolved	Is primarily manager-cantered
16. Self-management	Staff are mostly self-managing	Managers manage
17. Team orientation	Teams are extensive and empowered	Teams are limited and manager-centered
18. Culture	Fosters an enabling, widely-shared culture	Culture is weak except for a focus on short-term-results that may or may not be shared
19. Knowledge sharing	Spreads throughout the organization	Limits knowledge to a few “gatekeepers”
20. Trust	High trust through relationships and goodwill	Control and monitoring compensate for low trust
<i>Key performance drivers</i>		
21. Innovation	Strong systemic, strategic innovation evident at all levels	Innovation is limited and selective; buys in expertise
22. Staff engagement	Values emotionally-committed staff and the resulting commitment	Financial rewards suffice as motivators, no emotional commitment expected
23. Quality	Is embedded in the culture	Is a matter of control
<i>Source : Avery and Bergsteiner (2010, pp.36-7)</i>		

### 2.3.1 Honeybees: Sustainable Leadership Studies In Thailand

**Oldest University:** From finding study of the Thailand's oldest university in year 2012, the study shows 21 Honeybee Leadership out of 23 elements. The criteria has been using to adopts a long-term perspective by continuously develops there own staffs with a strong relation and culture of the university. With less sustainable concept of heroic leader, the management team has recruiting team showing staff engagement and valuing staff, strong staff retention, shared organizational cultures and social responsibility. The university has forming the organizational by develop trusting atmosphere to creating employees self-managing culture that lead sustainable leadership success. (Kantabutra & Saratun, 2012)

**True Corporation:** In 2012, the study result has shows all Honeybee criteria are consistent, except for the element of labor relation, since True Corporation does not have a union due they only invests in retaining the best people by offer salary and plenty of opportunities to grow as a professionalize to be extensive for the long-term perspective. Clearly True Corporation has focus on stakeholder's rather than share holders interests. With ethics and high social responsibility as the company core value, the employees them self are always been a key factor as the rising prosperity of the company. (Kantabutra, 2012)

**Largest Conglomerate, SCG:** Overall, the conglomerate's management practice closely fit the 23 Honeybee criteria that identify three of the more recent practices introduced into Avery and Bergstein's Honeybee model, namely trust, vision, and staff engagement. There is and evidence of a considerable amount of collective leadership, such as when the former top management team acted as a whole in resigning and in taking salary cut during a time of crisis which interpreted as either forced conformity with the heroic leader's expectations. (Kantabutra & Avery, 2013)

### 2.3.2 Honeybees Sustainable Leadership Research Framework

Sustainable leadership practices are generally associated with long-term success. To identify and describe 23 elements that underlies sustainable leadership. (Kantabutra, 2012). The 23 practices are categorized into three groups: Foundation practices, Higher-level practices and Key performance drives. (**Table 2.2**).

The first group consists of 14 elements “Foundation Practices” including programs for training and developing staff, striving for amicable labor relations, staff retention (avoiding layoffs), succession planning, valuing employees’ experience and their contribution, deciding whether the top leader’s roll is to be that of hero or top team member, ensuring ethical behavior, promoting long-term thinking, managing organizational change sensitively, striving for independence from the financial markets, promoting environmental and social responsibility, balancing multiple stakeholder interests and ensuring that a shared vision drives the business.

The second group consists of the another 6 elements, “Higher-Level Practice” are cover developed and consensual decision making, creating self managing employees, harnessing the power of teams, developing a trusting atmosphere, forming an organizational culture that enables sustainable leadership and sharing and retaining the organization’s knowledge.

The third group with the last 3 elements call “Key Performance driver” is the element for innovation, staff engagement and quality essentially provide what end customers experience and drive organizational performance. The key performance is drivers emerge for the foundation and higher level practices as well.



### **2.3.3 23 key factors that underlie Honeybee: Sustainable leadership.**

#### **1. Developing People**

Honeybee organizations value a skilled workforce and invest heavily in training and developing staff continuously. Employee training is not only for the technical skills but also people's interpersonal and management skills throughout the organization. Moreover, some organizations had special programs that available to apprentices and young graduates to help gain company more experience. Developing employees from junior levels, through to middle and senior management can create what called "grow their own managers" within the organization, thus create a developmental culture with a long term sustainable in management.

*" The study found that the BMW Company is focused on developing people in the organization are very high. Budgeting for training equivalent to the annual budget of the University payment. There is similar case in Thailand, SCG." (Kantabutra, 2012)*

#### **2. Labor Relations**

Though Honeybee organization put emphasis on their highly skilled workforce, the organization still requires cooperative relations between employers and employees and employee representatives. Therefore, it requires a reciprocal attitude on the part of the unions for collaborative relationships to develop, but striving for partnership with unions is a decision that management can take as consecration. Show the value of the employees and provide them as the top priority, not only giving compensation but provide them the right working environment are just as important, as relationship between business, but it also offer high quality of life and well being for workers. In some cases, the company pays the salary of one or more employees to focus solely on union matters.

#### **3. Retaining staff**

The Honeybee organization fully aware of how their staff is the heart and soul of the enterprise, thus it seeks cooperative relationship by retain staff in the long term, to maintain the values of the organization. Moreover, Honeybees organization recognizes that layoffs employees are not the solution once the company-facing crisis. Workers play a key role in creating value for the firm, and by offering growing career paths in an effort to retain employees from changing to another careers.

#### 4. Succession Planning

Company with Honeybee approach must have a succession planning within the organization. So plan on finding a successor in organization to take over key positions of the organization from the CEO to the heads of departments to provide the vision and policies are passed from one generation to the next can proceed smoothly and uninterrupted.

#### 5. Valuing Staff

Showing the importance to people in the organization is significant. Concerned about employees welfare involves watching out for the good of all employees. For example the organization can provide employee with security, recruiting for cultural fit, sharing information, employee participation and empowerment, self-managing teamwork and multi-skilling and training staff across different activities. Other important staff practices include fostering a relatively non-hierarchical culture, ensuring that wage differences are not too extreme and promoting from within wherever possible.

#### 6. CEO and Top Team

The leader of the Honeybee organization manage it on the team based leadership approach characterizes Honeybee executive teams. The role of the CEO can be either a speaker of a group of equals or as the final authority. Focus at the top promotes sustainability by ensuring that strategy, decision-making, corporate culture and management styles continue seamlessly in the event that something happens to the CEO.

#### 7. Ethical Behavior

Honeybee organizations seek to prevent any wrongdoing of its employees and the business operation by embedding ethical behavior policy in the organizations culture. They require their people to do the right thing, binding people to a set of principles, codes of conduct and values that support ethical behavior. Ethics not only protect company brand and reputation but also ensure that a firm's resources and technical skills are put to appropriate use. These ways ethics become an integral part of good leadership. The share of an understanding and commitment to high ethical standards will help employee focus on achieving visions particularly in unstable times.

## 8. Long or Short – Term Perspective

Honeybee organization will trade the short-term benefits for the value the long-term profit. Honeybee management would spend more time developing a long-term strategy and increasing long-term shareholder value. Honeybee firms accept that results in some reporting periods will be outstanding, while in others only modest. The long term affects various aspects of the business by the enterprises value long-term relationships with stakeholder and alliance partners, and collaboration with other firms. When Honeybee managers are compensated with shares or options in the company, these rewards are based on long-term returns.

## 9. Organizational Change

Not all changes are turbulent and demanding, and different levels of change can be distinguished. At a basic level, organizations are continually developing and adapting to new situations as they and the people. Honeybee leadership encourages and rewards continuous improvement, Major change is a considered, systematic process whenever possible because Honeybees leadership is concerned about reinforcing and protecting the firm's strong culture and reputation.

## 10. Financial Marketing Orientation

Financial markets orientation, Honeybees philosophy seeks maximum independence from other not always following shareholder, and focused on discovering and meeting the needs and desires of its customers. However, it does not following the shareholders demand that concentrated on establishing selling points, market orientation works in reverse, attempting to tailor products to meet the demands of customers. In essence, market orientation regard as being a coordinated marketing campaign between a company and its customers.

## 11. Responsibility for environment

Honeybees enterprises are mainly focused on environment as important as other elements. The level of corporate value focus on the issue of social responsibility as a top priority. Going beyond environmental compliance can bring business benefits. Many businesses nowadays have realized that acting in a socially and environmentally responsible way are more than just a legal duty. It affects business bottom line and the long-term success of the business.

## 12. Social responsibility (CSR)

Honeybee company will take into account the social responsibility of all stakeholders. CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. These include that CSR contributes to business sustainability, that stakeholders will support a good enterprise, and to protect a company's reputation. In some models, a firm's implementation of CSR goes beyond compliance and engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law."

## 13. Stakeholders

The Honeybee view is that the interests of shareholders and owners can best be met when the interests of all those who need to contribute to the task of enriching the shareholders are simultaneously taken care of. A stakeholder is that which can affect or be affected by the actions of the business as a whole. Any action taken by any organization or any group might affect those people who are linked with them in the private sector. For examples these are parents, children, customers, owners, employees, associates, partners, contractors, and suppliers, people that are related or located nearby.

## 14. Vision's role in the business

The Honeybee company must have a strong common vision. This will occur only when the HR management takes employees as assets of the organization. Thus, creating a clear and effective vision can deliver many benefits to the business. Not only does a clear, shared vision help define the values of a company and its employees, but it also helps guide the behavior of all employees. A strong vision also leads to improved productivity and efficiency. With clear and well-communicated vision, Honeybee organizations will help facilitate its employees and create a sense of shared vision that will enable the organization to realize the benefits associated with a strong sense of vision.

### 15. Decision making

Honeybees' organizations strive to disperse decision making to the lowest level within the organization, empowering staff to make decisions and come up with solutions and innovations, but not to be hierarchical. For honeybee leadership, decision-making tend to be both devolved by the lowers level to the top level within in organizational. The consensual and devolved decision-making reinforces several of the other higher-level practices of Honeybee leadership, in addition to financial outcomes and employee satisfaction. These include the ability for teamwork and collaboration, an enabling cohesive culture, employee self-management and the trust that people at all levels of the organization will make informed and ethical decisions.

### 16. Self-Management

Under this Honeybees management view, well-educated and skilled workers do not need to be instructed in how to do their work. Empowerment is one of those terms that almost no one really knows the definition. It is based on the belief that when people feel they are partners in the business, therefore they are more likely to act in the best interest of the company at all times. Self-management goes hand in hand with the concept of empowerment. The employees should feel as a partner with a company rather than normal workers who only do what was told. The partner type employees are more likely to manage their time in the best interest and more likely to strive for success in a competitive market. They will always put their best foot forward and try and do everything right to satisfy a customer. Also empowered employee knows that success for the company means success for them. This type of employees will feel sense of fulfillment and more satisfied at the workplace.

### 17. Team orientation

Once the employees understand what expected from them in self-management. Honeybees' philosophy took a step further into the direction of teamwork, particularly self-managing teams. Honeybees team can draw on workers with skillindividual who know one another well to create a stornq corporate vision and culture. Moreover, these individuals must be willing to share information and knowledge including promote innovation to other employees in the enterprise. Honeybee teams should have strong competence, authority, and integrity to solve quality problems on the spot. As result, the employees who can both self-manage and

keep open communication with other team members are increasingly valuable to the firm.

#### 18. Culture

Creating and maintaining a consistent organizational culture takes times, since it requires long-term continuity to ensure that newcomers fit and pass on the culture. The recruiters in Honeybee firms will seek out high potential employees who values match those of the organization's culture. This includes shared feelings, beliefs and beliefs of the organization values. Culture is also often managed through statements of vision, values, statements that are intended to express direction, core beliefs and informal guideline to influence the behavior of organizational members.

#### 19. Knowledge sharing

With highly skilled individuals and culture, employees are more willing to share information and knowledge from creating trust in one another. Sharing knowledge is made easier for Honeybee enterprises because of their long-term focus on retaining and valuing their staff, continual staff development, a high-trust culture, a focus on teamwork and minimizing internal competition that encourage knowledge hoarding. Innovation systems deeply embedded throughout the organization and tap into the knowledge that many stakeholders hold. Knowledge is one of the most important competitive resources a business can have. A recurring finding is to effectively maintain this advantage for long-term development and survival; an organization must rely on its employees, the real creators and users. Moreover, to effectively share knowledge, thereby enhance the collective innovative capability of the organization.

#### 20. Trust

Trust is complex and difficult to measure, and can operate in different direction. A trust fund established by an employer on behalf of its employees in which the company is the grantor and its employees are the beneficiaries. The person responsible for managing the employee trust or assets of the trust is called the trustee. Provision of training and other professional development programs can signal on organization's commitment and trust in the people of the organization. Sharing information with employees about how the companies are performing could indicate trust among the management and employees.

## 21. Innovation

Innovation is a strategic tool, a widespread capacity inside a business. A major source of technological progress and economic growth among its member countries is innovation. Innovation can involve radical shifts in product line and processes or developing entirely new goods and services or innovation can be incremental, involving continuous improvement to processes and product. Innovation systems have led to 'know-how' and profit centers being established. Most Honeybee organization has formal innovation processes. New ideas are requested from employees, who are often rewarded for ideas that save the company money or generate new solutions and opportunities. So, it creates additional value for the enterprise from spin-off ventures centered on its innovative services

## 22. Staff engagement

Employees do not need motivating to work or controlling by a manager when they doing meaningful work. The employee engagement is for employees who fully involved in and enthusiastic about their work. Thus, their actions will correspond with organization's interests. To measure employee engagement is by measure the degree of employees' positive or negative emotional attachment to their job, including their colleagues and the overall organization in which profoundly influences their willingness to learn and perform at work. Thus, engagement is distinctively different from employee satisfaction, motivation and organizational culture. Employee engagement is a part of employee retention. This integrates the classic constructs of job satisfaction and organizational commitment.

## 23. Quality

Honeybee put emphasis in quality in the organization approaches which can be identified into product, customer, and manufacturing oriented approaches as well as value for money. A certain level of production and service quality can be facilitated through formal systems and controls, such as total quality management or know as TQM or ISO9001. Honeybee businesses often develop their own additional quality systems. Many of the elements required to create a quality culture are basic to Honeybee leadership, including top management support, a focus on people and having a strong culture. In addition to the elements mentioned above that support

quality, taking a long-term view encourages retaining developing, investing in employees and valuing them.

## **2.4 Family businesses are often Honeybee**

From available research evidence, enterprises that are still related to their founder or are family-owned or family-run are more likely to operate under Honeybee than under Locust leadership philosophy. They are more likely to operate under sophisticated “stakeholder, social and sharing leadership” than under “tough, ruthless, asocial and profit-at-any-cost leadership”. (Avery)

The term family business is not easily defined. It can include publicly and non-publicly listed enterprises still associated with their founders. Family business often faces succession problems and complications arising from family relationships but do not affect most non-family businesses. Thailand also has similar issues arise from family business. Some family dealt with the conflicts within a lawful manner while some do not.

An essential part of being a sustainable enterprise under any leadership philosophy is being financially viable. Interestingly, considerable evidence shows that overall firms that are still related to their founders financially outperform their independently owned and managed peers. Thailand family business is no different. There are a handful of family businesses in Thailand that maintain financial viable from generations after generations. Such as; Charoen Pokphand Group (CP), Boon Rawd Brewery Co.,Ltd (Singha Corporation), Sahapat etc. ("จุดเด่นจุดด้อยของธุรกิจครอบครัว," ) Striving for independence from the financial markets is one widespread characteristic of family business. Privately held family businesses are mostly unwilling to sell shares to outsiders. They will try to grow only from their own resources, or if they have to be financed externally, they prefer to do it with debt rather than equity. Nonetheless, this is changing because banks are increasingly willing to sell customer debt, sometimes with dire consequences for the corporate borrower. Family firms generally take a long-term perspective, another Honeybee characteristic. With no



external pressures from the capital markets, family firms often find themselves in better position to name necessary long-term investments, thereby achieving better long-term results. Innovation is also important to family businesses. Research shows that they are more likely to initiate and implement new ideas than other firms. Moreover, even among the Fortune 500 companies, those classified as family business lay off staff less often than their non-family peers, thus retaining employees and their knowledge.

Another Honeybee principle often found in family business is an emphasis on ethical and socially responsible practices since family business put more value in their reputation and family name. Reputation may also prompt family businesses to protect the environment more than publicly listed firms, and to place a strong emphasis on retaining and investing in their staff. Furthermore, family businesses tend to focus on offering high-quality products and services to refrain from negative publicity affects the family name and the people directly involved. Family business in Thailand in large part is not much different from any other family business in other corner of the world. Since sustainable leadership has gained its popularity in Thailand because such an approach has ensured corporate sustainability of many large Thai companies. Yet, no study has been conducted in the area of Thai family business and sustainable leadership. In the next part of the paper will explain the sustainable leadership of a family owned business in the lime stone industry. The present study will adopt 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. Also, the final part will be the recommendations to improve the business practices to be more sustainable. Methodology used for the present study is discussed in the next chapter.

*“The question is, can these leadership principles be used in for Thai family business such as LMC (Lime Master Company)? Can LMC become sustainable leadership by following Honeybees concept?”*

## 2.5 Lime Master Co., Ltd. (LMC) Background

LMC is the brain-child of a group of seasoned executives having operated Siri Phattana Rock Quarry Co., Ltd. with more than 60 years of hand on experience and the concession permit of quality limestone material resources to produce Calcium Oxide (CaO) and High Calcium Hydroxide or Calcium Hydroxide (Ca(OH)<sub>2</sub>) to meet industry standard to meet the needs of consumers in various industries such as sugarcane companies, steelmills, agriculture, etc.

LimeMaster's commitment is to continuous improvement and recognizes the significance to produce highquality of Calcium Oxide and Calcium Hydroxide with LMC consistent quality the production process hingesony stematic and standardized quality control imposedon in put of raw materials (LimeStone) up to the finished lime strictly meeting industrial standards of ASTM, BS, TIS, etc.

Continuously maintain high quality products and improveservices, The company focusing on imporve and developing corporate staff, the productionprocess and customer service excellence, the companyhasachieved and beendawared the ISO 9001-2000 Quality Management System certification to as sure customer confidence and satisfaction. Put importance on increasing production efficiency and developmentabilityofemployees. Forexample, the companyprovidedtraining to allemployees to improvetheirknowledge and teambuilding.

### GO GREEN COMPANY

The company is an active participant in the energy and environmental conservation efforts and reduction of glass-house effects of GERLAP in the Asian Pacific region in cooperation with Thailand institute of Scientific and Technological Research. The company has been awarded ISO 14001:2004 of Environmental Management System form TUV NORD (Thailand). ("Lime master co.," 2012)

### **CHAPTER III**

#### **METHODOLOGY LITERATURE REVIEW**

In the research question, in-depth interview, questionnaire and non-participant observation techniques, reflective note taking were adopted as the data collection approaches to gather information at LMC Company. Due to employees different education background especially reading and writing, true data collection were difficult to get the honest opinions since most employees were reluctant given information because of fear for their job security if the information given has negative effect to the company. Though there was some roadblock, some employees gave enough required information to continue with the study.

First interview was done with the two CEO, by asking questions such as about their business history and current situation of the company, how the company vision and structure are like using reflective note-taking and recorder due the interview to capture the important part of conversation to in-depth answer. Moreover the advantages of using in-depth interview is time for the interviewer in peace, in further developing and giving reasons for their individual point of views or used to obtain information in order to achieve a comprehensive understanding of the interviewee's point of view or situation; it can also be used to explore interesting areas for further examination. Non-participant observation is used for the research technique to interviewer watches the subject of their studies without participating with the organization. Next, interview process moved to labors worker, the discussions collect by record in a group of five by sharing their opinion due to some of them cannot read or write. Giving open-ended question to create friendly way to engage respondent with easy conversation, make the interviewee interest in the question and feels commutable to answer the question without having to prepare the detailed for the questions, the question are short and simple.

A list of open-ended questions is developed to facilitate interviewer and also reduce complications for interviewees. The questions are preparing for every possible department and some of the question has been used to interview LMC interviewees, In table of open-ended questions will suggest which interviewees are best to ask for each of the 23Honeybee elements. The open-end questions are as show on **Table 3.1**.

Forty questionnaires have been given out, twenty-one are in the office department include Accounting & Finance department, Marketing Department, Purchasing Department, Human Resources and Safety department. Nineteen questionnaires are giving to Production Control department & Laboratory department. The purpose of creating a questionnaire is for the interviewees to take a self-completion questionnaire. The advantage of using a questionnaire rather than an interview is that you can reach large numbers of people more easily, as you can leave them to fill in the questionnaire and give it back to you. Questionnaires are more rigid than interviews. Unless leave a space for the interviewee to write their own answer, for example 'If you have any more comments please write in the space provided', the respondent can only choose from the range of answers you have given. The questionnaires for LMC have focus on; Strategic alignment, Leadership, Infrastructure, Human resources, Communication and finding suggestion that LMC could improve in the organization.

**Table 3.1 : The suggest open-ended questions for Honeybee Elements**

Honeybee Elements	Interviewees	Questions
1. Developing people	HR  Employee	- What kind of training program developed for all employees? How often? - How much budget does company spends for training each year? - Does the company provide any training program to you? In which area? How often?
2. Labor relation	-	-
3. Retaining staff	HR	- What is the average working hour per day? - How long do employees working for company? - How often do you recruit new employee per year? - What are the reasons behind to recruit new employees?
4. Succession planning	HR	- Is there a promoting plan for all position? How? - Who will replace middle level manager? - How many of them are promoted within the division?
5. Valuing staff	Employee	- How does the company provide/concern about employees' welfare?
6. CEO and top team	Manager	- How does CEO involve in each division?
7. Ethical behavior	Customer  Sales representative	- How do you feel about the product and service from this company? - How do you treat customers?
8. Long-term/short-term perspective	CEO Marketing manager	- What are the goals and plan in the future? - What is your target in term of sales and customer?
9. Organizational change	CEO R&D	- How do you prepare for the coming AEC? - How do you plan for future products?
10. Financial market orientation	CEO  Finance	- How much budget does company spends for training each year? - N/A
11&12. Social & Environmental Responsibility	CEO	- How do you care about social/environmental issue? - How much do you invest to take responsibility of social and environment?
13. Stakeholder	CEO	- How do you focus on every stakeholder?
14. Vision's role in business	CEO	- Can you tell the vision of the company in the future?
15. Decision making	Manager	- How do you make decision for each project or situations? Who are involving in decision-making process?
16. Self-management	Employee	- How do you manage yourself at work?
17. Team-orientation	Manager	- How do you work across decision?
18. Culture	Employee	- How would you describe culture here? - How do you involve in organizational culture?
19. Knowledge sharing and retention	Employee	- How do you share or exchange knowledge within the company? Between which division?
20. Trust	Employee	- How does company trust in you?
21. Innovation	R&D	- How many percentage of income do you invest in research and development?
22. Staff engagement	Employee	- How do you willing to help company? - If there were a better offer from other company, would you consider taking the offer? Why?
23. Quality	CEO  Employee	- How do you improve quality of product? - How do you maintain standard and product quality? - How do you value the product quality in the production process?

## CHAPTER IV

### FINDING

Findings were mostly identical to Avery and Bergsteiner's (2010) research framework. From the study, there were evident of many Honeybee leadership elements, as discussed below. The extent of conformity with Avery and Bergsteiner's elements, base on the data and the extremes for the "Honeybee" leadership approach and the "Locust" approach in **Table 4.1**, has been classified on a range from "least evident," "moderately evident" to "most evident." From the observations and interviews, LMC leadership philosophy appears largely consistent with the research framework using the 23 Key factor introduced above. Finding for each key are discussed below. The Key factor encompass a range of elements that Avery and Bergsteiner's (2010) would predict in a sustainable Honeybee organization, and this framework is then used to summarize the results as discuss below.

#### 1. Developing people

Like other Honeybee enterprises, LMC employees are one of their most important assets and this can be demonstrates in various ways, from the interview with LMC Human Resources department.

*"Before we hire new employees in to LMC we have a training session for every new employee by HR department. This training it a must, according to our company law regulation that we need to train new employees to understand what the organization is, vision from CEO, what's are the rule and regulation in the company, evaluation, welfare, etc. Then we move on to safety training, International Organization for Standardization (ISO) this will be train by safety officer. All this training will be only for a day and after training we give them a quiz to see if they understand or not." "Other than that, HR department will send the flyers of training course to all head of each department every 3months. We giving them a lot of training course that we could provide them but it*

*turns out that most people who are interesting on going is usually it the head of the department them self that interesting in training. Most training would be organized by HR them self or free training from outsource due to LMC haven't set training budget for HR to set up the yearly course for regular employees.” (HR department)*

For Honeybees organization training is very important to develop and improve their skills and knowledge.

## 2. Labor Relations

Most of the employees that work for LMC usually work with the corporate since the beginning till now, only a few departments that will have employees come and goes. The firm, such as LMC, has good relationship with its employees had higher labor satisfactory. Thus, top management and employees generally treat each other with respect. The CEO usually giving attention and constantly communicates with the manager level employees to achieve the same objective, but rarely communicate direct with the lower level employees. The CEO delegates the work to the manager level employees to do their jobs.

*“ If they in need of our help, Usually the managers would communicate with HR and us to solve the problem together and inform us what are the situation we face now” (CEO)*

CEO does care for all employees at LMC even in term of crisis, a good example of how LMC taking care of the employees, help them and their family when time of crisis such as “Flooding in Thailand, 2011”

*“In year 2011, Lopburi Prevent has face flooding crisis. The majority of the employees of LMC are absence for their work, They cannot travel to anywhere; some has loss their house and love one, they need to take a few days off work during the flood, loose their income would course them problem to recover as well. The CEO has given permission to HR to take foods, drinks, or any important tools to help though that in needed especially LMC employees. Any employees who cannot come to work during flood, they will still get pay during their absence.”(Production Control, flood victim)*

The CEO attempted to build a great working relationship with all of its employees. Not because of the compensation that they receive, but it's the gratitude to the Thai culture have for the one who help them in terms of need. Therefore, the employees that stay with LMC usually introduce their family members to work with LMC.

### 3. Retaining Staff

Retaining employees who fit to with the organization value is one of the company priority strategies. LMC has been able to push high potential staffs to become company Department Head Managers

*“Since are plant and office in Saraburi, it is hard to find a good Engineering to taking care of the plant and machinery, we did try to push one of the production control staff to become a manager in production control. But later on the new manager would want him back as he was before. The reason is because he thinks he is not good enough to be in manager position or in other word he had no confident of himself to become a leader.” (CEO)*

Keep the right person in the right role, if employees like their job responsibilities, they will not disengage and leave the company. Other than the internal motivation, LMC will offer external motivation such as raise the salary for the consistent performance employees who work more hours, never late, and rarely take leave of absence would gain an extra bonus at the end of the year.

### 4. Succession Planning

The successions in planning are process to identifying and developing internal people with the potential to fill key business leadership positions in the company. Like other family business, the CEO has planned to find a business successor but there's a concern with the employees with potential unknown direction of the company. As the CEO request that this person should be the family member only.

### 5. Valuing Staff

Employees are one of the most important resources in the organization. LMC works hard to take care the employees, as they needed. For example, LMC has creating a saving bond project for all employees due to some of employees never have



a bank account or have retirement saving plan. The company has policy to match the interest amount gain for each employee make toward their saving account as the employees' annual compensation. Every month LMC will put 10% of their salary and put in to there own saving account by doing this the employees would be able to save up their salary. Another project that LMC has collect 2% of the salary toward a program call "Saving Friends Program" This saving are used for all employees who urgently needs for example, funeral for my family, new barn baby etc. This program is depending on the employees will to give a donation to help their friends when they need it.

*"In the organization CEO would care for every one in the company, as my self; Once I has lose my husband in the car accident many years ago we don't have enough money to held a funeral for him but because of "Saving Friends Program" it's make me feel like I'm not alone. The CEO even support my children with education until I can sand up by my self" (Office Department)*

#### 6. CEO and Top Team

At LMC, the CEO is a heroic leader type in the organization, any decision-making would come from the top management only to prevent any misunderstanding and communicate clear objectives. The top two CEOs would have a meeting once a week with department managers to discuss company related matter. The company reports would come from each department heads. None of the manager can make the decision until it go threw top manager decision only some time it took time before the massage would considerate to improve or change.

#### 7. Ethical Behavior

Ethical practice is main value of LMC to the customers and stakeholders. After running the company as a family business for many generations has build strong company image and reputation for decades. Integrity, honesty, and accountability are some of the company code of conduct policy which has continues in the business for a long time. With the strict policy, not all employees able to follow and the company sometime have to make the tough decision and let them go.

*"Our company adheres to the ethics since the first generation and will continue on no matter which generation will be" (CEO)*

*“We ensure that our organization would follow the law and regulation of the company and the government” (HR)*

#### 8. Long or Short-Term Perspectives

LMC's increase the production capability is one of the company future planning. The company able to identify the way to stay competitive in the limestone industry is to produce products to meet the demand of the customers thru out the year. However, the company has no immediate plan to improve other fields in the company.

#### 9. Organizational Change

Most organizations, including LMC, have difficult time implement an organization change. LMC has the change procedure which the CEO would announce the plan to the manager heads and then spread the plan details to only the employees who are involve with the change. However, the change result often was temporary and unsuccessful.

*“Most people in LMC are willing to change for a better service and well being of the customer and our self, even we go threw the tough or unpleasant event due the economic crisis” (Marketing Department)*

#### 10. Financial Markets Orientation

N/A

#### 11. Responsibility for Environment

LMC have won the ISO 14001:2004 awarded of Environmental Management System. The going “Green Company” concept has been implement in the company for a long time due to the nature of limestone industry that takes advantage of the environment to create the lime product. Thus, the company is fully aware and ready to give back to the community such as the byproduct of the process creating of Calcium Oxide is dust pollution. LMC then installed an innovative dust collector part to minimize the dust being released to the air. For any customer who have visit LMC site will have to go thru a cleaning pool before take off. This pool would have automatic water spray to any cars and trucks wheel before leaving LMC this system would help to reduce preventing dust outside the company, Also, plant tree line in the surrounding area of the industrial site create a green atmosphere.

**Figure 4.1: Distinguishing criteria for typical Honeybee and Locust perspectives**

Honeybee Elements on the Sustainable Leadership Grid		LMC	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 behavior: an explicate value	✓			
8	Long or short-term perspective: long term	✓			
9	Organizational change: considered process	✓			
10	Financial markets orientation: challenge them	N/A			
11	Responsibility for environment: strong	✓			
12	Social responsibility (CSR): strong	✓			
13	Stakeholders: broad focus	✓			
14	Vision's role in the business	✓			
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	✓			
Total elements of conformity		21			

Legend. ✓ = conforms; - = does not conform; ? = not known.

## 12. Social Responsibility (CSR)

Every year LMC would create or join local event to improve the well being of the surrounding environment as part of giving back to the community program. For example, every year LMC would have the “Cleaning Day” event to act as a good neighbor and citizen in which the company volunteer to go to surrounding public properties such as the road nearby the company and monastery to clean the road and the buildings. Furthermore, LMC creates many jobs for people living in the local communities. These are only few examples of LMC efforts to demonstrate its commitment to engage in CSR.

## 13. Stakeholders

Not all CSR programs cover all of the company’s stakeholders. Thus, LMC is committing to include the importance of taking the stakeholders’ interests into account. Since the company realized that treating the stakeholders well would also build trust and close partnership. For example, LMC implement strict safety and regulations of plant operator employees because working in the pollution environment can cause long term health problems. Therefore, LMC provides full protection gears issue to the employees and enforce them to use them at all time. Moreover, LMC provides mandatory health check for the employees’ well being.

## 14. Vision’s Role in the Business

Company vision is sometime difficult to define. LMC’s top management has an unclear company vision at this time because the top management is working hard to keep the business profitable year-to-year basis. Perhaps this is the vision of the company after all. It is important for Honeybee leadership to have a strong vision as it prove to contribute success of a company.

## 15. Decision Making

LMC decision-making power is only designated to manager level with no to little input from the staff level. Furthermore, managers will get the decision from the top management before that. LMC, thus, have slow decision making process that may sent negative impact to the success of the company. For example, if a customer reported that he or she have problem with LMC product because of the inconsistent quality. The company sale will have to go collect sample and make a report findings then present the report to the top management in the next meeting for further actions.

With only handful of people can make the decision in the company, LMC may miss some business opportunity due to slow decision making of how to solve the problem, as time is money!

#### 16. Self Management

At LMC is no different than other firm. Staff at LMC is working to specifications when told what to do. However, according to the meaning, under Honeybee philosophy framework, in Avery element of sustainable leadership book (page 131) refer to “employees who control their own behavior, initiate and self-lead.” Thus, employees in this case must be internally managed. Before an employee going to work in a company, there is a clear job title, job description, basic requirements and job responsibility be for he or she apply for the job. But once the employees start working at the firm, they sometime fear of making mistakes and might get fired. Therefore, they will only do what they told to keep their jobs.

#### 17. Team Orientation

Teamwork is another essential characteristic of Honeybee enterprise. At LMC, however, only some departments have good chemistry and teamwork. The departments such as production and storage control which sometime operate 24 hours a day must be able to work continuously to produce enough products to meet the customer demand is working well within the department. However, when ask to share information to different department; there is certain unwillingness to share knowledge within the company.

#### 18. Culture

LMC is a company in Saraburi province where its employees hold different mindset from other Bangkok metropolitan companies. Thus, the company motto is likely to be “if it’s not break, don’t fix it.” LMC is operating like traditional Thai family business where little change is made inside the organization management. The culture in organization refers to informal norm including rules that govern people behavior. Respect seniority and only do what told to do are embedded as part of the culture at LMC. However, having strong culture may affect the company during the tough time as they would unlikely struggle to adapt in the new conditions.

### 19. Knowledge Sharing

The business in general has shifted its focus to acquire information quickly to make better business decision. In the information age, misguidance information can cause a great deal of loss to a company. At LMC, some of the employees keep their own knowledge to maintain value to the company while some withhold knowledge because of the personal egotism.

### 20. Trust

Trust is delicate, complex, and sometime difficult to measure. In practice, there are basic types of trust that present to the varying degrees in business relationships such as with employees, customers, and other stakeholders. LMC need to improve in the trust department. For example, the employees do not trust each other to share information for the greater good of the company. In addition, LMC also has trust issue with the customers because product quality sometime is not up to standard require by the customers need and cause problems on their end of the operation. Inability to create trust in the working environment may decrease overall organization performance.

### 21. Innovation

LMC has implemented systematic innovation for the industrial operation. It has installed dust collector to prevent high volume dust particle into the atmosphere. LMC management is well aware and willing to implement new innovation to improve the company long-term performance. Also, LMC plan to stay profitable by improving the production capacity. Invest in innovation is an indicator of how the company plan for the future.

### 22. Staff Engagement

Staff engagement is the direct indicator of employee motivation and satisfaction. LMC is making the company into good company to work for in the area of Saraburi. The company provides financial stability and other benefit for employees to commit to the company for a long time. Current employees felt satisfied and would like their children to come work at LMC as well because they are emotionally attach to the company.

### 23. Quality

LMC take pride in creating high quality Calcium Oxide for their employees. Though decrease in natural resource of raw material of limestone is getting more difficult to find in the area, LMC work harder to find the best raw material available to meet the demand of the customers. Moreover, LMC has long-tenured employees who are likely to share the company values and pressure from outside competition to enhance quality. The company also realized that continuous improvement and pursuit of quality does not cost more money, but it actually save money in the long run. Loyalty customers of LMC build a solid relationship for decade because it has provided consistent high quality product for many years and will continue to do so.



## CHAPTER V

### RECOMMENDATION

Finding were analyzed using Avery and Bergsteiner's (2010) research framework and were the conglomerate's practices were consistent with 21 Honeybee leadership elements, as has been found earlier using Avery's (2005) earlier framework (Kantabutra and Avery, 2011). Based on the data collected, the extent to which each of the 23 elements was evident at the LMC for the "Honeybee" and "Locust" leadership approaches contrasted in **Table 2.2**, was shown in **Figure 4.1** using three categories: "least evident", "moderately evident", and "most evident". The recommendation will be giving fining from **Figure 4.1** element, which only shows "least evident" and "moderately evident" result as follow.

#### 1. Developing people

Clearly, LMC had a room to improve on maintain developing people in the organization. For promotion, it relies on extensive training and development programs being available. All employees are eligible for training with budget that LMC could offer. For lower-level staff training, LMC could provide development opportunities that include functional training for developing job related skills, knowledge, and capabilities. Especially for developing supervisory and managerial level skills such as Business management skills, Leadership development as well as preparing selected employees to work together and innovative.

#### 2. Labor Relations

Employees unionism link to higher product activities and the increase of product activities is offset by any rise in wage. Therefore, fears of unionism can lead to higher cost and lower profit in an organization. LMC must take this point in to consideration and find ways to communicate with all employees' levels to build cooperative relationships among its employees. For example communication can be open in the regular and big meetings.



### 3. Recommendation Retaining Staff

Since LMC need retaining skilled staff, Forcing employees to develop them by take an extra lesson that would improve their skills with confidents. A distinction should be drawn between low performing employees and top performers, and efforts to retain employees should be targeted at valuable, contributing employees. Employee turnover is a symptom of a deeper issue that has not been resolved. The deeper issues may include low employee morale, absence of a clear career path, including lack of recognition, poor employee-manager relationships or many other issues. A lack of satisfaction and commitment to the organization can also cause an employee to withdraw and begin looking for other opportunities. Pay does not always play as large a role in inducing turnover as is typically believed.

### 4. Succession Planning

Honeybee leadership prefers to promote people from within the organization rather than hire the outsider for the successors role. LMC should not appoint outsiders directly to the top precision even though they are the family members. Instead, LMC should slot the potential successor in to the company's succession plan and mentor for a year or two to make sure they are fit with the role and culture of the company.

### 6. CEO and Top Team

The top management should not micro manage all of the company activities. Instead the top management should give guidance and delegate the work to its employees to show their skills, which is also a way to evaluate them. LMC should build a team base approach as part of the company culture because a team focus from CEO promote sustainability by ensuring that people and resources are heading in the same direction.

### 8. Long or Short-Term Perspectives

Due to the limestone industry company is highly competitive, LMC should explore new opportunities' in the market. For example, ASEAN Economic Community (AEC) It is an opportunity for LMC to explore international trade, which will fully establish in 2015. Moreover, LMC can find the international trade partner for the raw material, and/or new innovation technology in the union of ASEAN region.

#### 14. Vision's Role in the Business

An aspiration description of what an organization would like to achieve or accomplish in the mid-term or long-term future is important but may not be enough. A strong vision will set the tone for the company strategies as a clear guide for choosing current and future courses of action until it reach that vision. LMC is a family business that manage with a Top-Down model in which the top management communicate clear goals and objectives to department heads to familiarize and pass on to their subordinates.

#### 15. Decision Making

LMC must develop problem management strategy by separate the cases to the severity and impact to the company. Some problems are less significant or a recurrence should be handled by staff with the supervision from the managers. All solved and unsolved problems still should get report to the top management because recurrence problems can be avoid with simple change in policy. Thus, empowerment and trust in good faith of employees can also give confident and sense of ownership to the employees.

#### 16. Self Management

LMC employees is well trained and sometime highly skill. However, for them to gain the necessary experience, they must sometimes be force to put in tough situation which they might fail. Those failures are the valuable study tools because learning from failure is less likely to do the same mistakes. Self-management can be implementing through combination of policy and top management encouragement. Moreover, human resource management must recruit the self-managing type employees, as they increasingly become vital part for today success of the family business company.

#### 17. Team Orientation

Self-managing employees might be vital today's success of a company, but if they cannot together the company may face internal. LMC top management should understand the significant impact of a good teamwork within the company is vital for achieving business goals and developing strong company competency.

## 18. Recommendation Culture

Top management should understand how the company culture can impact the performance of the employee. A consistent organizational culture need to create and maintain, making it a long-term perspective. Thus, for LMC to adopt an enabling culture in the company, it must first be clear on what their values are. Next, the company must communicate the culture into every employee and other involves parties. Another point to consider is internal culture has a direct influence on the impression of the firm. Therefore, the family business who tends to value more in their brand image and reputation must find way to support the benefits of enabling culture to create relative stability inside the company.

## 19. Knowledge Sharing

To counter the effect of not sharing knowledge at the work place, top management may come up with a policy which the company will focus on teamwork and minimize internal competition that encourage withholding information behavior. Moreover, LMC can build knowledge friendly environment at the workplace by focus on retaining, valuing the staff for long-term plan, continue employees development, and etc.

## 20. Recommendation Trust

The benefit of building trust, it facilitates cooperation, loyalty, relationships, and the possibility that employee long commitment. The kind of trust culture at LMC may not happen overnight. So, it require an appropriate company environment and foundation elements such as clear vision and goals in place including strong foundations in a long-term perspective, a sense of job security, and etc. because neither an enabling culture and trusting can be command.

## CHAPTER VI

### CONCLUSIONS

Overall, LMC has been run by a family business for many generations. The leadership practice has show the results are closely fit the Honeybee criteria that Avery and Bergsteiner's (2012) identified. Our analyses above show agreement on 21 of the 23 elements, 9 of which are strongly evident. The one notably deviant element is the high influence of the CEO position. As a family business, LMC has long tradition of heroic leader type for many generations. Therefore, the most evident where the company value from the CEO point-of-view lies in valuing staff, ethical behavior, organizational change, responsibility for environment, social responsibility, stakeholders focused, innovation, staff engagement, and quality. The most notable points is valuing staff and their interests as well as responsibility to environment, ethical behavior of the employees, and social responsibility because the family business tend to value their reputation and image more. There is also an increasing trend in succession planning, long-term perspective, and innovation to cope with the highly competitive industry. However, there is lack of evident in the two areas, which are financial market orientation and culture. LMC would not release the detail of company financial to protect company secret. On the other hand, there is no strong company culture at LMC. The culture found at the company is in fragment for each department own culture in which is different from one another.

Thai family business show some close fit elements with the Honeybee sustainable leadership. The result from the study suggest the Thai family businesses if they want to adopt Avery and Bergsteiner's 23 sustainable leadership grid elements to guide the company progress, they must make adjustment where indicated according to the least and no findings to become more sustainable. Moreover, the results open the way for other scholars and researchers to further examine on the Thai family business and Honeybee sustainable leadership.

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