

# LEADERSHIP AND CORPORATE SUSTAINABILITY: A CASE STUDY OF THAI SMEs

ภาวะผู้นำและการพัฒนาอย่างยั่งยืนของวิสาหกิจขนาดกลางและขนาดย่อมในประเทศไทย

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## Abstract

The purpose of this research is to study the relationship of sustainable practices and leaderships towards corporate sustainability of Thai Small and Medium Enterprises (SMEs). Leaders are top management who create policies and make decisions for their organizations. Chief Executive Officers (CEOs) of listed companies in stock markets have continuously implemented international best practices in order to comply with the international Standards for sustainability such as the Dow Jones Sustainable Index (DJSI). In Thailand, it is seen that there is lack of research material covering the relationship between Sustainable Practices and Leadership in the context of Sustainability of Thai SMEs. The questionnaires were collected from 406 entrepreneurs and executives. This quantitative research uses statistical analysis by Pearson's Correlation, Spearman's Correlation and OLS Regression model. The results show that Sustainable Practices and Leaderships are all significant to economic, environmental and social dimensions under corporate sustainability. In addition, entrepreneurs and executives in Thai SMEs should put emphasis on environmental and social dimension of sustainability in managing their organizations.

**Keywords:** Corporate Sustainability, Sustainable Leadership, Sustainable Practices, Thailand's Small and Medium Enterprises (SMEs)

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## บทคัดย่อ

การวิจัยนี้มีวัตถุประสงค์เพื่อศึกษาภาวะผู้นำและการพัฒนาอย่างยั่งยืนในวิสาหกิจขนาดกลางและขนาดย่อมในประเทศไทย ผู้นำมีความสำคัญที่สามารถกำหนดนโยบาย จุดมุ่งหมาย และการตัดสินใจต่างๆ ในบริษัท ซึ่งปัจจุบันผู้นำในบริษัทขนาดใหญ่ได้หันมาพัฒนาองค์กรให้เกิดความยั่งยืนโดยมีตัวชี้วัดสากล เช่น Dow Jones Sustainable Index (DJSI) อย่างไรก็ตามพื้นที่ในการสร้างความได้เปรียบของประเทศก็ขึ้นอยู่กับธุรกิจขนาดเล็กและกลางเช่นกันในการวิจัยนี้จะหาปัจจัยที่ส่งผลต่อการพัฒนาอย่างยั่งยืนใน SMEs โดยแจกแบบสอบถามให้กับผู้บริหารและเจ้าของธุรกิจ ซึ่งมีกลุ่มประชากรจำนวน 406 บริษัท การวิจัยเชิงปริมาณนี้ได้ใช้เครื่องมือทางสถิติในการวิเคราะห์ผล ได้แก่ สหสัมพันธ์แบบเพียร์สันและสเปียร์แมน และการวิเคราะห์การถดถอยแบบ OLS จากการสำรวจพบว่า ปัจจัยทั้งหมดในด้านการปฏิบัติและภาวะผู้นำมีผลต่อความยั่งยืนในองค์กร อย่างไรก็ตามผู้นำในธุรกิจขนาดกลางและเล็กควรให้ความสำคัญกับการรายงานผลเกี่ยวกับสิ่งแวดล้อมและสังคมมากขึ้น

**คำสำคัญ:** การพัฒนาอย่างยั่งยืน ภาวะผู้นำแบบยั่งยืน การปฏิบัติให้เกิดความยั่งยืน วิสาหกิจขนาดกลางและขนาดย่อมในประเทศไทย

## Background

Leaders are persons who can influence others, create policies and make decisions for organizations (Robbins, Decenzo & Coulter, 2013). Without good leaders, the company may not gain trust from employees, lead the right directions in the global business environment, and ensure success of the organizations.

Leaderships are what the leaders do. That is a manner or behavior of leading a group to achieve the organization's goals. Leadership consists of knowledge, skills and attitudes (Patricia, Andrew & Gilbert, 2009). This is the most patient of human responsibility to handle with heavy decision or surviving of company.

Sustainability Development is one of important strategic agenda for organizations with full support from the board of directors, chairman and senior management level. In order for organizations to achieve long term profitability and sustainability in business, corporate

leaders must ensure that short term and long term interests of their various stakeholders are all considered (Nazir et al., 2014).

In addition, sustainable leaders should create goals that simultaneously improve the economics, social and environment. All of stakeholders are very important such as Employees, Customers, Suppliers, Business Partners, Communities or Society. In order to successfully drive sustainability with stakeholders, they need to foster the socially responsible mindsets into leaders, as well as to ingrain "sustainability" into their business operations, processes and culture with clear strategic direction (Kantabutra & Avery, 2011).

Thailand's Small and Medium Enterprises (SMEs) are an important part of Thailand's development. They create profit and many investments. There are around 2.7 million SMEs companies or 97.2% of all companies in Thailand. They create revenue more than 37.4% of GDP.

Currently, the numbers of SMEs is dramatically increasing every year due to young entrepreneurs (Ministry of Commerce, 2015). Thai SMEs make up 37% of GDP and 80% of the workforce. Compared to Malaysia, Thai SMEs achievement is higher by 33% (Dato, 2015).

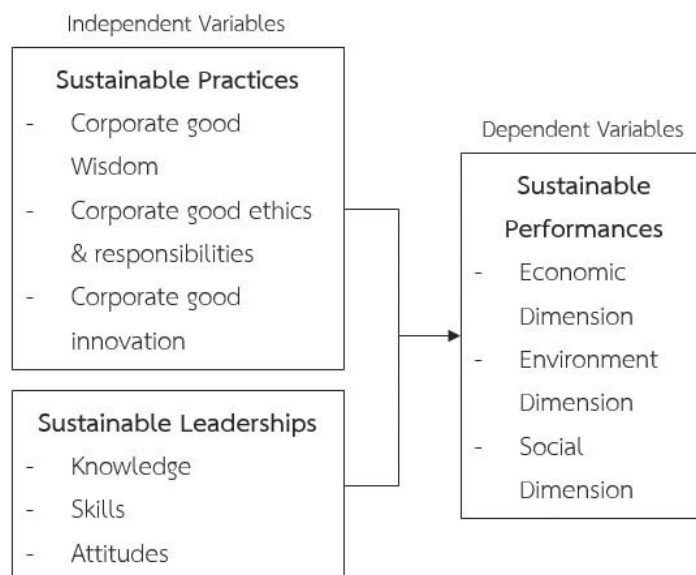
Finally, corporate sustainability had been driven by executives and owner of company, because these leaders were able to create right policies, goals and decisions toward corporate sustainability.

### Research objectives

- To understand the relationship between the factors under Sustainable Practices to Sustainable Performances in Economic, Environmental and Social Dimensions.

- To understand the relationship between the factors under Sustainable Leaderships to Sustainable Performances in Economic, Environmental and Social Dimensions.

### Conceptual and Research framework



**Figure 1** Research Framework

**Source:** base on RobecoSAM (2015), Clandia et al. (2015), Rene et al. (2013), Pamela (2011), Patricia et al. (2009), Kantabutra (2014), Avery & Harald (2011)

### Literature Review

Social entrepreneurs and world leaders have defined various leadership styles that stem from the development of sustainability in organizations. In good business sustainability,

leaders must be willing to change behaviors and adjust leadership strategies to enhance ability and development (Rene et al., 2013). Business Leaders should have ability to motivate and inspire their followers and staff at all levels

to see benefits of accepting sustainable business model. In addition, they must influence others to develop sustainability to serve company's goals and purposes in the long term. (Middlebrooks et al., 2009).

Sustainable business can be achieved through leadership and practices. The objectives of sustainable leadership practices concern the balancing of people, profits and planet. Various scholars offered many approaches in accomplishing sustainable leadership practices such as Honeybees Leadership (Avery & Harald, 2011), Rhineland Leadership (Kantabutra & Avery, 2011). OECD Sustainable Development and Sufficiency Economy Leadership practices (Kantabutra, 2014).

### 1. Leaderships and Sustainability

In Sustainable Development, leadership is the definition of capable leaders while balancing the interests of all stakeholders. They may protect the environment and improve the community. Behaviors of sustainable leadership contain holistic thinking, positive psychology and sustainable competencies such as knowledge, skills, styles and methods (Pamela, 2011).

According to Patricia et al. (2009), there is insight to leadership of individual behavior with their own attitudes. Leaders' behaviors can affect the sustainable performance. Core leadership of business behaviors are knowledge, skills and attitudes. When behaviors combine with intelligence, the author calls these skills as systemic thinking, managing risks, balancing

of stakeholders and emotional awareness

Leadership quality can enhance the sustainability in organization. Skills of leaders can be improved by practicing. In the world crisis, good judgment and leadership skills can help to avoid disaster situations (Rene et al., 2013).

Leader's knowledge is knowledge of social and environmental development in sustainability. They should know how to manage and balance risks from all of stakeholders (Patricia et al., 2009).

Leader's skills is the practical skills on human relationship. They can engage and communicate well with their teams (Patricia et al., 2009). Practical skills for social and environmental development must be experienced (Kantabutra, 2014). They could be holistic thinking on how to handle complicated issues from stakeholders (Pamela, 2011).

Leader's attitudes are the developing of mentality and integrity (Rene et al., 2013). The leader is open minded and caring to employees (Patricia et al., 2009). From Thai perspectives, leader's attitudes are correlated with attribute of honesty, integrity and trustworthiness (Pamela, 2011). In Sufficiency Economy, perseverance and resilience in personal trait can help to endure the economic crisis (Kantabutra, 2014).

### 2. Practices and Sustainability

There are several sustainable practices that deliver better and more sustainable returns. These practices can be models or approaches

which leaders can use and develop. According to Avery & Harald (2011), honeybee model requires taking a long-term perspective in making decisions, develop innovation and good relationships with employees.

Rhineland model identified nineteen sustainable practices. There are six core practices such as a long-term perspective, investing in people, creating strong culture, supporting incremental and radical innovation, social and environmental responsibility, and right ethics. This model was used to compare against sustainability and capitalism approaches (Avery, 2005).

Corporate good wisdom is about the smart practices that shape organizations in the right direction. Leaders focus goals towards a desirable future of sustainability (Avery & Harald, 2011). The main business goal is to do the right things and nothing illegal (Kantabutra, 2014). They clearly set the goal for sustainability. The employees are comfortable with company's culture and feel that is the right place to work for it (Kantabutra et al., 2011).

Corporate good ethics & responsibility is about being socially and environmentally responsible with good social benefit. Organizations create good relationship with surrounding community. They preserve and prevent any harm to the environment from their business activities (Middlebrooks et al., 2009). Leaders support and invest in their staff such as training and development.

Corporate good innovation is about radical and incremental development. Leaders

develop strong organizational culture to create innovation. They even share knowledge with competitors to develop relevant markets (Kantabutra, 2014).

### 3. Corporate Sustainability

Nowadays, sustainability is one of the famous benchmark for investors. This new investment style is popular because it creates long-term shareholders and diversifies risks among economic, environmental and social developments (Ivo, 2001).

Organizations are recognizing the importance of corporate sustainability and are exploring ways to integrate environmental, social and governance factors into their investment strategies.

BMW has adopted sustainability concepts to overcome their financial crisis. (Waite, 2013) Their Leaders lead innovation and corporate practices in sustainability. (Gitsham, 2012) At IBM and HSBC, good and effective sustainability practices were developed through mindset and skills of sustainable leadership. People in organizations must learn how to become good leaders.

The advantage in sustainable performance can be awaken in investors as configuration of their investment portfolios has led to the emergence of indexes linked to financial markets. Many investors consider this as the one of value for success such as Dow Jones Sustainable Index and GRI (Victoria, Arminda & Lazaro, 2007).

Dow Jones Sustainable Indexes is a concept of corporate sustainability that lead the long-term perspectives by SAM sustainability group. There are five key to these principles. 1: Innovation in products and services that lead the market and long term planning for financial and environmental success. 2: Governance is excellent cooperation with high quality and responsibility in organizations. 3: Shareholders is the serving the demands of returns on investment. This growth is long-term and aim to increase competitiveness in market. 4: Leadership skills are highly required for sustainable leaders to set standards and practices and maintain performances in economic, social and environment. Last one is society. This is interaction between different stakeholders such as clients, customers, employees, investors, banks, communities and governments (Ivo, 2001).

Sustainable performance indicator is used to measure the three bottom lines of sustainability (Victoria et al., 2007). They are economic, environment and social dimensions. In this research, we use two famous indexes. There are DJSI (RobecoSAM, 2015) and GRI Assessment (Clandia et al., 2015).

Finally, corporate sustainability is more profitable than those with low sustainability, because this model encourages production increases for the whole system. In the economic dimension, risk and crisis management can save cost and reduce investment risk in long-term. This means, Return on Invested Capital is increasing dramatically. In environmental and Social that may offered preferential

policy from law. New tariff barriers may be an organization's opportunity to open new business market with fewer competitors (Knoepfel, 2001).

#### 4. Corporate Sustainability in Thailand

There are many western leadership models that have positive and significant effects on sustainability. Many researches are from western study such as Rhineland Model, Sustainable Core Competencies or Dow Jones Sustainability Index (DJSI). When you take a look oriental wisdom in Asia, we found something different from the West. In Thailand, Sufficiency Economy is one of the best sustainable practices from His Majesty King Bhumibol. (Piboolsravut, 2004)

In Thai approach, they adopted the Sufficiency Economy Principles. The important behavior to become a top class sustainable leader. It is perseverant that the leader develops leader's attitudes to endure and deliver the social and economic outcome during crisis (Kantabutra, 2014).

The Sufficiency Economy is a philosophy of sustainable development process that has been constructed into Thai culture. This philosophy uses the middle path approach similar to the Buddhist way. It consists of three main factors including Moderation, Reasonableness and Self-Immunity. Nevertheless, there are more additional factors to use among them, including Knowledge and Morality (Piboolsravut, 2004).

According to Puntasen, Premchuen & Keitdejpunya (2003), ten Sufficiency Economy Leadership Practices in Thai SMEs are long-term perspective, invest in employees, research and development in technology, maximize the resources, and manage risks between stakeholders.

### Research methodology

The primary research method was a quantitative research. The questionnaires were conducted in order to study the relationship between Sustainable Practices, Sustainable Leaderships and Sustainable Performances. According to OSMEP (2014), the total number of registered SMEs was 2,739,142 companies. The completed surveys have 406 companies using Yamane (1967) to determined sample sizes. All of questionnaires were collected by researchers. This research method employed statistical analysis by using Pearson's correlation, Spearman's correlation and OLS Regression methodology.

### Result and Discussion

The results are divided into two parts which are descriptive analysis of the questionnaire and hypothesis results.

#### 1. Demographic information

There are 406 samples collected from survey, with the average age of entrepreneurs 36-45 years old at 37% and 26-35 years old at 32%. The older generations of 46-55 years old and 56-65 years old made up around 24% of the population. 63% of the samples are

females and 37% of the samples are males. In education, 60% hold a Bachelor's degree, 26% completed high school and the remaining have Master's Degree. In leader positions, there are 74% at manager level, 8% at executive level such as President, Vice President and 18% are founders who started the business. 183 samples are from small businesses with average revenues below 100 million baht per year, 223 samples are from medium businesses with revenues from 100 to 3,000 million baht per year.

#### 2. Research Results

In this section is estimated by using Ordinary Least Square estimation (OLS) to see whether there is any relationship between Sustainable Practices, Sustainable Leaderships and Sustainable Performances.

The correlation among sustainable practices and leadership had been carefully tested by Spearman correlation. The factors under Sustainable Practices and Leaderships were not highly correlated.

The results revealed that all of variables under Sustainable Practices and Leadership were significant to Sustainable Performances in economic, environmental and social dimensions at 1 percent level of significant. Table 1 shows the results of Corporate good wisdom, Corporate good ethics and responsibilities, Cooperate good innovations, Leader's knowledge, Leader's skills and Leader's attitudes towards sustainable performances in economic, environmental and social dimensions.



**Table 1** Sustainable Practices and Leadership towards Sustainability in Environmental Performance

|  | Economic Dimension |      | Environmental Dimension |      | Social Dimension |      |
|--|--------------------|------|-------------------------|------|------------------|------|
|  | Coef.              | Rank | Coef.                   | Rank | Coef.            | Rank |
| Corporate Good Wisdoms                   | 0.196*             | 3    | 0.167*                  | 5    | 0.190*           | 3    |
| Corporate Good Ethics & Responsibilities | 0.235*             | 1    | 0.253*                  | 1    | 0.243*           | 1    |
| Corporate Good Innovations               | 0.170*             | 5    | 0.175*                  | 4    | 0.168*           | 5    |
| Leader's Knowledge                       | 0.149*             | 6    | 0.155*                  | 6    | 0.158*           | 6    |
| Leader's Skills                          | 0.225*             | 2    | 0.250*                  | 2    | 0.220*           | 2    |
| Leader's Attitudes                       | 0.190*             | 4    | 0.200*                  | 3    | 0.186*           | 4    |

\* Significant at  $p < 0.1$

Corporate good wisdom increases the sustainable performances by 19.6% at economic dimension, 16.7% at environmental dimension and 19.0% at social dimension (see Table 1). Leader's opinions emphasizes that Corporate Good Wisdom placed high value on economic and social performances.

Corporate good ethics and responsibilities increased the sustainable performances by 23.5% in the economic dimension, 25.3% in the environmental dimension and 24.3% in the social dimension (see Table 1). Leaders' opinions emphasized that Corporate Good Ethics and Responsibilities are the most important of all sustainable dimensions.

Corporate good innovations increased the sustainable performances by 17.0% in the economic dimension, 17.5% in the environ-

mental dimension and 16.8% in the social dimension (see Table 1). Leaders' opinions emphasized that Corporate good innovations place high value on environmental performance.

Leader's knowledge increased the sustainable performances by 14.9% in the economic dimension, 15.5% in the environmental dimension and 15.8% in the social dimension (see Table 1). Leaders' opinions emphasized that Leader's Knowledge is the least important of all sustainable dimensions.

Leader's skills increased the sustainable performances by 22.5% in the economic dimension, 25.0% in the environmental dimension and 22.0% in the social dimension (see Table 1). Leaders' opinions emphasized that Leader's Skills placed very high values on all sustainable dimensions.

Leader's Attitudes increased the sustainable performances by 19.0% in the economic dimension, 20.0% in the environmental dimension and 18.6% in the social dimension (see Table 1). Leader's opinions emphasized that leader's attitudes placed high values on environmental performances.

## Conclusion and Recommendations

The findings from this study suggest that Sustainable Practices and Sustainable Leadership are considered significant groups that increase the Sustainable Performances in economic, environmental and social dimensions under the mindset of Thai SMEs owners.

Nevertheless, this research would not be meaningful if necessary recommendations are



unable to pinpoint some areas of improvement for corporate sustainability in Thai SMEs. From table 2, it could be observed that sustainability performance under environmental as well as social dimensions, mean score of environmental and social reporting under corporate sustainability performance are lower than 3.00 and the least of number among others. This aspect shows that Thai SMEs pay less attention for environmental and social standards reporting. Question is remained of why entrepreneurs do not seriously emphasized on social and environmental reporting. Nonetheless, a study by Sirimongkhon (2008) revealed that less than 500 Thai companies participated in standard reporting, because less promoting scheme from regulatory bodies and the lack of government support such as tax incentives.

Therefore, with or without support from regulatory bodies, executives and owners should put more emphasis on the environmental and social reporting. According to DJSI best practices, standard reporting (RobecoSAM, 2015) on environmental and social dimensions are key success factors and are considered

important tools for corporate sustainability. The fact that the reporting helps monitoring the need to ensure all environmental and social policies are complied with corporate's operations and that outcomes are determined and executed in order to reach corporate sustainable goals. Under good standard of reporting, DJSI suggests companies to add internal audit that assures all environmental and social reports are correct and transparent.

The transparency in reporting at top management level can increase stakeholders and customers trust and can positively impacts on company's reputation and brand's value (RobecoSAM, 2015).

Lastly, to make Thai SMEs capable of delivering good and sustainable business practice that fit their business nature, further research is needed to emphasize and classify in each business sector such as food, automotive or energy. It will spot similarity and difference among sector and can provide more clear pictures and suggest real improvement in corporate sustainability of SMEs in Thailand.

Table 2 Descriptive of Sustainable Practices, Leaderships and Performances.

|                          |   | Mean | Std. Dev. | Min  | Max |
|--------------------------|---|------|-----------|------|-----|
| SUSTAINABLE PRACTICES    | Corporate good wisdom   | 3.29 | .453      | 0.87 | 4   |
|                          | - Vision  | 3.09 | .672      | 0    | 4   |
|                          | - Thought   | 3.41 | .569      | 1    | 4   |
|                          | - Core Value  | 3.19 | .613      | 1    | 4   |
|                          | - Culture   | 3.46 | .538      | 1.50 | 4   |
|                          | Corporate good ethics & responsibilities  | 3.27 | .458      | 1.69 | 4   |
|                          | - Communities   | 3.20 | .651      | 0    | 4   |
|                          | - Environments  | 3.24 | .655      | 0    | 4   |
|                          | - Employees   | 3.17 | .647      | 0    | 4   |
|                          | - Ethical Behaviors   | 3.38 | .504      | 0.80 | 4   |
|                          | Corporate good innovation   | 3.20 | .560      | 1.16 | 4   |
|                          | - Incremental Innovation  | 3.29 | .607      | 1    | 4   |
|                          | - Radical Innovation  | 3.09 | .732      | 0    | 4   |
|                          | - Knowledge   | 3.21 | .623      | 0    | 4   |
| SUSTAINABLE LEADERSHIPS  | Leader's knowledge (Socials, Environments and Stakeholders)                                   | 3.28 | .520      | 1.33 | 4   |
|                          | Leader's skills (Socials and Environmental Developments, Communication and Holistic Thinking) | 3.30 | .498      | 1.28 | 4   |
|                          | Leader's attitudes ( Good Mindset and Positive Psychological)                                 | 3.40 | .509      | 1.33 | 4   |
| SUSTAINABLE PERFORMANCES | Sustainable performance in Economic dimension   | 3.10 | .540      | 0.87 | 4   |
|                          | - Risk & Crisis Management  | 3.09 | .574      | 1    | 4   |
|                          | - Code of conduct / Corruption & Bribery  | 3.10 | .589      | 0    | 4   |
|                          | Sustainable performance in Environmental dimension  | 3.10 | .614      | 0.50 | 4   |
|                          | - Environment Reporting   | 2.96 | .880      | 0    | 4   |
|                          | - Environmental Policy /Management System   | 3.12 | .615      | 0.40 | 4   |
|                          | Sustainable performance in Social dimension   | 3.11 | .565      | 1.25 | 4   |
|                          | - Social Reporting  | 2.92 | .916      | 0    | 4   |
|                          | - Labor Practice and Human Right  | 3.16 | .617      | 0.66 | 4   |
|                          | - Human Capital Development   | 3.16 | .628      | 1    | 4   |
|                          | - Talent Attraction & Retention   | 3.08 | .683      | 0    | 4   |

**Table 3** Details of Sustainable Practices, Leaderships and Performances

| Variables   | Indicators  |
|---|---|
| <b>Sustainable Practices</b>                        |   |
| Corporate Good Wisdom                               | - Every employee must understand company's vision.  |
| Vision  | - Firm must continuously update on company's vision.  |
| Thought   | - Doing business based on legal and right ethics.   |
|   | - Doing business right for social benefit.  |
| Core Value  | - Everyone in organization must remember core value.  |
|   | - Core value reflects by leader practices.  |
| Culture   | - Showing responsibility and gratitude as a team member.  |
|   | - Leading team by example and action.   |
| <b>Corporate Good Ethics &amp; Responsibilities</b> |   |
| Community   | - Create good relationship with nearby community.   |
|   | - Create job opportunity and training nearby community.   |
| Environment   | - Caring nature and do not change nature.   |
|   | - Implementing environment control system for certificates.   |
| Employee  | - Building talents and retaining employees  |
|   | - Good relationship between company and labor-union.  |
| Organization  | - Business has well profitable  |
|   | - Maximize profitability and gain the most benefit from all resources.  |
| Ethical Behavior                                    | - Do not lie to others.   |
|   | - Do not harmful to others.   |
|   | - Give the best opportunity or good luck to others; even you do not like that person.   |
|   | - Helpful and caring others.  |
|   | - Listening all of ideas and thoughts; even conflict or not   |
| <b>Corporate Good Innovations</b>                   |   |
| Incremental Innovation                              | - Continuous support research and development   |
|   | - Creating new product to meet customer needs.  |
| Radical Innovation                                  | - Company prepare new products and innovations to serve in next ten years   |
|   | - Fully supporting funding for new innovation and take risk even maybe not profitable in next ten years.                                      |
| Knowledge   | - Firm must have a good environment to create knowledge sharing   |
|   | - Ability for continuous learning.  |
| <b>Sustainable Leaderships</b>                      |   |
| Leader's Knowledge                                  | - Understanding the demand of stakeholders  |
|   | - Understanding how to contribute to society  |
|   | - Understanding social and environmental risks and opportunities  |
| Leader's Skills                                     | - Leader has skill of Geo-social development  |
|   | - Leader has skill of Embracing diversity and managing risk   |
|   | - Leader has skill of Balanced judgment   |
|   | - Leader has skill of Team player   |
|   | - Leader has skill of Holistic Thinking   |
|   | - Leader has skill of Managing stakeholder network relationship   |
|   | - Leader has skill of Engagement and communicating with others  |
| Leader's Attitudes                                  | - Emotional Awareness   |
|   | - Perseverance  |
|   | - Resilience  |
|   | - Mindfulness   |
|   | - Integrity   |
|   | - long-term perspective   |
| <b>Sustainable Performances</b>                     |   |
| Economic Performance                                | - Your company is very strong in risk analysis for financial and business risks.  |
|   | - Your company has implemented internal control process to better capture for risks (such as financial risks, strategic business risks, etc.) |
|   | - Employees know about company's risks by training, practices or risks management.  |
|   | - Your company is very strong in code of conduct and prohibit from corruption.  |
|   | - All of code of conducts has verified by third-party auditory.   |
|   | - Your company has anti-corruption and bribery policy and implementing with legal requirement.  |
|   | - All of business relationships very well comprehended your anti-corruption and bribery policies.   |
|   | - It is acceptable for your company to report on company's misconduct to public.  |
|   | - All of Environmental report has verified by third-party auditory.   |
| Environmental Performance                           | - Your company is fully supporting environmental management policy publicly.  |
|   | - Restore surrounding environment from company operations.  |
|   | - Increased use of materials derived from recycling.  |
|   | - Reduction of direct and indirect energy consumption.  |
|   | - Reduction of water consumption.   |
| Social Performance                                  | - All of Social report has verified by third-party auditory.  |
|   | - There are none unequally between men and female about level of responsibility, performance and salaries.                                    |
|   | - Your company is transparency about layoffs and achieving low level of layoffs.  |
|   | - Your company is committed to support Universal Declaration of Human Rights.   |
|   | - Your company is fully supporting training time for employees.   |
|   | - Employee development program increases cost reduction, firm productivity and generate revenue.  |
|   | - Your company is fully supporting long-term incentive for senior manager or talent one.  |
|   | - Your company turnover is in very low rate and decreasing number every year.   |

**Source:** base on RobecoSAM (2015), Clandia et al. (2015), Rene et al. (2013), Pamela (2011), Patricia et al. (2009), Kantabutra (2014), Avery & Harald (2011)

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