

Somboon Group (SBG) of Companies in the Auto-parts Industry in Thailand

Thailand

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Executive Summary

The focus of this case is the Somboon Group (SBG), a Thai automotive parts manufacturer that supplies major automobile assemblers, primarily but not exclusively Japanese companies, and serves the after-market. SBG's experience illustrates the critical importance in international business of Corporate Social Responsibility (CSR) which encompasses safety, human rights, social aspects and the environment. All of SBG's business partners throughout the supply chain are required (both directly and indirectly) to implement CSR practices. The case study explores the critical success factors in securing support for CSR from the top management of all SBG business partners. They have taken note of SBG's position that an investment in CSR-related activities should not be regarded as an expense, but rather as an investment that provides sustainable long-term benefits.

SBG realizes that success in today's business strongly depends on effective cooperation from every component in the supply chain. The company has therefore addressed challenges and pressures from both the upstream and downstream parts of the supply chain. SBG strives to be a highly valued member of its supply chain not simply to survive in business but to continually increase customer satisfaction and take on its responsibilities to society and the environment.

The results have been gratifying. SBG is not only recognized as a creator of value by its business partners but also as a company with a very strong public image. SBG is well respected by both the private and public sectors in Thailand. Employee turnover at SBG is very low and no labor union exists.

SBG Profile

Somboon Group (SBG) is a Thai conglomerate which plays a major role in the automotive parts industry in Thailand. It has more than 46 years of experience with Japanese high-tech manufacturing processes.

SBG started in 1941 as an automotive understructure parts agent called Yongki Limited Partnership in Thailand. The Somboon Group was founded by Mr Somboon Kitaphanich who wanted to manufacture his own automotive parts. As a result, he established the first Thai-owned leaf spring factory near Bangna intersection, Bangkok in 1961. The company has steadily grown through the past 46 years and has been known as a leading automotive parts maker in Thailand.

The SBG Group consists of three companies with more than 1,700 staff members and about 600 million THB registered capital. These are the following:

1. **Somboon Malleable Iron Industrial Co, Ltd (SBM).** Founded in 1975, SBM operates ductile and gray iron casting foundry with parts machining. SBM produces various automotive parts from many grades of FC and FCD materials. The main products are drum brake, disc brake, hub, exhaust manifold, flywheel, bracket and gear box.
2. **Bangkok Spring Industrial Co, Ltd (BSK).** Established in 1976, BSK is a well-known full line spring manufacturer which currently produces leaf spring, hot and cold coil spring, stabilizer bar, torsion bar, valve and push rod for domestic and overseas Original Equipment Manufacturer (OEM) customers and after-market.
3. **Somboon Advance Technology PCL (SAT).** In 1995, SAT established itself as the market leader in rear axle shaft manufacturing in Thailand. SAT's products are made for

a one-ton pick-up manufacturer. It operates under fully automated robots with CNC machines running in one of the most advanced production lines in Southeast Asia.

SBG's subsidiaries have received several quality awards from major automotive manufacturers including the Quality Award (Zero Defect) from Mitsubishi Motor (Thailand), the Toyota Production System, Quality Control Cycle Award, and the Quality Assurance Award from Hino in 2006. The milestones in SBG's history are presented in **Box 1**.

Box 1:

Company Milestones

- 1941: Mr Somboon Kitapanich founded Yongki Limited Partnership as an automotive parts sale agent
- 1952: Somboon Spring Limited Partnership was founded as a pioneer in automotive spring manufacturing in Thailand
- 1975: Somboon Steel Casting Manufacturing Co., Ltd was founded
- 1977: Bangkok Spring Industrial Co., Ltd was founded as an Original Equipment Manufacturer (OEM)
- 1995: Somboon Advance Technology Co., Ltd was founded
- 1997: ISO 9002 Quality Control Award
- 1998: QS 9000 Quality Control Award
- 1999: ISO 14001 Environmental Management System Award
- 2000–2003: Economic hardship causing financial and management reorganization. In 2004, stock holders agreed to privatize, increase registered capital, and issue 74 million shares to the public.
- 2005: Registered in the Stock Exchange of Thailand on 31 January 2005 with ISO/TS16949 Quality Control Award

The SBG founder, Mr Somboon adheres to the following philosophy of living and running a business:

Alcohol and cigarettes should be avoided as they are no good for no one. We shall instead focus on our work; do all the best we can...if someone could do it, you as well could. Most importantly, we must be supportive to the ones in need. And finally, morality is the key to successful management, while treating all as if they are your family members.

Mr Somboon Kitapanich is strongly confident that as a pioneering company, SBG's operations would largely depend on how its employees contribute to its success, which in turn would be dependent on whether they are paid reasonably and fairly. On top of that, their family members must be able to live decent lives and enjoy good health. Therefore, Mr Somboon has always looked after his people and their family members as if they were his own. In fact, he has long been practicing CSR both within SBG and in the company's relationship with suppliers and customers long before the CSR concept became the buzzword in business management.¹

Everyone from management to blue-collar employees in SBG followed Mr Somboon's philosophy, resulting in corporate uniqueness, security, corporate loyalty, and compassion. No labor union ever existed in the past 46 years of the company's operations.

Due to the heavy industrial nature of its operations, it is almost inevitable for an automotive parts manufacturing plant like SBG to generate some environmental impacts. Fortunately, the SBG founder himself has been well aware and cautiously responsive to this concern from the very

¹ Mrs Kasamon Kittiampon, General Manager - Administration and CSR, Somboon Group.

beginning. The precautionary measures taken by SBG minimized environmental effects over the past several decades of its operation.

The company focuses its CSR programs on the reduction of air, sound, and chemical pollution in the surrounding communities. It is clearly articulated in the Corporate Mission that environmental responsibility must be an important component of the automotive supply chain in order to satisfy SBG's customers and all its business partners, as well as encourage its employees to be environmentally and socially responsible by participating in several CSR activities. To ensure that its operations are seen as environmentally responsible, SBG has engaged a group of agents to visit communities near its facilities at least once or twice every two months to collect information on any pollution that SBG may have inadvertently caused.

The company has a strong commitment to improve employees' morale, standard of living, and physical and mental health by paying reasonable wages and involving them in the company's community service programs. Getting the employees involved in community service programs enhance their awareness of social responsibility and at the same time maintain good business ethics.

SBG always considers social and environmental benefits as integral parts of the company's successful operations. SBG encourages the employees to be involved in charitable activities as their way of giving back to society. The company sponsors various independent social programs through a volunteer group that performs charitable work for the public and those in need. Employees are encouraged to join CSR activities during the holidays to help improve the environment in nearby communities, construct public places, renovate school buildings, donate money or essential items and organize activities for children or AIDS foundations.

SBG's vision is to be an employer of choice by improving the quality of life of employees and their families. The company strives to be a neighbor of choice for surrounding communities by expanding company activities to cover social and environmental aspects.

It is a challenge for the current [second generation] management team to attain the founder's objectives especially with regard to employees' welfare as well as the company's vision "to be a leading auto parts manufacturer of world-class standards with an aim to enhance product value and contribute to society."

The current management team has consistently and professionally handled associated activities. Financial assistance has also been systematically and fairly provided. SBG has been providing excellent benefit packages to its employees, including scholarships for employees to obtain their masteral degrees and 100 scholarships annually for children of employees to complete their college degrees. This has developed the employees' mentality to be generous, environmentally friendly, and responsible to society. In the face of Thailand's economic crisis in 1997, SBG still stood by its mission and continued its leading role in CSR implementation.

SBG in the Supply Chain

The advanced manufacturing technologies used in SBG are supported by leading Japanese companies. SBG purchases raw materials from local and international suppliers, including those in China, India and Japan. At the same time, the automotive parts manufactured in SBG are supplied to several customers both locally and overseas, including Australia, Indonesia, Japan and

Malaysia. Some of the main customers include Mitsubishi Motors, Toyota Motors, Honda Automobile, Isuzu Motors, Hino, Nissan and Auto Alliance.

Upstream Chain - Suppliers

Since SBG subsidiaries are public companies registered with the Stock Exchange of Thailand, all activities, including purchases of materials, must be conducted under the court of law and strictly in accordance with corporate governance set forth by the Board of Trustees of the Stock Exchange of Thailand.

Overseas suppliers such as China, India, Indonesia and Japan account for approximately 85% of the value of materials purchased by SBG while local suppliers provide the remaining 15%.² Despite the relatively small proportion of local suppliers in SBG's supply chain, they are given priority attention by SBG. The more than 100 local suppliers are trusted to provide raw materials, spare parts and components, stationery, and other key inputs to SBG.

Generally, quality, price and delivery are the priority concerns in most businesses, but SBG also adds environmental control as one of its top priorities. In particular, all SBG suppliers must comply with the following requirements:

1. All packing materials must be environmentally friendly and reusable.
2. All heavy metals component mixture, e.g., lead, cadmium, chromium, and mercury, must be declared from the manufacturers. Any supplier/manufacturer that does not comply with the environmental-friendly limit will be notified to get the problem fixed.
3. All suppliers (especially local ones) must be legally registered and operate under good governance. They must also possess reliable internal management and control, e.g., sales figures, turnover rate, safety system, major clients, etc.
4. Environmental control system must be enforced.
5. No employee or executive of SBG can be a shareholder of any of the suppliers.

Downstream Chain - Customers³

SBG has manufactured automotive parts (e.g., RR, axle shaft, leaf spring, stabilizer bar, coil spring, disc brake, drum brake, exhaust manifold, flywheel) specifically for automotive manufacturers both as Original Equipment Manufacturer (OEM) and those in the Replacement Equipment Market (REM). Some of SBG's customers include Mitsubishi, Honda Cars, Toyota, Isuzu, Nissan, Hino, Mazda, Ford, Honda Motorcycle, Volvo and General Motors. These world-renowned companies pose stringent requirements on SBG as one of their suppliers. Most clients require SBG to strictly follow their own regulations, and in most cases, require certification in some important aspects such as the following:

- ISO 9001:2000
- ISO/TS16949
- ISO 14001:2004
- Reusable pallets without oil or dirt contamination
- Secured packaging to avoid potential accidents during delivery
- Covered delivery truck to avoid accidents
- Delivery truck must be in good condition, with no visible smoke or oil leakage

² Mr Wichai Srimawan, Vice President, Procurement & Logistics, Sombon Group.

³ Website: <http://www.satpcl.co.th/product.html>.

- Maximum speed within the premises not to exceed 20 km/hr
- Engine must be turned off during stops within the premises

Some clients have imposed additional requirements on their suppliers. For example, while at the delivery sites, SBG is required to take back all the containers and packaging materials, and is not allowed to leave or dispose of them at the customer's site. Any act that may cause pollution is strictly prohibited. All SBG delivery personnel are educated and trained on safety and environment awareness that must be observed within the customer's premises. On the other hand, some clients require all their suppliers to attend their workshops and trainings on chemical and flammable or hazardous substance storage, and fire emergency procedures.

All of SBG's international clients regularly and seriously exercise CSR. They do not only aim to become good corporate citizens themselves but they also want companies such as SBG to be good corporate citizens before they could qualify as their partners.

Challenges from the Downstream Chain – Toyota

Toyota Motor Thailand Co., Ltd. is one of the leading automobile manufacturers in Thailand, with a current market share of about 40%.⁴ For the past 40 years, customers have placed their trust and confidence in this company and its products.

In the past, fatal accidents occurred frequently at Toyota Motor Thailand, causing serious injuries to a number of staff, and eventually a shutdown of the whole production line.⁵ Consequently, Toyota had to revolutionize its production and management in 2005 by introducing a "Completely Check Completely Find out (CCCF)" concept that places Safety as the top priority, with the belief that all accidents could be prevented. This CCCF plan has been implemented among almost all Toyota's affiliates and associates, including its suppliers and construction contractors.

As one of Toyota's first tier suppliers, SBG was required to adopt the CCCF plan as part of CSR in its own manufacturing operations. The CCCF aimed to increase security within the factory through examination and assessment of potential safety issues and to obtain preventive solutions. This was done with the cooperation of employees who helped identify potential problems and their resolutions.

SBG had to follow the stringent regulations without any financial support from the clients, thus it had no choice but to put its own money into the implementation of activities to meet Toyota's requirements. Simply put, if SBG had decided not to follow such requirements, it would have failed the client's performance assessment, which would have resulted in an interruption of business transactions with Toyota. It would also have been more difficult for SBG to acquire more clients. SBG's clients have recently added an extra annual cost savings constraint, which has further intensified the challenge for SBG.

⁴ "Sustainability Report 2006," Toyota Motor Thailand Co., Ltd page 6.

⁵ Op.cit., page 37.

SBG has grouped potential hazards into six categories according to potential safety issues that may arise from them⁶

1. Machinery hazard
2. Hazard from falling objects
3. Vehicle hazard
4. Fall-from-height hazard
5. Electricity hazard
6. Other hazards

To comply with Toyota's CCCF system, SBG was initially audited twice a year to ascertain if the company had met the minimum requirements. After a short while, however, SBG's performance was deemed to be satisfactory enough such that it was exempted from on-site auditing and was instead required to submit only regular progress reports to Toyota.

SBG's willingness to make the substantial investments required to ensure that it met the specifications of its customers and its success in achieving them emanated from the company's firm belief that from a long-term perspective, such activities actually help increase SBG's business potential, decrease company expenses, and reduce potential loss of property, health, and lives of employees due to accidents. In fact, much of SBG's CCCF achievement was rooted in its own long-standing commitment to CSR activities; hence, the employees did not regard the additional requirements as big changes that would require additional effort from them.

Some of SBG's long established CSR activities include:

- Refraining from drinking during the Buddhist lent period of three consecutive months, which is a campaign to have employees refrain from alcohol consumption for at least the entire duration of this period every year. The first-year campaign only had 27 participants, but subsequent campaigns saw an increasing number of participants reaching 900 in 2007. Many have quit drinking as a result of this program, which has resulted in improvement in their families' financial conditions, better relationships among family members, and healthier physical and mental conditions. The employee can come to work with full energy, which in turn results in reduction of accidents at work.
- Employees are encouraged to participate in various contests and activities that help identify and suggest potential safety issues, prevention, and solution. A special award is given to the department that has zero accident rate within a specific time frame. SBG has campaigned to make 2007 the year of accident reduction at work.⁷
- SBG is trying its best to promote awareness of occupational safety and to help all employees to realize the consequence of accidents, not only to the employees themselves, but also to their family members, as well as to SBG and its business partners. Damage to the business would hurt the employees themselves.
- Other than enforcing strict regulations for their own employees, SBG also asks for supplier's cooperation to follow both safety and environmental policies while being on SBG premises. This has turned out to be a big challenge when dealing with suppliers (**Appendix 1**).

⁶ Mr Kasidit Charoenpun, Safety Manager, Somboon Group.

⁷ SBG Network Quarterly, Vol.14 (1), 2007, page 14.

Challenges from the Upstream Chain - Small Suppliers

To successfully achieve Toyota's CCCF requirements, SBG had to readjust its own procedures and at the same time make sure that all its suppliers supported SBG's new safety measures. SBG therefore added an extra step in its safety and environment control regulations by closely monitoring and strictly enforcing upstream safety and environmental practices by its suppliers, including delivery, packing and pallet stacking. More specifically, the delivery truck must be in good condition, and driven within SBG's premises at a safe speed, not exceeding 20 km/hr. The truck driver must also be properly dressed.⁸

Every so often, drivers and delivery persons from suppliers come to SBG premises wearing only slippers. SBG therefore prepares proper shoes for them to wear within the premises to prevent accidents. All flammable fluid containers in the delivery truck are also inspected and must be securely fastened prior to entering the SBG premises to avoid unwanted movement and grazing or pose as possible fire hazard.

Some enforcement efforts did not receive very positive response at the beginning. For example, at times, delivery trucks came in with muddy wheels. As dried mud tended to create dust, the security guard began to deny these delivery trucks entry to SBG property until the mud was removed. The truck drivers were certainly irritated and resisted the clean wheel requirement, but SBG still stood firm in its enforcement policy. The current practice is that if any problem is present in a delivery, the top management is notified and the performance assessment scores of such a supplier are adjusted downward at year-end. During the past year, SBG has received good cooperation from all its suppliers since there has been a general understanding that the company would stop dealing with any uncooperative supplier.

In general practice, suppliers who do not meet the quality requirements or those with low performance scores are subjected to stringent auditing to discuss problems and solutions. In addition, the supplier has also to do its own internal assessment, especially of safety and environmental issues, based on a given template.

Although SBG does have clear policies for the management of environmental and safety issues, communication with all working levels in each supplier is sometimes not effective enough to ensure that the rules are consistently and strictly followed. At times, some suppliers do break the rules, either intentionally or unintentionally. Part of the solution is to apply the same strict enforcement internally, that is, to have SBG officials continually examined for any violations, starting from the security guard booth at the entrance all the way to the receiving dock.

As anybody can imagine, since the suppliers must incur their own expenses to comply with SBG's regulations, the company is under considerable pressure to help its suppliers figure out what needs to be done so that the suppliers could adjust their systems to meet the required standard. SBG realized that a problematic supplier would affect SBG's own operations and ultimately affect SBG's customers. Therefore, SBG has arranged supplier meetings twice a year in order to reinforce the company's policy and request strict cooperation. During the supplier meeting on 14 February 2007, the company provided a guideline on CSR policies that each supplier must follow, (e.g., environment and safety control of their businesses) and encouraged them to participate in CSR activities to be conducted by SBG. These proposals were positively accepted.

⁸ Mr Kasidit Charoenpun, Safety Manager, Somboon Group.

The main challenge to SBG is to get all its domestic and international suppliers to understand and abide by its proposed CSR regulations at a low cost. It is not difficult to invest a lot of money to improve standards if the costs can be passed on to customers. But in the automotive industry, competitive pressures require both excellent quality and cost competitiveness. Many of SBG's suppliers requested a price increase on the grounds that they had to change many of their practices, such as disallowing illegal workers, improving workers' benefit, providing trainings to achieve ISO certification, and so on.

SBG took exception to the idea of passing on the costs, since it is the individual company's corporate responsibility to improve its quality and management practice. SBG itself does not think of CSR as a current expenditure, but as a valuable investment that is essential for its long-term business operation.

Seeking Assistance from Thailand Automotive Institute

For most small suppliers, neither a request nor the threat of enforcement alone was generally sufficient to guarantee that the supplier would be able to comply with the standard, due to the additional expenses involved. Many suppliers operating on thin margins would try to get around requirements whenever there was a chance to do so. At the same time, it would have been impossible for SBG to closely monitor every single supplier. The best way to address this dilemma was to have the suppliers themselves develop their awareness. SBG reasoned that once new policies were put into practice, suppliers would themselves clearly see their long-term benefits, compared to the *ad hoc* way of doing business. But this would require management capacity building. To make this happen, SBG sought the cooperation and assistance of an outside organization, the Thailand Automotive Institute (TAI). TAI has agreed to assist in providing public education and training to achieve an ISO-9000 conformed work system.

TAI has been assigned by the Thai Ministry of Industry to function as an Intelligence Unit through management information, analysis study and proposal to the management for the benefit of decision-making on policy. The institute also provides advice to support the sustainable development of the Thai automotive industry and strengthen its competitiveness.⁹

Another important mission of TAI is to serve entrepreneurs within the automotive industry, especially parts manufacturers. TAI has worked in various projects to increase efficiency in management, production, costing and the development of automotive standards. These interventions aim to increase the capacity of domestic manufacturers to compete within a regional free-trade area, and to increase capabilities in research and technology development, parts manufacturing and human resource development (See **Box 2**).

⁹ Annual Report 2005, Thailand Automotive Institute.

Box 2:**TAI's Scope of Work:**

1. Conducting research necessary for the formulation of suitable policies, and taking a coordinating role in facilitating the country's continuous automobile industrial development.
2. Preparing master plans for the development of Thailand's automobile and plastic industries, as well as comparative facts on the automobile industry. This is to create business competitiveness in domestic and international trade.
3. Assisting the country's spare parts manufacturers in developing their production technology towards international standards.
4. International capacity building: facilitating the development of human resources in the automobile industry.
5. Establishing national spare parts standards and providing inspection and testing services for spare parts certification.
6. Developing Thailand's automobile and spare parts testing center.
7. Applying latest techniques to enable Thailand's automobile industry to develop in terms of technology and quality.

TAI's Scope of Public Services:

1. Providing training, seminars and information services.
2. Providing advice related to the automobile industry.
3. Testing automobile products and spare parts

Through its cooperation with TAI, SBG has been able to organize very low-cost trainings for its suppliers to learn more and understand ISO-9000 system, as well as how to retool their business practices for higher-quality standards. In the recent round of training, seven out of 10 suppliers passed the requirements and were certified under SBG's requirements. These suppliers eventually realized that good working systems could maintain the high-quality standard of their companies and reduce unforeseen accidents. In turn, all business partners have gained more confidence which would ultimately bring lasting success to their companies. SBG's upcoming mission is to collaborate with TAI to give trainings for ISO-14000 compliance.

Conclusion

CSR is not widely recognized as the way of doing business in many companies in Thailand. However, some companies have implemented CSR progressively and the Thai government has also been promoting and encouraging good CSR practices. SBG is one company that has long seen itself as being responsible for its social and environmental performance. The manner in which SBG has adopted CSR has received considerable support from employees and business partners, and widespread recognition from both the Thai government and communities in which the company operates.

SBG adopted CSR principles based on its founder's philosophy. It has strictly practiced CSR for the past 46 years and its reputation for good CSR practice is widespread. Since SBG is registered in the Stock Exchange of Thailand (SET), its business can be audited by the SET and the public. In line with the SET's guidelines on good Corporate Governance (The Rule of Law, Morality, Accountability, Participation, Responsibility, and Cost-Effectiveness or Economy),¹⁰ all subsidiaries of the Somboon Group have strictly followed and put a high priority on environmentally friendly working conditions, providing to their employees mental and physical

¹⁰ "The Principle of Good Corporate Governance for Listed Companies," Corporate Government Center, The Stock Exchange of Thailand, 2006.

health care, human resource and skills development opportunities and social services. The company believes that the cost of training new employees would be much higher than investing in the implementation of CSR within the organization. That explains why SBG's employee turnover rate is very low.

Fortunately, SBG has rarely encountered problems with business partners in the supply chain, as its founder has long been practicing CSR even before it became an accepted concept in the business world. SBG has started with its partners first, resulting in effortless cooperation from other subsequent partners.

In conclusion, SBG's example emphasizes that the implementation of good CSR policies and practices will provide a long-term business payback despite the high initial investment required for its development. SBG clearly views CSR as a commitment that affects not only the company's business operations but also its employees' mindsets, satisfaction and dedication in their workplace. Several activities have reflected SBG's determination to be a good corporate citizen in order to be a role model for other organizations and build a social responsibility network under Thailand's sufficiency economy policy so that the Thai people can live happily together.

Appendix 1 SBG's CSR Activities¹¹

Somboon Group (SBG) has a long and good record in its several decades in business. SBG is committed to operate a business that is environment friendly and contributes to society. SBG also provides fair benefits and remuneration packages to their employees such as food allowance, plant transportation, health and life insurance, sport facilities and scholarship.

SBG also considers social and environmental benefits as part of the company's successful operation. SBG encourages their employees to be involved in charitable activities as ways of giving back to society, by sponsoring various independent social programs through a volunteer group that performs charitable works for the public and those in need.

Employees are encouraged to join CSR activities during the holidays to help improve the environment in communities nearby, construct public places, renovate school buildings, donate money or necessary items, and conduct activities for children and HIV foundations.¹²

A. Why CSR?

SBG has strictly followed its founder's philosophy that "Alcohol and cigarettes should be avoided as they are no good for no one. We shall instead focus on our work; do all the best we can...if someone could do it, you as well could. Most importantly, we must be supportive to ones in need. And finally, morality is the key to successful management, while treating all as if they are your family members."

This is why SBG has performed business transactions according to CSR from the very beginning and at every step of its way.

B. Giving Back to the Thai Society

In 1942, Mr Somboon Kitaphanich founded Yongki Limited Partnership as a sales agent of automotive parts which grew to a leading automotive parts manufacturer in Thailand. One of his philosophies is to closely pay attention to his subordinates and treat them as his own family members whom he "raises." He provides "warmth" to his employees in the workplace as their second home. He always provides for his employees and assists them when in need. He provides them a career path through scholarships for them and their children.

When the company has grown to over 1,700 employees, the new generation executive who is Mr Somboon's successor has to reorganize its management according to international standards but the big boss' philosophy still remains. Employee welfare remains a concern with the provision of lunch, per diem compensation, transportation, uniform, health and life insurance, scholarships for employees and their children, as well as performance-based extra pay. Annual Life-quality development activities for employees are continuously arranged, (e.g., anti-drug/anti-alcohol programs, SBG Smart Club, HIV awareness program, etc).

Another reason why this is the place to work is the secure and suitable working environment. SBG has given priority to the maintenance of the working environment according to proper standards without affecting the surrounding community. Working areas are clean and suitable for work and provided with necessary emergency tools around risky area as well as water treatment and smoke control system to avoid unwanted impact on the community. Green area and sporting area are also established as relaxation facility.

¹¹ Ms Kanjana Sookprom, CSR Manager, Somboon Group

¹² SBG Network Quarterly, Vol.13 (1-3), 2006.

When the family is fulfilled, sharing with neighbor is generally practiced in the Thai culture. SBG's social assistance started by giving help to people in need but eventually became a full range of social services and other social concerns of employees. Most of SBG Volunteer Club's activities with full support of employees were initially intended to develop communication skills within the organization. Subsequently, its members expanded the club activities to the communities outside during weekends starting from communities around the workplace, (e.g., cleaning public property, school building maintenance, toilet construction, playgrounds, home construction, and activities for HIV patients, people with disability and the elderly). SBG has sought the participation of executives, employees, business partners, government officials and the general public in these activities.

As today's business trend has put priority on Corporate Social Responsibility, it is often found that most companies focus on financial donations. However, financial considerations play only a small part in SBG's social activities since financial assistance alone cannot solve all social problems; it is developing voluntary mindset among executives, employees, stockholders, and business partners to help the less fortunate and disaster victims that can. Consequently, these stakeholders would also learn to utilize national resources effectively, persuade other specialized organizations to participate in these activities and convince the locals to be involved in their own community activities for sustainable growth. Therefore, SBG's social responsibility activities cover all aspects that would contribute to the economy's sustainable happiness.