Right Action and Ethical Behaviour: The Humane way of Marketing

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Abstract

This paper is a literature review of the fundamental of humane marketing. The papers identified the business crisis globally. From the business crisis, the fundamental of Buddhism is critically reviewed. The four-noble truth and eight path-fold were critically studied on their role that contribute to sustainable marketing strategy. This paper provides basic development of Buddhism to humane marketing.

Keywords: Marketing, Ethics, Sustainable, Marketing Ethics, Right Action, Right Behaviour, Buddhism, Humane Marketing.

Introduction: Today, there are numerous scandals involving in the business world. From the car making giant (Edmonson, 2007), to electronic giant (Alpeyev & Amano, 2015), food production giant (Cullinane, 2013) and mining giants (Kiernan, 2015). All this have affected not only hundreds of thousands of lives but, millions of peoples. It can affect them in many ways. From income to living environment and also other social living matters.

Amidst all this happened in western cultures, we could not assume it will not happen in the eastern cultures. Even in Malaysia, a logistic service provider company linked to the government has also involved in scandals (Yeong, 2014). Therefore, the “ASEAN” community as a strong platform in the South-East Asia for business transaction are positioned to similar threat for such scandals if it is not controlled in early stage.

In the ASEAN countries, it has more than five members out of ten are officially Buddhism country and almost all of the countries have Buddhist disciples. But, in this study we will only focus in the country of Malaysia and Buddhist teaching knowledge inherited from thousands of years ago by generally the Chinese ethnic.

Corporate scandals are not only well known on the west side of the globe. In Malaysia, corporate scandals started in the early 80’s but as of today, many have taken this type of case very lightly. Majority of the people pay no longer much attention to cases this type. Many may just read through the news any did not pay any further attention or action.
Results of corporate scandals may not just stop at the point of accusations of the directors, the effects to the stakeholders are very impactful not only at corporate and financial level, it has also very high impact towards the environmental segment and development of a nation or country (Friedman & Miles, 2006).

One of the biggest scandals in Malaysia during the 1980’s (1979 – 1980 to be exact) is the Bumiputra Malaysia Finance Scandals that shook Malaysia to the core. The scandal involved not only the corporate leaders but also political linked which cost a hefty sum of close to RM 2.5 Billion (Reuters, 1985).

Apart from this, in 1986 another famous scandal which involved the Pan-Electric Industries (Pan-EI) which also sees another corporate – political linked scandal which cause many sufferings to the stakeholders. The scandal cost Malaysia’s RM 1 billion resources (Aw, Han, Ng, Tang, & Wong, 2004). Even in recent years (10 years), scandals from logistics company linked to the government named Transmile Group Berhad.

In 2014, The Transparency International ranked Malaysia on the position of 50 over 175 country of the world on the corruption index. The score stands at 52% somehow position Malaysia on a middle score of the Corruption Perception Index (CPI). Amidst the position, Malaysia ranked number two spot among the ASEAN countries behind Singapore (Transparency International, 2014). This has not set a good example to the world of business that deemed may treat foreign investor bad. With such score and position, this may deter foreign investor to invest in the country.

**Deception in Business World:** Malaysia is a country influenced by many religions. Apart from formerly ruled by the British and others, Malaysia has four main distinct religions namely Islamic, Buddhist, Christianity and Hinduism which lived peacefully for the past 60 years since independence in 1957. The country has progressed to industrialisation era over the years and many organisations has been formed and rooted here.

Although progressing, there are issues that may sometimes put a halt on an organisation and maybe collapsed it. Over the past five years, we have heard news about “Creative Accounting”, Criminal Breached of Trust and reporting deceived financial accounting. However, even many leaders or financial managers know that this is a commercial crime and punishable by the law of a country but, these leaders still take the risk of committing the crime. Are they considering this as a petty crime and willing to take the risk to cheat the investors? (Abdullah, 2007).

Over the years, shareholders and investors losses billions of dollars to these irresponsible organisations when frauds happened. With only cases from Enron, WorldCom, Qwest, Global Crossing and Tyco, investors and stakeholders lost more than $460 billion in the United States (Cotton, 2002). This has happened not only on the western side of the globe. Considering the cumulative over European Continent, Asia and the Mediterranean, the amount is too huge to assume.
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On the other side from creative accounting, corruption is another major issue with organisations using such method to secure interest be it for personal or the benefit of the company. Steps and methods are used to hide the secrets in the accounting books which are not easy to discovered by the auditors or authorities (Rezaee, 2005). Malaysia is in the stage of developing and with early stage of corporate governance and weak legal system, such fraud cases are still at large. Many are undiscovered and cleverly hidden in the accounting books (Umran, Johl, & Ibrahim, 2015).

There are other means of deceits in the business world practice by organisations which some has been revealed and more are still hidden behind the scene (Leow, Jalun, Ahmad, & Nadasan, 2017). For example, in 2015 the mining disaster happened to Brazil which was caused by the organisation named Samarco (a joint venture company from BHP Billiton and Vale). A disaster so great which caused hundreds of families losses their home and an environment pollution which need more than 100 years to recover by itself (Kiernan, 2015).

On the other hand, the alteration of documentation to achieve the diesel emission car environment cleanliness standard which put Volkswagen a step ahead of other competitor was another hit to the Germans. This set back was not only felt by the organisation but, it shook the core of Germany’s (known as engineers of the world) population, losing not only on the confidence but also the amount of shame is too huge to consume. A research engineer Daniel Carver from West Virginia University unearth the truth with his research team of 5 members financed by an non-profit organisation was at great shock after revealing the result (Kim & Pickering, 2015).

The Code of Ethics in Malaysia: Many may know that there is a ministry regulating between the business owners, organisations and the consumers but, are not exposed to the self-regulating code of ethics published by them, The Ministry of Domestic Trade, Co-operative and Consumerism (MDTCC). In 2002, MDTCC has delineated six principle code of ethics for business with the purpose to be practiced by the traders and consumers (MDTCC, 2016). The six principle include honesty, responsible towards customers, society and environment, geniality towards fellow humans, moderation in business dealing, fair treatment of customers, zeal in making the business a success.

Honesty: The business owner’s propensity towards honesty including the intention and declaration of the business transaction as well as in his thoughts, action and speech are the utmost importance attribute (Irons, 2013). According to Mazar. Amir, Ariely (2008), they believe that honesty plays a wide set of indispensable role in the marketplace. Although not always mutually exclusive, the concept of honesty is explained individually.

Responsible towards customers, society and environment: Responsibility towards the consumers, humanity and the environment for every actions and choices made is one of the important factor that contribute to good business behaviour. Offering products at fair prices (Hainmuller, Hiscoz, & Sequeira, 2015) and ensuring that services offered proportionate with the quality of services provided. It is crucial to ensure that products or services offered must not be socially or environmentally damaging (Chen, Olhager, & Tang, 2014).
Geniality towards fellow humans: Compassionate and respectful towards other humans, considerate and generous with mutual cooperation. Actions and decisions taken must take into account the interest of all parties and not only the beneficial of single party. In situation when a buyer had made an error in purchase, and desires to exchange it with other items or a cash refund, the seller must try accommodate the request in order fulfil the social responsibility towards the society as a whole (Mohamad Fazli Sabri, 2014).

Moderation in business dealing: Adopting a humble, reserved, modest, moderate, charitable approach and be frugal in all areas of life is not only the religious teaching but, it is also the way of life in showing respect of all living creatures (Irons, 2013). As business owner or organisation’s decision maker and top management, these groups should be mindful and considerate as well as provide contribution and support to those in need (Mohamad Fazli Sabri, 2014).

Fair treatment of customers: There should not be hypocrisy in business transactions and decision made must not be beneficial to only one party. Reasonable treatment must be shown regardless of race, class or status. A business owner and decision makers should not practise any form of discrimination against any customers, regardless whether the customer is a dignitary or an ordinary person, as fair treatment and the value of the money still remain the same (Hainmuller et al., 2015).

Zeal in making the business a success: Execute something with tenacity, diligence, and patience, as well as never giving up, having the courage to take risks and ready to put the utmost efforts to achieve the goals.

When entering a business field, the business owner should not be intimidated by existing businesses, what is important is how the success of other businesses could be a motivation for success (Mohd Shukor & Leow, 2015).

Such codes exist since the early 2000’s but, many business owners and leaders does not know that there are such codes as it is meant for self-regulations. Large organisations or multinational companies may even have their own code of ethics or code of practice. Such codes may have even stuck at the shelf for a very long time until there is a misconduct then, it will be retrieved for guidelines.

The Social Understanding of Western Culture in Business: The revolutionary of selling methods traced back to the beginning of 19th century. The first recorded selling methods called the “Snake Oil Selling”. The tactic is well known by using salesman to sell something ultimately with super powers. Hiding the disadvantage of the product and only sell the benefit to the unaware consumers (Barrett, 2013). In the late 19th century, the “Pyramid Selling” methodology then emerged to replace the snake oil selling method. The pyramid selling method uses key decision makers to sell in within their personal network of the seller. This method is still widely used by some organisations especially insurance and drug supplements industry. Better known as “Multilevel Marketing” in today’s world (Girish & Dipa, 2015).
Then comes the 20th century selling method. In the early years, the “Trust Based Selling” (developed by John Henry Patterson) and “Scientific Selling” emerge in almost similar time around 1916. The method uses improved professionals by building trust and knowledge. Others methods emerged during the 19th century includes “Brand Based Selling” (NBC-National Broadcast Corporation), “Psychological Selling” (Dale Carnegie), “Barrier Selling” (Peter J. Wosh), “ARC Selling” (Richard S. Tedlow), “Formula Selling” (David Ogilvy), “Need Satisfaction Selling” (Don Hamalian), “Strategic Selling” (Miller Heiman), “Consultative Selling” (Niel Rackham) and “Relationship Selling” (Mike Bosworth) at the end of the century (Barrett, 2013).

Coming to the 21st Century, the latest two new method introduced were “Solution Selling” developed by Niel Rackham and “Challenger Selling” developed by The Corporate Executive Board. Almost all of the methods reviewed below are introduced by the western cultures, it has been introduced to the ASEAN during the information transferred when industrial revolution started with Singapore during the 1960’s (Thee, 2003).

In Asia, particularly South East Asia, there are numerous ethnic and cultures available and each ethnic have its own distinct beliefs, religions, perceptions and needs. Most of the ethnic and cultural practice are not the same and could live harmoniously together in the same region (Shukla, Singh, & Banerjee, 2015). In the eastern side of the globe, especially Asians are defined as collectivism culture by many philosophers from the western culture (Capaldi, 2005; Gelfand, Triandis, & Chan, 1996; Honeycutt, Karande, & Jantan, 2002; Ramayah, Lee, & Mohamad, 2010). The social needs of the Asian culture and westerns are substantially different. While, the westerns are labelled as the individualism, this is because the way they brought up the children and religious perceptions.

Malaysia in particular, is a country which has four main religions and many other indigenous tribe people. The four main religions consist of Muslim (majority of the population), Buddhism, Hinduism and Christianity. A country which blessed with many forms of natural resources and multi-racial has a population of thirty million (Department of Statistics, 2011). Although with multi-racial, most of the Malaysians are labelled as having collectivistic mind-set irrelative to religious (Honeycutt et al., 2002). Therefore, ethical consideration and marketing strategies must be carefully planned. It is very important that marketers understand the local cultures and sensitivity of the collectivistic behaviour of the ethnic. Studies have shown, marketers who understands the local cultures and collectivistic behaviours have an advantage edge over competitors and mostly wins the hearts of the locals (Nguyen & Rowley, 2015).

**Ancient Chinese Wisdom and Humane Marketing:** In this section, the researcher intends to find out how much has Ancient Chinese Wisdoms contributed to the ethical marketing and decision making. How the Buddhist believers have induced the teaching into being ethical and leads to making decision to an action or intention.

Many scholars believe Buddhism begin during the 6th century Before Christ (B.C) with the birth of Siddhartha Gautama on the full moon day of May 623 B.C (Irons, 2013;
Mahathera, 2002; Mikulas, 1978; Rahula, 1959). Borne to the family of a chieftain in the district of Nepal, Siddhartha Gautama grew up surrounded with luxury and education befitting a prince which later got married and bestowed a son. With sudden confrontation of humanity and the reality of life, Siddhartha Gautama realised the suffering of mankind and decided to find the solution to ease or a way out of this universal suffering (Rahula, 1959). Soon after his only child was born, he (at the age of 29) left his empire and became an ascetic in search of the solution.

Six years later, after obtaining vast knowledge from many religious teacher and self-dogma, Siddhartha Gautama attained Enlightenment. Siddhartha Gautama was known as “The Enlightened One” and pronounced as “Gautama Buddha” (Mahathera, 2002; Rahula, 1959). Gautama Buddha delivered his first sermon and teaching to any human being who are willing to learn and follow it at the Deer Park at Isipatana. Spreading its teaching throughout the north and the south of Nepal and India, Gautama Buddha became the well-known religious teacher and for the next 45 years he has never stop sharing his wisdom with every single one.

During the transition of the teaching, knowledge obtained from Gautama Buddha was later distinct to Northern Buddhism and Southern Buddhism teaching many years later (Frowde, 1883). Much later date, The Buddhism teachings has again divided to what we have known today as Mahayana Buddhism, Theravada Buddhism and Sukhavana Buddhism. Although divided, the foundation of the teaching still goes back to the Four Noble Truth (The basic of Gautama Buddha’s teaching). Gautama Buddha listed the Four Noble Truth as Dukkha, Samudaya, Nirodha and Magga (Frowde, 1883; Mikulas, 1978; Rahula, 1959).

The teaching of Gautama Buddha arrived in South East Asia (S.E.A) after 200 A.D. The oldest reference made available today are from the biography of Kashmiri Prince and monk Gunavarman in the year 367 A.D to 431 A.D. which believed to have preached in Sumatra (known as Indonesia today) (Steenbrink, 2013). With the Spice Trade Routes’ history, Buddhism teaching reaches the shores of Malaya soon after (known as Malaysia Today). Referring to the statistics from Malaysia Statistics Department, in 2010 Malaysia recorded 19.8% of its population is Buddhist religion (Figure 1.1) making it the second largest religion in the country.

Turning to The Four Noble Truth (Cattdri Ariyasaccant), the foundation of Gautama Buddha’s teaching starts with The Four Noble Truth. They are Dukkha, .......

**Dukkha (The Suffering Exists):** The first noble truth referred to “The Noble Truth of Suffering” by many scholars. In Buddhism’s teaching, Gautama Buddha set this as the first noble truth due to many reasons. One of the main reasons is that, “life” to Buddhism is nothing but pain and suffering (Mikulas, 1978; Rahula, 1959).

Understanding the meaning of suffering, Gautama Buddha intends to lead us the way of life. From the base of the first Noble Truth, Gautama Buddha intends to show us the way to
circumvent all the suffering. According to Gautama Buddha, suffering can come in many forms. Be it birth, diseases, death, united with the unpleasant, separated from the pleasant and not receiving what one craves for is a form of suffering (Buswell, 2004; Irons, 2013; Mahathera, 2002).

The lesson Gautama Buddha is trying to convey is that, human being does have a choice to choose not to restrain oneself in the suffering instead, we could choose a path to lead a moderate life which filled with happiness. By understanding that the suffering would not spare anyone, one must choose how to lead the life they wanted (Marques, 2015)

**Samudaya – The origin of Dukkha (Suffering Has A Cause):** In the Second Noble Truth, Gautama Buddha is trying to explain that suffering has a cause. The suffering lies in the sense of desire, possessiveness and thirst. Human desire to gain and gather causes all the suffering ones have to bare. The human desire of wanting something has been nurtured during the moment of birth. But, according to Gautama Buddha’s teaching, desire mind set can be trained and controlled thus, suffering can be also controlled and reduced (Marques, 2015)

**Nirodha–The Cessation of Dukkha (Suffering Can Be Ended):** Comes to the third Noble Truth, Gautama Buddha once said that suffering can be ended. To obtain the release of the suffering, one must be able to release the sense of desire, thirst and crave in within its own self (Marques, 2015).

**Magga – The way leading to the cessation of Dukkha (The Path to End Suffering):** Also known as the correct path in the modern days (Irons, 2013), the final Noble Truth of Gautama Buddha’s teaching was the way leading out of suffering. Gautama Buddha formulated these Eightfold Path from three very basic practice, first from morality (sila), second from concentration (Samadhi), and the third from wisdom (prajna). Figure below summarised the explanation of how the Eightfold Path is linked to the last Noble Truth.
The Noble Eightfold Path: Upon understanding the cause of imperfection and unsatisfactory life which emerge from craving and ignorance, Gautama Buddha guide his disciples to the state of perfection with Eightfold Path (Keown, 1995; Rahula, 1959). The essence of Eightfold Path emphasises the moral cultivation, concentration or meditation and knowledge of true human nature or wisdom (“A Basic Buddhism Guide: Buddhist Ethics,” 2016; Irons, 2013; Keown, 1995; Rahula, 1959). From the viewpoint of moral cultivation, Gautama Buddha laid down five precepts for his disciple which include not taking any life of living creatures, stealing or taking what is not freely given, sexual misconduct or adultery, lying or wrongful use of language (gossips or talking about frivolous or malevolent topics) and misuse of intoxication substance (drugs and alcoholic element) which may promote violence and delusions (Buswell, 2004; Fam, Waller, & Erdogan, 2004; Irons, 2013; Keown, 1995; Rahula, 1959). In general, all the necessity to follow the right path of Gautama Buddha lies in the Eightfold Path which also have links with each other.

Right Speech (Samma-vaca): Understanding that words has the power to heal and injured (psychologically), engaging in the right form of speech means everything in todays’ modern technology (Marques, 2015). Right speech is the central component of the morality practice. By practicing of using the right words, one may induced encouraging message to other people so that it fosters harmony and the enjoyment of harmony (Bamford, 2014).
Gautama Buddha once said, one should not speak carelessly, rude, harsh, impolite, malicious, abusive and lies. As this may bring hatred and disharmony among people or groups. One should speak only the truth and use of words wisely with right timing and place. If one could not say something useful, “keeping noble” silence may be the right choice (Rahula, 1959).

**Right Action (Samma-kammanta):** Right action aims to promote peaceful, honourable and moral conduct. Gautama Buddha reprimands one to avoid from destroying any living creatures, stealing, dishonest dealings, intoxication and any illegitimate sexual misconducts. With precise practice, one should assist others to lead a honourable and peaceful life in the right way (Rahula, 1959).

Standing in the second position in the morality practice, the Right action comes after the Right Speech with a meaning (Mahathera, 2002).

Right Action comes in many aspect, it consists from religions, business to everyday life. The simplest way to understand in the sense of business is cheating. The meaning of Right Action may sometime just as easy as not to intentionally act to cheat. The easiest act of cheating may come from alteration of documentation and conceal of actual information (Kim & Pickering, 2015).

**Right Livelihood (Samma-ajiva):** The meaning of Right Livelihood relates to how we earn our living. Using the right way and channel to make a living without dealing or promoting any kinds of weapons, drugs and human trafficking or so forth which will endanger other living creatures or life threatening condition (Marques, 2015).

Although, it seems to be easy to understand. Right Livelihood may also mean of not destroying nature which in the end will cause misery to the other living creatures, such as deforestation and destroying habitats of other living creatures (Hoare, 2015).

**Right Mindfulness (Samma-sati):** Right Mindfulness in the early Chinese teaching involves the path of meditation. It relates to the right conscious mindset. The central of all mentality, good mindset leads to right view, intention, speech, action, livelihood, effort and concentration (Marques, 2015). As the leading component in the concentration practice, cultivating the right mind will be the key to all action taken by individual.

This practice of meditation has been widely promoted not only to Buddhist religion and even the westerner called it as zen practice. Some leaders do practice this meditation on more simple way. Some author called this the inner voices where every leaders is advice to start to talk to the inner-self to achieve a balance in the souls and minds (Mohd Shukor & Leow, 2015).

**Right Concentration (Samma-samadhi):** The simple understanding of right concentration is just focusing on the importance. For example, focusing on the right things such as putting the moral importance on first priority. This may lead a human into living the right way and have peaceful life (Marques, 2015).
The next example is focusing things right. Human are sometimes drive to the fantasy imagination where the inner devil may take over and unintentionally execute bad action. This can easily link to the theory of social learning. If a person saw an action is conducted as a norm, then he may think it is right to execute the same action (Bandura, 1977). There focusing on things right is very important as well so that the concentration is not easily stirred.

**Right Effort (Samma-vayama):** Right effort means right endeavour. By doing the right thing, we are paving the right path to a better future. For instance, people who work diligently, honestly and right effort will be noticed but, people who work in the industry which produces weapons or drugs which causes harms and sufferings in also undeniably devote efforts in their work but then again, this defies the meaning of right effort according to the Gautama Buddha’s teaching (Marques, 2015). Therefore, by practicing the right effort, one should distinguish their action, intentions and thoughts so that their efforts continue to be constructive.

**Right View/Understanding (Samma-ditthi):** Coming to the third practice called “The Wisdom”, foremost path of this practice is called Right View. Although the right view may be a good starting point for understanding the four-noble truth but, there is no stated requirement that it must be first practiced. Bu understanding the four noble truth with wisdom, one should understand that the fact that we suffer, the reasons we suffer and finally the realism that one can choose to end the suffering by practicing the eightfold path (Marques, 2015).

Marques (2015) stated that “Thich Nhat Hanh who was once the most well-known monk of our time said that right view can help us nurture the good intentions we have and keep the bad intentions dormant”. Knowing that we all have both good and bad intentions in us but, making the right choice and allowing the choice to stay in us is solely upon us. Some researchers proved the practice of right view in Buddhism teaching are closely related to perceptions. Where this perception may affect our attitude, be it directly or indirectly (Ajzen, 2011).

**Right Thought/Intention (Samma-sankappa):** Coming to the last teaching of the eightfold path, Right Intention is linked to the right thinking or thoughts. To help us keeping the correct focus path, Thich Nhat Hanh has once advised that there are four easy activities which could guide us to re-focus whenever we get distracted from our right intentions (Marques, 2015).

Questioning ourselves if we are sure of what we see, hear, or read. There are often multiple ways of interpreting something, and our first inclination may not be the right one. Taking some time to contemplate everything could help us refocus and engage in right intentions.
Asking ourselves what we are doing can also help us refocus, as we often tend to perform on “auto pilot” and engage in behaviours and actions that we have simply adopted from others or from what we have learned in the past.

Critically reviewing our habits is another way to keep our intentions on track. We all have good and bad habits, and it is very easy to fall into them. Our bad habits, especially, have a tendency to emerge when we least need them. Remaining alert, and regularly evaluating our behaviours, responses, and actions, could help us refrain from falling back into habitual patterns.

Maintaining clear & kind mind, which is the aspiration to obtain an awakened mind for the benefit of others. When we engage in kind attitude, we become filled with the intention to do well unto others, and help them become happier, more fulfilled beings.

Implication of Right Action and Humane Marketing: Marketing in an organisation are deemed to be one of the most preliminary strategist. It strategies the way an organisation has to move forward. Being the strategist of an organisation, the marketer sets the way types of consumers and customers the organisation should interact with to maximise the organisation’s vision and profits (Baker, 2009).

The marketing departments usually has the responsibility to bring up the brand name of the organisation to become famous but, sometimes it can be the opposite way of being notorious. Taking into the consideration of right action, the marketers must first have the right thought of at least doing the right thing. Ethical consideration in this context plays the most critical role as it greatly affects the future of the organisation (Arnold, 2009; Hoek, Roling, & Holdsworth, 2013; Pitta, Fung, & Isberg, 1999). Many researchers over the years have debated in this topic and nevertheless, till today the topic is still a hot issue as the organisational unethical marketing conduct still exists.

Summary: The world is changing, business paradigm shift and it creates various global scenario. Business scandals happens in various business setting. The needs to overcome the global crisis were critically studied through literature review. The concept of Buddhism in relation with development of marketing strategies and concept of human marketing is discussed in this research. Systematic approach has been reviewed to acquire knowledge in the importance of humane way of marketing that contribute to the sustainability marketing strategies.

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