The Social Side of Traditional Pharmaceutical Communities of Thailand: Can a Mixture of Social and Sustainable Approach Happy-8 for Help Society?

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ABSTRACT
Numerous studies and researchers argue the concept and value of entrepreneurial orientation concerning a sustainable approach. It helps to provide different conceptual values and benefits in terms of employment opportunities. The given paper has the primary aim to understand the impact of effective orientation, social mission orientation and self-efficacy orientation on the social performance of the pharmaceutical industry of Thailand, while with the help of sustainability orientation as a mediating role. For this purpose, the data has been collected from traditional pharmaceutical communities with the help of the survey questionnaire. The designed questionnaire distributed among 300 respondents, from whom 169 were female and 131 were male. The response rate of the respondents was 100%. Moreover, under the analysis portion, the various analysis techniques are used such as rotated component matrix, KMO, SEM, bartlett’s test and CFA. These various analysis techniques are used to analyze the fitness of the model as well as acceptance or rejection of the hypothesis. Finally, the tables and figures indicate that social mission and self-efficacy have a positive impact on the social performance of the companies. At the same time, effective orientation has an insignificant impact on social performance with the presence of sustainability orientation. In the end, various limitations are recognized and recommendations are given for future studies.

INTRODUCTION
Many pharmaceutical companies majorly focus on creating a good reputation in the customer market by effectively working on the sustainable and the social approach which helps the society (Simon & Wangsirilert, 2017). Now, the future of pharmaceutical companies will be greatly affected on the basis of the societal trends. There is an immediate need of the pharmaceutical companies to make such strategies whose major concern is to resolve the major social issues (Nuttavuthisit, 2019). Like the perception regarding societal needs can influence the resource allocation and making a public control over the process of innovation, marketing and distribution of drugs (Simon & Wangsirilert, 2017). The majority of the multinational pharmaceutical companies majorly worked on this factor by effectively utilizing the effective social forecasting techniques.

In Thailand, many pharmaceutical companies are majorly worked on this aspect. And also its government plays an important role to give a financial and business favorable environment support to the businessman (Fielding & Aung, 2018). This approach will help the authorities to enhance the physical health of the local natives of the state. According to Armstrong, Kotler, Harker, & Brennan, there is a great development in the social sector of this state by majorly worked on the healthcare sector (Armstrong, Kotler, Harker, & Brennan, 2010). Its related figures are given below in the following table;

<table>
<thead>
<tr>
<th>Thailand healthcare sector in 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health facilities</td>
</tr>
<tr>
<td>Public Hospitals</td>
</tr>
<tr>
<td>Private hospitals</td>
</tr>
<tr>
<td>Clinics</td>
</tr>
<tr>
<td>Physicians</td>
</tr>
</tbody>
</table>

The above number of healthcare developments and its related professionals show a real picture of this state, that sustainability based strategic approach is followed by this industry in its societal based operating activities. In this state, the price of the majority of the health drugs are quite affordable and have an assurance regarding the quality of products (Armstrong et al., 2018; Fielding & Aung, 2018). In the current year, a research is conducted where the researchers critically evaluated the healthcare cost of this pharmaceutical industry in Thailand market perspective. Its graphical representation is given below;

**Figure 1.** Average Healthcare Costs towards Social Side (1960-2020)

According to the above-mentioned figure, it becomes clear that with the passage of time the healthcare cost on the social side is continuously increasing. Like in the year
Social entrepreneurial self-efficiency and social performance

In a business field, social norms play an important role to make an efficient entrepreneurial education and its intention in the operating activities (Yoo, 2019). According to Pratama, Nugraha, and Wenbo, the majority of the entrepreneurs majorly focus on the societal factor through which they made some entrepreneurial projects within a state, because these factors motivate them to make some challenging projects for the society (Pratama & Nugraha, 2019; Wenbo, 2017).

They stated that green entrepreneurial projects are one of those societal approaches that help a businessman to create new profit-oriented projects in the market. According to the scholars, the perceived self-efficacy factors help entrepreneurs to take some corrective action for the sustainability approach (AliRashidi, 2019; Jain, Kumar, & Dube, 2019). Hence, the following hypothesis is proposed from the above studies;

**H1:** There is a significance relationship between Social Entrepreneurial Self-Efficiency and Social Performance

Mediating role of sustainability orientation between social entrepreneurial self-efficiency and social performance

Many scholars made a debate on how the sustainability orientation plays an important role to enhance the self-efficiency of the entrepreneur in the business market and make an efficient social performance of the company (C. M. J. Lee, Che-Ha, & Aliw, 2020). According to the researchers, only those companies are sustainable and have a good reputation in the customer market who have a good reputation in the customer market (Danso, Adomako, Amankwah-Amoah, Owusu-Agyei, & Konadu, 2019). According to the business scholars, the majority of the creations are highly profitable which majorly worked on the needs and desires of the targeted customers.

They stated that such environmental based business entrepreneurial projects help an organization to make some advanced development and create some entrepreneurial projects in order to enhance the positive word of mouth in the market (Breuer, Fichter, Lüdeke-Frentz, & Tiemann, 2018; Croom, Vidal, Spetic, Marshall, & McCarthy, 2018). This long term strategic approach helps an organization to upgrade its social performance-related activities in the competitive market and earn a long term profit (DiVito & Bohnsack, 2017). Hence, the above studies have been proposed the following hypothesis;

**H2:** Sustainability Orientation plays a significant mediating role between Social Entrepreneurial Self-Efficiency and Social Performance

Social mission orientation and social performance

According to the scholars, such social mission based entrepreneurial activities help a businessman to effectively work on the social welfare of the state by producing its profit earning products and services in the customer market (Staessens, Kerstens, Brueneel, & Cherchye, 2019; Syrjä, Puimalainen, Sjogrén, Soininen, & Durst, 2019). According to the research, such creation of the social values for the operating, financing and investing activities of accompany, mostly generates some values in order to subsidize the social programs of an organization (Glavell & Geormas, 2010).

According to the business scholar, Daniel, the mission-related social enterprises help to take some integrated social enterprises (Daniel, 2017). After making a critical analysis of the operating activities of such a social mission oriented business approach, it becomes clear that the social performance of the company will enhance through this act (Cheah, Amran, & Yahya, 2019). Hence, a flowing hypothesis is proposed from these critical studies of social performance;

**H3:** There is a significance relationship between Social Mission Orientation and Social Performance

**Mediating role of sustainability orientation between social mission orientation and social performance**

In order to explore the mediating role of the sustainability based organizational strategies in the current entrepreneurial activities of a company, a research was conducted by scholars, where they critically evaluate the current situation where many societal issues are developed due to the industrial revolution (Martinez-Conesa, Soto-Acosta, & Palacios-Manzano, 2017; Voronov, Thongpapanl, & Clercq, 2018). According to them, it becomes quite essential for an entrepreneurial to gain a long term stable profit, rather than focused on short term development projects (Maletić, Maletić, Dahlgaard, Dahlgaard-Park, & Gomišček, 2016).

They stated that majority of those multinational companies who made their mission by considering the societal norms and values are more profitable and stable as compared to those who focused on earning a profit, without bothering the needs and desire of the targeted customers (Bhullar & Sharma, 2018; Kolotzek, Helbig, Thorenz, Reller, & Tuma, 2018). Hence, these studies proposed the following hypothesis;

**H4:** Sustainability Orientation plays a significant mediating role between Social Mission Orientation and Social Performance

**Effectual orientation and social performance**

Many scholars have a point of view that the effectual orientation plays an important role to make an efficient social performance of an organization (Liu & Huang, 2020; Smolka, Veheul, Burmeister–Lamp, & Heugens, 2018).

According to them, such a strategic approach of entrepreneurs helps the businessman to upgrade their performance towards their goals and earn a long term profit margin, Jiang and Szambelan stated the importance of effectuation theory in order to make efficient social-oriented strategies and decision making process of an organization (Szambelan & Jiang, 2019).

At the end, they concluded that such effectual orientation in the entrepreneurial activities help a businessman to access the resources and make an efficient strategies in order to achieve them (Allos, Claussen, Hytti, & Solvoll, 2016; Laskova, Marino, Shirokova, & Wales, 2019). So, after critically evaluate the previous studies, the following hypothesis is proposed;

**H5:** There is a significance relationship between Effectual Orientation and Social Performance

**Mediating role of sustainability orientation between effectual orientation and social performance**

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1960, its average cost was only $21, but time and fluctuation in the dollar price, the price of the healthcare costs is increased up to $4,487 in the current year (Tungjitjarum, 2020). It shows that the social entrepreneurial activities of the pharmaceutical industry play an important part to enhance its sustainability factor in a highly competitive market (Angelino, Khanh, An Ha, & Pham, 2017; Mehmood et al., 2020).
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According to the scholars, the sustainable orientation in the operating activities of a company plays an important role to increase the confidence level of customers on the operating activities of a company (Mattingly, 2017; Nollet, Filis, & Mitrokonkas, 2016). According to the researchers, such orientation enhanced the effective based strategic approach of an organization that helps to focus the social norms and values. They stated that the corporate governance based strategic approach of an organization plays an important role to secure the company in the highly diverse and competitive market (Croom et al, 2018; Isaksson & Woodside, 2016).

In 2017, they stated that the majority of the current organization majorly based on enhancing the reputation and productivity of a company in the market (Amui, Jabbour, de Sousa Jabbour, & Kannan, 2017). So, the following hypothesis is proposed from the above studies:

**H6:** Sustainability Orientation plays a significant mediating role between Effectual Orientation and Social Performance

**Theoretical framework**

![Diagram of theoretical framework](image)

**METHODOLOGY**

**Data and participants**

The target population of this study was pharmaceutical industry of Thailand. For this purpose, present study was piloted in Thailand’s Traditional pharmaceutical communities, that is considered fastest growing market and holds second largest position in pharmaceutical market of Thailand, sample of 300 managers from Traditional pharmaceutical communities was drawn through convenient sampling those firms that are engaged in drugs making. These communities were directed because they are inclined to technological development and innovation. Details about these Pharmaceutical communities was collected through association of Thailand. Convenient sampling technique was used to choose respondents who are aware of research variables. Online survey was conducted in pharmaceutical communities, to acquire responses for survey. Self-administrative questionnaires’ as data collection tool was disseminated to the respondents via email. Total five hundred ten workers participated in the survey, but only four hundred eleven responses were authentic, rest of questionnaire were omitted due to either they were half-finished and were filled less than one minute.

**Measurements and variables**

Research model of this study was tested by different scales, these scales are based on previous research and literature. Each item was rate on five-point Likert scale. To guarantee content validity this questionnaire was thoroughly studied and pre-tested.

Measures for Social entrepreneurial self-efficacy were derived from a Scale of Zhao, Seibert, and Hills (2005). This scale was altered to fit according to need of this research, the scale is encompassed of four items, including “Identifying new business opportunities for social change”, responses on a five-point Likert scale ranging from 1 (Strongly disagree) to 5 (Strongly agree). Results showed 0.938 Cronbach alpha. Social mission orientation was assessed with two items extracted from (E. J. Lee, 2017) work, to measure worker’s orientation towards social mission receive. For example, “Our philosophy guides everything we do in the organization”. Respondents rate the degree of orientation they have on a 5-point response scale from 1 (very weak) to 5 (very strong). It has a Cronbach’s alpha = 0.882. Items for investigating Sustainability orientation in firms were derived from Dwivedi and Weerawaradena (2018). Responses for two items including “We always seek to balance mission and financial viability in the organization” were rated on a 5-point response scale from 1 (very weak) to 5 (very strong) with Cronbach’s alpha = 0.67.

Measures for Effectual orientation were adapted from The EO scale by (Pelham & Wilson, 1996) , four items were used to estimate the Effectual orientation “ In designing new services, we see the value in partnering with clients/beneficiaries” using 5 Likert scale showing α =0.868 as composite reliability. Social performance of firms was evaluated by 3 items drawn and modified from, to measure firm’s performance for achieving social missions. The sample item is “firms is adopting social and ethical values”. Respondents gauged their firm social performance on 5 Point-Likert scale with composite reliability of α =0.86.

**Statistical analysis**

Data was analyzed using Structural Equation modeling. The scales were tested by cross loading. Followed by calculations of Cronbach’s alpha (CA), composite reliability (CR) and average variance extracted (AVE) At last, calculated the square root of the AVE (SQAWE). AMOS was operated for testing and analyzing, we performed CFA and descriptive statistics test on data.

**FINDINGS**

**Demographics**

The sample consists of a total of 471 respondents belonging to the pharmaceutical communities of Thailand. The sample constitutes 55.6 male and 44.4 female respondents. 31.6 percent people are aged below 25 whereas 43.3 percent are aged from 25 to 35, making more than half of the population either aged 35 or below. The working experience of 74.1 percent respondents is within 2 and 8 years. The drug making industry employs more men in comparison to women therefore disparity in gender distribution was observed whereas the age and experience statistics reveal the maturity of the respondents.

**Descriptive analysis**

The descriptive analysis results are demonstrated in table 1. No outliers were detected in the data as the maximum and minimum values are representative of the maximum and minimum values of the scale. The skewness results are within the prescribed range of -1 to 1, therefore normality is present within the data. The mean values are centered around 3.3 and 3.5, and are
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Table 1: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>SociOrI</td>
<td>471</td>
<td>1.00</td>
<td>5.00</td>
<td>3.126</td>
<td>1.2945</td>
<td>-2.30</td>
</tr>
<tr>
<td>SociESE</td>
<td>471</td>
<td>1.00</td>
<td>5.00</td>
<td>3.125</td>
<td>1.0018</td>
<td>-3.83</td>
</tr>
<tr>
<td>SocMisOrI</td>
<td>471</td>
<td>1.00</td>
<td>5.00</td>
<td>3.419</td>
<td>1.1970</td>
<td>-3.72</td>
</tr>
<tr>
<td>EffecOrI</td>
<td>471</td>
<td>1.00</td>
<td>5.00</td>
<td>3.369</td>
<td>1.1775</td>
<td>-3.42</td>
</tr>
<tr>
<td>SocPerf</td>
<td>471</td>
<td>1.00</td>
<td>5.00</td>
<td>3.487</td>
<td>1.1865</td>
<td>-3.74</td>
</tr>
<tr>
<td>Valid N (Total)</td>
<td>471</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KMO

The KMO value is approaching 1 and the Bartlett’s sphericity indicator is also significant, therefore the sample is deemed adequate.

Table 2: KMO and Bartlett’s Test

<table>
<thead>
<tr>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</th>
<th>Kaiser-Meyer-Oklin</th>
<th>Bartlett’s Test of Sphericity</th>
<th>Approx. Chi-Square</th>
<th>Df</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.862</td>
<td>Approx. Chi-Square: 5630.057</td>
<td>Df: 105</td>
<td></td>
<td>.000</td>
</tr>
</tbody>
</table>

Factor analysis

After determining the adequacy of the sample, the factors or items are tested for contribution in the overall construct’s variation (Hassan, Hameed, Basheer, & Ali, 2020; Iqbal & Hameed, 2020). The items have loading values greater than 0.7 and the dilemma of cross-loading isn’t observed as well, therefore the factors are significant and contribute in variation of the construct.

Table 3: Rotated Component Matrix

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC1</td>
<td></td>
<td>.833</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC2</td>
<td></td>
<td></td>
<td>.890</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SE1</td>
<td></td>
<td></td>
<td></td>
<td>.780</td>
<td></td>
</tr>
<tr>
<td>SE2</td>
<td></td>
<td></td>
<td></td>
<td>.802</td>
<td></td>
</tr>
<tr>
<td>SE3</td>
<td></td>
<td></td>
<td></td>
<td>.819</td>
<td></td>
</tr>
<tr>
<td>SE4</td>
<td></td>
<td></td>
<td></td>
<td>.856</td>
<td></td>
</tr>
<tr>
<td>SM1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.841</td>
</tr>
<tr>
<td>SM3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.880</td>
</tr>
<tr>
<td>EO1</td>
<td></td>
<td>.873</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO2</td>
<td></td>
<td>.892</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO3</td>
<td></td>
<td>.882</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO4</td>
<td></td>
<td>.886</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SP1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.862</td>
</tr>
<tr>
<td>SP2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.884</td>
</tr>
<tr>
<td>SP3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.890</td>
</tr>
</tbody>
</table>

Convergent and discriminant validity

Table 4 presents the results for convergent and discriminant validity. CR and AVE values are greater than 0.7 and 0.5, indicating the presence of convergent validity. MSV and self-correlation values are also high and in accordance with the requirements for discriminant validity. Thus both subtypes of construct validity are present.

Table 4: Convergent and Discriminant Validity

Table 5: Confirmatory Factors Analysis

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Threshold range</th>
<th>Current values</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN/DF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GFI</td>
<td>Equal or greater</td>
<td>0.935</td>
</tr>
<tr>
<td>CFI</td>
<td>Equal or greater</td>
<td>0.969</td>
</tr>
<tr>
<td>IFI</td>
<td>Equal or greater</td>
<td>0.970</td>
</tr>
<tr>
<td>RMSEA</td>
<td>Less or equal</td>
<td>0.08</td>
</tr>
</tbody>
</table>

SEM

A unit change in SociMisOrI and SociESE produces a variation of 21.6 and 27.6 percent in SociPerf. The relationships and variances are significant therefore the hypotheses are accepted. A unit increase or decrease in EffecOrI produces an effect of 7.8 percent in SustOri. The relationship and variation is insignificant and the hypothesis is rejected. The mediation of SociPerf produces an effect of 1.7, 2.1 and 4.1 percent through EffecOri, SociMisOrI and SociESE. The mediation is significant even though the variations are minor. The hypotheses are accepted.

Table 6: Structural Equation Modeling
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<table>
<thead>
<tr>
<th>Total Effect</th>
<th>EffecOrt</th>
<th>SocDinOrt</th>
<th>SocESE</th>
<th>SunOrt</th>
</tr>
</thead>
<tbody>
<tr>
<td>SunOrt</td>
<td>1.45**</td>
<td>.139*</td>
<td>.357***</td>
<td>.000</td>
</tr>
<tr>
<td>SocPerf</td>
<td>.094</td>
<td>.237**</td>
<td>.317***</td>
<td>.116*</td>
</tr>
<tr>
<td>Direct Effect</td>
<td>EffecOrt</td>
<td>SocDinOrt</td>
<td>SocESE</td>
<td>SunOrt</td>
</tr>
<tr>
<td>SunOrt</td>
<td>1.45**</td>
<td>.139*</td>
<td>.357***</td>
<td>.000</td>
</tr>
<tr>
<td>SocPerf</td>
<td>.094</td>
<td>.237**</td>
<td>.317***</td>
<td>.116*</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>EffecOrt</td>
<td>SocDinOrt</td>
<td>SocESE</td>
<td>SunOrt</td>
</tr>
<tr>
<td>SunOrt</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>SocPerf</td>
<td>.017*</td>
<td>.021*</td>
<td>.041*</td>
<td>.000</td>
</tr>
</tbody>
</table>

Figure 2. SEM

DISCUSSION

The social performance or corporate social performance CSP are important aspects for any sector as they help the top managers of the sector to evaluate the key areas. The study has demonstrated that the role of a social and practical sustainable approach is very effective for the employees and people working within the organization. The results and tables of analysis explained that the social entrepreneurial and social mission orientation has a positive impact on the social performance value of the organization. A recent study by DiVito and Boohsack (2017) has also demonstrated that the social entrepreneurial orientation helps to sustain the competitiveness of the firms in terms of business ethics. On the other hand, the sustainability orientation has an insignificant mediating role in the relationship of effective orientation and social performance while it has effective mediating role in the relationship of social mission orientation, self-efficacy with social performance.

CONCLUSION

This research paper aims to evaluate the execution of a social and sustainable model or approach to attain effective social performance of the traditional pharmaceutical sector of Thailand. The given research study also aims to identify the mediating impact of sustainability orientation on social performance as well as its benefits to the society of Thailand. To attain the objectives of this research, all of the data and information were collected mainly from 421 employees or workers of 20 different Traditional pharmaceutical communities of Thailand through the use of a questionnaire survey technique. The collected data of the study were computed or analyzed using KMO, descriptive statistics, Bartlett’s test, and the SEM technique.

Implications and limitations

The present study will significantly contribute to the traditional pharmaceutical communities of Thailand by identifying the impact of the social and sustainable model on the social performance of the sector. The recommended framework of the study also helps top management of the sector to understand the significance of social as well as the sustainability approach. The verdicts of the research also help firms in understanding the implementation of social and sustainability model as a method to achieve sustainability in social performance. Although the present research has many contributions, some limitations must be pointed out. First, only 20 pharmaceutical communities were considered during the data collection process and this had an insignificant impact on the findings of the study. Thus, due to this limitation, future studies could focus on other small and medium-sized pharmaceutical communities in Thailand. Second, the given study only focuses on the arena of social performance in Thailand, so, it is recommended to future researchers that they should focus on other factors and variables.

REFERENCES

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