Enlightened Management: An Analysis of Buddhist Precepts Applied to Managerial Activity

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ABSTRACT

This paper explores the relationship between Buddhist beliefs and the practice of management. In particular, the paper discusses the significance of the Four Noble Truths, the Eightfold Path, the Five Precepts, the concept of no-self, and the Dharma, or teachings of the Buddha as expressed in important sayings. The paper shows the impact these Buddhist concepts have on leadership, team building, personal development, conflict, and people management. The paper suggests that Buddhist teachings are important to an understanding of management as practiced in Buddhist countries and that such practices have more universal application and appeal.

INTRODUCTION

It is estimated that there are between 300 to 500 million people who are practicing Buddhists in the world. The exact number is difficult to determine due to issues of religious freedom in China, and the fact that in some cultures people practice more than one religion. Regardless of the exact number, it is fair to say that a sizable number of individuals in the world are influenced by the teachings of the Buddha. While religious beliefs have always impacted the practice of management, there has been increased interest in the relationship between spiritualism and business in recent years (Dean, Fornaciari, and McGee 2003; Fry 2003; Abuznaid 2006; Schwartz 2006). Some of this interest has been directed towards an ethical orientation (White 1999; White and Taft 2004; Suen, Cheung, and Mondejar 2007), as one would expect when discussing religion, however, the area of study has now been expanded to include other areas of interest to management researchers. The impact of religious beliefs on managerial behavior, and how researchers should study this relationship, has become a legitimate field of inquiry. Daniels (1998) has argued that researchers in the field of economics have largely ignored religion, instead seeking to understand economic decision-making using a positivist and secular paradigm. The same criticism could be made of management researchers, although to a lesser degree. Religion, as part of culture, has been of interest to management researchers for at least the past few decades; however, it generally gets less attention in lieu of the more secular aspects of culture. Like economics, management research can benefit from further investigations into the relationship between religion and business activity, not only to help explain managerial practices cross-culturally, but also to offer suggestions for improved practices. This paper proposes that Buddhist belief influences management practices in Buddhist countries, and that a wider application of the principles may be beneficial to management practitioners, regardless of religious orientation.

Buddhism offers an interesting perspective on the proper practice of management. While the literature on the effect of Buddhist beliefs on managerial practice is quite limited, Fernando and Jackson (2006) did find that religion, including Buddhism, played a significant role in the decision-making of managers in Sri Lanka. This paper provides a theoretical framework for more empirical investigations into this influence. At the same time, the basic tenants of Buddhism have relevance for managerial activity outside Buddhist countries. Santana (1984) has proposed that Buddhist beliefs are very consistent with Western scientific beliefs. He postulates that Buddhism has a pragmatic orientation, deals with cause and effect relationships, focuses on problem-solving, and recognizes the importance of observation and verification. All of these are relevant issues to managerial research and practice.

There are various approaches to the study of a religion, including the history of religion, the philosophy of the religion, the sociology of the religion, the psychology of the religion, and the phenomenology of the religion (Nigosian 1994). This paper attempts to explain the effect Buddhism has on managerial activity and, therefore, is primarily
sociological in nature. However, in order to get a more comprehensive understanding, attention will also be directed towards the history, philosophy, and phenomenology of Buddhism.

A BRIEF HISTORY OF BUDDHISM

While one can find practicing Buddhist in almost every country, most Buddhists can be found in China and East Asia. Significant Buddhist populations exist in China and Tibet, Nepal, Bhutan, Japan, Korea, Singapore, Sri Lanka, Vietnam, Thailand, Laos, Cambodia, Indonesia, and Myanmar. Countries with the highest percentage of Buddhists among the general population include Thailand with 94%, Cambodia with 90%, Myanmar with 88%, and Japan with 78% (Renard 2002). While Buddhism began in India, it did not overtake Hinduism, and Hindu belief remains the dominate religion of India today.

Buddhism began in northern India, in what is now Nepal. In the sixth century BCE, a prince named Siddhartha Gautama was born. As legend has it, a wise man told his parents that the boy would be either a wise and powerful king, or a great sage who would seek to end all of human suffering. The prince’s father, an Indian chieftain, locked the boy inside the palace and trained him in military arts in order to insure the young man became a king and not a sage. As the story goes, the young man eventually became curious about the world and ventured outside the palace walls. Here he witnessed the “four sight” that would change his life. He saw an old man, a sickly man, an ascetic, and a dead man. Upon seeing these men the young prince decided to devote his life to ending all human suffering.

At the age of twenty nine, Siddhartha cut off his long hair and began to study with well-respected Hindu sages. When he found no answers in their advice he set off on a journey of discovery, and eventually found a group of five ascetics who had renounced all worldly possessions and pleasures. Siddhartha joined this group and began practicing extreme austerity and self-mortification in the hope of finding the answers to the end of human suffering. Over time Siddhartha came to the belief that such an extreme approach was not effective and chose the “middle way.” The middle way avoids extremes – extremes in terms of poverty and pain, and extremes in terms of wealth and pleasure. The ascetics left Siddhartha, feeling that he had abandoned the true path to enlightenment and Siddhartha then decided to sit under a tree and ponder the issue of human suffering. Sitting under the bodhi tree Siddhartha began a process of deep concentration and mediation. While tempted by evil and desires, the young prince remain steadfast, and at the age of thirty-five achieved enlightenment (Nigosian 1994). Siddhartha had become the Buddha.

Armed with his new insight, he began to preach to other, starting with the five ascetics who had earlier abandoned him. It was in an area referred to as Deer Park that the Buddha gave his first lecture. He instructed the five ascetics on his insight concerning the “Four Noble Truths” and the “Eightfold Path.” These men would then become the first missionaries of the newly formed belief system. The Buddha died at the age of eighty while meditating under a tree. His followers then spread Buddhist beliefs from northern India to China along the Silk Road, and on to other parts of Asia.

After the death of the Buddha, disagreement arose as to the true nature of the religion. The disagreement resulted in two different branches of Buddhism: Theravada and Mahayana Buddhism. Theravada Buddhism, or the “way of the elders” is considered the more orthodox of the two branches. Theravada Buddhism is found in Thailand, Vietnam, Myanmar, Cambodia, Laos, and Sri Lanka. Mahayana Buddhism or “great vehicle” relies less on a monastic lifestyle and can be found in China, Tibet, Nepal, Japan, and Korea. Each branch has its own separate scriptures, with Theravada Buddhism having the tipitaka, and Mahayana Buddhism having the sutras. Both branches, however, consider the Buddha to be the great Master and the embodiment of the religious ideal (Nigosian 1994). While differences exist between the branches, and the various subsections of Buddhism, the main tenants addressed in this paper are adhered to by most practitioners.

BASIC BUDDHIST BELIEFS

Buddhism borrowed many concepts from Hinduism and Buddhism was shaped by the cultures and beliefs of the countries to which it spread. The “Dharma transmission,” or spread of the religion throughout Asia, blended well with
the belief systems of the cultures in the area. For example, the Buddha’s Five Precepts are similar to the Five Constant Virtues of Confucius (Renard 2002). There are many similarities among the more common religions of the area including Daoism, Confucianism, Hinduism, and Shintoism. However, the Buddha departed from his Hindu origins in the belief in an eternal self or soul. The Buddha explained that there was no permanence in the self, just the illusion. People are simply temporary beings consisting of form, feelings, perception, conceptual formulations and consciousness (Kohn 2000). These dimensions of being are referred to as the Five Aggregates and represent the concept of no-self. It has been argued that the concept of no-self isn’t too far removed from Christian thought. While Buddhist’s seek an escape from a self-centered existence, Christians believe that the egoistic self must die in order for the true self to be born (Koehn 2007). The different orientations concerning self, however, can be a source of cultural misunderstandings and organizational cross-cultural problems (Neal 2006). Western cultures, including religious beliefs, view people as unique and discreet individuals. In those cultures individuals are considered fixed entities, at least in this life. In contrast, Buddhists tend to view life as more transitory in nature, with no fixed or permanent self.

**The Four Noble Truths**

The path to enlightenment begins with the understanding and internalization of the Four Noble Truths. These teaching were first made in Deer Park by the Buddha to his first followers and have since been embedded in all Buddhist teachings. The teachings of the Buddha are referred to as the Dharma, and the Dharma begins with The Four Noble Truths: 1) all life is suffering; 2) suffering is caused by desire; 3) suffering can be ended; 4) the end of suffering is nirvana. Life involves suffering, regardless of one’s position or status in life. The constant attachment to things, or even people, will produce suffering in one’s life. The only true way to end this suffering is to extinguish it, or to reach nirvana. Nirvana is achieved through the Eightfold Path.

**The Eightfold Path**

The Eightfold Path represents good behavior. In order to achieve nirvana one must have the “right” or proper morality, wisdom, and mental discipline (Sachs 2006). The Eightfold Path consists of: 1) right understanding; 2) right thought; 3) right speech; 4) right action; 5) right livelihood; 6) right effort; 7) right mindfulness; and 8) right concentration. The Eightfold Path is sometimes represented as a wheel in which all the spokes of the wheel must be present for the wheel to function effectively. The path to nirvana involves proper thinking, causing no harm to others, not overindulging, not having improper thoughts or intentions, being mindful of each moment and what we do, and practicing mental concentration or meditation.

**The Five Precepts of Buddhism**

While differences exist among the world’s living religions, some beliefs and practices overlap. The Five Precepts of Buddhism have much in common with Christianity, Judaism, and Islam. Regulations concerning murder, stealing, sexual activity, verbal actions, and consumption have commonality in all these religious orientations. The Five Precepts of Buddhism are: 1) abstain from destroying life; 2) abstain from stealing; 3) abstain from sexual misconduct; 4) abstain from false speech; 5) abstain from intoxicants. While broad-based and not entirely followed by all Buddhists, the Five Precepts provide the foundation for the path to enlightenment.

**BUDDHISM AND MANAGERIAL ACTIVITY**

The basic beliefs, values, and assumptions that are found in Buddhism have application in a number of managerial behaviors. Generally speaking, the belief in a birth-rebirth cycle, or reincarnation, provides a different orientation towards time. This perspective generally supports a more long-term orientation, as compared with a linear and short-term view of one’s existence. The importance placed on the “middle way” or moderation in all aspects of life tends to produce more consistent and moderate behavior. Extreme positions, including strategic choice are generally not reviewed as favorably. The belief in no-self tends to produce a more collectivist orientation and supports a stronger focus on interpersonal relations. The Five Precepts and the Eightfold Path have implications for ethical behavior. In
particular, Buddhist beliefs can manifest themselves in a number of different aspects of management including leadership behavior, personal development, team building, the use of harmony over conflict, and a more gentle approach to people management. The Dharma, as manifested in the Four Noble Truths, the Eightfold Path, the Five Precepts, and the various sayings attributed to the Buddha have much in common with modern managerial practice. This paper addresses five aspects in particular.

**Buddhist Leadership**

If one were to describe the leadership style of the Buddha himself it would be a very passive style. The Buddha sought to enrich all of humankind through personal development; however, his approach was passive and broad-based. The Buddha lead his followers by way of a more reflective and introspective approach. Various statements attributed to the Buddha help explain how a Buddhist mindset practices managerial activity. All of the statements which follow from Wray’s *The Sayings of the Buddha* (2005) which were derived from the ancient Pali Canon. These writings represent the best written evidence of the oral historical record of the words of the Buddha.

Concerning leadership, the Buddha emphasized the importance of maintaining one’s values, promoting self-management, and developing one’s abilities, and the abilities of others. The Buddha said, *“As a solid rock is indifferent to the wind and rain, so the wise are indifferent to criticism and praise.”* The ideal Buddhist leader does not easily sway his or her position in the face of challenges and social pressure. It is important to maintain one’s true self and values. This is not to say that the leadership style is fixed one, in fact it is just the opposite. Leadership style may change, and in most cases should change to fit changing situations, but the leader’s values remain as constant as a rock. In many ways, the Buddhist leader resembles what Rooke and Torbert (2005) refer to as the alchemist leader. In discussing the evolution of leadership behavior they indicate that highest level of leadership is that of “alchemist.” Alchemist leaders have the ability to transform people and organizations by blending the material and the spiritual. The alchemist leader has the ability to reinvent themselves and their organizations. They are not fixed in their position and leadership style but seek to continually change, taking on the characteristic of “no-self” management. Alchemist leaders use charisma, symbols, and metaphors to reach people. Alchemist leaders possess high moral standards and are guided by the truth. Buddhist leaders blend the material with the spiritual and set high moral examples for followers. They are open to change, as they themselves are in a constant state of personal change. Many of the characteristics of Buddhist leadership are also addressed by Quinn (2005) in his assessment of an enhanced state of leadership referred to as “fundamental.” Quinn proposes that leadership consists of two levels, normal and fundamental. One’s normal state of leadership is the everyday methods of influencing others. Fundamental leadership draws on the leader’s capabilities when the individual is challenged, and represents, according to Quinn, a higher and more effective style. In the fundamental state the leader puts the collective good first, acts in accordance with one’s values, is open to new ideas and behaviors, and realizes that change is a normal state of affairs that can lead to greater opportunities. The Buddhist belief that nothing is permanent, referred to as impermanence, recognizes that change is constant in the environment, and in us and others. Effective leadership requires adapting to this change while remaining steadfast in one’s principles.

**Personal Development**

An important aspect of Buddhism is personal development. In order to escape the cycle of birth and rebirth, one must continuously make improvements. The Buddha said, *“If a man should conquer in battle a thousand and thousand more, and another should conquer himself, his would be the greater victory, because the greatest of victories is the victory over oneself.”* The Buddhist leader places the burden of development on himself or herself, not only one’s own development, but the development of others. Much can be found in Buddhist teaching concerning self improvement and bringing out the best in others. Inherent in Buddhism is a very positive orientation towards human nature and a mastery of one’s destiny. The Buddhist Law of Causality states that nothing exists in its own right, but rather everything has a cause. A mastery of one’s self, and the management of others, require understanding this causality and acting upon it. Mindfulness and self-discipline are important aspects of personal development, especially as found in the Zen school of Buddhism.
At the same time, a Buddhist approach to the development of others has a strong orientation towards self-determination. As the Buddha said: “Only a man himself can be master of himself: who else outside could be his master? When the Master and servant are one, then there is true help and self-possession.” The development of others should have the goal of producing an individual who needs no supervision, a person who has internalized the mission and goals of the organization, and who is capable of self-management, or being his own master. The ideal Buddhist organization is one in which less emphasis is placed on command and control, and greater emphasis is placed on developing the abilities of individuals to manage themselves.

**Team Building**

Most Buddhist countries are collectivist in nature, and this orientation towards the importance of the group over the individual has positive implications for team building and functioning. Buddhist philosophy is consistent with a collectivist view. The concept of no-self implies that we are not individuals, as viewed in Western terms. We are not autonomous and independent entities. Our identity is linked to our associations with others. As the Buddha said: “All the great rivers on reaching the great ocean lose their former names and identities and are reckoned simply as the great ocean.” Our ability to view ourselves as part of a larger social system, and to make the necessary sacrifices for effective team functioning require us to transcend the “I” component of our existence. Buddhist philosophy helps individuals to see that they have interconnections to a larger social system and that this connection will require individual sacrifice in order that all may achieve more.

The importance of individual sacrifice for the benefit of the group promotes teamwork. As the Buddha said: “Whoever offers sacrifice, or whoever gets others to do so – all these are following a course of merit benefiting many others.” Organizational systems that promote individualism run contrary to the notion of teamwork. For the benefits of collective action to be realized, it is necessary that we begin to think differently about how we structure organizations and reward systems. The Buddhist value of self-sacrifice for the common good is a contributing factor to the success of teamwork found in many Asian countries.

**Importance of Harmony**

Similar to collectivist tendencies, the importance placed on group harmony is a central feature of Buddhist philosophy. Views differ on the importance of harmony to effective organizational functioning, with some cultures placing a greater value on competition. Individual competition, it is argued, produces greater motivation, and some degree of conflict is necessary to energize a workforce. The Buddha would disagree with this approach stating: “Many do not know that we are here in this world to live in harmony. Those who know this do not fight against each other.” Early research into the value of cooperation over competition supports the Buddhist viewpoint. In a meta-analysis of cooperation versus competition studies, Johnson, et al (1981) found that cooperation inside organizations produced superior results in terms of achievement. Harmony inside the organization is preferred to competition among organizational members in a Buddhist society.

Harmony is produced when organizational members share common values and work towards a common goal. Harmony begins with trust and a positive view of human nature. Harmony is enhanced by practicing a non-judgmental attitude towards others. As the Buddha said: “The wise one does not judge others, not their words or deeds or what they have or have not done. The wise only contemplate their own words and deeds.” In order to create a harmonious organization, it is important that the leaders first seek excellence in themselves. Proper role modeling and the assumption that people prefer to cooperate predispose the Buddhist manager to action which enhances group harmony. An essential element of Buddhist belief and practice is to live in harmony with others. The Buddhist leader creates a shared purpose, models good behavior, and encourages kindness inside the organization.

**People Management**

A Buddhist approach to the management of people involves establishing a personal bond with others based upon our true selves. This approach is similar to what Goffee and Jones (2005) call, the “authenticity of leadership.” Authentic leadership reflects the leader’s inner self, yet can be developed or transformed into something greater.
Authentic leaders understand their origins and “identity anchors.” Leaders who work on being more authentic get to know their followers holistically and empathize with their followers. They remove barriers between themselves and followers and they promote and celebrate the uniqueness of each individual. Through a more authentic approach to people management, stronger personal bonds are created.

The Buddhist approach to dealing with others could be viewed as a “softer” approach than traditional Western interactions. Personal feelings and emotions are given greater attention. According to the Buddha: “Never speak harsh words, for once spoken they may return to you. Angry words are painful and there may be blows for blows.” Buddhist managers tend to be more mindful of their interactions with others and tend to avoid direct confrontation. Angry or harsh words are not seen as being helpful in building a harmonious organization.

Daniel Goleman’s (2004) work in the area of emotional intelligence is consistent with a Buddhist approach to management. His five components of emotional intelligence at work relate closely to a Buddhist philosophy of dealing with others. Goleman found that self-awareness, self-regulation, motivation, empathy, and social skills constituted the key aspects of emotional intelligence, and that emotional intelligence was more predictive of managerial success than cognitive intelligence. Again the Buddha offers his advice: “There are four bases of sympathy. What four? Charity, kind speech, doing good, and treating all alike.” Following the advice of the Buddha produces a management style with greater emotional intelligence.

CONCLUSION

In an early article on the attributes of Japanese management, Pascale (1978) made the statement: “Management assumptions act as fences – keeping some things in and other things out of our awareness” (p. 160). The purpose of this paper has been to break down some of those fences. While this paper has addressed assumptions underlying management behavior based on Buddhist precepts, some have proposed an even broader difference in worldview. It has been argued that Buddhism promotes a different economic system. Referred to as “Buddhist economics” (Schumacher 1993; Puntasen 2002), the concept maintains that quality of life is not dictated solely by maximizing one’s utility, but also includes non-material factors as well. For example, living in peace and harmony with others should be considered in economic decision-making. In order to truly enhance the well being of a society one must consider factors other than material possessions. While the Buddha did not directly address managerial or economic issues, his influence on believers does effect managerial decision making in Buddhist countries. The wisdom of the Buddha can also provide timeless advice for modern day managers regardless of religious orientation. The Buddha’s recommendations for modern managers could be summarized as follows: be mindful, be compassionate, consider the fact that you are only part of a complex and dynamic situation, be flexible and open minded, and recognize that nothing is permanent – not the organization, not strategies that may work now, not you, nor your leadership style. Enlightened management is about accepting change, creating harmony among those you work with, and treating all people with dignity and respect.

REFERENCES


