

A Model of Business Ethics Promotion for Small and Medium Enterprises (SMEs) Development in Thailand

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ABSTRACT

This research aims to develop a model of SMEs to promote business ethics in Thailand in terms of current situations, problems, obstacles, and success factors in implementing such ethics for effective business management and organizational development. Drawing upon a mixed-method approach, this study employed a survey of 400 respondents, of whom 200 SMEs entrepreneurs and 200 employees, and semi-structured interviews from 15 key informants. The findings suggest the interrelationship of business ethics underpinning the five key factors including 1) Role of Organizational Leadership, 2) Relationships in the Organization, 3) Role of Organizational Management, 4) Promoting the Corporate Image, and 5) Corporate Social Responsibility, which are respectively arranged in order from the most to the least significant impact on the SMEs organization development in Thailand. This study proposes a model of SMEs to promote business ethics in Thailand for effective business management and development, which can potentially provide practical guidelines and implications for SMEs in Thailand. The implications of this study suggest that business ethics should be embedded within policies and practices of organizational management and administration of SMEs entrepreneurs and owners whose employees, stakeholders, and communities that uphold ethical values, good governance, social corporate responsibility, human rights, and environment, which create business sustainability and the betterment of society.

Keywords

business ethics, corporate social responsibility, SMEs, organizational development

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Introduction

Ethics and moral values play a significant role as productive forces for the economy, and explores the effect of ethical and unethical behaviors on the productivity in business, society, and economy (Conrad, 2018). According to Kolb (2018), business ethics is the key issue underpinning executive compensation, honesty in accounting, financial fraud, transparency, treatment of stakeholders, and respect for the environment.

Today's businesses, however, encounter the dichotomy between the opposing goals of maximizing profits and running the business ethically. Suriyashotichyangkul and Bisonyabut (2017) claim that although profit maximization is the utmost business goal, business ethics and

corporate governance have been considered as part of its policy to illustrate business trust and credibility. According to Sharma and Dudeja (2013), most large-scale businesses are highly aware of the significance of business ethics and the ethical code of conduct included not only in their policies, but also in their business practices. Yet, these large-scale business can potentially learn the interrelationships between various ethical dimensions of organizations from their smaller counterparts in terms of corporate social responsibility (CSR), ethics management, and good governance, which can contribute to organizational integrity and sustainability (Painter & Spence, 2009). It can be, therefore, worthwhile to study how business ethics in the small and medium scale enterprises (SMEs) in Thailand have played crucial

roles in organization’s policies and practices that can strike the right balance between profit maximization and ethically-run business.

According to Sevilla and Soonthornthada (2000), The Ministry of Industry’s (MoI) Dept. of Industrial Promotion (DIP) defines three different categories of SMEs: 1) production including agricultural processing, manufacturing, and mining; 2) service; and 3) trading including wholesale and retail. The production and service sectors of SMEs are under the responsibility of the DIP while trading sector SMEs are under the responsibility of the Ministry of Commerce.

SMEs in Thailand are categorized as follows:

Source: Lee (2019)

Industry	Small Enterprise	Medium Enterprise
Manufacturing	Employees<50 or assets<50-million THB	Employees=51 to 200 or assets=50 to 200 million THB
Wholesale	Employees<25 or assets<50-million THB	Employees=26 to 50 or assets=50 to 100 million THB
Retailing	Employees<15 or assets<30-million THB	Employees=16 to 30 or assets=30 to 60 million THB
Service	Employees<50 or assets<50-million THB	Employees=51 to 200 or assets=50 to 200 million THB

SMEs in Thailand have increased gradually over the past years. According to the report on SMEs in Thailand in 2018 (Office of Small and Medium Enterprises Promotion, 2019a), there were 3,077,822 SMEs, which were increased by 1.02% compared with the previous year. This rise in number was amounted to 99.79% of the national enterprises leading to the increase in employment of 13,950,241 people totaling 85.47% of the national employment, which contributed to 43% of GDP. The key factors underpinning the rise in SMEs GDP were the high domestic demand of public and private consumption sectors, the revenue of agricultural sector, as well as, the income of incoming foreign tourists, which excelled the

growth of goods and services (Office of Small and Medium Enterprises Promotion, 2019b). Amponstira (2020), for instance, suggests that it is important to recognize the holistic contexts of management and operations in order to plan for the sustainability of Thai traditional massage SME entrepreneurs whose responsibilities and management carried out by families, and that consistently impact on employees’ professional skill, competencies, and high-quality services.

Despite the Thai SMEs’ contribution to the current national economy, there have been existing problems regarding the lack of ethical business acts, laws, rules, and measures such as counterfeit or low-quality products and services. In addition, environmental issues stemming from the unethical business management cause pollutions, dusts, and dangerous hazards to society (Moonsuwan, 2016). As a result, unethical business could be detrimental and unfavorable to stakeholders and community as a whole in terms of rights regarding labor, community, consumer, and socio-economy, which may lead to the losses of profit and reputation.

This study is beneficial for Thai SMEs entrepreneurs to have knowledge and competency in goods and services development and creativity for business innovations. Not only should human capital be improved, but job opportunities should also be created, and that value-added goods and services can generate and increase the national income leading to sustainability for Thailand’s economy. Painter and Spence (2009) claim that the models of business ethics practices are based on large-scale corporations that are unable to apply with the distinctive nature and challenges of SMEs. Due to the scarcity of research regarding business ethics of Thai SMEs, this present study, therefore, aims to develop a model of SMEs to promote business ethics in Thailand in terms of current situations, problems, obstacles, and success factors in implementing such ethics for effective business management and development, which may have significant implications of SMEs in Thailand.

Literature review

Drawing upon Atkinson (2011), the term “ethics” also called “moral philosophy” examines the meaning of a “good” life, justice, and happiness, as well as, questions how they can be achieved, and

how we should behave (p.14). These ethical questions regarding one's life and professions lead one to reflect on the society in which one wish to live and to be governed, and the rights and responsibilities one would like to have (Atkinson, 2011, p.15). Ethics and morality are vital for all managers and government officers in Asian economy where individual commitment to integrity, honesty, and adherence to laws and ethics of current business practices are key variables in the moral development and ethical acts (Mujtaba et al., 2010).

In this study, business ethical practices of SMEs should explore the current state of ethical business practices of SMEs, particularly in developing countries. Turyakira (2018) states that "business ethics is basically the study of morality and standards of business conduct" (p.2). Similarly, Byars and Stanberry (2018) argue that business ethics guides the conduct and behaviors business owners and managers are obliged by the law in order to respect the rights of their stakeholders, particularly their customers, clients, employees, surrounding community, and environment.

Crane and Matten (2016) suggest the three major challenges that businesses face when making ethical decisions: globalization, sustainability, and corporate citizenship, which should be taught and incubated to students who would be aware of business ethics in real-word business contexts. Tantivorawong (2017) suggests that Thai university students value good governance attributes of SMEs, which demonstrate that they had morality, ethics and good governance in their personal quality; nevertheless, they were concerned profits over good governance that required the balance between these two aspects. It is, therefore, vital to explore Thai SMEs entrepreneurs' perceptions, practices, and decision making processes of their business ethics policies and implementations. SMEs have increased and played a major role in producers, goods, raw materials, production process, and trading; thus, SMEs have been instrumental in the economic system.

SMEs must take business ethics into account as it potentially affects their reputations and business survival, particularly in developing countries; therefore, SME owners and their

employees should be committed to codes of ethics as a key tool for implementing business ethics in their practices and translate core values into specific acts (Turyakira, 2018). This study hopes to add to the body of existing literature on ethical practices of SMEs in Thailand; and Thai SME owners, employees, and key stakeholders can use this conceptual framework of SMEs' business ethics model in Thailand.

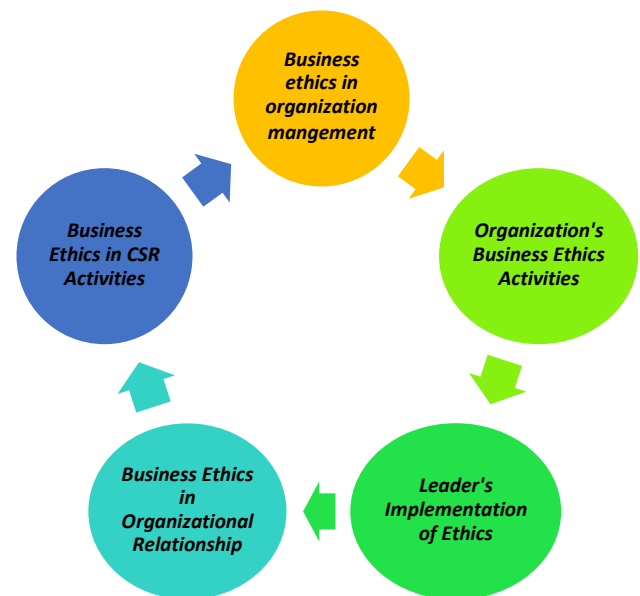


Figure 1 SMEs' Business Ethics Model in Thailand

1. Business ethics in organization management

SMEs in developing countries are constrained by a number of challenges such as finance, globalization, external threats, lack of knowledge and literacy issues both at national and international level, as well as the lack of corporate governance policies, structure and framework among the board of director and owners (Mehboob & Hashmi, 2016). Khunthongjan & Wiboonpongse (2010) suggest that honesty is one of the key business ethics of Thai SMEs in running the business under the Sufficiency Economy Philosophy in order to maintain trust and quality of goods and services. Shengtao (2016), for instance, states that the entrepreneurial spirits including ownership, individual characteristics, and corporate capabilities positively influenced the success of Thai food SMEs. SMEs' integration of personal ethics or values into business behavior, management, and the importance of transparency for customers to continue to grow (Lee, 2019).

2. *Organization's business ethics activities*

According to Laksitamas et al. (2018), ethically-run tourism businesses have lowered costs including taxes and fees, and that they need to implement policy development and training of knowledge, skills and code of ethics in order to create trust and confidence to customers. Zoogah (2018), for example, claims that there is a relationship between decision making and behaviors on environmental sustainability and ecological routine practices, which lead to high-performance organization. Firms should offer corporate social (CS) activities regarding environment and social welfare, which will positively impact on firm performance (Miller et al., 2020). Ethical business activities deal with issues such as behavior, motivation, ethical orientation, and the presence or absence of justice, as well as questions whether the activities promote ethical behaviors, cause any conflict of interests between ethics and market economy, or enhance social responsibility (Conrad, 2018). On the contrary, Gonzalez Sanchez and Morales de Vega (2018) point out that reputational risks are adversely perceived by stakeholders and business agents whose pessimistic views can potentially hinder sustainability, corporate image, and stakeholder engagement. Thus, firm reputation is positively related to firm performance while negatively related to firm risk (Liu & Lu, 2019).

3. *Leader's implementation of ethics*

Institute of Business Ethics (2007) states that SMEs ethics are commonly underpinned by entrepreneur, owner, or manager or managing director, whose personal attitudes, perceptions, and behaviors will provide fundamental business practices that should be complied by all stakeholders in the organization. Leaders in Thai organizations not only require Dhamma, but also employees' collaboration in order to achieve business success and organization's harmony (Moonsuwan, 2016). Hsieh and Liou (2018), for instance, state that collaborative leadership skills enable employees' acceptance of organizational rules and performance. Leadership style regarding employee-oriented leadership style increases employees' engagement among the employees in the organization (Othman et al., 2017). Leaders should recognize ethics for the enterprises'

productivity and consider ethics as the instruments to be implemented for the promotion of their employees' ethical behaviors and organizational development (Conrad, 2018). Leadership, therefore, plays key roles in trust, knowledge management, and organizational performance (Koohang et al., 2017).

4. *Business ethics organizational relationship*

Do et al. (2018) reveal three organizational relationships including (a) the top-down relationship between management initiatives and employee creativity addressing individual-level servant leadership; (b) the bottom-up relationship between individual-level servant leadership and firm-level innovation highlighting employee creativity; and (c) the bottom-up relationship between employee creativity and firm-level market performance illustrating firm-level innovation. Verburg et al. (2018) explore the relationship between organizational control and employees' organizational trust, which positively correlates to employee job performance (task performance and organizational citizenship behavior). There is the positive impact of strategic planning on effective organizational performance (George et al., 2019). Likewise, a positive employee relations increases employee involvement because they are relaxed and dedicated to the needs of the organization (Ali et al., 2018). Huettermann and Bruch (2019) also confirm the positive relationship between human resource management, employees' collective well-being and organizational performance.

5. *Business ethics in CSR activities*

At present, private sectors have implemented CSR programs to communicate with stakeholders on business accountability and transparency through ethically philanthropic activities and projects, which suggest that the stakeholders have become more concerned with the ways business is run in terms of its fundamental principles, holistic management, and ethical codes of business conduct (Suriyashotichyangkul & Bisoryabut, 2017). Lee (2019) claims that CSR, sustainable business practices, and business ethics are familiar to most Thai people and companies in that business and brands concern environmental impact, worker livelihoods, and government subsidies. Farouk and Jabeen (2018), for example, reveal that although

ethical governance and CSR in the UAE is still in its early stage, public sector employers should convey policies to initiate CSR at workplace in order to increase competitive advantage. In addition, González-Rodríguez et al. (2019) suggest that hotels using CSR practices related to employees and customers can improve their reputation that positively influence performance.

These five key factors suggest that they are interrelated and co-existed within organizations underpinned by SMEs' business ethics in this study. As Khan et al. (2018) suggest, the relationship between leadership, organizational performance, CSR, and organizational innovation. Kim and Thapa (2018) address that ethical leadership significantly influenced CSR and positively affect operational and commercial performances. There is also the relationship between CSR and organizational performance through the mediation of team outcomes (Latif et al., 2020). SMEs' business ethics have, therefore, been considered as essential for its added values and society's expectations.

Materials and Methods

Methodology

Population and sample

The population of this study was the SMEs entrepreneurs who won SMEs Startup Awards 2017 from the Office of Small and Medium Enterprises Promotion (OSMEP) and business enterprises that were obliged to the Business Ethics and Code of Conduct. The samples of this study were 400 respondents who were entrepreneurs and employees in these SMEs clusters through the purposive sampling based on Krejcie and Morgan's (1970) table for determining sample size of more than 100,000.

Fifteen key informants from various public and private organizations, who were identified; three of which were from these main sectors: 1) policy makers who passed the SMEs acts, laws, measures, and chair of OSMEP, 2) government officers from the Department of Labor Protection and Welfare, the Ministry of Labor, 3) government officers from the Office of The Consumer Protection Board, the Office of Secretary General, 4) National SMEs Awards committees; and

5) university lecturers and researchers in business ethics.

Data collection and analysis

This is a mixed-method research that integrated the use of questionnaire and interview, which will be described as follows.

Questionnaire consisted of 4 main parts;

Part 1 included the demographic data of entrepreneurs and employees in terms of gender, age, education, salary, work experience, SME settle up registration, types of corporate, duration of the corporate, number of employees, and investment budget.

Part 2 surveyed the current situation of the corporate business ethics and codes of conduct with regard to principles of corporate business ethics, ethics-based activities, the use of corporate leaders' ethics, the use of ethics in corporate relationship, the use of ethics to promote the corporate image, and the use of ethics in CSR projects.

Part 3 asked the success factors regarding the implementation of ethics to develop SMEs, which were assessed by 25 items of five-point Likert scale, five of each were about the roles of the corporate, corporate leaders, corporate relationship, the promotion of business ethics, and CSR activities.

Part 4 was the result of the implementation of corporate business ethics with 3 items of five-point Likert scale.

Drawing upon 400 respondents, the questionnaire results were calculated and analyzed by SPSS to gain descriptive statistics in terms of frequency distribution, percentage, mean, standard deviation, Pearson Correlation, and Multiple Regression Analysis (MRA).

Interviews were conducted with

The interview questions were mainly based on the current situations, problems, and obstacles of the SMEs in business ethics implementations and practices leading to the impacts of the corporates. The interviews were recorded, transcribed, and translated from Thai to English. The transcripts were inductively analyzed by content analysis regarding the degrees of the relationship and business ethics that would be suitable for SMEs.

Results

This section reports the findings as follows.

1. Demographic data of SMEs

Table 1: Percentage of SMEs Respondents

Number of Respondents (n=400)	%	
Male	146	36.50
Female	254	63.50
400	100.00	

According to Table 1, there were more female respondents (63.50%) than male counterparts (36.50%).

Table 2: Age of the Respondents

Age	Number of Respondents (n=400)	%
Less than 25 years old	48	12.00
26 – 35 years old	84	21.00
36 – 45 years old	83	20.80
More than 46 years old	185	46.20
Total	400	100.00

Table 2 suggests that the majority of the respondents were more than 46 years old (46.20%), whereas the similar number of respondents were 26-35 years old (21%) and 36-45 years old. Less than 25-year-old respondents were the least (12%) as they were not many of this group who worked in SMEs enterprises.

Table 3: Education Levels

Education Levels	Number of Respondents (n=400)	%
Less than Bachelor's degree	57	14.30
Bachelor's degree	201	50.30
Master's degree	132	33.00
Doctorate's degree	10	2.40
Total	400	100.00

According to Table 3, more than half of the respondents earned bachelor's degree (50.30%),

while the respondents with doctorate's degree were the least (2.40%).

Table 4: Monthly salary

Monthly salary	Number of Respondents (n=400)	%
Less than 15,000 Baht	60	15.00
15,001 – 25,000 Baht	61	15.20
25,001 – 35,000 Baht	42	10.50
35,001 – 45,000 Baht	38	9.50
More than 45,001 Baht	199	49.80
Total	400	100.00

Table 4 shows that nearly half of the respondents earned more than 45,000 Baht a month (49.80%). There were, however, sixty respondents (15%), who earned less than 15,000 Baht, which is less than the average salary of employees with bachelor's degree.

Table 5: Work experience

Work experience	Number of Respondents (n=400)	%
Less than 5 years	90	22.50
6 – 10 years	46	11.50
11 – 15 years	60	15.00
16 – 20 years	32	8.00
More than 21 years	172	43.00
Total	400	100.00

Table 5 illustrates that the highest number of respondents had worked in SMEs for more than 21 years (43%), while the respondents with less than 5-year work experience were 22.50%.

Table 6: Types of Business Forms

Types of Business Forms	Number of Respondents (n=200)	%
Sole Proprietorship	42	21.00
Limited Partnership	13	6.50
General Partnership	3	1.50
Company Limited	142	71.00
Total	200	100.00

According to Table 6, Company Limited was the highest number of the business form that most respondents registered (71%); however, General partnership was the lowest counterparts (1.50%).

Table 7: Types of Business sectors

Types of Business sectors	Number of Respondents (n=200)	%
Production	68	34.00
Services	104	52.00
Commerce	27	13.50
Agriculture	1	0.50
Total	200	100.00

Table 7 states that more than half of the respondents worked in the service business sectors (52%), while only one respondent worked in the agricultural business sector was the least (0.5%). Production and commercial business sectors were 34% and 13.50%, respectively.

Table 8: Duration of the business

Duration of the business	Number of Respondents (n=200)	%
1 – 5 years	68	34.00
6 – 10 years	38	19.00
11 – 15 years	14	7.00
More than 15 years	80	40.00
Total	200	100.00

Table 8 shows that the duration of most respondents was more than 15 years (40%). It is interesting to note that there were increasingly number of start-up SMEs in the last five years (34%).

Table 9: Number of employees

Number of employees	Number of Respondents (n=200)	%
1 – 50 employees	151	75.50
51 – 100 employees	19	9.50
101 – 500 employees	30	15.00
Total	200	100.00

Most respondents had employed 1-50 employees (75.5%).

Table 10: Investment budget

Investment budget	Number of Respondents (n=200)	%
Less than 500,000 Baht	32	16.00
500,001–1,000,000 Baht	42	21.00
1,000,001–5,000,000 Baht	67	33.50
5,000,001–10,000,000 Baht	30	15.00
More than 10,000,000 Baht	29	14.50
Total	200	100.00

Table 10 reveals that the majority of the respondents spent their investment budget from 1 – 5 million Baht (33.50%).

2. Current situations of SMEs Business Ethics

Table 11 Current situations of SMEs Business Ethics

Items	Number of Respondents (n = 400)	%
1. Business Ethics in Organization Management		
Role of Organization	79	19.80
Leadership	86	21.50
Organizational relationships	83	20.70
Corporate image	78	19.50
Corporate Social Responsibility	74	18.50
Total	400	100.00
2. Organization’s Business Ethics Activities		
Planning, Work Systems, and Problem Solving	146	36.40
Internal and External Organizational Practices	89	22.30
Organizational Measures and Control	85	21.30
Business Ethics Awareness Raising to Employees at All Levels	80	20.00
Total	400	100.00
3. Leader’s Implementation of Business Ethics		
Organizational Management (i.e. HR, Finance, Production, and Management)	158	39.50
Good Role Model at Work and in Daily Life	41	10.20
Care for Employees and their Family	138	34.50

3. Leader's Implementation of Business Ethics	Number of Respondents (n = 400)	%
Promotion of Employees' Work Effectively	63	15.80
Total	400	100.00

4. Business Ethics in Organizational Relationship	Number of Respondents (n = 400)	%
Planning Process and Activity Determination for Organizational Relationship	89	22.20
Opportunities for Employees' Engagement in Personal Work Plan and Practices	159	39.80
Public Hearing for Work Monitoring Process	152	38.00
Total	400	100.00

Items	Number of Respondents (n = 400)	%
5. Business Ethics in Corporate Image Promotion		
Authentic Corporate Image Planning	69	17.30
Corporate Image Promotion for Transparency	80	20.00
Organizational Data Transparency and Accessibility	106	26.40
Adherence to Rightness and Avoidance of Negative Effects on Corporate Image and Fame	145	36.30
Total	400	100.00

6. Business Ethics in CSR Activities	Number of Respondents (n = 400)	%
Engagement with Community, Society, and Environment	111	27.80
Activities with Communities Located Nearby and Beyond the Business Enterprises	122	30.50
Consistent Monitoring for Environmental Protection	98	24.50
Urgent Actions and Solutions to Mistakes	69	17.20
Total	400	100.00

The following figure illustrates the interrelationship between the five key factors including 1) Role of Organization Leader; 2)

Relationships in the Organization; 3) Role of Organization; 4) Promoting the Corporate Image; and 5) Corporate Social Responsibility, which are ordered from the most to the least significance to the SMEs organization development.

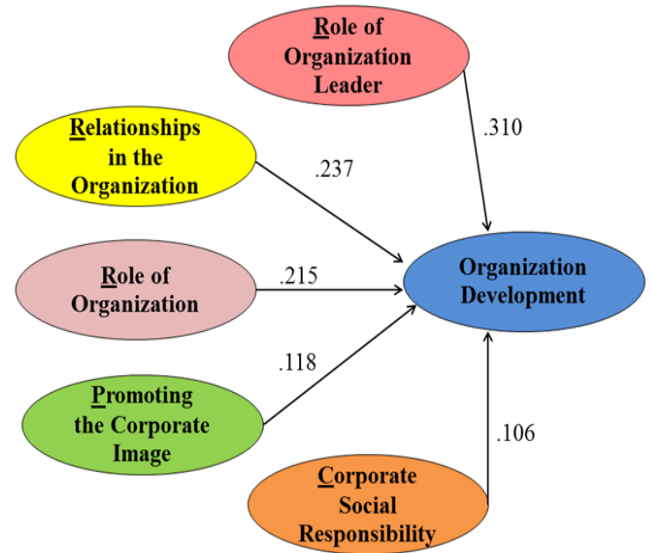


Figure 2 R-R-R-P-C Model of Business Ethics for SMEs Organization Development

Drawing upon the interview transcripts from the key informants, they supported the integration of business ethics in SMEs as they stated below.

Business ethics promotion of SMEs needs to promote sustainable development for society by a clear procedure of input, supported factors, process, and output.
(Academic scholars)

It is important to create the understanding of the public sectors for development and elevation of SME business ethics through the collaboration of relevant parties.
(SMEs entrepreneurs)

There are opportunities and challenges of SMEs to create and add values to the enterprises by integrating business ethics into the principles of business foundations that can increase trust to customers, environment, and society, which all benefits can be mutually gained.
(NGO Experts)

The findings from both survey and interviews reveal that SMEs owners, entrepreneurs, and employees cannot deny the relationship between their business growth and the betterment of society. The following section will provide the model as a guideline for the integration of business ethics in SMEs. Discussion

Discussions

According to the findings, this study proposes RRRPC Model with the six pillars of business ethics for SMEs. RRRPC stands for Role of Organization Leader, Relationship in the Organization, Role of Organization Management, Promoting the Corporate Image, and Corporate Social Responsibility, which will be presented as follows.

R	R	R	P	C
Role of Organization Leader	Relationship in the Organization	Role of Organization Management	Promoting the Corporate Image	Corporate Social Responsibility (CSR)
1. Awareness of values and the significance of business ethics 2. Leadership and role models of the business ethics 3. Promotion of business ethics activities 4. Monitoring and following up the organization's plans to meet the targets of business ethics 5. Assessment, revision, and solutions to the business ethics problems of the organization	1. Communication of the business ethics to stakeholders 2. Recognition and acknowledgment of business ethics values 3. Communication of the planning and monitoring of business ethics goals by the responsible unit 4. Opportunities to share ideas and engagement within the organization 5. Promotion of the relationship and engagement to maintain the continuation of business ethics	1. Target setting and planning to promote business ethics implementation 2. Action plan for the internal organization 3. Communication regarding the business ethics 3. Determination of implementation and control to meet the target objectives 4. Clear organization's business ethics policy and practices 5. Maintenance and sustainability of the business ethics with all stakeholders	1. Promotion of corporate image for fair trade 2. Promotion of corporate image for management 3. Promotion of corporate image for transparency and accountability 4. Promotion of corporate image for business ethics management 5. Communication and public relations of organization's business ethics	1. Promotion of activities for key communities surrounding the organization 2. Use of technology and innovation that minimizes pollutions 3. Promotion of activities regarding environmental and natural resources 4. Community engagement of business ethics awareness 5. Promotion of communities' arts and cultural preservation and dissemination
RRRPC : Quality Cycles P : Plan D : Do C : Check A : Act Quality and Improvement Process		RRRPC : Evaluation Cycles O : Output O : Outcome Feedback and Organization Learning Process		
Sustainability & Sufficiency Economy SME Context				

SMEs cannot oversee the relationships between business and society amid business competition and environment. Environmental and social changes on business performance, operations, and society can lead to CSR activities in the hope that they can benefit all stakeholders and society at large (Wattanasupachoke, 2017). According to Nguyen et al. (2020), the business codes of ethical conduct promotes the organizational mindfulness and ethical behavior, which lead to business performance and corporate reputation. Ethical leaders play a vital role in organizational development. Transformational leadership styles may potentially enhance organizational performance with regard to HRM practices, learning, and innovation (Para-González et al., 2018). Organizational leaders are key agents in the improvement of organizational performance and change (Sun & Henderson, 2017).

The implementation of business ethics, however, takes time and effort to create mutual understanding, awareness, and actions to be successful. It is recommended that SMEs owners nurture an ethical business culture to all levels of business and communicate their implementations to key stakeholders including customers, suppliers, competitors, and surrounding communities (Srisuphaolarn, 2020). Thardsatien (2016) points out that the organizational leaders should recognize employees' voices prior to implementing CSR activities and practices, which should be communicated and shared to all levels of organization in order to promote growth mindset and sustainable development. SMEs ethics are essentially strengthened by ethical leadership, organizational relationship, organization management, corporate image, and CSR, which can propel and sustain the long-term success of the SMEs.

Conclusion

This study provides a model suggesting ways in which business ethics can be integrated with organizational management and administration of SMEs entrepreneurs and owners in order to create a happy workplace and corporate image for their employees, stakeholders, and communities by recognizing the ethical values, environment, and sustainability on the basis of good governance, social responsibility, and respect for human rights

at all levels. It is evident that SMEs leaders who are equipped with business ethics could gain faith and confidence from customers, employees, and the public. Business management should be based on business ethics in terms of the business objectives, goals, and visions that underpin by the goodness of businesspeople or entrepreneurs. Furthermore, shareholders or employees must have morality and ethics because the business objectives should not only aim for profit maximization, but also profit sustainability. If businesspeople in Thailand run their business unethically, society will become imbalanced, unjust, and unsustainable. On the contrary, if they conform to business ethics, Thai society will be abundant and sufficient with natural resources and green environment that can serve and suit investors not only for their own benefits, but also the nation as a whole.

Business ethics have recently become and impacted crucially on the current business in globalized society. SMEs businesses can no longer afford to disregard business ethics. There are continuous business failures as a result of unethical practices, especially those associated with employees and top executives. This study advocates ethical policies and practices of SMEs in Thailand where SME owners and managers can employ such ethical policy frameworks and guidelines to improve their business performance and organizational development. In order to integrate business ethics and human rights issues into corporate sustainability, SMEs entrepreneurs and owners should release policies and implement practices to the public that enables stakeholders and communities to understand and be aware of the organizational outcomes on economic, environmental, and social impacts. SMEs can, therefore, not only serve as a role model for others, but also become a driving force in raising awareness and providing technical support for other SMEs to uphold good business ethics in Thailand and other neighboring countries.

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