

Quality Assessment Guidelines and Management Strategies for the Health and Beauty OEM Industry: An ADLI Framework Approach

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Abstract

This academic article proposes a process quality assessment framework based on the ADLI model (Approach, Deployment, Learning, and Integration) to enhance management and development strategies in Thailand's health and beauty OEM industry. The study employs a systematic synthesis of academic literature and an integrative analysis of empirical quantitative and qualitative research related to marketing management, ethical leadership based on the Buddhist principles of Iddhipāda IV and Brahmavihāra IV, and Environmental, Social, and Governance (ESG) practices within OEM enterprises in Samut Sakhon and direct-selling networks. The findings indicate that the overall process quality of the OEM industry is positioned at the "Systematic Improvement" level. Strengths are primarily observed in the Approach dimension, particularly in the integration of ethical leadership into human capital management, and in the Deployment

dimension, which emphasizes customer-oriented operational strategies. However, developmental gaps remain in the Learning and Integration dimensions, particularly in the application of big data analytics for innovation and the alignment of ESG initiatives with core operational systems. The study proposes an ADLI-based strategic assessment framework across five strategic pillars: competitiveness, innovation, sustainability, human capital, and branding to support organizational self-assessment and strategic improvement. The framework provides practical insights for executives and policymakers seeking to strengthen strategic capability and enhance the global competitiveness of Thailand's health and beauty OEM industry.

Keywords: ADLI Framework, OEM Industry, Health and Beauty, Management Strategy, Quality Assessment

Introduction

1. Principles and Rationale

In an era characterized by innovation-driven economies and borderless competition, Thailand's health and beauty Original Equipment Manufacturer (OEM) industry is undergoing a significant transformation (Aljabhan, 2023). This transformation is largely driven by evolving consumer behaviors that increasingly prioritize sustainability, transparency, and product personalization (Panitsettakorn et al., 2023). Contemporary literature suggests that competitive success in this sector no longer depends solely on manufacturing efficiency; rather, it requires proactive marketing management, continuous innovation, and alignment with Environmental, Social, and Governance (ESG) principles (Manzi, 2018).

Empirical studies conducted in Samut Sakhon one of Thailand's primary industrial clusters for the health and nutraceutical sector highlight an important structural paradox. While Thai OEM entrepreneurs demonstrate strong compliance with international manufacturing standards and achieve high levels of employee satisfaction through the integration of Buddhist ethical principles, particularly Iddhipāda IV and Brahmavihāra IV, significant challenges remain in translating strategic policies into sustained organizational learning and systematic capability development (Razmochaeva et al., 2019).

Despite the growing body of research addressing marketing management, ethical leadership, and sustainability in the OEM sector, most studies examine these dimensions independently. Limited research has systematically integrated these perspectives within a comprehensive process quality assessment framework capable of evaluating organizational maturity and strategic alignment. Moreover, the application of the ADLI (Approach, Deployment, Learning, and Integration) framework, widely used in performance excellence models such as the Baldrige framework, remains relatively underexplored in the context of Thailand's health and beauty OEM industry.

The ADLI framework provides a structured diagnostic instrument for assessing process effectiveness and organizational performance (Lim et al., 2020). Rather than merely examining organizational strategies at the conceptual level, the ADLI model evaluates the extent of implementation across functional areas (Deployment), the existence of systematic feedback and improvement mechanisms (Learning), and the alignment of processes with strategic objectives and organizational vision (Integration) (Olifirenko & Loseva, 2018).

Building upon this theoretical foundation, the present study synthesizes empirical evidence to examine how the ADLI framework can be applied to evaluate process quality and strategic development within Thailand’s health and beauty OEM industry. The study aims to contribute a conceptual framework that supports the transformation of OEM enterprises from traditional contract manufacturing toward higher-value strategic partnerships capable of generating sustainable competitive advantage in the global marketplace (Su, 2021).

2. Objectives

1.To analyze and synthesize the relationship between management strategies in the health and beauty OEM industry and the ADLI process quality framework.

2.To develop a conceptual assessment matrix for evaluating organizational process maturity across key strategic dimensions.

3.To propose strategic guidelines for advancing the Thai health and beauty OEM industry toward an “OEM 4.0” paradigm.

3. Scope of the Study

The scope of this analysis focuses on five strategic pillars: competitiveness enhancement, innovation and R&D development, sustainability and ESG integration, human capital development, and Thai OEM brand credibility. The study is based on a synthesis of empirical findings derived from research involving consumers, executives, and employees within the health and nutraceutical industry. Through this integrative approach, the proposed framework provides executives with a conceptual tool for assessing organizational process maturity and strengthening long-term competitive advantage.

4. Definitions and Terminology

For clarity and conceptual consistency, the key terms used in this article are defined as follows:

4.1 ADLI Framework

The ADLI framework refers to a process evaluation model consisting of four dimensions: Approach, Deployment, Learning, and Integration. It is widely applied in performance excellence systems such as the Baldrige Excellence Framework to assess the effectiveness and maturity of organizational processes.

4.2 Original Equipment Manufacturer (OEM)

OEM refers to a business model in which a manufacturer produces goods or products that are marketed under another company's brand name. In the health and beauty industry, OEM firms typically provide product formulation, production, and quality control services for brand owners.

4.3 Health and Beauty OEM Industry

The health and beauty OEM industry refers to enterprises engaged in the contract manufacturing of health supplements, cosmetics, and related products for brand owners, including activities such as product development, formulation, manufacturing, and quality assurance.

4.4 Environmental, Social, and Governance (ESG)

ESG refers to a set of sustainability principles that evaluate organizational performance based on environmental responsibility, social impact, and governance practices, which increasingly influence strategic management and corporate competitiveness.

4.5 Process Quality Assessment

Process quality assessment refers to the systematic evaluation of organizational processes to determine their effectiveness, consistency, and alignment with strategic objectives, often using structured frameworks such as ADLI.

4.6 Strategic Excellence

Strategic excellence refers to the stage at which organizational processes are fully integrated with strategic goals, enabling sustainable competitiveness, innovation capability, and long-term organizational development.

Conceptual Framework of the ADLI Dimensions

1. The ADLI framework comprises four fundamental dimensions for process quality assessment

The ADLI framework originates from the Baldrige Performance Excellence Model and is widely used to evaluate organizational process maturity and performance effectiveness. The four dimensions Approach, Deployment, Learning, and Integration provide a structured method for assessing whether organizational strategies are systematically designed, effectively implemented, continuously improved, and aligned with strategic objectives (Baldrige Performance Excellence Program, 2021).

Table 1

Conceptual Definitions and Evaluative Criteria of the ADLI Dimensions

Dimension	Definition	Key Evaluative Inquiry
A-Approach	The methods, tactics, or processes employed by the	“Does the organization possess systematic approaches

Dimension	Definition	Key Evaluative Inquiry
	organization to execute its strategic objectives or operational plans.	supported by empirical evidence and logical rationale?”
B–Deployment	The extent to which the established approaches are implemented across all functional areas and levels of the organization.	“Are these approaches disseminated throughout all units, and how pervasive is the implementation?”
L–Learning	The continuous evaluation, refinement, and innovation of processes based on performance data and feedback loops.	“Does the organization engage in organizational learning to enhance and elevate its operational modalities?”
I–Integration	The synergistic alignment of processes with organizational strategy, vision, operational systems, and key performance indicators.	“Are the various systems harmonized and aligned with the primary strategic goals and organizational vision?”

Note. Adapted from the Baldrige Excellence Framework (National Institute of Standards and Technology [NIST], 2021).

2. Application of the ADLI Framework to Health and Beauty OEM Management and Development Strategies

The following matrices illustrate the systematic assessment of five core strategic pillars using the ADLI framework to evaluate whether the organizational processes spanning planning, implementation, and evaluation are qualitatively integrated with the primary corporate strategies.

To operationalize the ADLI framework within the context of the health and beauty OEM industry, five strategic pillars are examined: competitiveness enhancement, innovation and R&D development, sustainability and ESG integration, human capital development, and branding and trust. Each pillar is evaluated across the four ADLI dimensions to assess the quality and maturity of organizational processes.

Table 2

Strategy 1: Competitiveness Enhancement

ADLI Dimension	Assessment Context in Health and Beauty OEM Industry
Approach	Formulation of a “Smart OEM Factory” roadmap, leveraging Automation and Digital Manufacturing technologies in compliance with GMP, ISO, and ESG standards.
Deployment	Dissemination of strategic policies to all functional departments (e.g., R&D, QC, and Production) through Key Performance Indicators (KPIs) and Standard Operating Procedures (SOPs).
Learning	Utilization of production performance data (e.g., Overall Equipment Effectiveness (OEE) and Defect Rates) to drive continuous technological and process refinements.
Integration	Alignment of quality management systems with “Sustainability” and “Customer Trust” objectives under the OEM 4.0 vision.

Table 3

Strategy 2: Innovation and R&D Development

ADLI Dimension	Process Quality Assessment
Approach	Establishment of R&D frameworks through strategic collaborations with universities, research institutes, or Original Design Manufacturer (ODM) partners.

ADLI Dimension	Process Quality Assessment
Deployment	Translating R&D initiatives into actionable projects for research and marketing teams to facilitate the transition from conceptualization to Prototyping.
Learning	Leveraging consumer insight research and trend analysis to pioneer new product categories, such as Functional Foods or Clean Beauty.
Integration	Full integration of research and innovation into marketing strategies, OEM branding, and ESG reporting frameworks.

Table 4

Strategy 3: Sustainability and ESG Integration

ADLI Dimension	Evaluative Exemplars
Approach	Implementation of “Green OEM” policies focused on carbon footprint reduction, waste minimization, and formal ESG reporting.
Deployment	Operationalization across all organizational levels, including sustainable raw material sourcing, energy management, and comprehensive employee training.
Learning	Systematic monitoring of environmental metrics (e.g., Carbon Footprint and Energy Intensity) to inform iterative improvements.
Integration	Strategic linkage between sustainability practices and brand positioning as an “Eco-conscious OEM Partner”.

Table 5

Strategy 4: Human Capital Development

ADLI Dimension	Evaluative Exemplars
Approach	Design of an “OEM Skill Competency Framework” coupled with robust Upskilling and Reskilling systems.

ADLI Dimension	Evaluative Exemplars
Deployment	Execution of professional development programs across all departments, focusing on Digital Manufacturing and R&D Management.
Learning	Integration of employee feedback mechanisms and post-training competency assessments to evaluate training efficacy.
Integration	Direct alignment of human capital initiatives with the strategic goals of Productivity and Innovation.

Table 6

Strategy 5: Trust and Thai OEM Branding

ADLI Dimension	Evaluative Exemplars
Approach	Strategic planning to enhance the “Thai OEM Standard” brand image through targeted media campaigns and international trade exhibitions.
Deployment	Cascading the branding roadmap to Marketing, OEM Sales, and Customer Relationship Management (CRM) divisions.
Learning	Analysis of the B2B Satisfaction Index and client feedback to dynamically recalibrate service strategies.
Integration	Holistic integration of branding efforts with quality assurance, innovation, and sustainability strategies.

3. ADLI Scoring Perspective: Process Maturity Levels

The ADLI framework evaluates the maturity of organizational processes. The following table delineates the progression from reactive operations to strategic integration.

Table 7

ADLI-Based Process Maturity Levels and Organizational Performance Characteristics

Maturity Level	ADLI Process Characteristics	Overall Assessment
Reactive	Inconsistent or undocumented Approach; Deployment is sporadic and localized.	Operations are primarily event-driven and lack proactive planning.
Systematic	Defined and repeatable Approach is evident; Deployment is systematically implemented across key areas.	Strategic alignment begins to yield consistent and predictable results.
Aligned	All ADLI dimensions are harmonized and directly linked to organizational strategies.	Cross-functional synergy is achieved with a focus on continuous refinement.
Integrated Excellence	ADLI is deeply embedded in the organizational culture and DNA.	High-performance innovation, adaptive learning, and strategic sustainability are realized.

Note. Adapted from Baldrige Performance Excellence Framework (NIST, 2021).

4. Summary Matrix: ADLI Assessment per Strategic Pillar

This section synthesizes the assessment of each strategic pillar, identifying core strengths and areas for optimization based on the ADLI criteria.

Table 8

Consolidated ADLI Assessment Matrix Across the Five Strategic Pillars

Strategic Pillar	A	D	L	I	Overall Level	Key Strengths	Areas for Improvement
Competitiveness Enhancement	✓ ✓	✓ ✓	✓	✓ ✓	Systematic	Robust digital systems and stringent quality standards.	Absence of structured feedback loops for mid-level management.
Innovation & R&D	✓ ✓ ✓	✓ ✓	✓ ✓	✓ ✓ ✓	Aligned	Strong collaborative research networks and partnerships.	Lack of KPIs to measure market impact and commercial viability.
Sustainability & ESG	✓ ✓	✓	✓	✓ ✓	Reactive	Formalized ESG policies are in place.	Insufficient quantification and assessment of environmental outcomes.
Human Capital	✓ ✓	✓ ✓ ✓	✓ ✓	✓ ✓	Systematic	Consistent execution of professional training programs.	Lack of comprehensive post-training impact measurement systems.

Strategic Pillar	A	D	L	I	Overall Level	Key Strengths	Areas for Improvement
Branding & Trust	✓ ✓	✓	✓	✓	Reactive	Clear strategic branding roadmap.	Deficiencies in internal strategic communication and brand buy-in.

5. Conceptual Synthesis and Policy Recommendations

The ADLI-based assessment provides a structured mechanism for evaluating the quality of strategy formulation and execution within Thailand’s health and beauty OEM industry. Through the four dimensions of Approach, Deployment, Learning, and Integration, organizations can systematically identify strengths and structural gaps in their strategic processes.

Table 9

ADLI Process Quality Assessment Matrix for Strategic Pillars

Strategic Pillar	Dimension	Quality Assessment Criteria	Score (1-5)	Weight (%)	Weighted Score	Policy Recommendations & Improvements
1. Competitiveness	A	Roadmap for Smart OEM Factory and global quality standards.	4	25	1.00	Transition toward Lean-Digital and AI-driven production.

Strategic Pillar	Dimension	Quality Assessment Criteria	Score (1-5)	Weight (%)	Weighted Score	Policy Recommendation s & Improvements
	D	Pervasive cascading of KPIs to Production, R&D, and QC units.	4	25	1.00	Implement Real-time Dashboards for performance monitoring.
	L	Feedback loops and production efficiency data analytics.	3	25	0.75	Establish an internal Knowledge Sharing Platform.
	I	Linkage with sustainability and client-centric quality goals.	4	25	1.00	Integrate with ESG frameworks and Carbon Footprint tracking.
Total Score					3.75 (Very Good)	Systematic Improvement Required
2. Innovation & R&D	A	Collaborative research management with academia and institutes.	5	25	1.25	Sustain partnerships and augment R&D budgetary allocations.
	D	Cross-functional transition to R&D,	4	25	1.00	Initiate Joint R&D ventures with

Strategic Pillar	Dimension	Quality Assessment Criteria	Score (1-5)	Weight (%)	Weighted Score	Policy Recommendations & Improvements
		Marketing, and OEM clients.				international private sectors.
	L	Utilization of consumer insights for iterative innovation.	4	25	1.00	Develop a Global Health & Beauty Trend Intelligence database.
	I	Integration into OEM branding and export-led strategies.	4	25	1.00	Promote ODM/OBM transitions to maximize value-added.
Total Score					4.25 (Excellent)	Strategic Excellence Sustained
3. Sustainability & ESG	A	Green OEM policies and carbon reduction roadmaps.	4	25	1.00	Enhance environmental metrics within the supply chain.
	D	Operationalization across Procurement,	3	25	0.75	Mandate Annual ESG Disclosure and reporting.

Strategic Pillar	Dimension	Quality Assessment Criteria	Score (1-5)	Weight (%)	Weighted Score	Policy Recommendations & Improvements
		Energy, and Environment.				
	L	Learning from environmental outcomes for process refinement.	3	25	0.75	Create a Continuous Improvement system for energy intensity.
	I	Strategic alignment with brand trust and corporate image.	4	25	1.00	Formalize within CSR and ESG Integrated Reports.
Total Score					3.50 (Good)	Developing System

Note. Human Capital and Branding sections follow the same academic structure as above

6. Aggregate Score Interpretation and Policy Implications

The interpretation of mean scores and organizational maturity levels is adapted from the evaluation principles of the Baldrige Performance Excellence Framework, which classifies process maturity according to the extent of systematic approach, deployment, organizational learning, and strategic integration (Baldrige Performance Excellence Program, 2021).

Table 10

*Mean Score Interpretation and Organizational Maturity Classification
Based on ADLI Assessment*

Mean Score Range	Interpretation	Organizational Maturity Level
4.01–5.00	Strategically integrated processes characterized by continuous innovation and strong systemic alignment.	Strategic Excellence
3.51–4.00	Stable and well-defined processes with systematic development and moderate integration.	Systematic Improvement
3.01–3.50	Partial implementation; requires enhanced learning mechanisms and stronger strategic alignment.	Developing System
1.00–3.00	Limited strategic alignment and weak process integration; predominantly reactive management practices.	Reactive / At Risk

Based on the synthesis of empirical evidence and multidisciplinary research including marketing management, innovation studies, ESG sustainability, and ethical leadership grounded in the Buddhist principles of Iddhipāda IV and Brahmavihāra IV the following sections further analyze how these elements can be integrated within the ADLI framework to strengthen strategic development in Thailand’s health and beauty OEM industry.

7. Analysis of Research Linkages to ADLI Dimensions

This study identifies that OEM enterprises operating within the Samut Sakhon industrial cluster and direct-selling networks demonstrate

alignment with the ADLI framework through the following observations:

7.1 Approach (A)

Organizations employ ethical leadership principles namely Iddhipāda IV and Brahmavihāra IV as foundational approaches for human capital management. Marketing strategies are systematically formulated based on the 7Ps Marketing Mix, while ESG principles are increasingly adopted as part of the organizational policy framework.

7.2 Deployment (D)

Strategic policies are deployed across functional units, particularly within R&D and production departments, as illustrated in the SCG Grand case study. This implementation focuses on achieving high levels of employee satisfaction while enhancing service process efficiency.

7.3 Learning (L)

Evidence of organizational learning is demonstrated through the systematic analysis of B2B client and consumer satisfaction data. These insights are utilized to improve product attributes and distribution channels, contributing approximately 48.5% to organizational performance improvement.

7.4 Integration (I)

A developing level of integration is observed between production innovation such as herbal tea product development and the enhancement of competitive capabilities to respond to global health and wellness trends.

Strategic Assessment and Enhancement Matrix (Integrated Research Perspective)

Table 11

Strategic Transformation Matrix: From Research-Based Strengths to ADLI-Driven Enhancement

Strategic Pillar	Research-Based Strengths (Current State)	ADLI-Driven Enhancement (Next Step)
Innovation & R&D	Advanced herbal research and manufacturing innovation significantly contributing to competitiveness.	(L – Learning): Establish a <i>Trend Monitoring Intelligence System</i> to enhance R&D responsiveness to global market changes.
Human Capital	Application of <i>Iddhipāda IV</i> and <i>Brahmavihāra IV</i> to foster organizational compassion and employee satisfaction.	(I – Integration): Integrate Digital Leadership with individualized KPIs to support the transition toward the OEM 4.0 paradigm.
ESG & Sustainability	A strong desired state for sustainability exists, although current implementation remains moderate.	(A – Approach): Develop clear Green OEM standards. (D – Deployment): Enforce implementation across the entire supply chain.
Branding & Trust	High levels of satisfaction regarding personnel expertise and operational processes.	(I – Integration): Integrate the “Thai OEM Standard” with ESG reporting to strengthen international institutional trust.

Policy Conclusion: From “Contract Manufacturer” to “Strategic Partner” To propel Thai health and beauty OEM enterprises toward Integrated Excellence (ADLI score ≥ 4.25), the following strategic transformations are recommended:

1. Transforming the Approach

Organizations should transition from a traditional “Build-to-Order” model toward a “Value Co-Creation” model, where Digital Leadership acts as the primary driver of innovation and collaborative product development.

2. Strengthening Systematic Learning

Organizations should move beyond conventional satisfaction surveys and establish a structured “Lessons Learned System” to capture and analyze operational experiences, marketing feedback, and strategic outcomes.

3. Achieving Holistic Integration

Financial performance should be aligned with a customized ESG Scorecard and ethical governance framework. This integrated approach will support the development of a “Happy and Sustainable Organization”, enabling Thai OEM firms to maintain long-term resilience and competitiveness in the global health and beauty industry.

3.1 Strategic Analysis Based on the ADLI Framework

A comprehensive meta-synthesis of the literature, grounded in performance excellence theory and organizational learning frameworks (Baldrige Performance Excellence Program, 2021; Porter & Kramer, 2011; Argyris & Schön, 1978), provides the analytical foundation for examining strategic operational processes within the health and beauty OEM industry. The ADLI framework, originally conceptualized within the Baldrige Excellence Model, offers a structured perspective for evaluating process maturity across four dimensions: Approach, Deployment, Learning, and Integration.

Building upon these foundational theories, related longitudinal and contextual research within Thailand’s OEM sector (Worapongpat, 2024;

2025a) further refines the analysis by incorporating empirical insights from the Samut Sakhon industrial cluster. This integrative approach enables the categorization of strategic development into five critical dimensions.

3.1.1 Competitiveness Enhancement Strategy

Approach and Deployment: Empirical evidence indicates that pricing strategies and production management significantly influence competitive advantage (Worapongpat, 2025b). Most organizations have established a robust Approach (A) by adopting international standards such as GMP certification and industrial automation systems. These strategies are systematically Deployed (D) across production and quality control (QC) departments (Worapongpat, 2025c).

Learning and Integration: The transition toward a Smart OEM Factory requires advanced Learning (L) derived from real-time production data and digital dashboards, which support waste reduction through Lean Manufacturing practices. Furthermore, these processes must be strategically Integrated (I) with global export objectives to enhance international market penetration (Worapongpat, 2025d).

3.1.2 Innovation and R&D Strategy

Product differentiation particularly through specialized herbal tea products and customized nutraceutical formulations serves as a key driver of competitiveness in the health and beauty OEM sector (Worapongpat, 2025e).

ADLI Perspective: The Approach (A) of establishing joint R&D collaborations with universities and research institutions represents a major organizational strength. However, a critical gap remains in the Integration (I) dimension. Market intelligence and consumer insight data should be more

effectively incorporated into the early stages of research and development to promote market-driven innovation that directly responds to consumer demand.

3.1.3 Sustainability and ESG Integration Strategy

Although stakeholders express a high Desired State regarding Environmental, Social, and Governance (ESG) practices, the current level of implementation remains moderate (Worapongpat, 2025f).

ADLI Perspective

Significant improvement is required in the Deployment (D) dimension by implementing “Green OEM” standards across the entire supply chain (Worapongpat & Chaoluang, 2024). Additionally, Learning (L) mechanisms should be institutionalized through systematic ESG reporting to provide measurable assessments of environmental and social impacts.

3.1.4 Human Capital Development Strategy

A distinctive strength of Thai OEM organizations lies in the integration of Buddhist ethical principles, particularly Iddhipāda IV (Paths to Success) and Brahmavihāra IV (Sublime States of Mind), which are strongly associated with high levels of employee satisfaction (Worapongpat & Charoensuk, 2023).

ADLI Perspective

1) Approach (A): Management applies ethical values such as compassion, perseverance, and dedication as a framework for merit-based task delegation.

2) Integration (I): Future strategic development should combine these ethical foundations with Digital Leadership (Worapongpat et al., 2024). This integration aims to transform employee satisfaction into

measurable productivity gains within the OEM 4.0 era through transparent and competency-based performance evaluationsystems.

3.1.5 Trust and Branding Strategy

High levels of B2B client satisfaction, particularly regarding personnel expertise and service delivery processes, constitute the foundation of organizational trust (Worapongpat, 2023).

ADLI Perspective

The Approach (A) should evolve from traditional contract manufacturing (OEM) toward strategic brand partnerships, including ODM and OBM models. By Learning (L) from client satisfaction metrics, organizations can develop a compelling brand storytelling strategy. This narrative should be strategically Integrated (I) with safety standards and corporate social responsibility initiatives to establish the “Thai OEM Standard” as a globally recognized symbol of excellence.

3.2 Critical Discussion: Path toward Organizational Excellence

The ADLI-based strategic analysis of the health and beauty OEM industry highlights three critical themes necessary for achieving global excellence.

3.2.1 Integrating Ethical Leadership with Digital Productivity

The finding that Thai OEM executives successfully integrate Iddhipāda IV and Brahmavihāra IV to enhance employee satisfaction (Worapongpat, 2025h) aligns with theories of Servant Leadership and Humanistic Management.

However, from the Integration (I) perspective, ethical leadership alone is insufficient for sustaining long-term competitive advantage. Organizations must combine ethical leadership with Digital Leadership to transform employee satisfaction into measurable productivity

outcomes. Such a data-driven approach is essential within the Operations category of the Thailand Quality Award (TQA) framework.

3.2.2 Bridging the Gap between ESG Awareness and Implementation (The ESG Gap)

Recent research highlights a significant gap between the high Desired State of ESG commitment and the moderate Current State of operational implementation. This discrepancy reflects weaknesses in the Deployment (D) and Learning (L) dimensions of the ADLI framework.

Drawing on Porter and Kramer's Creating Shared Value (CSV) theory, ESG should not be treated merely as a corporate social responsibility initiative. Instead, it should be embedded within the organization's core strategic Approach (A).

Practical applications may include:

- 1) Herbal waste valorization
- 2) Circular production systems
- 3) Systematic carbon footprint reduction

Strengthening these mechanisms will enhance the Integration (I) dimension and reinforce international trust in environmentally regulated export markets.

3.2.3 Transitioning from Inspection-Based Management to Proactive Learning

Within the Learning (L) dimension, many Thai OEM firms primarily rely on customer satisfaction surveys, reflecting a form of reactive learning.

In contrast, high-performing organizations operating under frameworks such as the Thailand Quality Award (TQA) or the Malcolm

Baldrige Excellence Framework emphasize proactive organizational learning systems. These systems integrate R&D innovation with a formal Lessons Learned process derived from operational experiences and performance analytics.

Such practices establish a continuous improvement cycle consistent with the Plan–Do–Check–Act (PDCA) model. Advancing toward this level of maturity can reduce vulnerability to price-based competition, which has been identified as a major constraint on marketing performance. Instead, firms can shift toward value-based differentiation strategies.

Conclusion and Policy Recommendations

Based on the synthesis of this research, three primary recommendations are proposed to guide the Thai health and beauty OEM industry toward Strategic Excellence.

1) Enterprise Level: Organizations should adopt the ADLI framework as a quarterly self-assessment tool, with particular emphasis on integrating employee well-being (ethical leadership) with operational efficiency (digital leadership).

2) Industry Network Level: The establishment of an OEM Knowledge Platform is recommended to facilitate the sharing of Learning (L) outcomes, herbal innovation research, and manufacturing best practices among industry participants. Such collaboration would shift the competitive landscape from price-based competition toward product differentiation.

3) Policy Level: Government agencies should provide targeted research funding to support ESG integration among SME OEM enterprises. In addition, a national certification system such as a “Thai OEM Seal of

Excellence” based on ADLI process quality standards should be introduced to strengthen international confidence in the Thai OEM industry.

Conclusion

The assessment of process quality through the ADLI framework serves as a critical strategic instrument for guiding the transformation of Thailand’s health and beauty OEM industry. By systematically evaluating Approach, Deployment, Learning, and Integration, organizations are able to identify structural strengths and operational gaps that influence long-term competitiveness.

The findings suggest that the industry must move beyond traditional price-based competition toward a more sustainable model grounded in innovation, ethical leadership, and ESG-oriented governance. The integration of Buddhist ethical principles, particularly Iddhipāda IV, with modern management practices contributes to enhanced employee engagement, organizational learning, and operational productivity. When aligned with Environmental, Social, and Governance (ESG) frameworks, these ethical foundations further strengthen corporate credibility and international trust.

Moreover, the ADLI-based assessment highlights the importance of strengthening the Learning and Integration dimensions, particularly through the utilization of data-driven decision-making, innovation ecosystems, and strategic alignment across organizational functions.

Overall, this study provides a conceptual and practical roadmap for entrepreneurs, executives, and policymakers to conduct organizational self-assessments, identify strategic development gaps, and implement

systematic improvements. Ultimately, the framework encourages Thai health and beauty OEM enterprises to address a critical strategic question:

New Body of Knowledge (NBOK)

The systematic examination of process quality assessment in relation to the management and development strategies of the health and beauty OEM industry has generated a novel conceptual contribution. This New Body of Knowledge (NBOK) is synthesized into an integrated model that links process excellence with strategic management to enhance organizational competitiveness and sustainability.

The proposed framework conceptualizes organizational development through the four dimensions of the ADLI model: Approach, Deployment, Learning, and Integration. These dimensions collectively form a dynamic system that drives organizational excellence within the health and beauty OEM sector.

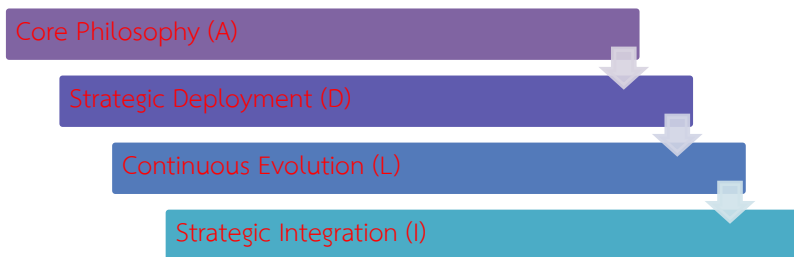


Figure 1

The Impact of Process Quality Assessment on Strategic Management and Development for the Health and Beauty OEM Industry

As illustrated in Figure 1, the synergy between process quality assessment and strategic management generates a systematic organizational mechanism consisting of four interrelated dimensions:

1. Core Philosophy (Approach – A)

The foundation of the framework is the integration of Buddhist ethical principles, particularly Iddhipāda IV and Brahmavihāra IV, as the philosophical basis of the organizational Approach (A). These principles promote perseverance, ethical leadership, compassion, and organizational harmony, contributing to the development of a “Happy and Value-Based Organization.” Such ethical foundations strengthen employee engagement and foster a supportive organizational culture conducive to long-term productivity.

2. Strategic Deployment (Deployment – D)

The Deployment (D) dimension emphasizes the systematic implementation of strategic initiatives across organizational units. This includes the operational integration of R&D innovation, digital manufacturing technologies, and “Digital OEM” standards into core business processes. Effective deployment enables organizations to respond efficiently to evolving market demands, particularly within B2B markets and direct-selling distribution networks.

3. Continuous Evolution (Learning – L)

The Learning (L) dimension focuses on the continuous improvement of organizational processes through data-driven learning mechanisms. By leveraging data analytics, customer insights, and ESG performance indicators, organizations can identify opportunities for innovation and operational

refinement. This ongoing learning process supports adaptive capability and strengthens long-term competitive advantage.

4. Strategic Integration (Integration – I)

The Integration (I) dimension highlights the alignment of organizational systems, strategies, and performance indicators. Through the holistic integration of innovation, sustainability initiatives, human capital development, and branding strategies, organizations can establish the “Thai OEM Standard” as a globally recognized benchmark of quality and reliability. This integration reinforces international brand credibility and institutional trust.

Overall, this New Body of Knowledge demonstrates that the advancement of the health and beauty OEM industry cannot rely on isolated improvements in individual functions. Instead, sustainable transformation requires a comprehensive and systematic assessment of organizational processes guided by the ADLI framework. Through the integration of ethical leadership, innovation management, and ESG-oriented governance, the industry can achieve high competitiveness, cutting-edge innovation, and sustainable long-term growth in the global marketplace.

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