

Ethical Marketing in Global Value Chain for Developing Human Resources

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DOI: <http://doi.org/10.4038/sljmuok.v7i3.73>

ABSTRACT

Business organizations are increasingly engaged with global value chains in reaching the global marketplace. Ethical marketing practices are also initiated in the form of fair trade within these global value chains by capturing the modern market dynamics emerged with the behavioral changes of global consumers. This trading arrangement has highlighted the human resource development as a benefit mainly for the developing countries. Therefore, this paper aims to uncover how the human resource development is taken place through ethical marketing reside in the global value chain. The qualitative research method is used with a single case study approach in this research. The case study selected for this study is the one and only fair trade certified handicrafts manufacturing company in Sri Lanka. Data collection is completed through conducting in-depth semi-structured interviews with organizational representatives and rural suppliers. The data was analyzed using the generic strategy including coding, sorting and synthesizing steps. The findings revealed that human resource development is taken place through ethical marketing under three themes. These are namely sharing business and procedural knowledge, sharpening skills of stakeholders and inculcating positive attitudes towards the business. The knowledge sharing for production, quality improvements and minimizing errors were the categories generated under the theme of sharing business and procedural knowledge. The sharpening skills of stakeholder's theme was backed by the categories of business development skills, employee skills and supplier creativity. The theme of inculcating positive attitudes of people towards the business comprised of motivations of suppliers and sharpening their positive attitudes. Hence, this study explains the avenues for human resource development through ethical marketing while admitting the necessity of moving towards the stakeholder approach for marketing. Finally, the implications conveyed creating resilience towards capturing global opportunities, crafting purpose driven business ecosystems and reimagining the scholarly research to create a greater impact on local community.

Keywords: *Case Study Approach, Ethical Marketing, Fair Trade Practices, Global Value Chain, Human Resource Development, Internationalization, Stakeholder Marketing*

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1. INTRODUCTION

Over the past few years, there was an escalation on undertaking sustainable businesses which are connected through Global Value Chain (GVC). Ethical marketing is one of the initiatives which connects various stakeholders on ethical grounds and it was instrumental to bring the local entrepreneurs to the global market. Ethical marketing has grounded well in the sustainable development goals issued by United Nations in 2015. The sustainable development goals (SDGs) is having a major influence on determining the economic and social lifestyle in today's world. Even though, sustainable development goals have a major impact on every country, it has higher consideration for the wellbeing of developing countries. Smith (1995) argued that we are now living in the "ethics era," whereby expectations of marketers have changed and consumers have become more educated and better informed. Ethical marketing involves the application of ethics into the process of marketing. Ethics in marketing has the potential to have a long-term benefit for the entire society and examines whether the company is painting a truthful picture of the product or service.

The need for the process where the world can achieve community empowerment through business ethics and sustainable development goals has been a necessary and timely solution. Apart from that, within the process of globalization and sustainable development goals, organizations are engaging with GVCs. Kaplinsky (2016) has identified, a commitment to new and wider SDGs in a context in which deepening global economic integration is driven by the extension of GVCs. Firms have been producing items with components sourced from around the globe for centuries. Businesses have continuously sought out new markets for their products using GVCs. More importantly, the industries in developing countries are also inserted into the GVCs to obtain the necessary inputs and also to market their outputs for the global customers (Gereffi, 1999). Therefore, the organizations which are engaged in ethical marketing activities in developing countries cannot be exempted from this, since they need to closely integrate with the global market for their operations. This insertion of local organizations into the GVCs has numerous implications and developments for those organizations which is worthy to be uncovered.

2. RESEARCH PROBLEM

Due to the competitiveness accelerated by the globalization, organizations have to find a unique approach for their growth. For many countries today especially in Asia, imports are increasingly a key complement of local production and exports (Elms & Low, 2013). So, the uniqueness of their production procedures is really important to grab the unique target market and compete with the international market. One of the unique approaches for internationalization is ethical marketing. Rawat (2015) has emphasized that, there has been a gradual shift towards societal and ethical marketing - one that embraces the welfare of all parties as, producers, consumers, society, and the planet. Producers are starting to realize that it is the best method to derive long-term benefits, which outweighs the loss due to extra expenditure that they may have to incur to do the same. Ethical marketing could give birth to

valuable aspects to a sustainable society in a more balancing way. Furthermore, Freeman (1984), has emphasized that for any business to be fruitful it has to generate value for multiple stakeholders including customers, suppliers, employees, communities and financiers. The internationalization which is taken place through GVCs is providing a greater opportunity for organizations practicing ethical marketing to bring their products to the global market. More interestingly, this approach has enabled local organizations to upgrade their local operations to be more competitive (Armando et al., 2016). Further, this upgrading path enabled local organizations to enter into higher value adding activities while practicing decent work with their employees (Gereffi et al., 2005).

Human resource development (HRD) has been identified as an integral component to determine the competitiveness of an organization in the globalized era (Devi, 2012). Accordingly, when organizations are competing in global markets the inclusion of talents can differentiate its offerings to the market. Swanson (2007) defined HRD as “a process for developing and unleashing human expertise through training and development and organization development for the purpose of improving performance”. The term HRD is combining some HRM functions, so it is a relatively modern term as the best means to prepare staff and organization based on activities such as organizational development, career development, and training and development (Alhalboosi, 2018). Further, Tabibi et al. (2011) has identified the purpose of HRD is to enhance individual performance and improve organizational effectiveness and productivity. Moreover, HRD is considered as the key to higher productivity, better relations and greater profitability for any organization (Vasantham, 2015). Apart from that, Heathfield (2021) has mentioned that, HRD is a key determinant to attract and retain talents to the organization. Further, if employees feel they have received proper training and support, they are more likely to remain loyal to the organization and experience higher job satisfaction as well.

Ethical marketing has been subjected to scholarly investigation across various industries and contexts (Arnold, 2009; Vassilikopoulou et al. 2008; Lee & Jin, 2019) and even in the small businesses sectors (Mohammed, 2015). Shewan (2020) has mentioned that, ethical marketing refers to the process by which companies market their goods and services by focusing not only on how their products benefit customers, but also how they benefit to socially responsible and environmental causes. Therefore, creating value for multiple stakeholders is important in today’s stakeholder marketing practices (Garriga, 2009). One of the most important stakeholder groups is employees who are important in determining the success of marketing activities of the organization (Liljander, 2000). Therefore, ethical marketing needs to look into how it can contribute to the development of human resources since ethical marketing is grounded on stakeholder marketing orientation. However, the potential contribution of ethical marketing for HRD has not been sufficiently explored. Within this background, in the extant body of literature, although important, ethical marketing studies are scarce within the context of HRD for a local entrepreneurial organization operating in a GVC. Thus, this area needs further academic inquiry. Accordingly, this paper addresses the above omission in extant literature by exploring how the

HRD can be taken place through ethical marketing with respect to an organization linked with the global market through GVC.

3. LITERATURE REVIEW

This section presents a systematic literature review which can be used to effectively inform the research problem and the findings of the study. Accordingly, researchers elaborated the literature relevant to ethical marketing in GVC, HRD and capability approach, and HRD through ethical marketing. Therefore, the literature review of this study provides a broader understanding about the research.

3.1. Ethical Marketing in the Global Value Chain (GVC)

Due to the global division of resources and labor, the number of participants involved in production processes and the geographical distance between these participants has increased (Gereffi et al., 2005). From an economic geographical perspective, the production, processing, and trading of different goods of global demand has been analyzed within the concepts of chains and networks. Apart from that, economic relations become gradually complex including the externalization of production processes and responsibility. Most of the companies still prioritize maximizing profits, despite the consequences for humans and the environment. Subsequently, the inequalities among them also increased gradually and it has highlighted the need of ethics and sustainable networking in global perspective (Akkucuk, 2016).

As a result, ethics have been recently extended into the business arena, and have become a matter of growing interest (Yusuf et al., 2014). Ethics is the branch of philosophy that deals with values relating to human conduct. Specifically, that human conduct linked with in the rightness and wrongness of certain actions and the goodness and badness of the motives and outcomes of such actions (Velasquez & Shanks, 2015). According to Rawat et al., (2015) ethical marketing has started to gain the importance because producers have realized the significance of practicing what they preach. It involves the application of ethics into the process of marketing. Further, he has mentioned that there has been a gradual shift towards societal and ethical marketing - one that embraces the welfare of all the stakeholders. Producers have started to realize that it is the best method to derive long term benefits, which outweighs the loss due to extra expenditure that they may have to incur to do the same. According to Pribanic (2020), one of the greatest advantages of ethical marketing is the creation of a better workplace culture where all employees are treated with respect and given equal access to advancement opportunities which makes the workplace a positive nurturing environment.

Shewan (2020) has mentioned that, one of the main global initiatives taken place under the ethical marketing is fair trade. As defined in 'A Charter of Fair-Trade Principles: under the International Fair-Trade Charter (2018), Fair Trade is a trading partnership, based on dialogue, transparency, and respect

that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions and securing the rights of, marginalized producers and workers – especially in developing countries. Fairtrade organizations, backed by consumers, are engaged actively in supporting producers, awareness-raising, and campaigning for changes in the rules and practice of conventional international trade. Further, fair trade in global perspective, can also be influenced by group actors such as social movements or value-based consumer groups. This opens up pathways for a redesigning of GVCs towards increased resource fairness and politics. According to fair trade international (2021), there are more than 1.7 million farmers and workers are involved in fair trade by representing 72 countries and territories in the world. So there is a strong as well as well-timed association between fair trade practices and GVCs in the current global world. This association can be clearly evidenced mainly with respect to developing countries' trading arrangements which are connecting with the global market.

3.2. Human Resource Development (HRD) and Capability Approach

HRD is mainly referred to as providing opportunities for employees to develop their knowledge, skills and other abilities. According to Alhalboosi (2018), HRD is a set of systematic tasks to enrich employees by skills, knowledge, and experience to meet what is required to achieve the goals. Further he pointed out that there are three main pillars under the scope of HRD as organizational development, career development and, training and development. In this case, organizational development is a process of developing the current reality of the organization into better fit with the changes in external and working environment. In addition to that, he has emphasized, it can be achieved through solving working environmental problems by improving cooperation, coordination and collective actions. This implies that the employees in an organization need to develop themselves as per the dynamics of the environment. The second pillar of HRD, the career development where the process to improve both human resource and enterprise performance. It is using career planning on individual level to develop the skills, knowledge, and ability throughout someone's career ladder through workshops and teaching. The third pillar is training and development which is a process that aimed at the development and improvement of human resources through continuing education to support the employees with key qualifications to perform their job functions effectively. Therefore, HRD can be identified as a notion with a broader scope which is vital for organizations to focus on in achieving the competitiveness through people.

More importantly, HRD is considered as a key to higher productivity, better relations, and greater profitability for any organization (Vasantham, 2015). In addition to that, Alhalboosi (2018) has mentioned, appropriate HRD provides unlimited benefits to the concerned organization. Some of the important benefits can be pointed out as: Accordingly, HRD can develop its human resources in to a higher value adding resource where people can be more committed for their jobs. Further, HRD can

create intangible assets like trust and respect and even these can facilitate organizations to undertake the changes in line with the environmental requirements.

In order to understand the notion of HRD from a conceptual stance, researchers would prefer to bring out the ‘Capability approach’ developed by Amartya Sen. The capability approach is a widely influential theory in contemporary political philosophy, social justice, development studies, poverty and inequality, and in public policy. However, this has even extended to study the work and employment (Salais and Villeneuve, 2004) and corporate policies (Zimmermann, 2012). According to Sen (1993) a capability is “a person’s ability to do valuable acts or to reach valuable states of being”; further it also “represents the alternative combinations of things a person is able to do or be”. Mainly, Sen highlighted two phenomena under the capability approach namely freedom and functioning (valuable beings and doings). Therefore, the capability approach can be seen as a moral framework where it emphasizes that people have the freedom to select the life they are valuing (Sen, 1999). Particularly, organizations need to consider the expansion and expression of stakeholders’ capabilities in its business ecosystem. Accordingly, capability is a situation where these qualities are emerged for the benefit of the stakeholders. So that, business organizations need to develop a ground where there is an enhancement of employees’ knowledge, skills and even recognition. Therefore, from this perspective capabilities can be seen as a notion with plurality including capability for work, voice, learning, and work-life balance (Zimmermann, 2012). So that, the development of an effective enabling context within the organization is resulted in HRD.

3.3. Human Resource Development through Ethical Marketing

The notion of HRD is evidenced in Fairtrade practices in GVCs. Accordingly, the capacity building which is taken place from the producers’ aspect has been recognized (Keahey, 2016). The fair-trade development plan (2015) has emphasized the way of creating HRD through fair trade within the GVC. Accordingly, fair trade increases the product quality and farmer’s productivity by offering adequate technical assistance to registered producers through farm-to-farm exchanges and sharing best practices among them. Apart from that, Fairtrade provides training for farmers on new and efficient agricultural practices to increase productivity and quality improvements. Further, it facilitates to improve attitudes and skills of producers and workers by encouraging exchange visits to successful producers’ organizations, supporting producers’ in decision-making regarding the choice of appropriate plant varieties, and offering those to registered producers, organizing and undertaking awareness-raising and training of farmers on occupational health and safety (for non-hazardous tasks) and organizing the collective purchase of personal protective equipment and make other collective investments in farm safety. Most of the above outcomes of fair trade are in line with the outcomes or practices of HRD. Further, Tallontire (2000) emphasized the essence of the fair-trade relationship is one of the partnerships which provides sufficient information to producers on product designing, demand, rules and

regulations, and prices in transparent manner. Apart from that, Keahey (2016) has highlighted the significant findings which is related to HRD through the fairtrade farmer leadership training programme by ensuring accreditation. Further, the firm used an outcomes-based training model, which has also employed alternative training strategies, including: (i) bringing farmers into initial planning; (ii) involving farmer leaders in the development of training material; and (iii) integrating critical thinking, reflexive dialogue, and consensus-building activities into workshops and seminars. In response to requests made by farmers during initial community visits, the firm developed a training framework that would build farmer leadership directly within the participating communities rather than through existing cooperative management structures. The uniqueness of training program was its emphasis on participation, critical thinking, and reflexive dialogue. This was accomplished both through the use of technology and by connecting the leaders to different groups of stakeholders. Therefore, it seems that exploring HRD through fairtrade practices in GVC is fitting to generate sustainable future plans for dynamic and globalized business approach benefitting the stakeholders.

4. METHODOLOGY

This study has used the subjective view regarding ethical marketing from an ontological stance. In this case, the researchers believe that the data to be collected and the interpretations provided by the respondents are depending on their personal and behavioral characteristics. Researchers had to develop and maintain a closer connection with the respondents to gather these subjective data from an epistemological ground (Creswell, 2013). The qualitative nature of this study led to adopt the case study as the research design. More specifically, the single case study method is chosen since the organization selected for the research is the one and only fair trade guaranteed traditional handicrafts manufacturing company in Sri Lanka. Therefore, this unique organization encouraged the researchers to select a single case study for the research.

The organization selected for this study is named Beta Company Private Limited for confidentiality reasons and it was established in 1991 by a lady who is a lawyer by profession. Beta was started in her home garage with 15 women in a rural village in Kurunegala district in Sri Lanka. Currently, it has nearly 1000 members within its supplier network who are living in rural areas in the country. The company aims at improving the traditional handicrafts industry through the empowerment of rural women and currently, it supplies to fair trade and commercial customers all over the world. Beta has entered to the international market from its beginning with ethical business practices and as a result, they were rewarded with fair trade certification in the year 2000. All of their products are manufactured in workshops located in rural areas and the suppliers are making these products by staying at their homes. Beta is trying hard to make sure that their products are well-matched with the needs of their customers by following a marketing-oriented perspective.

Researchers collected the data through in-depth semi-structured interviews and also, they spent a significant amount of time within and outside the organization to ensure the quality of the data. Further, all the interviews were audio-recorded and field detailed notes were taken including the memoing of respondents' feelings, expressions, and reactions together with researchers' reflections on the context. The judgmental sampling method was used (Neuman, 2006) in selecting the respondents listed out in table 1.

Table 1: Details of the respondents

Respondent(s)	Number of respondents	Profile and responsibilities
Founder CEO	1	Lawyer by profession, management, and coordination of all the functional activities, attend all management and committee meetings, personally involve with outside stakeholders and engage in strategic planning
Managing Director	1	Completed higher education and experience in the business sector for 30 years, attend all management and committee meetings, and involve in strategic decision making
Head of Business Development	1	Degree holder International Relations, Attorney-at-law, experience in diplomacy and international business, handling international marketing, and involved in strategic decision making
Head of production	1	Degree in engineering, experience in production for 10 years, in charge of production, planning, and scheduling
Team members of Merchandizing	2	Degree and Diploma in Management, experience in marketing and general management for 5 years, handling overseas clients, coordinating with the production department, scheduling, planning, and sample development
Rural suppliers	6	5-10 years working experience, mostly with secondary level educational background, skills in handicrafts manufacturing, pursuing the production as per the designs provided by the company

In analyzing the qualitative data of the study, the generic strategy is followed. First, with the adoption of the data reduction approach the interview transcripts were coded by identifying the significant information. Second, in the sorting stage of the analysis, codes were grouped into categories based on the similarities and relationships of the codes. Third, themes were generated from the categories to address the research question while without losing the meaning of the data.

5. FINDINGS

5.1. Human Resource Development through Ethical Marketing at Beta Company

The findings of the study have shown that HRD is taken place through ethical marketing when the Beta is operating in a GVC. Accordingly, as depicted in figure 1, three themes are generated through the analysis.

Figure 1: Themes related to HRD through ethical marketing in the GVC

Sharing business and procedural knowledge	Sharpening skills of stakeholders	Inculcating positive attitudes towards the business
<ul style="list-style-type: none"> • Knowledge sharing for production • workshops for quality improvements • Tactics for minimizing errors 	<ul style="list-style-type: none"> • Nurturing skills for business development • Improving skills of employees • Enhancing suppliers' creativity 	<ul style="list-style-type: none"> • Motivate suppliers for starting a business • Motivation for suppliers' business growth • Motivate suppliers for new creations • Sharpening positive attitudes

Each of these themes is examined below with the relevant evidence as follows.

Theme 1: Sharing Business and Procedural Knowledge

In the GVC, the whole production process is divided into small parts and is shared among multiple firms and workers across different countries to bring a product from its conception to the end use. Therefore, the flow of knowledge sharing is playing an important role in creating a successful product that can meet customers' requirements. When it comes to international customers' their expectations and requirements are at a higher level compared to domestic customers. Beta Company has participated in the annual trade fairs that are organized by the World Fair Trade Organization and they were able to share that knowledge from the organizational staff to rural suppliers and artisans. The CEO of the Beta elaborated it as follows.

“We are participating for trade fairs for 30 years. Here, there is a huge opportunity to create new connections with other fair trade certified organizations as well as to explore new market opportunities to reach target customers. This time, our Head of Business Development and the Head of Merchandizing will be participating in a trade fair in next month. So, they will bring new knowledge and contacts. This ethical trade is not possible without networking.”

As per the idea of CEO, it is evidenced that the organization can bring new knowledge with respect to the developments in the trade and that knowledge can be transferred to empower stakeholders in their supply chain. Apart from that, the global customers are always seeking a unique product experience and they are not limited to the price tag. Therefore, improving the production process and quality is

very much important to create a loyal customer base as well as unique suppliers. Managing Director of Beta remarked:

“We held meetings, HODs to deliver this new knowledge. We have a concept named "API YALUWO (We are friends)" this initiative is undertaken once a month and we appointed four members to represent twenty members in our supply chain. Then these members bring business information, tactics, and new knowledge for other twenty members and share those among them. Apart from that, we organized two annual meetings for the whole system from the CEO to rural suppliers. We do three-hour sessions weekly for HODs regarding the new products, tactics, and HRM issues, where we can share our experience that we gained from trade fairs.”

One of the rural artisans reinforced the above view stated by the Managing Director of Beta. He mentioned that:

“They teach us regarding how to retain our employees, how to maintain the quality of sarees that we are weaving. Early days, we did it from our own experience. Actually, we did not know about the real requirements of foreign customers before joining Beta. After that, they occupied that knowledge gap wonderfully. They taught us how to maintain the standard and meet the global customer expectation. Most of the time, I participated in these programs where I learnt about how to manage the orders, how to retain employees, how to produce sarees in line with customer needs”.

Accordingly, the exchange of knowledge with respect to business and the procedures to be undertaken for a successful business is occurred in adopting the ethical marketing practice. Most of this knowledge is relevant to the best practices required for running an effective small business particularly in a rural context which is challenging due to numerous economic and social constraints. More importantly, rural suppliers gain the global customer insights which is important for adapting the never strategies. Further, the strategic nature of the partnership which has been built up between the Beta Company and its suppliers is clearly reinforced through this knowledge transfer.

Theme 2: Sharpening Skills of Stakeholders

As rural entrepreneurs, they have to become better and smarter with the work to convert jobs to be professional in catering to the global customers with higher expectations. There is an importance regarding skills development for the satisfaction of global requirements as well as business survival. Beta has well performed in sharpening the skills of rural suppliers that they gain from trade fairs and foreign exposure by conducting workshops and seminars. Accordingly, they provided a unique experience to rural suppliers regarding product designing. More importantly, with the support of certified foreign designers, Beta groomed the skills of employees, rural suppliers, and other parties who are in their network. One of the rural suppliers has expressed it as follows.

“Beta supported us for product designing. When we create something, they help using their design team. As an example, the new product that I developed using beer cans, they hire a foreign designer and provided me an opportunity to meet him. He told me to create a post by using it. Then I did accordingly. After that, they develop and gave feedback to me. Then he collected and gave me a lot of beer cans from the hotel and Beta supported me to do it. In that case, the product was developed by taking mutual support and increase the sales as well. This is a win-win situation where it creates benefits for both of us.”

One of the Merchandizing team members elaborated her idea regarding the skills development of employees as follows.

“At the starting point, I worked with the accounting division in this organization. Since my educational background is related to merchandising, the Head of Business Development decided to start a new division for merchandising and appointed me as a team member. Another main advantage of Beta is, they let us move with other departments and work together as a family. So, I could improve my skills related to product development as well. Honestly, I didn't aware of my creativity and product development skills prior to join here. So, Beta is a good place to explore human talents and sharpening them for building a better career for the staff members as well.”

Apart from that, the Head of Production elaborated his experience regarding his own skills development and career progression as follows.

“I joined with Beta as a production supervisor in 2004. Since this company do their transactions with global buyers, I was able to improve my skills with foreign exposure. This company was the turning point of my career success. I am really proud about my current position as the Head of Production. They identified and utilized my hidden capacity which I never know. So, I am really grateful to Beta for redefining my career and I always contribute for the betterment of Beta.”

Consequently, ethical marketing was able to identify and nurture the skills of employees, suppliers and other partners of their network in order to uplift businesses, careers and other desired outcomes to suit with global requirements. Apart from that, this has provided strong evidence for inculcating skills that are suited for the current volatile environment by incorporating global exposure through ethical marketing. Beta has a unique mechanism to deliver unique skills for fostering the highest potential of stakeholders.

Theme 3: Inculcating Positive Attitudes Towards Business

The attitudes of entrepreneurs are important for providing the right solution at right time to cater to their customers in a better way compared to competitors. As an ethical organization, Beta has significantly contributed to develop positive attitudes within their rural suppliers to create an entrepreneurial mindset. Beta Company was able to conduct unique mental uplifting sessions to brush up the positive attitudes

of their stakeholders. Accordingly, this experience was pointed out by one of the rural suppliers as follows.

“I worked for many garment factories before joining this company. Most of them are limiting our service for the monthly salary. This company is different from those garment factories because they organize counseling programs and workshops to uplift our mental health including many employees. Most of our other suppliers are aged people like grandmothers, retired women, and differently-abled people. They are organizing so many workshops for us by using most popular psychologists and they give valuable guidance to manage our problems by using professionals. Recently, we participated in such a program that was held in a leading hotel in Kurunegala.”

The positive feelings conveyed through these programs are helpful for rural suppliers to handle the challenges and failures encountered as entrepreneurs. Therefore, it seems this positive feeling cultivation can build the entrepreneurial resilience which is essential for them to achieve their goals. In the meantime, this same idea was reiterated by one of the sub-contractors as follows.

“I work for Beta for three years; they are very supportive and different from other organizations. They always try to add value to our business and always guide and motivate us to improve our business by using our own backyard. I am really happy about working with Beta. They always motivate me to start my own business and helped me to improve it. Normally, they invite us to monthly and annual workshops. In these workshops, they taught us how to prepare a marketing plan, cost calculation, and product designing. Also, they are trying to convert our negative attitudes regarding business to positives.”

This reflects that the influential effort of Beta for blooming more entrepreneurs rather than just employing workers or partners within its business operations. This is an example for how they are unique from other local organizations by cultivating the foundation for motivated business partners and stakeholders with a novel perspective. They are careful about all aspects of HRD by continuously enhancing the knowledge, skills, and attitudes of their network of stakeholders. Therefore, ethical marketing has been playing an important role for crafting a sustainable business with a focus on HRD. Table 2 provides the summary of the findings with respect to each theme with its meaning and the evidence to support the theme.

Table 2: Summary of Themes

Theme	Meaning	Evidence
Sharing business and procedural knowledge	This explains the effective distribution of business and procedural knowledge to the whole nexus of stakeholders by local entrepreneurial organization under Fairtrade practices. The local entrepreneurial organization	“Always, they try to do new things and motivate novelty. If they give any new sample, I never say I can’t, and I try to do it in better manner. I learnt many things from Beta Company such as standard measurements, quality, as well as some interesting tactics to diminish the errors of the production”.

	has dispersed their unique knowledge related to production and quality enhancement for the rural suppliers.	“After I joined with Beta Company, I am able to get good experience as a supplier and a kind of unique business holder. Since Beta has good team of young designers, they are having new thinking pattern. Then I could acquire many things to create and improve the quality of products”.
Sharpening skills of stakeholders	This explains the process and tactics for sharpening skills of stakeholders under fair trade practices. Entrepreneurial organization always used unique strategies to identify the hidden capabilities of their stakeholders and enhance their skills in business and product development.	“They have a very good understanding about their suppliers and employees, as well as the distinctiveness of each employee, they always let us to do things by using our own hands. I think they are interested in identifying our hidden skills”. “Beta Company organizes an annual workshop for designing and creativity with a foreign resource person. So, this is a good opportunity for us to benefit from foreign expertise as rural suppliers”.
Inculcating positive attitudes towards business	This shows the gaining and sharpening positive attitudes for business under ethical marketing practices. Motivation to being an owner of business and new creations as well as practicing the saving and life skills are more beneficial to stakeholders that are engage with ethical practicing company. Further, they always motivated to convert their rural supplier as an entrepreneur under ethical marketing practices.	“They organized some workshops for creating soft toys and guiding & counselling programs for mind. There are no any organizations that incur money for these kinds of workshops.” “When we are working with them, they are normally conducting some informal discussions with us regarding our future plans. Actually, they are unique from other organizations that I worked for, they always support and motivate us to be an entrepreneur rather than being as a rural supplier”.

Source: Compiled from the Interview Findings (2020)

6. DISCUSSION OF FINDINGS

The empirical evidence gathered in this study revealed that Beta was able to focus on HRD through its ethical marketing practices. Accordingly, three themes were generated with respect to HRD including sharing business and procedural knowledge, sharpening the skills of stakeholders, and inculcate positive attitudes towards business. Accordingly, it is evidenced that this research shows some similarities for the findings available in the current literature and further it has extended the existing literature to make a new contribution for HRD through ethical marketing. Thus, within GVC Beta Company has to adapt to the unique customer requirements as well as they need to pay attention to community empowerment and sustainable development goals through ethical marketing practices. Also, the global customer requirements drove Beta Company to develop unique products to generate better customer experience by using their rural community. In that case, Beta has seamlessly transferred their product knowledge

and technology for rural suppliers. This is similar to the idea provided by Tallontire (2000) where he highlighted that the flow of knowledge transfer in fair trade relationships.

Beta shared product and business knowledge that they gained from annual trade fairs with its stakeholders. In that case, the smooth flow of knowledge has aided to develop the knowledge of stakeholders by conducting workshops and individual consultations. Beta was able to sharpen the skills of their stakeholders especially the employees, rural suppliers, and sub-contractors through these initiatives. This skills development is mainly driven by Beta Company's involvement in international fair-trade initiatives. The cultivation of positive attitudes within the rural suppliers is notable since those contributed to develop an entrepreneurial mindset to pursue their operations. These findings are in line with the world fair trade development plan (2015) where it was mentioned that Fairtrade increases the product quality and farmer's productivity.

Ethical marketing has contributed to skills development of employees at Beta Company as per the findings of the study. This is consistent with the idea explained by Pribanic (2020) as one of the greatest advantages of ethical marketing is creating a better workplace culture where all employees are treated with respect and given equal access to advancement opportunities. The career progression of employees through ethical marketing practice is also evidenced in the findings. As a consequence, the employees' morale has also been enhanced to work in the organization with their higher commitment for the work. Therefore, these findings did provide a solid support for the arguments presented by Pribanic (2020) as ethical marketing leads to significant morale improvement of employees.

The level and the scope of relationships developed between the ethical marketing organization and its stakeholder network has been strengthened and resulted in strong loyalty in looking at the findings of the study. These mutually benefitted relationships are also salient in sustaining the ethical marketing practices. This has firmly supported the argument presented by Alhalboosi (2018) as ethical marketing practices generate deeper corporate relationships which can result in positive attitude towards the organization.

Apart from that, this study has able to convey a novel finding with regard to the profile of communities benefitted from ethical marketing which was not addressed in the existing literature. Thus, Beta Company was able to utilize the human talents of minority groups who lived in rural villages. This included underprivileged village women more specifically housewives, senior citizens excluded from formal employment opportunities, differently abled people and other disadvantaged groups. These stakeholders were able to utilize their capabilities and were included to the formal economic activities due to the ethical marketing practices of Beta Company. Particularly, the notion of 'freedom to work' is being reflected in going through the profiles of the rural suppliers and their network in this research. This idea is evidenced for someone who is reviewing the work of Nobel laureate Amartya Sen. Accordingly, Amartya Sen (1995) in his seminal work mentioned that the basic capabilities of humans

refer to “the freedom to do some of the basic things necessary for one’s survival or to keep one out of poverty”. Therefore, the profiles of rural stakeholders involved in ethical marketing revealed this pivotal idea regarding ‘freedom’.

7. CONCLUSION AND IMPLICATIONS

The purpose of this study is to explore the HRD taken place through ethical marketing with respect to an organization linked with the GVC. Hence, the study found that HRD is occurred through sharing business and procedural knowledge, sharpening skills of stakeholders and inculcating positive attitudes towards business in the adoption of ethical marketing. In looking at the findings of this research, it has contributed to the extant literature in two ways. First, the study explains the interconnection between ethical marketing and HRD. Therefore, the shift towards new aspects in a particular business functional area can lead to benefit some other functions in the same organization. This has reflected the notion that functional areas of a business should not continuously work within their predominant silo and instead they need to be more collaborative. Therefore, both of these marketing and human resources functions need to have a good understanding of people to be benefitted from the dynamics of other function. Second, the study has affirmed the necessity of moving towards the stakeholder approach for marketing. So that, organizations need to have a clear purpose for its existence together with their desire for the social accountability. In meeting the needs of customers in a more unique manner the organization has to connect that with all of its relevant stakeholders to create a sustainable impact on the society. Also, the modern marketing grounded by sustainability requires not merely a product for the marketplace and instead the product should be complemented with a narrative woven around the people behind the same product.

There are three practical implications of this study. First, the relevant policy focused constituents need to rethink about local industries which have been ignored for years by assuming that they have a lack of global competitiveness. In doing this, it is important to look at the global market trends where there are opportunities available to reconnect those traditional industries with modern necessities of the market. This requires the agility of the policymakers together with a thorough understanding of local industries. More importantly, the entrepreneurs who are engaged in these kinds of industries may not be clearly visible unless there is a closer attention on innovative entrepreneurs. Therefore, the hard and soft infrastructure should be redesigned to make the value chains of these industries and the entrepreneurs more resilient to capture the opportunities generating at the moment in the modern global marketplace. Second, a purpose-driven business ecosystem needs to be promoted within the country and this may need the support of multiple constituents from government, corporate and plural sector. This novel purpose-driven approach should be based on producing solutions rather than traditionally seen as profit-driven. Therefore, the essence of this new arrangement should be profitable for the corporate sector while addressing the issues in the local community. Particularly, from entrepreneurial

perspective businesses need to have an irreversible commitment towards its ecosystem which consist of multiple stakeholders. In this context, the success will be determined based on the development of trust, authenticity and loyalty of entrepreneurs, suppliers, community and customers. Therefore, the transparent systems and procedures should be in placed by the relevant constituents for the sustainability of these purpose-driven business ecosystems. Third, the sustainability initiatives which are being adopted by corporates and entrepreneurs should be encouraged to be addressed in scholarly work mainly through teaching and research. Accordingly, the academics and students should be stimulated to reimagine their research to create a greater impact on the local community. In this context, research activities need to be influential to benefit the society while addressing the strategic issues of business organizations. In doing this, genuine attempts are needed to uncover the local businesses which engage with ethical and sustainability grounds.

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