

Humanistic Buddhism and Business Ethics

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ABSTRACT

This paper first explores the conceptual foundation of business ethics as defined currently in the mainstream western business world. In the second section, an ethical system comprising meta-ethical values and pragmatic ethical practices is constructed from the perspective of Humanistic Buddhism. Business ethics are then discussed as an integral part of this Humanistic Buddhism's interpretation of ethics. Finally, the paper addresses the possibility of constructing universal business ethics from the aforementioned conceptual framework of Buddhist ethics.

Conceptual Foundation of Business Ethics

Ethics is the study of what is good and evil, right and wrong, and just and unjust. Business ethics, therefore, is the study of good and evil, right and wrong, and just and unjust actions in business. In general, ethical traditions that apply to business favor truth telling, honesty, protection of human and animal life and rights, respect of law, and operation in accord with policies adopted by society to achieve justice for all. Some of these touchstones go back thousands of years. Other ethical standards, such as the principle that a corporation is responsible for worker safety and health, have emerged only recently. These ethical values in business are considered to come from four major sources: religion, philosophy, culture, and law [Steiner and Steiner, 1997, p. 184.]

Religion

Despite their doctrinal differences, the major religions in the world converge in fundamental principles of secular ethical values. The principle of reciprocity toward one's fellow humans, a variation of the Judeo-Christian Golden Rule, is found in religions such as Buddhism, Christianity, Judaism, Confucianism, and Hinduism. In the Western World, the Ten Commandments, the Golden Rule, and the Sermon on the Mount have often been mentioned as guides for managers [Seibert and Proctor, 1984, pp.119-20].

Philosophy

Socrates (469-399 B.C.) asserted that virtue and ethical value behavior were associated with wisdom and taught that insight into life would naturally lead to right conduct. Plato (428-348 B.C.), the gifted student of Socrates, carried his doctrine of virtue as knowledge further by elaborating the theory that absolute justice exists independently of individuals and that its nature can be discovered by intellectual effort. Aristotle, in his doctrine of the golden mean, claimed that people could achieve happiness by practicing the virtue of moderation. Epictetus (50-100 C.E.) preached that virtue was found solely within and was a greater reward than external riches or outward success. Catholic theologians St. Augustine (354-430) and St. Thomas Aquinas (1225-1274) believed that humanity should follow God's will, and correct action in business and all worldly activity was necessary to achieve salvation and life

after death. Secular philosophers such as Baruch Spinoza (1632-1677) and Immanuel Kant (1724-1804), using a deontological approach, tried to find universal ethical values through logic and analysis (universalism). Jeremy Bentham (1748-1832), taking a teleological approach, developed a utilitarian system of ethics in which an ethical action was the one that brought utility to the largest number of persons and least pains to others (utilitarianism). John Locke (1632-1704) refined the doctrines of human rights, including the right to pursue life, liberty and happiness, and the right to freedom from tyranny.

Alongside the “idealistic” thinking discussed above, a “realist” school of ethics was developed by Machiavelli (1469-1526), Herbert Spencer (1820-1903), and Friedrich Nietzsche (1844-1900). They depicted a harsh ethic that justifies vicious competition among companies because it furthered evolution—a process in which humanity improved as the unfit fell down.

Hosmer [1987, pp. 103-07] added two modern ethical systems based more on values than on principles. The distributive justice theory, proposed by Harvard professor John Rawls, suggests that an action in a society can be considered to be “right” and “just” if it leads to greater cooperation by members of society, and “wrong” and “unjust” if it leads in the opposite direction. The personal liberty theory, proposed by another Harvard professor Robert Nozick, considers personal liberty to be the first requirement of society. Any action that violates individual liberty, even though it may result in greater happiness and benefits for others, should be rejected as unjust, and any action that does not violate individual liberty should be accepted as just.

Culture

Durant and Durant [1968, pp. 37-42] observed that civilization has evolved through three distinct stages of moral codification corresponding to changing economic and social conditions in human history. In the hunting and gathering stage, ethics were adapted to conditions in which humans had to fight, face brutal foes, and suffer hostile forces of nature. In such a society, a premium was placed on pugnacity, appetite, greed, and sexual readiness, since it was often the strongest who survived. In the agricultural stage starting ten-thousand years ago, when industriousness was more important than ferocity, thrift paid greater dividends than violence; monogamy became the prevailing sexual norm because of equal numbers of sexes; and peace became valued over wars, which destroyed crops and animals. Two centuries ago, society entered an industrial age which caused ethical values to change again. Most recently, materialism and consumption replaced older virtues such as moderation and thrift. So far, the recent changes have not created a distinct ethic; however, they had created much tension with the old agricultural ethical system.

Laws

Laws are codified rules of conduct or ethical expectations approved by society. In the last 50 years, many laws and regulations have changed the common law in such areas as product liability, litigation by stakeholders, and criminal statutes and liability against business. The government can sanction business by imposing fines, punitive damage, and prosecution of individual managers.

Humanistic Buddhism's Approach to Ethics

Humanistic Buddhism is Buddhism reinterpreted and redirected toward humanity, present life, and this world. Kimball [2000, p. 22-26] summarized Humanistic Buddhism as follows:

... For most people life is a real struggle with a lot of suffering and sorrow. There are reasons for this (cause and effect, dependent origination) and ways to remove the elements of the negative causes (karma, illusions, desires, attachments). The 'tool' to carry out this process includes a correct morality, insight meditation/concentration practices and a realization of wisdom. With sustained practice higher states of consciousness (enlightenment and nirvana) can be attained and a person can move on to either arhatship, bodhisattvahood, or full Buddhahood...

In summary, it is through practicing Buddhism that we can hope to overcome the suffering of the whole world and move on from negative behaviors and karma to a state of wholeness and freedom resulting in a Pure Land here on earth...

In this rendition of Humanistic Buddhism, the goal or sense of purpose (a telos) of morality and ethics for a Buddhist is the removal of human sufferings by attaining the highest state of consciousness, called "nirvana" or "enlightenment." For a Buddhist, ethics is an integral part of the whole practice of achieving full Buddhahood. They have a reference point. "Good" or "right" actions are defined as behaviors that are beneficial toward realization of enlightenment. "Bad" or "wrong" actions are defined as behaviors that are harmful to the practice of becoming a Buddha [Bastow, 1969; Gudmunsen, 1972; Keown, 1992]. As such, right behaviors for a Buddhist include not only a person's outward behavior toward other members of society, but also inward mental activities aimed to develop higher states of consciousness. For example, the eight noble paths include correct view, correct thought, correct endeavor, correct mindfulness, and correct concentration, in addition to correct speech, correct behavior, and correct livelihood. Similarly, the ten virtues include injunctions on one's thoughts (do not be greedy, angry, or have destructive views) besides the prohibition on certain speech (do not lie, slander, cheat or be offensive) and behaviors (do not kill, steal, or engage in sexual misconduct). Compared to the Western definition of ethics, Buddhist ethics reach much more in-depth into the foundation of values and behavior—cognition and consciousness. There is an epistemological and prudential answer to the question, "Why be moral?" [Gruzalski, 1996] In Buddhist ethics, moral practice and the practice of mindfulness and insight into the nature of reality are seamless activities of a whole [Saddhatissa, 1997; Koller, 2000]. The fact that all precepts in Buddhism point to some single eventual good was the reason why George Santayana used Buddhism in the development of his moral philosophy of post-rational morality [Michelsen, 1995].

Because of the doctrines of "dependent origination" and "selflessness," it is very important to note that ultra altruism and social transformation are an integral part of Buddhist ethics or practice toward enlightenment. The former describes reality as an interdependent process where change and choice, doer and deed, person and community are mutually causative. The latter requires full devotion to serving others in one's life as conclusive evidence of a Buddhist realization of "emptiness" of self or reality. Morality in Buddhism is based on these two doctrines, resulting in a reciprocal

dynamics between personal and social transformation as expressed in Buddhist scripture and illustrated in contemporary Buddhist movement such as Engaged Buddhism [Macy, 1979; Quen and King, 1996; Puntarigvivat, 1998]. In the early stage of Buddhism, the Four Boundless States (kindness, compassion, joy, and equanimity) and the Four All-embracing Virtues (giving, amiable speech, conduct beneficial to others, and cooperation) were important parts of Buddhist practices. Later in Mahayana Buddhism, the deeds of a bodhisattva start with a devotional vow to serve and deliver all the sentient beings from suffering and pain. A practitioner would not attain Buddhahood until he or she had gone through the ten stages of bodhisattvahood to eradicate the fundamental ignorance from beginninglessness. Unconditional sacrifice of self and devotion to serving others are a way of self-training for detachment and a necessary precondition to reach enlightenment or nirvana.

In the process of this bodhsattva practice, a practitioner is reminded to exert continuous improvement as required by the Four Correct Exertions; i.e., bring just or correctness into existence, develop existing positiveness, eradicate existing negativity and prevent the arising of new immorality and corruption.

As the culminating and last step on the path to complete enlightenment, a bodhisattva is required to refrain from the attachment to the path or “upayas” of becoming a boddhisattva. Only when a bohdisattva has let go of things, views, ego, inaction, as well as emptiness itself, can the bodhisattva entered into Buddhahood [Herman, 1997].

Business Ethics as an Integral Part of Buddhist Ethics

There is a debate about whether ethics may be more permissive than general societal or personal ethics. There are two basic views: the theory of amorality and the theory of moral unity [Steiner and Steiner, 1997]. The former states that business should be amoral, that is, managers may act selfishly because the market mechanism distills their actions into benefits for stakeholders and society at large. Adam Smith [1776] noted that the “invisible hand” of the market assures that “by pursuing his own interest [a merchant] frequently promotes that of the society more effectively than when he really intends to promote it.” The second theory, in contrast, states that business actions should be judged by the general ethical standards of society, not by a special set of more permissible standards. Only one basic ethical standard exists; business ethics should be harmonized into this overall ethical system. The theory of amorality reached its apex during the latter half of the 19th century when doctrines of laissez-faire and social Darwinism were popular. Today, it has far less public acceptance and luster than it historically had, but it quietly lives on for many managers. Nowadays, more managers are attracted nowadays to the theory of moral unity in business partly because it better spells out the expectations of society, and partly because the market mechanism is well known to fail in many aspects of our economy.

From Humanistic Buddhism’s perspective, business ethics can only and should only be an integral part of Buddhist ethics. This is particularly true when a Buddhist’s entire life is considered as a path or process leading toward enlightenment or nirvana [Kimball, 2000]. From this perspective, several principles involving Buddhist business ethics can be derived:

1. Business is a vehicle for the deliverance of self and other sentient beings. As such, it should emulate a bodhisattva practice to serve and benefit all sentient beings, including all its stakeholders and the environment. At a minimum, it should follow the “correct livelihood” path by shunning away from any activities that are harmful to others, such as trading in arms, living beings, intoxicants, and poison, slaughtering and fishing, soldiering, deceit, treachery, soothsaying, trickery, and usury.
2. The purpose of business should be “fair profit”--fair in the sense that it allows the business, as well as all its stakeholders, a chance to grow and prosper. The bodhisattva spirit is self-awakening through the awakening of others. Full Buddhahood will not be attained if one is only concerned with self-cultivation. For a serious practitioner, aiding and serving others is always a major concern. Personal gain should be checked and contained against others’ needs and interests. Profit, therefore, should be defined as a fair share of total economic surplus reflecting contributions from the business among all the stakeholders in our society.
3. Business should be operated in a friendly way to the environment. Nature is the origin of all beings and non-beings. People need not only conform to the natural world, they must emulate it because they are part of it. Nature and human karma are connected. When people do something constructive for the environment, a positive result comes about. When they do something destructive to the world, a painful retribution results. Humankind for too long has thought of itself as the only “soul of nature,” and, because of this, it has ceased showing respect and appreciation for the many other species that inhabit this earth. To satisfy the greed of the moment, many are willing to pillage and destroy entire ecosystems, leaving their own future in a state of great uncertainty.
4. Business should be a place of equal opportunity. Equality is one of the most important principles in Humanistic Buddhism. Virtually all the world’s problems arise out of inequality and the tensions they produce in societies. Women and men are not equal in most parts of the world, ethnic groups are treated differently almost everywhere, the young and the old, the rich and the poor, the powerful and the weak, all are not equal. The tensions caused by these inequalities are serious, and they eventually lead to very violent conclusions. Equality ensures a style of cooperation which produces a more positive result than found under inequality.
5. Business should be a place to practice all the bodhisattva virtues of loving kindness, compassion, respect, giving, loyalty, empathy, and caring. Mutual interdependence is the reality and the cornerstone of a Buddhist society. All life is a collective effort. Everyone depends on all others. Most humans thirst for community. A Buddhist organization or community should offer a sense of belonging, shared values, mutual support, trust and respect. In such an organization, people can celebrate together, be listened to, be accepted and given a sense of security, offered a chance to create and be supported. A business so organized has the greatest chance to create a new organizational structure and culture in responding to the external demand from a changing environment [Guillory, 2000]

6. Business should be held accountable for continuous improvement. The path to enlightenment is a continuous process of self-renewal. The Four Correct Exertions require a practitioner to guard against any non-virtue and to develop any virtue at any moment of life. The Fourth Paramita of Bodhisattva Path, Zeal and Progress, requires a practitioner to undertake any action for both self-benefit and others' benefit with non-stopping, continuous efforts and endeavors. A business, therefore, should adopt the culture of continuous improvement and perpetual innovation. In so doing, the business not only ensures its own perpetual survival, but also provides the best value and service to its customers and stakeholders.

Universal Business Ethics

Integrating faith or spirituality into business and workplace is not a unique desire or practice of Buddhists. Cindy Crosby [2001] reported that there is a surge to integrate Christian values into business. For example, Bill Perkins's *Awaken the Leader*, which urges business leaders to look to Jesus as the role model, sold 10,000 copies in its first six months. Another book by Laurie Beth Jones [1995], *Hyperion's Jesus CEO*, is still ranked number six at *Spring Arbor* after six years in print. Other books geared toward the "whole person" approach of integrating faith and work are Bob Buford's *Halftime* [1997], Michael Zigarelli's *Faith at Work* [2000], and Gregory Pierce's *Spirituality at work* [2001], just to name a few. Philip E. Humbert [2000] summarized this new trend in business ethics in the following ten principles:

1. Business ethics are built on personal ethics.
2. Business ethics are based on fairness.
3. Business ethics require truth telling.
4. Business ethics require dependability.
5. Business ethics require integrity.
6. Business ethics require a formal implementation plan.
7. Business ethics require a profit from managing resources well.
8. Business ethics apply internally and externally.
9. Business ethics are value-based.
10. Business ethics come from the boss and upper management.

He justified the above business ethics with the statement: "Ethics is about the equality of our lives, the quality of our service, and ultimately, about the bottom line. An unhappy customer complains to an average of 16 people. Treating employees, customers, vendors and the public in an ethical, fair and open way is not only the right thing, in the long run, it's the only way to stay in the business." More than twenty empirical studies have shown that most of the more social responsible companies are not harmed in profits; on the contrary, they show a slightly higher profit over time than the less social-responsible companies [Steiner and Steiner, p. 195].

Johnson and Johnson, the leading multinational firm in health and pharmaceutical industry, is considered to be one of the strong advocates of business ethics around the world. In their ethics statements, "Our Credo," the company first identifies all their stakeholders and emphasizes its responsibility to them. It states that its suppliers and distributors must be allowed the opportunity to make a fair profit.

The second paragraph discusses empowerment and support to employees. It states that everyone must be considered as individual; that they should be treated respectfully and with dignity; that their sense of job security should be ensured; that working conditions need to be clean, orderly, and safe; that employee must feel free to make suggestions and complaints; and that the company should help employees to fulfill family responsibility. The third paragraph stresses the company's responsibilities to nature and the world community. It states that they should be good citizens, supporting charity and civic improvement, and protecting the environment and natural resources. The last paragraph points out the importance of innovation and continuous improvement and its impact on the company's profit and ability to provide their stockholders with fair returns.

Even though different religions, philosophies, cultures and legal environments may facilitate the development of different business ethics, it seems that a common set of universal business ethics has emerged from the diverse perspectives and practices discussed above. Humanistic Buddhism, with its emphasis on humanity and social responsibility, provides an excellent foundation upon which this new set of business ethics can be derived. The construction of a formal set of universal business ethics is a colossal task that requires a tremendous amount of joint effort and input from various constituents of our society. As a starting point, however, I suggest some general principles from which such a universal set of business ethics can be constructed:

1. Business should obey all the laws in the international community and directives of various governments, domestic or foreign.
2. Business should respect all people and cultures it encounters in carrying out its operations.
3. Business should align its mission and goals with its social responsibilities of advancing human civilization, and plan its overall strategies accordingly to promote education, morality, and social welfare.
4. Business should adopt technology friendly to the environment and least harmful to humans and animals.
5. Business should produce goods that are safe to consume and disclose fully potential risks of using the products.
6. Business should use its economic resources efficiently and recycle any reusable materials to save natural resources.
7. Business should treat its employees with respect, empower them in decision-making, reward them appropriately, and help them achieve their career and life goals.
8. Business should provide a work environment free from any type of discrimination and/or harassment.
9. Business should establish appropriate corporate governance structures and processes to ensure the interest of all its stakeholders are not infringed by the management.
10. Business should not use exploitative strategies to deplete economic resources of foreign countries or monopolistic measures to wipe out competition.
11. Business should not engage in false advertising and aggressive marketing strategies that are harmful to the society.

12. Business should invest in human and economic capital, and conduct research and development to advance productivity, technology, and human knowledge.

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