

# Impact of Buddhist Values and Work Ethics on Organizational Commitment in Nepalese Commercial Banks

Narendra Kumar Shrestha

*Kantipur International College, Kathmandu*  
*E-mail: nksdr1@gmail.com*

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**Abstract**—*This paper explores the relationship between Buddhist Values and Work Ethics on Organizational Commitment in Nepalese Commercial Banks. The study suggests that Buddhist values; four Noble truths which includes eight fold paths, five precepts and four insights and ten perfections of Buddhism are important for ensuring organizational commitment among employees. A simple random technique was used to collect data through a well-structured questionnaire from 348 employees working in Nepalese commercial banks. Correlation, multiple regression analysis, F-test and t-test were developed to analyze data collected. The result revealed that there was a significant impact of Buddhist values and work ethics on organizational commitment among employees working in Nepalese commercial banks.*

**Keywords:** *Buddhism, Values and Work Ethics, Organizational Commitment.*

## INTRODUCTION

In the context of the globalization of the 21<sup>st</sup> century, the social importance of practical wisdom and knowledge may even increase. Practical wisdom and knowledge embedded in religious and spiritual civilization, which play significance role in the modern society. Buddhism is a religion of wisdom and knowledge because Buddhist thoughts and teachings cover all aspects of human life, common rules for business life, professional ethics and many disciplines. Regarding management, Buddhism has its own unique traditions and practical wisdom, which has evolved over a long period. Buddhism promotes peace, tranquility, harmony and happiness through moderateness, sharing and cooperation. It leads to the dark side of management-monopoly, destructive competition, depletion of natural resources and environment, taking advantage of consumers, exploitation of employees as well as unethical and self-serving rogues. These produce sufferings, which are challenging Buddhist traditions, and wisdom, and contributions from sects of Buddhist thought to explore the nature and contemporary relevance of the Buddhist wisdom traditions for management.

Sharma, et al. (2013) has explained that Buddhism is a way to correct our view, conduct and expectations of life in order that

we can bring an end to suffer and share in that happiness, wisdom, peace and nirvana that Buddha himself discovered after following the paths of the lessons he has laid down as the foundations of Buddhism. Buddhism has taught people to eliminate suffering and create happiness which is independent happiness not depend on the other ones or other materials. Buddhist societies have to conduct their living according to the values, ethics and morals, which are the true Buddhist culture. Keeping the facts in mind the researcher has emphasized that all employees working in Nepalese commercial banks applying Buddhist values and work ethics seem highly responsible towards organizational commitment.

## 1. OBJECTIVE OF THE STUDY

This study examines the impact of Buddhist values and work ethics on organizational commitment in Nepalese commercial banks.

## 2. REVIEW OF LITERATURE

### 2.1 Buddhist Values and Work Ethics on Organizational Commitment in Nepalese Commercial Banks

Values and ethics are most important subject of today's competitive business era. The word ethics stems from the Greek word 'ēthos' which means "custom, habit, significance, and disposition". Holjevac (2008) highlighted that according to Confucius uprightness, wisdom, kindness, faithfulness and decorum belong to the category of permanent values, which consist of the real values of today. Hall (1992) compared that ethics, in a very simple way, as knowing what ought to be done, and having the will to do it. Organizational ethics as rules, standards, codes, or principles, which provide guidelines for morally right behavior and truthfulness in specific situations (Lewis, 1985). Ethics are the systematic process that commercial organizations use in order to evaluate actions as right or wrong (Barsh and Lisewski, 2008). Being a very sensitive industry, commercial banks demand four Noble truths in which eight folds, five precepts, four insights and ten

perfections of Buddhism as a must quality to serve the customer and make dignity of service maintained. Right View/ Understanding, Right Thought /Intention, Right Speech, Right Action, Right Livelihood, Right, Effort, Right Mindfulness and Right Concentration equip an employee be professionally dedicated, emotionally balanced, ethically cultured, dutifully abided and institutionally loyal. A sound and an exemplary human resource formation shall be profoundly underscored in case those eight fold paths are seriously acclimatized (Sachs, 2006). Syder (2006) has applied that the core principles of four highest emotions assimilated as the four insights by Buddhism i.e. Metta (Loving-Kindness), Karana (Compassion), Mudita (Joy with Others), and Upekkha (Equanimity) are equally desiring attributes among employees of Nepalese commercial banks. It is permanent and should be refined, respected, and applied by everyone to experience perpetual progress and command regular progress. This philosophy has placed a great deal of emphasis on Buddhist values and ethics, honesty, and fairness, not only in their lives, but also in their work as well alike the Perfection of Truthfulness, one of the Ten Perfections of Buddhism urges. A stronger ethical climate brings less role stress, greater job satisfaction and organizational commitment (Babin, Boles and Robin, 2000). Thus, researcher strongly recommended that measuring the Buddhist values and work ethics on employee commitment of Nepalese commercial banks might sound straightforward.

## **2.2 Organizational Commitment in the Nepalese Commercial Banks**

A single universal definition of organizational commitment has not yet been accepted (Reichers 1985; & Swailes, 2002). The concept of organizational commitment has been researched a great deal, as there is much interest to understand the nature of employee dedication in an organizational setting (Eisenberger et al., 1990). Commitment refers to a psychological state that binds the individual to the organization (Allen and Meyer, 1990). Organizational commitment is also described that as the relative strength of an individual's identification with, and involvement in, an organization (Mowday et al. 1979; Meyer, Stanley, Herscovitch and Topolnytsky 2002; Perryer et al. 2010). 'Attitudinal' and 'organizational' commitment has been influential in numerous researches (Mowday, Porter & Steers, 1982). Randall and Cote (1991; & Swailes, 2002) have suggested a model according to which employees can have various commitments at various levels. Swailes (2002) analyzed that non-work commitments can be as or more important to individuals as commitments related to work.

Becker (1992) has revealed that commitment to the specific values of an organization is distinct from commitment to the organization as a whole, and commitment to one organizational value is sometimes independent of another. Allen & Meyer (1990) have explained that there are three models/ approaches including in organizational commitment;

affective, continuance and normative commitment. They have communicated that affective and continuance commitments are empirically distinguishable but affective and normative seem to be related to each other. Tumwesigye (2010) as "an emotional attachment to an organization; a strong belief in, and acceptance of the organizations goals and values which results in willingness to exert optimal effort to achieve the organizations goals" also described affective commitment. Perryer et al. (2010) also supported that the definition of affective commitment as "an attachment based on a sharing of values with other members of the organization" while researchers analyze continuance commitment to be "based on the perception that an employee has no realistic choice or viable alternatives other than to remain with the organization." Continuance commitment refers to the desire to maintain membership in an organization for fear of forfeiting valued rewards (Allen & Meyer, 1990; and Tumwesigye, 2010). Finally, they described that normative commitment is an employee's feeling of obligation to continue working for an organization. It analyzed that it is complex to distinguish between affective and normative commitment, thus, only affective and continuance commitment would be considered.

Moreover, the definition that will be applied in this study is the widely recognized three-approach model to commitment. It was recommended that all three approaches of commitment are components of attitudinal commitment. Employees can experience these psychological states varyingly, i.e. one might feel both affective and continuance commitment, while another might feel a strong normative commitment. Organizational commitment is an important goal for managers especially when considering strategic HRM, where employees are considered as a source of competitive advantage. It focuses on the core competencies and capabilities of employees as source of organizational performance (Hamel & Prahalad, 1993). Swailes (2002) has noted that employee commitment sustains the employee skills, knowledge and attitudes that cannot be imitated by others in the short as well as long run for the organization. Therefore, strategic HRM and organizational commitment are especially important in the fields where successful service delivery is dependent on the behavior of committed front-line employees. Researcher has been analyzed that organizational commitment and strategic HRM both are essential for Nepalese commercial banks to grow determined organizational goal and business success.

## **2.3 Influence of Buddhist Values and Work Ethics and Organizational Commitment**

This research has analyzed to explore the working levels of organizations and the respective ethical commitments. According to Buddhist scholars, the establishment of a relocated work commitment envisions change and is one of the any levels of understanding the working conditions of employees. This concept support earlier research by Buchanan et al. (1974) who argued that relationships are generated in parts from the supervisors' participation in enhancing good

working conditions. The Buddhism depicts Buddhist values and work ethics as the best sources for managing morale and this equally establishes the necessary organs, which necessitate instruments for change and development of the nation. Similarly, the theory of the religious alignments express organizational commitments in practice and with the core levels of intensifying work ethics and the implementation of the right thought by formulating the undifferentiated job satisfaction levels (Cherrington, 1995).

The presence of multiple environment related practices is likely to signal a coherent organization wide commitment to employee empowerment (Bowen and Ostroff, 2004), which is likely to result in reciprocation in the form of in role and extra role behaviors. Theories based on the nation of employment as a social exchange (Blau, 1964) suggested that the availability of various inducements, such as pay, benefits internal mobility can lead employees to perceive their organization as valuing their contributions (Allen, Shore, and Griffeth, 2003; Rhoades and Eisenberger, 2002) and oblige them to reciprocate by holding positive attitudes towards the forms and engaging in favorable job specific and discretionary or citizenship behavior (Wayne, Shore, Bommer, & Tetrick, 2002). When shared among employees, these favorable attitudes and behavior can affect such performance outcomes as customer satisfaction, productivity and sales (Schneider Ehrhart, Mayer, Saltz & Niles-Jolly, 2005).

Buddhism that provides some guidance and diversity of opinion on ethics with the Buddhist community that does not speak for all Buddhist, nor did a codified ethics upon which monks or laity can base an opinion. To having no real "ought," Buddhist ethics has level of practices suiting different level of commitment, rather than one set of obligations. The key basis for ethical action is the reflection that it is inappropriate to inflict on other beings what you yourself find unpleasant (Harvey, 1990). It provides guidance in good karma, decision making and taking right decision individually as well as institutionally in making end of life care decisions. Barnhart, (2012) has also described that Buddhism seems to understand about "how to behave" and "what to care about" in acting selflessly to direct skillful means to perform any activities with each other in an organizations or anywhere. Thus, the study is analyzed to examine the impact of the Buddhist values and work ethics on organizational commitment among Nepalese commercial banks.

### 3. RESEARCH METHODOLOGY

Descriptive and analytical research designs have been used for the investigation. The survey was designed by adopting readily established constructs from the published literature. The population for the research consisted of employees working in Nepalese commercial banks. The data was collected through well-structured questionnaire from a sample size of 348 respondents using simple random sampling

technique. Data was analyzed using correlation, multiple regression analysis, t-test and f-test.

**Table 1 Reliability and Validity Analysis**

Variable	Composite Reliability	VIF	Cronbachs Alpha	Communality
FNT	0.74	1.16	0.827	0.796
EP	0.89	1.18	0.972	0.811
FPB	0.78	1.68	0.835	0.648
FI	0.90	1.98	0.959	0.758
TP	0.81	1.90	0.866	0.775
OC	0.75	1.54	0.963	0.679

Table 1 reveals the reliability test. VIF factors have been identified to be less than 10, which mean there is no multicollinearity among independent variables. The values of cronbachs alpha also seemed to be greater than 0.7, which resembles that the data is reliable. Likewise, communality values have been found to be greater than 0.7, which is good for the research. If the test has a strong internal consistency, most measurement experts agree that it should show only moderate correlation among items (0.70 to 0.90). Cronbachs alpha values have recorded to be higher than 0.7. Thus, it is concluded that the data collected in this study is highly reliable.

**Table 2: Correlation Matrix between Dependent and Independent Variables**

	FNT	EP	FPB	FI	TP	OC
FNT	1.00					
EP	0.78	1.00				
FPB	0.64	0.39	1.00			
FI	0.57	0.48	0.58	1.00		
TP	0.44	0.62	0.37	0.35	1.00	
OC	0.45*	0.53*	0.62*	0.43*	0.57*	1.00

(\* ) = significant at 5% level of significance), FNT = Four Noble Truths, EP = Eightfold Path, FPB = Five Precepts, FI = Five Insights, TP = Ten perfections of Buddhism and OC = Organizational Commitment

Table 2 describes about correlation matrix between variables under investigation. It shows that there is positive correlation between four Nobel truth ( $r = 0.45$ ,  $p < 0.000$ ), eightfold paths ( $r = 0.53$ ,  $p < 0.000$ ), five precepts of Buddhism ( $r = 0.62$ ,  $p < 0.000$ ), four insights ( $r = 0.43$ ,  $p < 0.000$ ), ten perfections ( $r = 0.57$ ,  $p < 0.000$ ) and organizational commitment in Nepalese commercial banks. Thus, it can be concluded that there is significant and positive relationship between organizational commitment and four Nobel truths, eightfold paths, five precepts of Buddhism, four insights and ten perfections.

**Table 3 Multiple Regression Analysis**

Model		Unstandardized Coefficient		t	Sig.
		B	Std. Error		
1	(Constant)	1.564	.451	3.47	.000
	FNT	.073	.033	2.21	.006
	EP	.402	.040	10.05	.000
	FPB	.075	.032	2.34	.001
	FI	.114	.012	9.50	.000
	TP	.156	.024	6.50	.000

(\* = significant at 5 % level of significance), FNT = Four Nobel truth, EP = Eightfold Path, FPB = Five Precepts, FI = Five Insights, Ten Perfections and OC= Organizational Commitment

Table 3 describes about the multiple regression analysis. The four variables i.e. four Nobel truths ( $b = 0.073$ ,  $p < 0.05$ ), eightfold path ( $b = 0.402$ ,  $p < 0.000$ ), five precepts ( $b = 0.075$ ,  $p < 0.000$ ), four insights ( $b = 0.114$ ,  $p < 0.000$ ) and ten perfections ( $b = 0.156$ ,  $p < 0.000$ ) have significant impact on employee commitment in Nepalese commercial banks. Likewise, five precepts of Buddhism ( $b = 0.075$ ,  $p < 0.00$ ) have significant on employee organizational commitment in Nepalese commercial banks at 5% level of significant.

#### 4. DISCUSSION AND CONCLUSION

It is concluded that there is positive and significant relationship between Buddhist values and work ethics and organizational. Additionally, the strength of relationship among independent and dependent variable was found to be strong. It can be concluded that there is a significant impact of four Nobel truths, which includes, eightfold path, four insights, and ten perfections of Buddhism have significant on organizational commitment of the employees in Nepalese commercial banks. Likewise, five precepts of Buddhism also have its significant impact on employee organizational commitment in Nepalese commercial banks.

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