

BUDDHISM CONGRUENT MANAGEMENT AND ORGANIZATIONAL EFFECTIVENESS

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ABSTRACT

In the turbulent societies like today, practitioners and academics look for sustainability development and business ethics. To merge an ethic theory, i.e. Buddhism, to management or explore existing congruent management can be the other way to raise awareness of implementing ethics in management for long-term and balanced living. The main objectives of this research are to explore management styles that are congruent with Buddhism and their relationship with organizational effectiveness. Buddhism congruent management, organizational effectiveness and potential relationship literature are reviewed. Propositions for future researches are proposed.

INTRODUCTION

In these turbulent societies, sustainability development and business ethics are recalled. Buddhism is a philosophic system that aims to eradicate sufferings. If organizations can implement these principles, their members would be fewer sufferings and more peaceful. In author's previous research [14], different dimensions of organizational effectiveness, including return on assets, Most Admired, job satisfaction and personal satisfaction are found related to specific aspects of leader characteristics, organizational culture and management style. If using Buddhism as a core value for each manager (as his/her managerial characteristic) and for organizational culture, organizations might be changed and lead to organizational effectiveness. The main objectives of this research are to explore management styles that are congruent with Buddhist and their relationship with organizational effectiveness.

Review of Literature

The methods of dealing with daily competitive business environment that causes physically and mentally stress are more interesting for both practitioners and academics. At the Center for Mindfulness in Medicine, Health Care and Society at the University of Massachusetts Medical School, studies have shown that mindfulness can help in physical problems, reduce pain and reduce anxiety [9]. From Sigmund Freud to the makers of Prozac, scientists have sought to purge the mind of harmful emotions like anger, fear, and depression. Buddhism has pursued the same goal for millennia longer, through meditation rather than medication. Now Western science is validating Eastern tradition: Modern brain imaging is yielding startling evidence of the effectiveness of Buddhist techniques in tethering emotions. That's why some prisons, for example, offer meditation training to inmates [1]. Buddhism is not only scientifically evidenced as a daily life suffering relief, but also found as an organizational management relief. Two sections are reviewed: Buddhism congruent management and their relationships.

Buddhism Congruent Management

From the literature review, successful Japanese and some Asian management styles were influenced from Buddhism. More practitioners and academics in Western also studied and applied Buddhism in their works. Because of Japanese economic success, more academics and researchers are interested in

their management styles and values they possess [3]. Japanese management practice, such as excessive emphasis on training, a mainly intuitive, pragmatic approach to problems of productivity and quality, the ethos of hard work, the quest for continuous performance improvement, and stress on self-reliance in technology derive from Zen Buddhism [15]. Kao Corporation, Global Most Admired Companies ranked by Fortune magazine, is known as practicing Buddhism. Their central beliefs are flexibility, communication, and equality. Kao managers were expected to become a coach to himself and others [4].

Many Japanese managers practice Zazen. A famous practitioner of the technique has been Konosuke Matsushita, the founder of giant Matsushita Company. Also other executives of the Matsushita Company are known to meditate regularly [11]. Some Japanese firms send their fresh recruits to Zen temples where they acquire the skills of meditation as well as physical discipline [16]. Dr. Michitaka Yamamoto, Omron's lab mentioned that the process of clearing the mind of distractions, getting rid of thoughts and ideas will be only to pave the way of creativity [3].

Beside Japanese management, other nationalities' successes are also discovered. Ping An, a privately held insurance company in a mainland business world dominated by government-owned competitors, claim to being unique lies in a corporate culture that is a mixture of Confucian values, Buddhist beliefs and modern Western business practices. "This has been one of our most successful investments anywhere in the world," says Henry Cornell, a senior managing director at giant U.S. brokerage Goldman Sachs in New York. Goldman and another American brokerage, Morgan Stanley, invested \$40 million each in 1994 for 7% stakes in Ping An [2].

Houlder (2003), a practicing Buddhist, suggested financial advisors to give not only financial recommendations but also wisdom between money, life, relationship and dreams to their client [6]. Nipon Surapongrukchareon, vice-president of Thai Tabuchi Electric, a power transformer manufacturer mentioned, "A leader must sacrifice and show selflessness. If our members understand the deep meaning of this, we believe it will promote their success." [8]. A case from U.S., Chicago Bulls coach Phil Jackson frequently leads the team in the Lord's Prayer and encourages visualization to help his players develop their potential as athletes and human beings. His management style offers many valuable insights to help healing the wounds of reorganization and infusing meaning into the mission and build team cohesion where a sacred trust with employees and customers must be built [12].

Well-known management academic, whose name is in most of organizational behavior management textbook, Frederick Herzberg (1984) mentioned that, "*Participative management theory is supported by philosophies of the East - Taoism, Hinduism, and Buddhism which promise pain reduction through avoidance of human conflicts. On the other hand, the major Western philosophies - Hellenism, Judaism, and Christianity - have been concerned with self-actualizing participation.*" [5]. Stephen Covey, who published "The 7 Habits of Highly Effective People." in 1989, proposed the eighth habit. "In 2005 being effective is not enough", Covey says, he offers the alternative which known to Buddhists as the middle way [7].

Relationship between Buddhism Congruent Management and Organizational Effectiveness

As same as Buddhism congruent management, there are no formal researches on relationship between Buddhism congruent management and organizational effectiveness. There are only empirical studies and observations. Relationship between Buddhism and organizational effectiveness can be found in the case. Sony heir Hideo (Joe) Morita opened a floating 5-star hotel King Pacific Lodge which can turns a \$360,000 profit on \$2.3 million in revenue only from May to October, 2003. Joe has the original mind of a Shinto/Buddhist businessman who looks at wilderness and sees ways both to preserve it and to make money [10]. A Buddhist monk and former diamond district executive, Roach says that the three

Buddhist-inspired principles on which he built his success can be applied to other businesses and other circumstances [13].

From the literature review, a certain amount of documents confirmed the research question in a certain level. There are some existing management styles that congruent or align with Buddhism. There are some organizational effectiveness measurements that can reflect humanity. There are possibilities of relationship between Buddhism congruent management and organizational effectiveness. Here are the prepositions for the future research.

Proposition 1: There are Buddhism congruent management styles

Proposition 2: There are positive relationships between Buddhism congruent management styles and organizational effectiveness.

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