

## **Importance of Psychology to Modern Management Theories; Special Reference from Theravada Buddhism**

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### **Introduction**

Humans are social beings who usually like to interact with people. Human capital consists of the capability of employees in a company which needs knowledge and skills. The human capital is considered as an asset because they are dedicated towards work and hard to measure due to its complicate psychological tendencies. The enthusiasm of employees is a significant factor in an organization because in case if it decreases, the productivity within a company will diminish and this will negatively affect the profits.

The vision and mission of the company should be well communicated with the workers. Otherwise the effectiveness and efficiency of them will be difficult to bring to a standard. Organizations provide employees training, education and medical benefits to improve the quality of the human capital. But only the material benefits do not fulfill all aspects of the human needs. The analysis and understanding of the psychological angle of the human capital is mandatory for the true development of employees within the organization.

### **Discussion**

There are no any exact definitions for Human Resource Management. However different scholars have presented different definitions in regard to that. Armstrong (2014) defined Human Resource as “Strategic and coherent approach to the management of an organization’s most valued assets, the people working there who individually and collectively contribute to the achievement of its objectives”. According to the Buddhist perspective, human beings constitute of “Five Aggregates”. Out of the five factors only “Rupa’ (Form) refers to tangible and remaining four connects with an intangible objects. This fact proves that the major weight go to psychological side. Viz.

- Feelings or Sensations (Vedanā)
- Ideations (Sañña)
- Mental Formations or Dispositions (Saṅkhāra)

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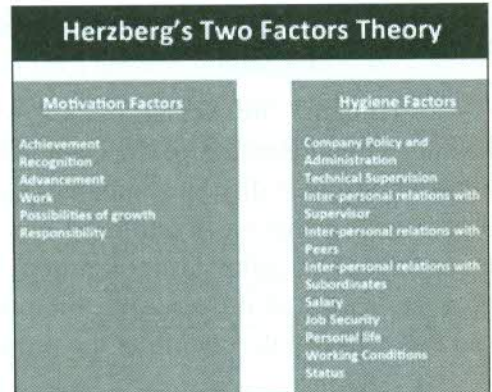
- Consciousness (Viññāṇa)

According to Buddhism, training path of human capital consists of three paths. They are,

1. External behavior training - Morality (Sila)
2. Psychological training - Concentration (Samādhi)
3. Cognitive training - Wisdom (Pañña)



Source: Maslow (1954)



Source: Herzberg (1959)

The majority of humanistic theories were invented by European scholars. The main aim is to compare and contrast the importance of psychological aspect using two main management theories; Abraham Maslow's Hierarchy of Needs Theory and Fredrick Herzberg's Two Factor Theory.

The scholars not provide adequate level of psychological weight in framework where the most of organizations struggled for. Maslow (1954) identified that every human being go through the five step ladder accordingly, but which is far behind from reality. According to his final destiny; "Self Actualization" represent a well-known character like a world famous music artist, scientist etc. But in accordance to Theravada Buddhism Spiritual Attainment should be added as sixth level or supreme level where the structure is fully incomplete without it and not reflect true psychological state of human beings.

Herzberg (1959) presented that the human beings productivity level increased where motivational factors applied by the organizations. But the prominent factor is high motivational factors lead for stressful work. The mental or psychological health of employees were not measured at any given time. It creates more and more complications among the human asset in the organizations. The presented management theories not support in adequate level to solve it.

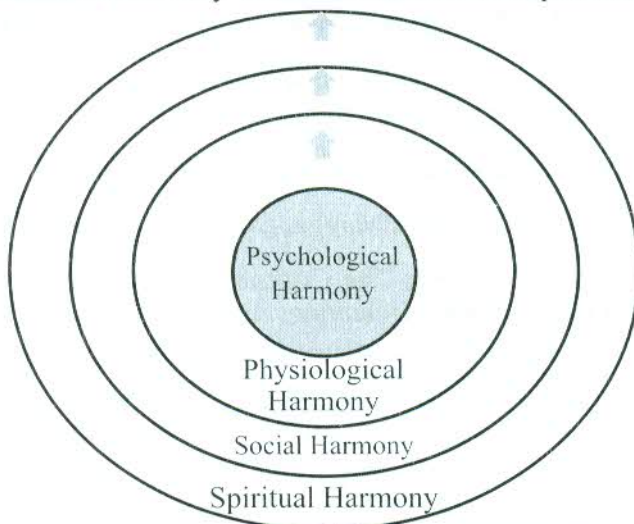
The modern management theories focused mainly on the financial and



material aspects which may help to increase the profits of the entity. Buddhism provides guidance to financial, physical as well as psychological care for the human capital which leads to betterment of an organization. Organizations focus only on satisfying the financial benefits of the employees. But the financial benefits are not the sufficient satisfaction indicators for the employees. Those are short term oriented satisfactory measurements. Based on this requirement; consideration of the employees' psychology status is predominant. The main gap of the modern theories is human capital is considered as an asset and try to satisfy them through only financial scale.

The information was extracted from the primary and secondary sources. Tipiṭaka (Sutta Piṭaka and Abhidhamma Piṭaka) was considered as the primary source of finding information. The recognized books, journal articles and published research articles are used as secondary sources.

The six personality types have been discussed in Visuddhi Magga by Ven. Buddhagosa. It has proven different personality types create different psychological patterns and further elaborate how to recognize and treat for each type of people. Those were guide of mental and social context of personality types. Buddha has preached that the human beings are the most complex creatures in the world system. The mental happiness is important than the material benefits. It is a universal truth that people mostly desire money of the world. But it doesn't make mental peace and social harmony. Therefore even the rich people are suffering from mental diseases in their day today life. To be satisfied the human life should consist of following requirements. Physical well-being, mental well-being, social well-being and spiritual well-being (Dhammapada, 204). The detail analysis of human personality types can be found in "Puggalapaññatti" These analysis and discussions are aimed at not only mundane benefits but spiritual development of human beings.



Graph 01: Human Need Theory in Theravada Buddhism

## Conclusion

Therefore the main core element of the human is mind. The inner peace of the mind lead for the success or the productivity of the work. Financial rewarding mechanism is not an efficient sustainable leading factor. The SHRM Job Satisfaction and Engagement Survey concluded 48% of employees have psychological fear regarding the job. Russel (2000) identified the psychological well- being was shown to be more predictive of performance than job satisfaction. Further Wright & Bonett (1997) expressed that psychological well-being is a predominant factor in employee performance.

Based on factors it is certain that modernized world should not attend much more on psychological well-being of the well-being whereas highly significant as per the Buddhist central teachings.

**Keywords:** Buddhism, Psychology, Employee Satisfaction

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