

THE DIFFERENCE BETWEEN THE BUSINESS MANAGEMENT MODELS USING BUDDHIST ECONOMICS AND WESTERN BUSINESS MANAGEMENT PRINCIPLES UNDER THE CHANGES OF THE THAI ECONOMIC SYSTEM

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ABSTRACT

The objectives of this research were to compare the differences in business management using the Buddhist economics and Western business management principles and to propose suitable business management approaches for the current Thai society context. The research is a qualitative study using in-depth interviews with key informants, including 1) managers with work experience in organizations with Western business management and Buddhist economics principles, 2) government officials involved with organizations with Western business management and Buddhist economics principles, and 3) Buddhist monks who understand both business management and Buddhist economics principles. There were a total of 20 informants. The research methodology included document analysis, triangulation of data, and explanation by narrative. The research results revealed that 1) the difference between business management using the Western business management and Buddhist economics principles lies in the focus of different management approaches. The Western management emphasizes the organization's benefits above all else while Buddhist economics management aims for results that lead to peace and happiness for both the organization and society. 2) The suitable business management approach is a combination of Western business management and Buddhist economics approaches taking advantage of the strengths of each approach to achieve the best results for each organization.

Keywords: Buddhist Economics, Business Management, Thai Economy

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INTRODUCTION

The economic crises occurring after the World War II (the Great Depression), the Tom Yum Kung crisis, the hamburger crisis, and other economic crises have led to various industries needing to adapt due to increasingly intense competition (Praphasri Osathanon, 2022). Especially, the COVID-19 pandemic crisis in 2020 has had a greater impact on the economy than any previous crisis. Generally, economic crises tend to have a severe impact on large businesses, financial institutions, and the businesses of the elite. However, the COVID-19 crisis has affected every sector, including small and medium-sized enterprises, and has had an equal impact on all countries around the world. The conflict between Ukraine and Russia has turned into a crisis that has caused energy prices to rise, which in turn has raised the cost of production, raw materials, and various goods, especially for Western countries who have to deal with the increased cost of expensive goods by twice as much. Meanwhile, businesses themselves, in addition to the high price of oil, also have to deal with increased transportation costs.

However, the economic changes in the global society have impacted the economic powerhouses such as the United States, European countries, and China facing economic downturns (Coxx, 2023). Meanwhile, China's manufacturing sector, which is a major player in global production and industries, has also faced pressure due to efforts to control the spread of the coronavirus during the past year with the ZERO COVID-19 policy. This has been compounded by energy shortages resulting from heat waves and the real estate sector's problems in conducting activities in August (Climate home news 2023) reinforcing the vulnerable state of the global economy during the COVID-19 pandemic that cannot be avoided. Under the pressures of various factors, the international financial institutions announced a reduction in the growth rate of the global economy in 2022. This meant Thailand's economy being impacted and also having to adjust its growth rate downwards (Mana Nimitwanich, 2022). This highlights the economic crisis in Thailand which has entered a state of crisis causing both small and large-scale industrial entrepreneurs to adjust themselves to the situation and find ways to manage various problems that have arisen.

The business management can be considered both a science and an art. The important knowledge is considered a science while practical applications are considered an art. There has been development in the theory of management systems from the development of fundamental concepts, principles, and techniques. Therefore, the administrators must have a good understanding of management ideas and theories (Phramaha Sukkhachan Chakhondhammo, 2018). Furthermore, the rapid changes lead to the Agile and Scrum approaches to receive the increasing attention as they are in correspondence with the working context during the COVID-19 pandemic. As many companies have had to adjust to remote working or work from home, planning and goal-setting have had to be more flexible with regular adjustments and evaluations made to accommodate changing job requirements. The traditional approach to work, known as the 'Waterfall Process' has been replaced with the Agile approach in many organizations (Puttasak Tantisuttivet, 2016).

The widely accepted management concept is the Western business management in which executives allocate resources and coordinate the missions of other people in the organization in the same direction to achieve predetermined objectives (Fayol, 2016). The POCCC principle consists of planning, organizing, commanding, coordinating, and controlling. The perspective of Western management science often focuses on numerical results such as volume of units sold, sales volume, profit or market share, as it is easy to measure and the changes are clearly visible.

However, focusing solely on numerical results in management may have an impact on the business environment as it can lead to disregarding others and prioritizing personal interests. This raises the question of whether the Western management concept, which emphasizes numerical results, is appropriate or not (Sulakkana Saengsubsin, 2020). Ethical issues in

management lead to a driving force for entrepreneurs to consider the benefits of the overall community rather than just their own benefits. This results in the cultivation of corporate social responsibility and responsible business practices which are transparent and fair to consumers (Rewat Tantayanan, 2022). This aligns well with the teachings of Buddhism which emphasizes problem-solving in social, economic, political, and sustainable development through the principle of the “Kutthantasut”. This teaching presents a revolutionary approach to economic thinking, known as Buddhist economics, which considers human feelings, empathy, and a broad worldview, differentiating it from mainstream economics. Buddhist economics emphasizes human diversity, different understanding, and perspectives among people (Phra Kru Sophon Pariyatsuthi, 2007).

Therefore, developing businesses or economic systems requires considering ethical issues in management and promoting corporate social responsibility and responsible business practices, which align well with the teachings of Buddhism and its revolutionary approach to economic thinking, known as Buddhist economics.”

Therefore, the development of businesses or economic systems must have a relationship linked to the principles of Buddhist teachings, such as Kutthantasut which the Buddha presented as an example of solving economic, social, political, and governance problems, stating that economic development is related to the concept of democratic socialism. This is a way of presenting economic thought revolution that can be adapted well in all eras. Thus, Buddhism has teaching principles that lead to the development of the mind as it is necessary to run a business with maximum efficiency. In other words, to make a successful business in all aspects, individuals must consider the principles of Buddhist morality that teach about the development of the mind.

RESEARCH OBJECTIVES

- 1) To compare the differences in business management using the Buddhist economics and Western business management principles.
- 2) To propose suitable business management approaches for the current Thai society context.

LITERATURE REVIEW

Buddhist Economics Business Management

Buddhist economics is made up of two words; Buddhadharma and economics. The word “Buddha” means the teaching of the Lord Buddha. The word “Dharma” means nature or natural law. Therefore, Buddhadharma is the teaching of the Buddha about characteristics or rules that exist in nature that human beings should know and understand so that human beings can act or lead their lives in accordance with such rules. It is caused by human beings living in a way that contradicts nature. Since human beings do not understand nature and tend to think for themselves by using their self-diagnosis to want things to be as they want. Those requirements may not correspond to the natural reality when holding on to what is not true or dishonest. The more will cause that person more suffering. On the other hand, if the person understands and let it go naturally, they can make themselves out of suffering as well. It is to return to understanding the nature of all things (Apichai Phanthasen, 2021).

The word economics is a term that relates to human behavior related to wealth or property used for consumption to maintain the status of human beings or other reasons made by humans apart from the necessity of maintaining a state of life. When consumption is necessary to be considered, it is necessary to take into account the production and distribution of products which must consider the constraints of resources, time and production efficiency including efficiency in consumption.

According to the aforementioned texts, the term “Buddhist economics” refers to the application of the teachings of Buddha to the Western-based economic ideas in order to help people

understand the reality of human conditions and the relationship between humans and nature. This is different from the mainstream economic ideas commonly used today.

Foundation of Buddhist economics

It is based on the goal of accessing the nature of human beings which is to attain happiness and to be free from suffering. This ultimate happiness is achieved through the attainment of enlightenment or a high level of happiness. However, individuals are still able to experience pleasure, which is the basic happiness of an individual, but this must be done with caution so as not to cause future suffering. The important principle for indulging in pleasure with caution is to avoid harming oneself or others.

Therefore, seeking happiness under the conditions of not harming oneself or others is acceptable in the context of Buddhism. The issue of how to conduct oneself in a way that does not harm oneself or others has an answer in the Noble Eightfold Path (Mak 8). It can be reduced to ethics, concentration, and wisdom. However, it is necessary to learn and practice these principles by oneself, rather than just listening to them. In the beginning, the practice may be unclear, but over time, individuals will be able to better understand and apply these principles to their lives. This is an important difference between Buddhist economics and Western-developed economics, which begins with definitions, assumptions, and criteria for analysis. After that, deductive reasoning can be used to arrive at the desired conclusion. However, this conclusion may not necessarily correspond to reality.

Therefore, mainstream economics often relies on beliefs derived from assumptions, hypotheses, and analytical criteria to reach conclusions, similar to the scientific process of reasoning that appears to have credible principles. However, this mainstream ideology still lacks a universal formula, as these ideas are often just beliefs based on logic or sometimes inferences that have not been tested or practiced. This may lead to distorted results that differ from the reality of those who believe in these logical or inferential methods. The foundation of Buddhist economics emphasizes individuals seeking happiness while avoiding self-harm and harm to others. At the same time, this happiness must come from within oneself, or in other words, individuals must pass through a process of practice and training until they can understand the meaning of happiness clearly.

Moral principles used in business management based on Buddhist economics

The dharma principles are varied. From reviewing various case studies (Anongpat Sapkanokmas et al, 2019; Dharmaniti, 2019; Somyong Chalermchirarat et al, 1992), it is found that the important moral principles that executives of various organizations use to guide their work include the following four principles; 1. The principle of Sappapurisadham 7 which is the moral principle that enables executives to know their organization, customers, and relevant individuals at each time period without expecting profits beyond opportunities or their own skills. 2. The principle of Sangkahawatthu 4 is composed of four principles; Dana (charity), Piyavacha (kind words), Atthajariya (helpful actions), and Samanattata (equality). These principles are used to connect the hearts of people inside and outside the organization, emphasizing love and unity, and the importance of overall benefits. 3. The principle of Itthibat 4 includes the following four principles; Chantha (satisfaction), Wiriya (effort), Jitta (thinking), and Vimangsa (consideration). These are the foundations for governing work to achieve the organization's objectives. 4. The principle of Phromwihan 4 is composed of four basic moral principles for living altogether peacefully.

Western business management

The management in practice is considered an art while important knowledge to apply is considered a science. These have been developed using scientific methods. The development of management theory has evolved into a system by developing various concepts, principles, and techniques. Therefore, a good administrative must have both science and art derived from the ideas and theories of management (Phramaha Sukkhachan Chakhondhammo, 2018). The

researchers had selected modern management theories to use as a comparative guideline as follows:

POLC management principle

POLC (Allen, 1958) is a management theory that enhances efficiency for organizations by paying attention to the process from start to finish, including planning, organizing, leading, and controlling. POLC emphasizes leadership as a critical factor in management and working effectively. POLC has the advantage of creating standards in every detail, focusing on standard practice that leads to clear evaluation results allowing organizations to measure their performance accurately. 1. *Planning* refers to defining activities and tasks to be performed in each period in order to provide direction and orientation for work. The planning process should include defining objectives and steps to achieve the desired results. 2. *Organizing* refers to defining the structure of positions, roles, and responsibilities, as well as ensuring that all units work together smoothly and without overlap. Organizing also includes

The organizational management includes organizing work processes to ensure smooth operation, allocating personnel appropriately to match job requirements, and managing work systematically to achieve maximum efficiency. 3. *Leading* refers to motivating employees to perform their duties by inspiring them to achieve their goals using effective motivational techniques and providing appropriate guidance to stimulate their efforts towards achieving the desired outcomes. 4. *Controlling* refers to overseeing personnel and work activities to ensure compliance with established plans, monitoring and evaluating progress towards the set objectives, determining the level of success achieved, and effectively addressing problems that may arise to minimize their impact on the overall work performance.

POCCC Management Principle

Fayol (2016), a French industrialist in the early 19th century, proposed the duties of administrators based on the POCCC principles; planning, organizing, commanding, coordinating, and controlling. The aforementioned duties are the basic principles and have been popular all along until only 4 things remain; 1. *Planning*: setting goals, strategies, and creating plans to coordinate activities that will be carried out in the future, preparing to achieve success and reduce potential risks. 2. *Organizing* is considering the work to be done, who will do it, how to group tasks, who reports to whom, and who makes decisions, which is assigning responsibilities and defining the chain of command. 3. *Commanding* is leading and motivating subordinates, giving orders, selecting the most effective communication channels, eliminating conflicts, or stimulating employees to make maximum efforts to achieve success, including solving various problems. 4. *Controlling* is monitoring activities that have been carried out to ensure that they follow the plan as well as correcting any errors that may have occurred.

RESEARCH METHODOLOGY

This is qualitative research that uses Documentary Research method. It involves collecting documents, ideas, and theories related to business management using both Buddhist Economics and Western business management principles. The data collected from each approach was then analyzed and integrated to produce new findings and perspectives. The researchers also used a phenomenological analysis approach to examine cases where both principles were combined or compared to create a more comprehensive understanding in this research.

The key informants were interviewed using the In-depth Interview technique, which included 1) the administrators with at least three years of experience in organizations that practice Western management and Buddhist Economics principles, 2) Public sector officials who are involved with organizations that practice Western management and Buddhist Economics principles and have at least three years of work experience, 3) Monks who have a graduate degree not lower than the master degree and have completed courses on both Western management and Buddhist Economics principles. A purposive sampling technique was used to

select 20 key informants. Semi-structured interviews were conducted to collect data on the differences in business management using Buddhist Economics and Western management principles.

The researchers verified the information obtained from in-depth interviews by using triangulation to ensure the credibility and accuracy of the data. There are four methods of triangulation to verify the data (Supang Janthawanit (2010) including 1) data triangulation, 2) investigator triangulation, 3) theory triangulation, and 4) methodological triangulation. If triangulation is conducted and the data remains consistent, it indicates that the data is reliable enough to be analyzed and used to conclude the research objectives.

The researchers used content analysis as a method of analysis by collecting and categorizing data, comparing the data, and creating inductive conclusion to summarize the research objectives.

RESEARCH RESULTS

Comparing business management based on Buddhist economics and Western management, it was found that both approaches emphasize different points. Western management tends to focus on the profit of the organization, without considering the impact it may have on competitors, customers, or society. On the other hand, business management based on Buddhist economics aims to operate in a way that creates harmony and happiness for everyone, including partners, competitors, customers, and society. All parties must receive satisfaction or benefits that are realistic and within their own skills or resources. This is consistent with Aphichai Pansens' (2021) proposal that Western management is a management of the main economic trend focusing on individual satisfaction, while management based on Buddhist economics aims to create peace and tranquility for individuals, society, and organizations. The main reason for this is the different perspectives on human understanding between Western economics, which has evolved from Western civilization, and Buddhist economics, which applies the teachings of the Buddha, emphasizing the importance of understanding human beings, especially the causes of suffering to help them escape from suffering or to understand true happiness.

In addition, the Buddhist economics approach is well suited to the Eastern-style management that emphasizes the importance of "feelings and human values". This means that every action that employees take is for the company, for the department, or for the organization more than for their own benefit. Therefore, when these employees create less benefit for the organization, they still have a standing and prestige as internal consultants and still receive rewards from the organization as before. In contrast, Western management which emphasizes results through planning, organizing, leading, and controlling, as proposed by Allen (1958) and Fayol (2016), may reduce the role or eliminate employees who create less return. This leads to these employees losing prestige and foundation within the organization.

This idea is consistent with the views of administrators who are important sources of information, stating that business management must rely on many ethical principles in its operations. For example, the Phromwihan 4 principle includes compassion and kindness on employees, the Itthibat 4 is to manage work to achieve the organization's goals, the Sappapurisadham 7 principle includes understanding oneself, the organization, customers, and stakeholders in different times and contexts which will lead the organization to sustainable success. Apart from the above, the study found that organizational administrators reflect the same direction that business management needs to rely on Western management along with Buddhist economics or Eastern management approach. The organizational management requires a structured system, working with quality, efficiency, and clear measurements, following Western models. However, it requires the use of vernacular language in explaining, recommending, and teaching others. One must possess four types of wisdom: self-awareness,

temporal awareness, organizational awareness, and interpersonal awareness, which means treating individuals with respect at appropriate times, as well as having impartiality, not showing favoritism towards any particular group or individual. Following the Eastern management approach, this will enable smooth and peaceful organizational management.

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