

Buddhism and Innovative Organizational Culture

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ABSTRACT

Worldwide business competition has intensified tremendously in the last decade as international trade has picked up under international agreements and arrangements such as World Trade Organization (WTO). In such a competitive environment, a company needs to possess core competitive capability in order to survive and succeed. As our economy moves from the production-based industrial age into the knowledge-based information age, one of the most important core competitive capabilities a company can possess is innovation, that is, the ability to create new products or services or to use a new method or process for production or service. However, innovation does not exist in vacuum. In order to be innovative, an organization needs to have a certain culture to support it. The literature is scattered with studies that attempt to identify the links between organizational culture and innovation. Very few of them, however, investigate the role of religious beliefs in creating an innovative organizational culture. Still fewer of them have studied the relations between Buddhism and innovative organizational culture. The purpose of this paper is to explore how Buddhism could contribute to management literature in this area. Specifically, I will illustrate how Humanistic Buddhism can be applied to develop an ideal organizational culture that is self-learning and perpetually renewing. The first section of this paper defines organizational culture, identifies its function, and points out its double-edged effects on an organization. The second section surveys current literature on organizational culture and innovation. The third section shows how the practice of Buddhism is conducive to the creation of innovative organizational culture. The last section concludes the paper.

ORGANIZATIONAL CULTURE AND ITS FUNCTION

Organizational Culture Defined

Culture is commonly defined as the ideas, customs, skills, arts, etc. of a people or group, that are transferred, communicated, or passed along, as in or to succeeding generations (Macmillan USA, 1999). Organizational culture therefore can be defined as ideas, skills, arts of an organization that are transferred, communicated, or passing along, among its current members or to its new members. In the literature of organizational culture, however, it often refers to some deeply seated values and beliefs shared by personnel in an organization that worked well in the past and thus are accepted as valid ways of doing things or solving problems, and which are maintained in the continuous process of human interaction within the organization. Simply put, it is "the way we do things around here." Organizational culture often manifested in attitudes and behavior of its members. Behavior routines, norms, values, rules of games, philosophy, emotions and feelings are all parts of organizational culture (Hellreigel et al, 1998). If we use the analogy of a computer, organizational culture is the "software" of a computer. If we use the analogy of a human body, organizational culture is the consciousness, thoughts, or "the brain" of an organization. These analogies will be useful later.

The Purpose and Function of Organizational Culture

It is intriguing to search the reason why organizational culture is developed and preserved in an organization. As mentioned above, organizational culture represents a set of basic assumptions that worked so well in the past that they are accepted as valid assumptions within the organization. Using the computer analogy, it is a set of routines that are able to deal with certain tasks successfully and thus are coded into programs for the purpose of efficiently processing these tasks. Using the human body analogy, it is knowledge or decision rules evolved from human's successful dealing with nature for survival and thus is stored and kept in the brain as consciousness or intelligence. In other words, organizational culture is developed as an efficient adaptation of an organization to its environment for self-preserving, survival, and growth. It is no wonder that Fumham and Gunter (1993) summarize the functions of organization culture as internal integration and coordination, functions similar to a human brain or human consciousness. Internal integration was described as the socializing of new members in the organization, creating the boundaries of the organization, the feeling of identity among personnel and commitment to the organization. The coordinating function refers to creating a competitive edge for survival, making sense of the environment in terms of acceptable behavior and social system stabilities.

The Double Edges of Organizational Culture

Although organizational culture is usually created as an efficient adaptation to the environment for the survival and continuous growth of an organization, the same culture after it has been created and practiced for a certain period may actually become an impeding factor causing the demise of the organization, unless the culture contains an inherent feature that allow it to self-monitor, self-regulate, and self-renew. This is because that environment is constantly changing. Certain formulated responses and reaction to it might have worked at the time it was created; but as time goes on, circumstances and conditions often change to an extent that the fixed behavior mode or the organizational culture is no longer optimal or functional, and in some cases, may even be detrimental. Some researchers consequently have observed the paradox that organizational culture can either stimulate or hinder creativity and innovation, and therefore may cause an organization to prosper or perish (Tushman and O'Reilly, 1997; Denison, 1990; Gordon, 1985). The important question then becomes: what type of organizational culture tend to contain a self-learning and self-renewing capacity that allows it to be innovative and creative to ensure its continuous survival and growth? The issue is the focal point of the next section.

ORGANIZATIONAL CULTURE AND INNOVATION

As economic conditions became more competitive and the speed of change in environment increased in the second half of the last century, the link between organizational culture and organizational effectiveness started to attract attention of researchers. Burns and Stalker (1961), Likert (1961), and Lawrance and Lorsh (1967) are considered classical theorists in this area. General interest in this subject was further elevated by writers such as Peters and Waterman (1982) in espousing a theory of excellence, which purports to identify cultural characteristics of successful

companies. More recently numerous studies (O'Reilly, 1989; Nystrom, 1990; Kotter and Heskett; 1992; Deshpande et al., 1993; Denison and Mishra, 1995; Pinchot and Pinchot, 1996; Tesluk et al. 1997; Filipczak, 1997; Ahmed, 1998; Reigle, 2000; Martins and Terblanche, 2003) have attempted to identify traits of organizational culture that affect innovation and creativity of an organization. Among them, Martins and Terblanche (2003) represents the most recent and comprehensive work in this line of inquiry and will be used as the framework and foundation for the discussion in this section.

As one reviews the results from these studies, a profile of innovative organizations emerges. First, an innovative organization needs to embrace change by establishing a strategic vision or shared value toward change and/or innovation. An example of such vision is "Our Company will innovate endlessly to create new and valuable products and services and to improve our methods of producing them." Often, the vision and/or mission of such creative and innovative organizations are also customer- and market-oriented, focusing on solving customer problems (Martins and Terblanche, 2003). Furthermore, such organizations are committed to systematically challenging the fundamental beliefs and practices that define the innovation process itself (Day, 1991; Baker and Sinkula, 1999).

Second, an innovative organization usually is characterized by a flat organizational structure that values flexibility, freedom, democracy, cooperative teamwork, and autonomy. A high level of flexibility is frequently observed to be associated with a high level of responsibility and adaptability of an organization. Examples of flexibility in organizations are job rotation or adaptable job description. Freedom in an organization is often manifested in autonomy, empowerment, and quick decision making. Innovative organizations are not afraid to allow their employees the freedom to achieve their goals in an autonomous and creative way within some general guidelines (Judge et al., 1997). Arad et al. (1997) provided empirical evidence that the level of creativity of an organization is positively associated with the degree to which employees have freedom and authority to participate in problem solving. Finally, cooperative work-teams which allow for diversity and individual talents that complement one another are observed to promote creativity and innovation by several authors (Arad et al., 1997; Mumford et al, 1997).

Third, an innovative organization supports and rewards creativity by providing munificent resources to encourage creative ideas and risk taking. Intrinsic rewards such as increased autonomy and improved opportunities for professional growth are observed to facilitate innovation process (Arad, et al., 1997). Allowing time for employee to think and experiment is also necessary. Emphasis on efficiency and downsizing, which leads to more pressure on employee to work harder, is not conducive to creativity and innovation.

Fourth, an innovative organization is a learning-oriented organization where mistakes and conflicts are tolerated and used as learning opportunities. Employees are encouraged to be inquisitive, to talk to one another or to clients within and outside the organization, to keep knowledge and skills updated, and to acquire creative thinking skills. Managers can build a learning culture by looking for new and improved ways of working, creating a vision that fosters a positive attitude towards change (Tushman

and O'Reilly, 1997). An example of a learning culture is to expect personnel to indicate how they intend to change their work methods when they establish annual objectives for the year. When there is conflict between different ideas and perceptions, the process of handling conflict should be dealt with constructively as an opportunity to learn and innovate.

Fifth, an innovative organization promotes open and transparent communication based on mutual trust. An open-door communication policy, including open communication between individuals and departments often results in the generation of new ideas and perspectives (Filipczak, 1997; Samaha, 1996). Organizations that promote open communication are observed to have a positive influence on prompting creativity and innovation (Robbins, 1997).

BUDDHIST PHILOSOPHY AND INNOVATION

Upon careful examination, many of the values and beliefs manifested by innovative organizations correspond to and resemble considerably to fundamental values and behavior modes practiced by Buddhists. In fact, there is a surprising similarity between becoming a perpetually self-renewing organization and becoming an enlightened person. According to Buddhism, when a person's wisdom or consciousness overcomes the delusion of his ego or self-identity, and thus is liberated from the rigid karmic force of incorrect view and attachment, he is considered to enter the state of nirvana, a state of existence with permanent peace and equanimity. According to organizational theorists, when an organization's culture demonstrates a constant adaptability to the environment by overcoming its inertia for preserving the status quo, and thus relieves the organization from unfavorable consequences from following incorrect strategies or staying in complacency, an organization is ensured of continuous survival and success. Because of this strong similarity between the two processes of attaining nirvana and achieving continuous success, the means and methods to achieve the ends in both processes are actually interchangeable and mutually facilitating. In the following, I shall try to illustrate how the practice of Buddhist beliefs and values can actually facilitate the building of an organizational culture that promotes innovation and adaptability to environment.

First, the most fundamental teaching of Buddha about reality is impermanence. Contemplating impermanence and fully accepting this reality is therefore the basic practice of a Buddhist. A Buddhist is constantly reminded that the environment is forever changing. What worked in the past or way was experienced as joy or prosperity is often transitory or fleeting. If managers and employees all subscribe this view of the reality, an organization would not have any problem embracing changes. To cultivate the virtue of selflessness, a Buddhist is taught to be compassionate with all sentient beings. In fact, compassion is the most important vehicle for enlightenment. A Buddhist practitioner is trained to devote his or her life and energy to benefit others. If all the managers and employees subscribe to this attitude towards others, an organization would not have any problems becoming customer- and market oriented, focusing on solving customers' problems. In his or her practice toward enlightenment, a Buddhist practitioner has to cultivate mindfulness about his or her self and about the surroundings. He or she has to continuously seeking self-improvement by engaging in self-reflection and self-diagnosis. If all the employees in

an organization subscribe to this Buddhist practice of self-learning and self-improvement, the organization would have little problem becoming a learning-oriented institution that can systematically challenge the fundamental beliefs and practices that define the innovation process itself.

Second, Buddhists believe in complete equality. Each individual is capable of becoming enlightened and each individual is responsible for his or her own enlightenment. Based on these beliefs, Buddhist organizations are inevitably flat, autonomous, and cooperative. This is the case whether we are looking at the sangha community two thousand years ago or the modern Buddhist orders. Buddhist communities are never characterized by rigid standardization or centralization. Practitioners in a Buddhist community are allowed to follow a diverse approach to pursue the common goal of enlightenment within the guidelines of the precepts. The Buddhist emphasis on the value of diversity can be illustrated by its claim that as many as 84,000 different approaches to Buddhism are allowed to practice Buddhism. Historically, the innovative attributes of Buddhist organizations are accountable for the successful spread of Buddhism over wide and diverse geographical areas and cultural societies. Doctrinally, it also explains many of the innovative approaches developed by various traditions and schools of Buddhism. A contemporary example of this innovative organizational culture is illustrated by the Fo-Guan-Shan (FGS) Buddhist Order founded by Grand Master Hsing Yun. The Order is characterized by the exact traits of an innovative organization. The innovative organizational culture explains the rapid worldwide growth of the Order in the last decade. If an organization can borrow these Buddhist beliefs and practices in building its their structure, it will have a better chance in achieving continuous improvement and success.

Third, in Buddhist practice practitioners receive significant intrinsic rewards from respect by the community, both inside and outside, and for taking innovative approaches to reach enlightenment. They frequently become the leaders or the founders of a new sect or a school. Each individual practitioner is well supported by the temple or the lay community. Each is allowed ample time to contemplate, explore, and experiment before the final enlightenment. There is definitely no time table or deadline to beat. The mechanism to support creativity and innovation is well placed in Buddhist practice. If any organization can place the same level of support to creativity and innovation as occurred in a Buddhist community, it should have no problem in becoming an innovative organization.

Fourth, a Buddhist community is definitely a learning-oriented community. The utmost important responsibility of a Buddhist practitioner is self-education and self-cultivation. The practitioners proceed along the three paths of precepts, meditation and wisdom to attain enlightenment. These three paths of enlightenment are actually called "the three learnings" in Buddhism. Practitioners are encouraged to be inquisitive, learn from one another, be mindful of the stages of their progress, and be diligent in advancing their wisdom and challenging their own weakness. Mistakes and conflicts are constructively converted into learning opportunities in monthly "karma" meetings. If an organization can emulate these Buddhist practices, it should not have any problem building a learning organization that promotes innovation and creativity.

Fifth, Buddhists value open communication and trust. Their basic precepts prohibit harming others and lying. As a Buddhist, there is no reason and excuse for not communicating openly. If an organization can subscribe these basic Buddhist values, it should have no problem establishing open-door communication policy, including open communication between individuals and departments to generate new ideas and perspectives.

CONCLUSION

In this paper I have attempted to illustrate the similarities between the development of an innovative organizational culture and the cultivation of wisdom toward enlightenment. I have shown how familiarity with and practice of Buddhism can be conducive to the development of an innovative organization. I personally believe that more and more business professionals will start to discover the "Three Gems" (Buddha, Dharma, and Sangha), and how these gems can truly enrich their lives and their organizations to find the right livelihood. Practicing the dharma in their business will not only give the business a better chance for success, but also help the continuous growth of their organization in the future. This is because by doing so the goals of their business are supported by endless effort and commitment to the Bodhisattva path of benefiting sentient beings through continuous innovation and improvement.

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