

Practical wisdom for management from the Buddhist and Indian traditions

On life's journey faith is nourishment, virtuous deeds are a shelter, wisdom is the light by day and right mindfulness is the protection by night. Buddha

729

Introduction

After the global and financial crisis, inside of the business education community, self-critical reflections emerged regarding its role in equipping students for leadership. Scholars examined, for example the influence of management education in society (Gioia, 2002), concluding that management education is based on unsound theories (Ghoshal, 2005), that business schools have lost their way (Bennis and O'Toole, 2005) or even that business schools could be considered indirectly responsible for corporate crimes (Swanson and Frederick, 2003).

Institutional frameworks, sound governance structures and financial incentives, which have been dominantly proposed by scientific authors, may be perceived as an institutional safeguards against falling below minimum ethical standards. However, imposing more rules, penalties and regulations also comes at a cost as it increases transaction costs and induces sanction-abiding behavior. Simultaneously, focussing primarily on incentives has also created unintended consequences because it enhances self-interest instead of a common good orientation (Frey, 1994; Frey and Jegen, 2001; Schwarz and Sharpe, 2011). Complementary to these measures, the business education community is increasingly interested in spirituality, religion and the practice of virtues in the workplace. Currently, international accreditation agencies such as EFMD, AACSB, AMBA and NEASC are reviewing their standards to include concepts such as ethics, sustainability, integrity and corporate social responsibility. Even business schools themselves have responded by adding courses in ethics, sustainability and corporate social responsibility to their curriculum. However, those developments do face obvious limitations; courses exclusively dedicated to ethics may detach moral thinking from the core of other business courses. Therefore, stand-alone courses in

The authors want to express the thanks and gratitude to a number of individuals without whom this issue would not be possible. With respect to the authors gathered in this special issue, the authors wish to thank them for their commitment and patience through the editorial process. The authors also thank the panel of anonymous peer reviewers for their suggestions for the improvement of the papers. The authors are also indebted to all those who attended the conferences and made this double special issue possible in one way or another. A special thanks is extended to the editors and editorial assistants at *Journal of Management Development* who worked with the authors on this project applying their own practical wisdom and patience. Finally, the authors must thank Thammasat Business School and its administration for kindly and generously hosting the conference "Practical Wisdom for Management and Economics from the Buddhist Spiritual and Religious Traditions" held in Bangkok (Thailand) in November 2012 and the Indian Institute of Management-Kozhikode in Kerala (India) and its administration for kindly and generously hosting the conference "Practical Wisdom for Management from the Indian Traditions" in January 2012.

business ethics may not make business students become more ethical. Ethical concepts have to become integrated within the constitutive tissue of every business course.

An alternative approach to address the shortcomings of current business education is the renewed emphasis on spirituality and religion. The workplace is not solely an engineering arena, and people do not switch off their spiritual values and virtues they abide by when they go to work. Mitroff and Denton (1999) have found that employees who are more spiritual behave more ethically. Where external control mechanisms such as rules, and extrinsic motivators such as financial incentives have failed, a focus on remoralizing the workplace via a return to virtue and religion is now getting traction (Bachmann, 2014). This new direction coupled with an emphasis on practical wisdom, i.e. a basic understanding of what is right under the appropriate circumstances, may provide a potential answer to our past economic and financial ills.

During the last years the literature on practical wisdom has increased; recently the academy of management learning and education featured a collection of scholarly documents dedicated to the research on practical wisdom. (McKenna *et al.*, 2013). In the series of the *Journal of Management Development* special issues, then, we shed light on different religious and spiritual traditions as the cultural pillar for practical wisdom in management (Bachmann *et al.*, 2014). This project began in 2009 and has dedicated special issues to several religious traditions. The first special issue was dedicated to the Christian tradition (Naughton *et al.*, 2010), the second special issue of the series was dedicated to the Chinese classical traditions (Bettignies *et al.*, 2011), following a special issue focussed on the Jewish tradition appeared (Kletz *et al.*, 2012), followed by a special issue on the Islamic tradition (El Garah *et al.*, 2012). The double special issue we are introducing with this paper is dedicated to the Buddhist and the Indian religious, spiritual and philosophical traditions.

Practical wisdom for management from the Buddhist spiritual and philosophical traditions

As of 2010, there were about 488 million adherents to Buddhism representing 7 percent of the world's population (Pew Research Center, 2012, p. 31). The majority of Buddhist lives in the Asia-Pacific region (nearly 99 percent) the place where this religion began. Buddhism represent therefore one of the major religious, spiritual and philosophical traditions in the globe. The papers gathered in this special issue are only a selection of the contributions presented during the conference "Practical Wisdom for Management and Economics from the Buddhist Spiritual and Religious Traditions" held at Thammasat Business School in Bangkok (Thailand) in November 2012.

The underlying principles of all papers collected in this special issue are from the basic tenets of Buddhism. Some papers may be a little difficult to read because of the religious jargons. However, when these terms are understood, at the practical level, the reader can see that Buddhist practical wisdom – defined as the pragmatic, context dependent and ethics-oriented knowledge focussed on value-based judgment – shares a lot of commonalities with other spiritual traditions. The fact that Buddhism is widely viewed as a philosophy may help in getting it into practice more easily in non-religious fashion.

These papers attempt to show that Buddhist economics, which focusses on "converting the insatiable to satiable desires", can become the basis of the new economic enlightenment. Buddhist values - such as ethical foundations and moral precepts - can be used to define value and purpose of business and management practice that "do well by doing good" with tolerance, compassion, kindness and

non-harm and taking the triple bottom line: people, planet and profit into consideration. This approach necessitates business and management education to emphasize ethical and moral business decisions and actions. In practice, Buddhism requires management to be more aware and mindful of societal and environmental consequences of those decisions. The old notion: “the only business of business is to seek profit,” is not sufficient for the desired happy and sustainable future of both individuals and societies.

Society is more willing now to embrace the practical wisdom of various traditions. The challenge here is to move away from present business environment based on a “rational economic man” assumption and management principles and practices based on fulfilling “self-interest.” The question is how to apply practical wisdom toward this end? Each of the authors in this issue demonstrates that Buddhist practical wisdom can indeed be applied to management development and business practices in general. In these papers, Buddhist practical wisdom intersects with a variety of other topics including: managing consumer society, global leadership with the “right” view, management practice, managing sustainable enterprises, synthesis with ecological economics, management training, decision-making process, new economic system fundamentals and management development.

The eight papers gathered in this collection are diverse, some of them have been written for readers who are not familiar with Buddhism and others build on ongoing academic discussions that link Buddhism with management and economics. The opening paper of this collection titled “The Contribution of Buddhist Wisdom to Management Development” by Laurens van den Muyzenberg, presents selected Buddhist concepts and their application as instruments of practical wisdom for management. The author considers the logic and rationality of those Buddhist concepts and contrasts them with the experiences of Buddhist business leaders in Taiwan and Thailand.

Remarkable is that the Buddhist wisdom concepts selected for the analysis done on this paper are based on conversations and exchanges between the author and the 14 Dalai Lama (Tenzin Gyatso) and with P.A. Payutto, a monk and abbot of the Nyanavesakavan temple and a recognized Buddhist scholar. The Buddhist wisdom presented in this paper emphasizes the importance of rational and emotional awareness for management as an instrument to enhance the performance and to avoid the influence of negative emotions such as excessive self-interest and unwillingness to face reality.

The second paper of this collection: “The Theoretical Foundation of Buddhist Management Practices” by Gábor Kovács explores the possible applications of Buddha teachings in the field of economics as a foundation of a Buddhist management practice. This paper provides a theoretical base on which an alternative approach of Buddhist management practice can be built. The most important questions raised in this paper are: how to integrate Buddhist spiritual experiences into daily management practices, and what are the core values by which it is feasible? To answer these questions, the author suggests comprehension as departing point. Therefore he emphasizes the ability of managers to reflect upon practical issues, employing, for example Buddhist meditation techniques. Wisdom, considered in this paper as the consequence of meditations, contributes to a holistic problem solving capable of transcending bounded rationality, improving innovation and efficiency.

The following paper titled “Buddhism and decision making at individual, group and organizational levels” by Priyanka Vallabh and Manish Singhal explores how

Buddhist practical wisdom can be applied to the decision-making process in management. They use the Buddhist Law of Dependent Origination to analyze how the understanding of this law is reflected in behavior in different roles and have consequences at the decision-making level. At the individual level authors suggest that mindfulness can regulate stress and therefore help in information processing, for individuals in the role of team members the law of dependent origination can be recognized in organizational citizenship behavior that encourages the sharing of information and facilitates group cohesion, coordination and cooperation.

The next paper by Geoffrey Bamford is titled "Right speech as a basis for management training," he reports on his experience on cross-cultural communication skills training and presents a process – grounded in Buddhist practical wisdom – to train managers to negotiate effectively. He presents how through the application of certain heuristics, or rules-of-thumb for addressing contentious points in a negotiation, managers can overcome some cognitive constraints in negotiation processes. He applies mindfulness to communication strategies and highlights the necessity of recognize non-instrumental goals in management that improve not only ethical behavior but also effectiveness in negotiations processes.

The next paper of the collection: "Adam Smith as Bodhisattva? A metta analysis of global leadership" by Fredric William Swierczek and Dominique Jousseinquires if Adam Smith meets the criteria of being a Bodhisattva, he argue that enlightened self-interest leads to an enhanced understanding of moral conduct and to appropriate actions which are not only ethical but also good, which is one of the features of a practical wise action. For this author, Adam Smith in particular regarding his moral philosophy can be considered a representative of the Bodhisattva ideal but only partially, because the values of trust, empathy, concern for others, fairness and reciprocity that Adam Smith emphasized in his writings certainly can support the right view but not necessarily the right action, this would require certainly more. In this context the author does an analysis of the competencies needed for global leadership and finds as complement to the values proposed by Adam Smith, the value of the eight fold noble path dynamic to achieve the selflessness. He proposes an enlightened leadership that builds on the six perfections: generosity, self-discipline, patience, enthusiastic effort, concentration and wisdom.

The next three papers of the collection are grounded on the research in Buddhist economics. The paper titled: "Practical wisdom for managing sustainable enterprises – synthesizing Buddhism and ecological economics" by Peter L. Daniels argues that Buddhist traditions can contribute to develop healthy economic systems that deliver better levels of well-being, transcending the common measurements done by GDP growth as preeminent socio-economic goal. He proposes that human motives for enhanced well-being and the appropriate evaluation of action are deeply interconnected, i.e. welfare at personal, social and natural environment levels are inextricably tied. For this author Buddhist cosmology allows evaluations of business activity for well-being in a more holistic way. To support his theses he makes use of ecological economics and presents the need of a transdisciplinary scientific approach to knowledge capable to become wisdom in practice.

The paper titled "Buddhist wisdom as a path to a new economic enlightenment" by Kate Stirling identifies some common elements between Buddhism and modern economic theory and also some divergent elements that as consequence generate different paths in economy. The author discusses three particular divergences and its consequences: consumption, work and self-interest. These divergences are based on the

different answers – given from the perspective of modern economic thinking and from a Buddhist perspective – to the main economic problem: the satisfaction of unlimited human wants and desires with scarce resources. Taking in consideration the teachings on selflessness of Buddhism the reader is guided to the divergence of perspectives and the possibilities of an alternative approach.

The final paper of this collection titled “Buddhist economics: A model for managing consumer society” by Gullinee Mutakalin develops more in detail an issue introduced in previous papers: consumption from a Buddhist perspective. The author focus on the idea that Buddhist economics focusses on converting insatiable desires into satiable ones, instead of increasing the amount of goods and services to satiate insatiable wants. This paper analyze this issue form a twofold perspective, from an individual perspective, it suggest that personal development via self-improvement and management should be applied along with cultural jamming, which disturb, disrupt and change the process of consumption. And from a structural perspective, it suggests that business should apply the long-term strategy to reduce wasteful consumption and pursue responsible management strategies.

Practical wisdom for management from the Indian spiritual and philosophical traditions

Indian spiritual and religious traditions are those originated in the Indian subcontinent including Hinduism, Jainism, Sikhism and Buddhism. In 2010 there were about one billion Hindus around the world representing 15 percent of the global population (Pew Research Center, 2012, p. 28). This is the most expanded of the Indian traditions and includes Vaishnavism and Shaivism both organized around the worship of the gods Vishnu and Shiva, respectively.

The papers gathered in this special issue represent only a selection of the numerous contributions presented during the conference “Practical Wisdom for Management from the Indian Traditions” held at the Indian Institute of Management, Kozhikode in Kerala (India) in January 2012. The papers address different issues regarding management development including, decision making, leadership, workplace spirituality and microcredit. They also cover different Indian philosophical approaches including Vedic and Yogic philosophy. The eclectic character of this collection shows not only the diversity and the richness of practical wisdom for management from the Indian spiritual and philosophical traditions, but also the exploratory nature of this special issue.

In the opening paper titled “Making wise decision: Lessons from Mahabharata for business leaders”, Prasad L. Kaipa present some leadership stories extracted from the Mahabharata and re-contextualize into contemporary decision-making situations. He identifies three factors that usually block ethical decision making: crisis situations as drivers of decisions, failed recognition and account of biases and attachments and the lacking of developing of discernment. Making use of dilemmas, the author encourages the readers to think about the subtle distinctions of discernment, intuition, instinct and emotion and their role in managerial decision making.

The second paper is titled: “Facilitating workplace spirituality: Lessons from Indian spiritual traditions” by Rupali Pardasani, Radha R. Sharma and Puneet Bindlish. The authors identify in their article five dimensions of workplace spirituality: meaningful work, interconnectedness, transcendence of self, alignment with organizational values and an holistic approach toward growth and development; they suggest that the Indian doctrine of Karma Yoga, Loksangrah, Guna theory, Daivi sampat and Pancha Kosha

can help facilitating the five dimensions. Moreover the authors deduce implications for management development and education in the areas of human resource management, training and development and organizational development.

The paper titled “Vedic learning and management education” by Sharda Nandram presents the Vedic learning perspective as the transformation of the inner self, as a potential didactic instrument for management education in Indian Business Schools. The author emphasize that the current developments on transformational learning can found a fertile ground in Indian managerial environments, because such learning methodology is inherent to Vedic education and therefore it represents an opportunity for Indian management education organizations. Thus, making use of Vedic learning in Indian management education could be considered a matter of practical wisdom.

The following paper is titled: “How to develop spiritual awareness in the organization: Lessons from the Indian Yogic philosophy” by Snehal Shah and Anil Sachdev. The authors of this paper report about an empirical exploratory study that tried to answer the question about how does an organization incorporate spirituality through its various layers – referring here to the layers of Panch-Kosa according to the Vedantic philosophy – making focus on moral values. They inquire if the alignment of human values across cognitive layers of organizations could have an impact on employee-related outcomes. The main contribution of this paper lies in the original conceptualization of alignment between the plan and practice of moral values in the organizations as reflected in systems, processes and procedures.

The final paper of this collection dedicated to the practical wisdom from the Indian traditions entitled “Hinduism and Microcredit” by Arvind Ashta and Mark Hannam presents a case study of a Hindu Micro Finance Institution and evidences the challenges that the contextualization of some Hindu religious teachings to contemporary financial thinking means. They argue that a mix of social idealism and economic realism present in Hinduism represents a welcoming environment for the development of microfinance institutions. They recognize, however, that the practical wisdom of Hindu thought cannot be understood as a one fit all recipe but is context dependent and addresses the specifics of every different circumstance and situation arguing that one characteristic of the practical wisdom of Hindu thought is its plasticity.

Conclusions

The contributions of this double special issue on practical wisdom for management from the Indian and Buddhist spiritual, religious and philosophical traditions cover a wide variety of topics and unite authors from very different contexts. The explorative nature of this effort is quite obvious. From the perspective of the editors, this is probably at the same time the biggest limitation. Limitations result from the simple fact, that from a methodological point of view some basic questions still have to be discussed; these include the relationship between the origins of religious wisdom traditions in a radical different socio-economic context and their adaptability toward the modern complex and globalized economy of our times. The current special issue can be therefore considered only a departing point in a developing research program. This is also the strength of this effort, to open up the discussion about practical wisdom toward the richness of the Indian and Buddhist cultural traditions and their corresponding contributions to management development. The importance of global companies run and managed by Indian and Buddhist practitioners require more understanding on the practical wisdom they are applying in their day-to-day decision-making processes and how are they influencing global economic and

managerial environment. Embracing this challenge is not easy and the editors hope that they have contributed to the development of a research program, which addresses Practical Wisdom in today's Management from different religious and spiritual traditions.

Kulpatra Sirodom

Thammasat Business School, Thammasat University, Bangkok, Thailand

Cristian R. Loza Adauí and André Habisch

Ingolstadt School of Management, Catholic University of Eichstätt-Ingolstadt, Eichstätt, Germany and ABIS – The Academy of Business in Society, Brussels, Belgium

Gilbert Lenssen

ABIS – The Academy of Business in Society, Brussels, Belgium

Theodore Roosevelt Malloch

Spiritual Capital Initiative, Yale University, New Haven, USA and Wolfson College, Oxford University, UK

References

- Bachmann, C. (2014), "Can practical wisdom be taught in business schools? An inquiry-based learning approach for management education", in Blessinger, P. and Carfora, J.M. (Eds), *Inquiry-Based Learning for the Arts, Humanities, and Social Sciences: A Conceptual and Practical Resource for Educators*, Emerald.
- Bachmann, C., Loza Adauí, C.R. and Habisch, A. (2014), "Why the question of practical wisdom should be asked in business schools: towards a holistic approach to a renewal of management education", Research Paper Series No. 2460665, Humanistic Management Network, available at: <http://ssrn.com/abstract=2460665> (accessed June 30, 2014).
- Bennis, W.G. and O'Toole, J. (2005), "How business schools lost their way", *Harvard Business Review*, Vol. 83 No. 5, pp. 96-104.
- Bettignies, H.-C., Ip, P.K., Bai, X., Habisch, A. and Lenssen, G. (2011), "Practical wisdom for management from the Chinese classical traditions", *Journal of Management Development*, Vol. 30 Nos 7/8, pp. 623-628.
- El Garah, W., Beekun, R.I., Habisch, A., Lenssen, G. and Loza Adauí, C.R. (2012), "Practical wisdom for management from the Islamic tradition", *Journal of Management Development*, Vol. 31 No. 10, pp. 991-1000.
- Frey, B.S. (1994), "How intrinsic motivation is crowded out and in", *Rationality and Society*, Vol. 6 No. 3, pp. 334-352.
- Frey, B.S. and Jegen, R. (2001), "Motivation crowding theory", *Journal of Economic Surveys*, Vol. 15 No. 5, pp. 589-611.
- Ghoshal, S. (2005), "Bad management theories are destroying good management practices", *Academy of Management Learning & Education*, Vol. 4 No. 1, pp. 75-91.
- Gioia, D.A. (2002), "Business education's role in the crisis of corporate confidence", *Academy of Management Executive*, Vol. 16 No. 3, pp. 142-144.
- Kletz, P., Almog-Bareket, G., Habisch, A., Lenssen, G. and Loza Adauí, C.R. (2012), "Practical wisdom for management from the Jewish tradition", *Journal of Management Development*, Vol. 31 No. 9, pp. 879-885.
- McKenna, B., Rooney, D. and Kenworthy, A.L. (2013), "Introduction: wisdom and management – a guest-edited special collection of resource reviews for management educators", *Academy of Management Learning and Education*, Vol. 12 No. 2, pp. 306-311.
- Mitroff, I.I. and Denton, E.A. (1999), *A Spiritual Audit of Corporate America a Hard Look at Spirituality, Religion, and Values in the Workplace*, Jossey-Bass, San Francisco, CA.

- Naughton, M.J., Habisch, A. and Lenssen, G. (2010), "Practical wisdom in management from the Christian tradition", *Journal of Management Development*, Vol. 29 Nos 7/8, pp. 616-625.
- Pew Research Center (2012), *The Global Religious Landscape. A Report on the Size and Distribution of the World's Major Religious Groups as of 2010*, Pew Research Center Forum on Religion & Public Life, Washington DC, available at: www.pewforum.org/global-religious-landscape.aspx (accessed June 1, 2014).
- Schwarz, B. and Sharpe, K. (2011), *Practical Wisdom. The Right Way to do the Right Thing*, Penguin Group, New York, NY.
- Swanson, D.L. and Frederick, W.C. (2003), "Are business schools silent partners in corporate crime?", *Journal of Corporate Citizenship*, Vol. 9 No. 1, pp. 24-27.

About the Guest Editors

Kulpatra Sirodom is an Associate Professor in Finance at the Thammasat Business School (Thailand). She earned a BBA in Finance from Thammasat University, an MBA in Finance from West Virginia University (USA) and a PhD in Finance from the University of Pittsburgh (USA). Kulpatra served as Dean of the Faculty of Commerce and Accountancy, which is Thammasat University Business School, during 2010-2013. While serving as Dean she led Thammasat University's Business School to be EQUIS accredited in 2012. She was a Member of the Board of the Global Foundation for Management Education in 2011. She served as Advisors and Active Members of many important public and private organizations over the years including the Ministry of Finance, the Stock Exchange of Thailand and a number of finance firms. Kulpatra currently serves as a Committee Member for a number of organizations and private companies; including Siam Commercial Bank PLC, Thai President Foods PLC, President Bakery PLC, Wacoal PLC, an Advisor to the Federation of Accounting Professions.

Cristian R. Loza Adau is Doctoral Researcher at the Ingolstadt School of Management of the Catholic University of Eichstätt-Ingolstadt (Germany) and a Research Associate at the Friedrich Alexander University of Erlangen-Nürnberg. He serves as Research Fellow and Project Manager at ABIS – The Academy of Business and Society and as Researcher of the Center for Corporate Citizenship. He is a Business Administrator from the San Pablo Catholic University (Arequipa – Perú), holds a Master in Catholic Social Thought from the Pontifical Lateran University (Rome, Italy) and a Master in Management and Corporate Social Responsibility from the LUMSA University (Rome, Italy). He was Director of the Center for Catholic Social Thought from the San Pablo Catholic University. Since 2006 he has researched and taught philosophy, business ethics and corporate social responsibility in undergraduate and in executive programs in Perú and Germany. His research interest includes spirituality and management, Christian social ethics in business, business ethics and corporate citizenship.

André Habisch is Professor for Christian Social Ethics and Civil Society at the Catholic University of Eichstätt-Ingolstadt where he is affiliated with the Ingolstadt Business School. He studied theology at the University of Tübingen and economics at Free University of Berlin. His research interest is focussed on Applied Business Ethics and CSR, Small- and Medium-Companies, Corporate Citizenship and Value-based Management. He serves as Associate Research Director of the European Academy Business in Society (EABIS) and is Member of the German Parliaments' Study Commission "Growth, Wellbeing and Quality of Life". Co-authored publications include *Responsibility and Social Capital: The World of Small and Medium Sized Enterprises* (Palgrave, 2004), *CSR Across Europe* (Springer Publishers 2006), *Values That Create Value: Socially Responsible Business Practices in SMEs – Empirical Evidence From German Companies* (BE 2009), *Different Talks with Different Folks: A Comparative Survey of Stakeholder Dialog in Germany, Italy, and the US* (JBE 2010), *Ethics and Economics: Towards a New Humanistic Synthesis for Business* (JBE 2011).

Professor Gilbert Lenssen is President of EABIS – The Academy of Business in Society and Former Professor of International Management at the College of Europe, Oxford University and Leiden University. Currently Professor of Strategy and Governance at ENPC Paris and Visiting Professor at the Universities of Reading and Cranfield. He has widely published on Corporate Responsibility and Strategy. Prior to his academic career, he was a business executive for BP in Belgium, the UK, USA, India, the Middle East, Germany and Spain. As a Christian of Catholic tradition, he became familiar with other religions and traditions during his executive postings (Anglican, Episcopal, Presbyterian, Lutheran, Hindu, Buddhist, Islamic traditions). With Ted Malloch of Yale University and Andrew Kakabadse of Cranfield University, he initiated the project leave Practical Wisdom for Management from the Religious and Spiritual Traditions.

Professor Theodore Roosevelt Malloch is Research Professor for the Spiritual Capital Initiative at the Yale University. He was Chairman and Chief Executive Officer of The Roosevelt Group, a leading strategic management and thought leadership company. He has served on the executive board of the World Economic Forum-Davos; has held an ambassadorial-level position at the United Nations in Geneva, Switzerland; worked in the US State Department and Senate; worked in the capital markets at Salomon Brothers on Wall Street; and has sat on a number of corporate, mutual fund and not-for-profit boards, including the University of Toronto International Governing Council, a Pew Charitable Trust board, and the Templeton Foundation. Ted earned his PhD in international political economy from the University of Toronto.