Looking beyond Corporate Social Responsibility through a holistic systems lens – an Eastern and Western focus

By Isabel C. Sebastian

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Certificate of Original Authorship

I, Isabel C. Sebastian declare that this thesis is submitted in fulfilment of the requirements for the award of a PhD in Sustainable Futures in the Institute for Sustainable Futures at the University of Technology Sydney.

This thesis is wholly my own work unless otherwise referenced or acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

This research is supported by an Australian Government Research Training Program Scholarship.

Signature of Student

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Acknowledgments and Dedication

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Papers

During this research study I published three papers, which are referenced in this thesis. Some components of these papers have been included in the literature review Part B.

Sebastian, I. 2014, 'Accelerating new economics thinking and practices in the business sector–what are the most effective systems leverage points to create a shift?', *Business Systems Laboratory-2nd International Symposium, Systems Thinking for a Sustainable Economy. Advancements in Economic and Managerial Theory and Practice*, Business Systems Laboratory, Rome.

Sebastian, I. 2015a, Doing Business in a Well-Being Economy. *Reframing the Game: The Transition to a New Sustainable Economy: A Special Issue of Building Sustainable Legacies*, 5, pp. 17-41.

Sebastian, I. 2015b, 'Business and Corporate Social Responsibility in a Gross National Happiness Economy – Insights from Bhutan', *Proceedings of the International Association for Business and Society*, Volume 26, pp.24-38

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List of Abbreviations

AAAM - Arab American National Museum

ACC – Anti-Corruption Commission of Bhutan

ACCA – Association of Chartered Certified Accountants

ADB – Asian Development Bank

BBC – British Broadcasting Corporation

BCCI – Bhutan Chamber of Commerce and Industry

BCE – Before the Common Era

BCMM – Beyond CSR Maturity Model

BLI – Better Life Index (an initiative by the OECD)

BP – British Petroleum

CAS – Complex Adaptive Systems

CBS – Centre for Bhutan Studies

CC – Corporate Citizenship

CCAS – The Centre on Capitalism and Society, Columbia University

CCM – Constant Comparison Method

CE – Common Era

CEO – Chief Executive Officer

CNN – Cable News Network

CS – Corporate Sustainability

CSR – Corporate Social Responsibility

DNA – Deoxyribonucleic Acid (structure with genetic code)

EPA – Environment Protection Agency

EPTA - Equal Participation Total Alignment (company ownership structure)

EU – European Union

FTSE – Financial Times Stock Exchange

FYP – Five Year Plan

GDP – Gross Domestic Product

GNH – Gross National Happiness

GNHC – Gross National Happiness Commission

GNP – Gross National Product

GPI – Genuine Progress Indicator

GRI – Global Reporting Initiative

GST – General Systems Theory

GWP – Gallup World Poll

HAS - Human Activity System

HDR – Higher Degree by Research

HREC – Human Research Ethics Committee

HRH – Her Royal Highness

HSRG – Human Security Research Group

IABS – International Association for Business and Society

IBM – International Business Machines (computer company)

ISF – Institute for Sustainable Futures, University of Technology Sydney

ITO - Input, Transformation, Output Models

KPMG – Klynveld Peat Marwick Goerdeler (accounting firm)

LRN – Legal Research Network

MBA – Masters of Business Administration

MIT – Massachusetts Institute of Technology

MP – Member of Parliament

MSME – Micro and Small to Medium sized Enterprises

NAB – National Assembly of Bhutan

NDP – New Development Paradigm

NGO – Non Government Organisation

OECD – Organisation for Economic Cooperation and Development

ONS – Office for National Statistics, UK

PANAS – Positive Affect Negative Affect Schedule

PRME - Principles for Management Education

RGB – Royal Government of Bhutan

RGOB – Royal Government of Bhutan

RUB – Royal University of Bhutan

SAP – Systems Applications and Products (software company)

SDG – Sustainable Development Goal

SNDP – Secretariat for the New Development Paradigm, Thimphu, Bhutan

SPIRAL - Societal Progress Indicators and Responsibility for All

ST – Stakeholder Theory

SWB – Subjective Wellbeing

SZ - Suedeutsche Zeitung (German Newspaper)

TED – Technology, Entertainment and Design conferences where short 18-minute talks are given

TGTBTU – The Good, The Bad and The Ugly (Blog)

TV - Television

TWO CAGES – A mnemonic for a systems thinking process: Transformation, Weltanschauung, Owners, Customers, Actors, Guardians, Environmental constraints and Subsystems of activity.

UK – United Kingdom

UN – United Nations

UNDP – United Nations Development Program

UNGC – United Nations Global Compact

UNHCR – United Nations High Commissioner for Refugees

UNNC – United Nations News Center

UNPRME – United Nations Principles for Management Education

US / USA – United States of America

USD – United States Dollar

UTS – University of Technology Sydney

VC – Vice Chancellor

VP – Vice President

VW – Volkswagen

WBCSD – World Business Council for Sustainable Development

WFRE – World Forum for a Responsible Economy

WHO – World Health Organisation

WHR – World Happiness Report

WVS – World Values Survey

WWF – World Wildlife Fund

List of Terms

Akrasia - the weakness of the will (Aristotle)

Anthropocene - geological time period since the industrial revolution of accelerated socio-ecological changes with planetary scale impacts

Arhat - term describing a saint in Theravada Buddhism

Artha - External conditions and resources in life such as wealth, fame, power and success in Hinduism

Ataraxia - a peaceful state of mind (Epicurus)

Atman - the soul in Hinduism

Bhakti - devotion in Hinduism

Bodhisattvas – a person on the path to achieving enlightenment who chooses to forgo nirvana to help end suffering of other beings (in Mahayana Buddhism)

Brahmavihāras – four qualities or values of love, compassion, sympathetic joy, equanimity (in Theravada Buddhism)

Buddha – monk and teach who lived ca. 552 – 483 BCE in Northern India on whose teachings the philosophy of Buddhism was founded

Cetanā - intention of an action (Buddhism)

Chi - universal life force or vital force that emerges from the interplay of yin yang

Dalai Lama - spiritual leader of the Gelug school of Tibetan (Vajrayana) Buddhism

Dharma - In Hinduism, renunciation of pleasure, wealth and power to be at service to something greater than oneself

Dharma - In Buddhism, the teachings of the Buddha

Driglam namzha – cultural code of etiquette (in Bhutan)

Dzongkha - national language of Bhutan

Eudaimonia – from Greek 'good spirit' reaching one's full potential and meaning in life

Hatha - umbrella term for a range of physical yoga styles with the intention to create balance of mind and body

Hedonism - term derived from the ancient Greek mythology, *hedoné* the goddess of sensual pleasures, hedonism refers to self-indulgence and the that pleasure is the highest aim and purpose of life

Jana yoga- the path of knowledge

Kama - pleasure of the senses, love and emotions in Hinduism

Karma yoga – the path of work and action

Lhotsampas – people of Nepali descent mostly in Southern Bhutan

Mahāyāna - one of the two main Buddhist traditions, includes Vajrayana Buddhism (mostly prevalent in Tibet, China, Bhutan, Nepal, Mongolia, Taiwan, Japan and Korea)

Mandarin - Chinese language mostly prevalent in northern and south western China

Mettā - a meditation practice focussed on loving-kindness

Moksha - In Hinduism infinite being, complete awareness and joy

Ngalopas - people of Western Bhutan

Nirvana - highest state of consciousness and ultimate happiness

Pāramitās - six or sometimes ten ethical values in the Mahāyāna Buddhist tradition

Prajñā - wisdom

Purusartha - the four life goals including kama, artha, dharma and moksha)

Raja yoga - the path of mental and physical discipline

Sanskrit - ancient language of Hindusim

Samādhi - state of focused concentration achieved through meditation

Samsara - the continuing cycle of death and rebirth (in Buddhism)

Sīla - morality (in Buddhism)

Tai Chi Chuan – also know as Tai Chi

Tao - also called Dao in Chinese means 'way' or 'path'

Te - also called De indicates a person's moral character, integrity and actions in harmony with nature in Taosim

Tha damshig - conduct in relationship with other people to encourage a harmonious society in Bhutan

Theravada - one of the two main Buddhist traditions (mostly prevalent in Thailand, Cambodia, Sri Lanka, Laos and Myanmar)

Upāya kauśalya (or uppaya) – the practice of 'skilful means' in Mahayana Buddhism refers to action inspired by intelligent compassion to help human beings mature their consciousness

Vajrayana - a category of Mahāyāna Buddhism also known as Tibetan Buddhism which is prevalent in Tibet , Nepal, Bhutan and Mongolia.

Wu Wei - ethical principle of Taoism often translated as 'inaction' but also described as effortless action or letting go of the ego

Yin yang – refers to the interplay and balance of opposing and complementary forces such as female and male or dark and light, which creates the universal life force *chi* (in Taoism and Confucianism)

Yoga - in Sanskrit means 'binding together' or 'union' of the soul with the divine for actualising human potential, a system developed as part of Hinduism as early as 2,500 BCE

Yogasutras - most well known scripture describing various paths for practicing yoga, attributed to Patanjali ca. 250 CE

Abstract

Corporate Social Responsibility (CSR) strategies, activities and reporting are often considered an indication of businesses' good intentions and corporate citizenship. However, repeated corporate scandals like the recent Volkswagen emissions falsification demonstrate that good CSR performance is not synonymous with good business ethics and responsibility. A phenomenon referred to as 'conventional CSR' in this study.

Inspired by Bhutan's development philosophy of Gross National Happiness (GNH) and the author's interest in how this influences business ethics, conduct and sustainability, the study explores how Bhutanese and international businesses move beyond 'conventional CSR'. The topic is also explored within the context of the United Nations 2030 Sustainable Development Goals (SDGs) and the implications for businesses and their CSR approach.

The study's transdisciplinary and constructed grounded theory methodology draws on three broad fields of literature including business ethics, Eastern and Western philosophies of happiness and systems theories. From these, three lenses are synthesised in the literature review and used to analyse qualitative data from 21 semi-structured interviews with Bhutanese and international business leaders and a focus group of eight international CSR professionals.

The research shows a number of dimensions of 'beyond CSR' businesses. What differentiates them from 'conventional CSR' business is:

a) their commitment to societal and/or planetary wellbeing beyond financial performance
b) ethics based on relational responsibility
c) stakeholders are considered as part of the business purpose
d) their leaders draw on intrinsic rather extrinsic motivation
e) they have a long-term outlook
f) they focus on slow and steady growth to ensure social and planetary impact, and
g) they have a systems or interdependent worldview recognising the interdependence and mutual causality of causes, effects and societal and planetary conditions.

These insights were formulated as a 'Beyond CSR Maturity Model' (BCMM) to illustrate five key dimensions that differentiate 'beyond CSR' from 'conventional CSR' businesses. One of the major conclusions from this study is that a systems or interdependent worldview offers the highest potential leverage for change towards a 'beyond CSR' business approach.

The study concludes that systems thinking provides a contemporary access point for business leaders to create organisational cultures with an interdependent worldview that can assist in enabling a 'beyond CSR' business approach. The implication of this study is illustrated with an example using the VW emissions scandal to demonstrate how businesses can use the SDGs and systems view to understand their impact in an interdependent way and step into a 'beyond CSR' mode of thinking.

Keywords: Corporate Social Responsibility; business ethics; Bhutan; Gross National Happiness; interdependent worldview; causality; self; systems thinking;

PART A – Thesis Introduction

This section of the thesis deals with the first component illustrated in research design map in Appendix 1.8. It outlines the big picture situation this study explores and the reasons that motivate this study. The complex problem situation is then informed by the literature review in Part B of this thesis.

Excerpt from Appendix 1.8

The big picture and reason for this study (PART A)

1. Businesses are major contributors to the deterioration of planetary conditions
2. Reoccurring corporate scandals demonstrate that Corporate Social Responsibility (CSR) cannot be seen as a guarantee for 'good' business ethics and conduct. Conventional CSR alone is not enough.
3. Businesses are the driving force behind most economies across the world and therefore have great potential to contribute towards achieving the SDGs
4. A prerequisite for the global business community to contribute towards achieving the SDGs is taking responsibility for impacts and extending responsibility towards planetary wellbeing
5. I question the prevailing assumption that conventional CSR based on 'the business-case' eventually leads to business responsibility that contributes to the SDGs and planetary wellbeing
6. 'Beyond CSR' business approaches are necessary but what do they look like?
7. How do businesses go 'beyond CSR' and what drives and hinders them?

Literature Review (PART B)

1 The complex problem situation

For much of the last 50 years, business sustainability efforts, expressed through concepts such as corporate social responsibility, corporate sustainability, corporate citizenship, triple bottom line, shared value and net positive, have been taken as proxies for how much a company cares about society and the environment. The commitment they supposedly express through the use of these concepts has been taken as an indication for their good intentions and the level of responsibility they take for their impacts on the environment, stakeholders and society at large.

Since the early 2000s, other concepts have emerged as a proxy for the responsibility of a business in its conduct and values. The concepts of happiness and wellbeing have seen a meteoric rise in popularity. They have been adopted in business strategies, and popularised by business leaders like Tony Hsieh of Zappos and the late Ray Anderson of Interface. In the last five years we have witnessed the evolution of the concepts happiness and wellbeing in business, and they are now being championed by companies like Google, Apple and Facebook. They use employee happiness, wellbeing and engagement measures as indicators for improving company productivity. This has been hailed as a transformational development that demonstrates care for stakeholders and a heightened responsibility for businesses' impacts on the world. Furthermore, a 'Caring Company' movement has emerged in the UK and Canada that focuses on the wellbeing of employees in the workplace.

However, the observation at the centre of this PhD thesis is that corporate social responsibility (CSR) and wellbeing programs in their current form are not enough to direct business strategy and purpose towards responsibility based on values, intentions and ethics in order to solve societal, environmental and systemic problems. The business sector faces increasing tension between creating meaningful engagement for an exponentially growing world population and providing societies with products and services that contribute to societal wellbeing, while at the same time staying viable businesses and operating within planetary boundaries. This is the challenge for businesses in the 21st century, and this study hopes to contribute to new thinking in this area by investigating what distinguishes businesses that operate, behave and conduct themselves in a 'beyond CSR' mode.

2 The global context of the research

While the global population rose beyond 7.3 billion in 2015 and is predicted to increase to 9.7 billion by 2050 (UN, 2015b), societal cohesion seems to be crumbling under the pressure of refugee and migration crises and intolerance between diverse ethnic groups. Meanwhile, the natural environment is deteriorating beyond repair and the global economic system is failing more regularly than Adam Smith's *"invisible hand"* (Smith 1776/1976; Wight 2007, p.341) is delivering its promised happiness for the 'greatest good'.

Most of the time, we only take notice of these growing crises when major unpredicted catastrophic events occur that have massive and long-term impacts. Some call these types of events *"Black Swans"* (Taleb 2012, p.6) and others refer to them as statistical *"fat tail"* events, which are low-probability, high-consequence events (Nordhaus 2011, p.242). These are events such as natural disasters, economic crashes or mass migrations of refugees fleeing horrific conditions of poverty or violence in their home countries.

Increasingly, evidence is appearing of threats to the conditions that sustain healthy ecosystems, dignified livelihoods and a strong social fabric. In short, human flourishing within our living ecosystem seems to be at stake. Some of the key challenges include the effects of accelerating climate change, natural resource scarcities and technological advancements that could eliminate most of today's jobs by 2045 (Vardi 2016).

Another, often forgotten problem that is eroding conditions for human flourishing is that current lifestyles and pressures have resulted in increasing mental health challenges for people all over the world. More than 800,000 people commit suicide every year, accounting for 1.4% of deaths worldwide, making it the fifteenth-highest cause of death in 2012 (WHO 2016a).

Although violence has diminished drastically over the last 500 years (Pinker 2012), between 1952 and 1992, the number of conflicts between countries more than tripled due to an increase in civil wars (HSRG 2014). However, between the end of the Cold War and 2011, the number of civil wars halved (HSRG 2014). Still, over 500,000 people are killed every year in wars and from interpersonal violence (WHO 2016b).

Meanwhile, business viability and longevity is on the decline, with a 33% chance of a listed company closing down in the next five years, which is six times the rate it was 40 years ago (Reeves et al. 2016). This trend is a contributing factor for the rising unemployment rates in most countries across the world.

These symptoms are obviously the result of many interrelated phenomena and are not attributable to any one particular cause. It is highly likely, though, that the industrial economic system of the 19th and 20th centuries has had a major influence on the state of the world by using natural and human resources to propel a third of the global population into a middle-class status. The economic development approach has proven extremely successful in lifting people from poverty and enabling them to have a decent living standard, especially since the 1950s. However, social science and behavioural research of the past 40 years into happiness and subjective wellbeing is now providing various theories about why an increase in material wealth beyond a certain point does not necessarily lead to increased life satisfaction and subjective wellbeing (Easterlin 1974; Diener et al. 2013).

At the same time, four billion people still live in poverty (GRI/UNGC/ WBCSD 2015) and it is essential that they have the opportunity to raise their standard of living and quality of life to the same standard as the middle-class in developed countries. To be able to achieve this, an increasing number of voices from government, NGOs, businesses, academia and religion are calling for a new system of indicators of progress and the inclusion of wellbeing as a key aim, or even as an over-arching societal aim (European Commission 2013; National Research Council 2013; NDP 2013; O'Donnell et al. 2014). Others are calling for a shift of mindsets and paradigms through a new narrative for a new economy (Korten & Scharmer 2014).

They are calling for a system that can balance the potentially competing goals of improving the living standards of the global population, reducing resource use, regenerating the earth's ecosystems and creating conditions for improving mental health, life satisfaction and human flourishing. This is no easy task and will require a systems approach to creating positive changes along a set of leverage points throughout the socio-ecological system.

2.1 Relevance and importance of the business sector

As a result of the 2008 economic crisis, many authors, leaders and thinkers, among them economists, psychologists, ecologists and sociologists, are voicing concerns about the current global economic model and its failure to deliver wellbeing, equality, justice, security and a healthy and diverse natural environment. They argue that the current economic model is failing to deliver the conditions needed for societies to continue to flourish for many generations and millennia to come (Stiglitz et al. 2010; Jackson 2009; Smith & Max-Neef 2011; Heinberg 2011; Costanza 2008).

If a new economic system is to be shaped, it will require the engagement and participation of members of the business sector as change agents who deliberately conduct their business with responsibility and a purpose of serving society and planetary wellbeing. Most economies across the world rely on the business sector as the most significant driver of economic activity. The size and interconnectedness of the business sector globally makes it the most significant potential change agent during this unprecedented time in human history. According to Sukhdev (2012) the business sector employs 70 per cent of the global workforce, or some 2.1 billion people (based on Torres 2013), and delivers nearly 60 per cent of global GDP (Sukhdev 2012).

When comparing some of the revenues of the world's largest 100 companies with country-level GDP figures, it becomes apparent that some multinational companies contribute as much to the global economy as entire countries. For example:

- Exxon Mobile (83,700 employees) and Walmart (2.1 million employees) have annual revenues similar to the GDPs of entire countries such as Taiwan or Austria.
- General Motors (215,000 employees), General Electrics (333,000 employees) and Ford Motor Company (197,000 employees) have annual revenues similar to the GDPs of New Zealand or Vietnam.
- Microsoft (114,000 employees), Boeing (151,000 employees), Target (341,000 employees), PepsiCo (263,000 employees) and Johnson & Johnson (125,000 employees) have annual revenues similar to the GDPs of Ecuador or Sri Lanka.
- Amazon.com (268,000 employees) and Coca-Cola (123,000 employees) have annual revenues similar to the GDPs of Uruguay or Costa Rica.

(Source: Compiled from data of the International Monetary Fund (2014), World Economic Outlook Database, October 2012; Fortune 500 list at CNN Money, 2012 rankings; company websites 2016)

These comparisons highlight that the economic power of businesses is now rivalling the power of democratic political systems. While people generally have some influence over their democratic political systems, there is no such control over large corporations that are primarily accountable to their shareholders for financial results. Hence, it is mechanisms such as CSR that are supposedly providing a way to make businesses accountable, responsible and good corporate citizens. However, the next Section 2.2 highlights the serious shortcomings of the reliance on concepts such as CSR for ensuring business ethics, accountability and responsibility.

Another fact that is often forgotten is the contribution that the estimated 125 million formal micro, small and medium sized enterprises (MSME) across 132 nations of the world (Kushnir et al. 2010) make to the global economy by contributing approximately 52% of global GDP (ACCA 2010) and some 33% of GDP in emerging economies (World Bank 2016c). Almost 72% of MSMEs operate in emerging markets and they employ more than 33% of the world's workforce (Kushnir et al. 2010). Ayyagari et al. (2011) estimate that more than 95% of the businesses across the world are MSMEs, and that they employ 60% of all business sector employees, or approximately 1.2 billion people (based on Torres 2013). These figures demonstrate that most of the human and financial capital that drives the global economic system is found in the business sector.

Now more than ever before, the business sector therefore has a significant opportunity and role in creating more responsible economies and societal development. It seems that creating wellbeing in society through different business models is beginning to receive more attention from business leaders such as Yvonne Chuinard of Patagonia, the late Ray Anderson of Interface, Dov Seidman of LRN, Paul Polman of Unilever, Ian Cheshire of Kingfisher and Tony Hsieh of Zappos, to name just a few. They are forging new ways of using the power of business to implement new business models based on the principles of the circular economy, reducing consumption, systems thinking and the happiness and wellbeing of stakeholders.

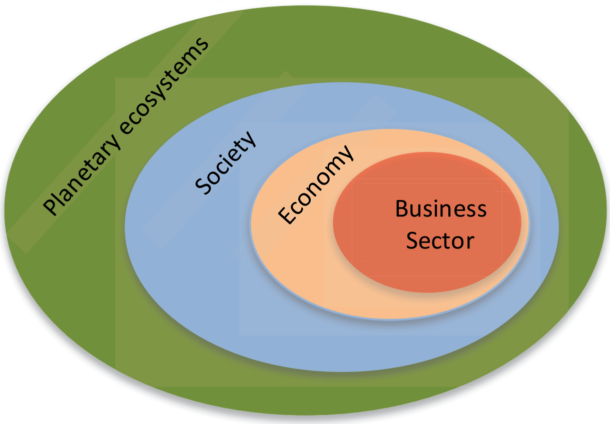
A shift towards more responsible and holistic business models has been observed, with a rising number of companies dedicating themselves to solving social or environmental problems while being profitable businesses (Haugh 2005; Leadbeater 1997). Some 90% of all Fortune 500 companies now also report on their corporate social disclosure (Weber & Marley 2012). While some observers describe social entrepreneurship as an exciting emerging field (Roberts & Woods 2005), others argue that there is no 'non-social' business (Seelos & Mair 2005). Reynolds et al. (2002) suggest that the original purpose of all business activity was to provide benefits to society and build conditions for societal wellbeing through employment. These observations imply that the business sector in general is becoming more responsible, ethical and sustainable. Whether this is the case is the topic of ongoing debate among consumers and stakeholders, but it is clear that all forms of business, including social enterprises, CSR champions and purely self-interested, profit-oriented companies, seem to have potential leverage to foster the conditions for planetary wellbeing.

The ingenuity of the human endeavour and pioneering spirit, particularly over the last 5000 years, has contributed to raising living standards through trade, enterprise and business activity. Not only is the business sector fuelled by innovation, creativity and willingness to take risk, but today it also has a vast global reach and connects the global population through complex networks of relationships.

However, the purpose of business seems to have shifted particularly since the industrial revolution from serving human and societal needs to the primary goal of profit maximisation. There is now growing confusion between prioritising the goal of meeting human needs and the means of making profit in order to sustain a business. As long as this priority persists without refocussing on the societal planetary needs any sustainability advances will be unable to address the many global and local socio-ecological crises.

Therefore, businesses all over the world as the key stakeholders in most nations' economic systems offer the leverage to effect large scale societal change. Businesses within the national economic systems are nested within the broader systems of societies, which in turn are nested in the ecological systems of the planet. Businesses, both large and small, are therefore crucial partners in efforts to overcome challenges to human flourishing within planetary boundaries. Figure 1 illustrates the concept (adapted from Daly 1996) of the nested sub-systems in the socio-ecological system.

Figure 1 - Business sector as a system within a nested socio-ecological system



Source: Adapted from Daly (1996)

In this thesis I consider businesses, including MSMEs, family-owned businesses and multinational corporations, to have the widest possible reach across global communities to influence positive social and systems change. Like Tideman (2016b), I consider business to be part of the solution to the world's problems, rather than part of the problem.

2.2 *The state of business sustainability*

A number of landmark events occurred in 2015 and 2016 that set the stage for a deliberation on the business sector's role in creating systems conditions that increase responsibility for relationships and impacts to ensure human flourishing while operating within planetary boundaries. Three of these landmark events are outlined further below. They are: the adoption of the United Nations (UN) Sustainable Development Goals (SDGs), the Volkswagen (VW) emissions scandal and the release of the 'Panama Papers' which disclosed company offshore bank accounts used for tax evasion purposes.

2.2.1 UN Sustainable Development Goals (SDGs)

The first landmark event relevant to this thesis was the adoption of the new set of SDGs by the UN general assembly in September 2015. These SDGs set out 17 development goals for all nations to pursue over the next 15 years. The vision stated in the UN's resolution (UN 2015a) includes reference to wellbeing: *"Our vision … A world with equitable and universal access to quality education at all levels, to health care and social protection, where physical, mental and social well-being are assured"* (UN 2015a, p.3). However, the only goal where wellbeing appears within the SDGs, is Goal 3, which positions wellbeing as part of the health domain and does not use societal and planetary wellbeing as a more holistic and overarching goal of the SDGs. Goal 3 aims to *"ensure healthy lives and promote well-being for all at all ages"* (UN 2015, p.14). It seems therefore that the more holistic value of expanding care and responsibility has been missed in the 2030 SDGs.

This is despite a UN-commissioned project, coordinated by the Government of Bhutan, which resulted in a report to the UN post-2015 consultative process entitled 'Happiness: Towards a New Development Paradigm' (NDP 2013). This project was spearheaded by a transdisciplinary working group of 75 international experts in the field of happiness and wellbeing. The proposed NDP model integrated the overarching goal of societal happiness and wellbeing as the aim for all development. However, the SDGs were delivered as a 'to-do list' of 17 separate goals without an overarching framework to give them a context and purpose. The separate goals reflect the 'silo' approach to problem solving steeped in a fragmentation of knowledge. However, it is clear that the current challenges are systemic in nature and represent the complexity of life on earth and the interdependent nature of reality.

Goal 12, 'Responsible Consumption and Production' is the most accessible goal for the business sector to engage in contributing to the SDGs. It focuses on waste reduction, responsible use of resources and more efficient production and supply chains. While this may lead more businesses to engage in circular economy initiatives, it does not address the underlying assumption that more economic growth requires more consumption and therefore more production and resource use. Goal 12 calls for supporting developing countries in sustainable patterns of consumption but does not note the same for developed countries. Despite its shortcomings Goal 12 is a powerful call to action for the business community to engaged at least in CSR and sustainability thinking and practices.

Specific attention and guidance was provided by an UN-led joint initiative advising the business sector on how businesses can contribute to achieving the SDGs. The initiative produced the 'SDG Compass' which advised businesses on how they could contribute to the SDGs through their core activities (GRI/UNGC/WBCSD 2015, p.4). The SDG Compass makes the business case for supporting the SDGs and outlines five steps for businesses:

1. *identifying future business opportunities*
2. *enhancing the value of corporate sustainability*
3. *strengthening stakeholder relations and keeping the pace with policy developments*
4. *stabilising societies and markets*
5. *using a common language and shared purpose* (GRI/UNGC/WBCSD 2015, p.4).

There are three steps that seem most aligned with expanding responsibility for planetary wellbeing including enhancing the value of corporate sustainability, the strengthening of stakeholder relations and the ability to identify a shared purpose through the SDGs. This study hopes to contribute to these three steps.

2.2.2 Volkswagen emissions falsification and other corporate scandals

The second event in 2015 with relevance to this PhD study was the major corporate scandal revealed at VW factories that were found to have manipulated software to falsify emissions readings of 11 million diesel vehicles (Arnett 2015). Ironically, the news of the corporate scandal broke only 2.5 months after VW became the world's largest car seller, as measured by the number of vehicle sales in the first half of 2015 (Harrison 2015). As news about the corporate scandal continued to emerge, VW engineers apparently admitted rigging the NOx (nitrogen oxide) emissions data because of the tough goals set by the company's CEO (Reuters 2015). VW's long track record of environmental awards for its vehicles, and a deeply enshrined commitment to CSR and sustainability efforts, led to its leadership agreeing on a 'mission statement for responsible actions in business' in 2010 (Farfan 2016). These commitments now seem hollow after the report by the US EPA in mid-September 2015 revealed the extent of the emissions data manipulation and the revelation that unethical business conduct was to blame.

A similar case was recently revealed by Mitsubishi in April 2016, when the company admitted to falsifying fuel efficiency ratings for their vehicles since 1991, a deceit which affected some 600,000 vehicles in Japan alone (The Australian 2016).

Similarly, during the global financial crisis in 2008, Lehman Brother's bankruptcy is said to have been caused by unethical and shortsighted conduct that valued immediate profits over the long-term survival (TGTBTU 2015). The company had expended great efforts for many years on sustainability and philanthropic activities (prior to its collapse), which clearly did not in any way influence business decision-making processes since it did not ensure ethical and responsible relationships with stakeholders or society at large.

These examples exemplify that as long as the value of businesses is only judged by financial results, CSR or sustainability efforts cannot sufficiently represent authentic and honest efforts that address the negative impacts of businesses on global and local socio-ecological conditions.

2.2.3 The Panama Papers scandal

The third and possibly the most spectacular event that frames the context of this thesis is the 'Panama Papers' scandal that broke in April 2016, in which more than 200,000 companies from across the globe were implicated in tax-evasion practices which involved hiding wealth in offshore bank accounts in Panama and other countries (SZ 2016). As Karstedt et al. (2006, p. 1012) point out, unethical behaviour such as tax-evasion is often considered *"just part of life"* and "*it is exactly these types of behavior that are indicative of the moral state of society, perhaps much more so than violent and other street crimes"*. In an ironic twist, Karstedt et al.'s (2006) research was funded by the Volkswagen Foundation in Germany. While this in no way diminishes Karstedt's and her colleagues' research findings, this situation highlights the enormous gulf between the vision and intentions for sustainability, corporate citizenship and ethical conduct, and the everyday decision-making and actions in a highly competitive market economy. This gulf results in absurd behaviours and unintended consequences within many companies.

All of these events and examples point to the existence of a sustainability and CSR plateau, which is described in a recent UN Global Compact CEO Study prepared by Accenture. The report states that although *"sustainability has become firmly established on the leadership agenda of almost every leading business … business may collectively have reached a plateau in the advancement of sustainability"* (UN Global Compact Accenture 2013, p.5).

Visser (2010) concludes that CSR, despite contributing many positive outcomes to communities and the environment, has failed and is declining. Similarly, practitioners such as Jochen Zeitz, former CEO of PUMA and academic authors such as Waddock and McIntosh

(2009) and Antal and Sobczak (2005) have also argued that it is time for companies to expand their responsibility and care beyond CSR towards global responsibility.

In the words of Jochen Zeitz:

> *The term CSR limits us as it does not even include nature. We have to be responsible in a full spectrum way in every part of our institutions. We must realize that a fundamental shift is required in the way we think, act and manage our businesses sustainably and beyond CSR. There is no alternative* (Zeitz 2011).

3 Key assumptions and delineation of scope

It is essential to outline the key assumptions that this study is based on, and to delineate the scope of what is included and not included.

3.1 Key assumptions and terms

Based on the global and business context described above, I am making two underlying assumptions in this study. The first is that, contrary to widely held views, CSR, sustainability, happiness and wellbeing programs are not accurate proxies for the level of responsibility a company takes for its relationships with stakeholders and the environment. Hence, I argue that the effort and resources that companies commit to their CSR strategies, activities and reporting cannot necessarily be equated with good intentions or values, or with ethical conduct focused on improving the wellbeing of society and planetary conditions. Freeman (1994) calls this the separation thesis, arguing that when separating business decisions from ethics and values, *"detrimental second-order effects"* will occur (Harris & Freeman 2008, p.541).

Secondly, while CSR activities and reporting might give an indication of how engaged and committed a company is to reducing negative impacts and improving positive impacts, I am proposing that something more is needed from businesses that are operating in the current global context. Other indicators, tools, processes, values, views and skills are necessary to propel the mindsets of businesses and their leaders towards purpose, responsibility and conduct that enable human flourishing within planetary boundaries.

Throughout this study I therefore differentiate between 'conventional CSR' and 'beyond CSR' businesses. These terms are based on extensive discussions in the CSR literature, which use a variety of terms to describe different levels of maturity among businesses engaged in sustainability and CSR practices. I define the terms as follows:

a) **'Conventional CSR'** businesses use a business case to justify their engagement in CSR activities. Their primary purpose is profit maximisation and managing operational, reputational and competitive risks. They operate from a worldview that is self-interested and which uses CSR as an engagement and marketing tool. CSR represents a way to compensate for social and environmental damage or negative impacts that the business is causing as a result of its operations. In other words, these businesses adopt a reactive and mitigation approach. They are also described as 'second wave' businesses in Benn et al. (2014) and as 'elementary to innovative' by Mirvis & Googins (2006).

b) **'Beyond CSR'** businesses operate from a worldview and ethics that draws on a systems view. They recognise the inextricably interconnected and complex nature of the world where all life forms and individuals relate to and influence each other. This view informs values and ethics that value relationships, take time for participatory decision-making and are prepared to take risks and adapt. These businesses do not consider CSR as a vehicle for achieving their purpose but as a practice embedded in all aspects of business operations. This is reflected in deliberately designing a business purpose and products and services to make a positive contribution to societal and planetary wellbeing. 'Beyond CSR' business leaders are prepared to adapt or discontinue a product or service that does not fulfil the expanded purpose. They experiment, they are comfortable with uncertainty and they trust that success will follow if they stay true to their intentions and purpose. In other words, these companies adopt an intelligent, pro-active, dynamic and generative approach to business. They are also described in phase models as 'third wave' businesses in Benn et al. (2014) or 'transforming businesses' in Mirvis & Googins (2006).

I also refer to **'planetary wellbeing'** throughout this study. This concept is developed within the literature review of this thesis and is incorporated in the 'Beyond CSR Maturity Framework' presented in Part F. It is a cornerstone throughout this study. It describes the highest intention a business can aim for. In summary, planetary wellbeing includes:

- respecting all life forms as equal
- recognising the planetary boundaries of resources as a reality

- requiring ontological humility to forgo immediate benefit to the business for the benefit of societies and the survival of the planet
- prioritising a positive impact on the planet over profit maximisation
- Basing decision-making on the ethics of relational responsibility, the ethics of care or Buddhist ethics
- requiring a worldview that recognises the interconnected nature of life and that includes a systems-thinking ability.

3.2 Delineation of scope

This study focuses on what factors enable businesses and their leaders to increase responsibility, ethical conduct and purpose beyond CSR in a manner that supports planetary wellbeing. The study uses CSR and business sustainability as the focal point. Happiness and wellbeing programs in business could also have been included in this study, however they are not included in detail and therefore provide an opportunity for further research.

The study's scope therefore **does not** include an exploration of:

a) how businesses are implementing wellbeing programs, wellness offerings, meditation and mindfulness, and the relationship of such programs to performance measures

b) how happiness measures and indices at the national level, or within companies and businesses, are being implemented.

The study **does** include exploration of:

a) how ancient, contemporary, Eastern and Western philosophies of happiness present three archetypes or worldviews for achieving happiness or a meaningful life

b) how distinct values and ethics emerge from these worldviews and

c) how these values and ethics influence business leaders' decision-making and their level of responsibility for contributing to planetary wellbeing.

4 Reason for choosing the research locations and participants

Despite the prevalence of conventional CSR businesses and continuing corporate scandals, there are also many companies that are pushing boundaries and forging new business models and ways of doing business that go far beyond conventional CSR. Those businesses are the subject of this research, which focuses on businesses in Bhutan and a select number of international businesses that are experimenting with new approaches and finding their own way towards a 'beyond CSR' approach.

An unusual approach to development and progress is practised in Bhutan where the government sets societal wellbeing as its overarching aim to guide all government and business activities within the country. His Majesty, the Fourth King of Bhutan articulated this approach in 1976, when he famously declared that *"Gross National Happiness is more important than Gross National Product"* (GNH Centre 2013). Initially, the statement provided an intuitive guiding principle, however over the past 10 years three tools for operationalising GNH have been developed – the GNH Index (Ura et al. 2012b), a GNH policy-screening tool (Hayden 2015) and most recently a GNH of Business certification tool (Zangmo, Wangdi and Phuntsho 2017). The GNH Index is aggregated from a set of 33 indicators, which provide a deep insight into the state of the nation's perceptions of satisfaction across the nine domains of education, environmental conservation, standard of living, time-use, good governance, health, psychological wellbeing and cultural preservation. The Bhutanese government uses the policy-screening tool to ensure the implementation of policies which enhance, or at least do not weaken, the GNH Index.

One difference between Bhutan and other countries that are now measuring or promoting the use of wellbeing indicators is that both GNH tools are actively used by Bhutan's government as compasses for decision-making on budget allocations and programs. Bhutan also reports its GNH results alongside GDP results and engages in a deliberate process to balance the two measures of progress. Most developed countries that are currently measuring wellbeing, such as the UK and the US, do not yet officially use the results to inform policy. However, the biggest difference between the GNH and other approaches is that ethics, values and a particular worldview are inherent in the GNH philosophy and practice. This adds a perspective that is not found in developed countries pursuing a GDP-driven growth strategy. The origins and philosophy of GNH is explored in detail in Part D of this thesis.

An extensive body of research has been published on the measurement approach of the GNH index (Helliwell et al. 2012; Ura et al. 2012b; Alkire 2015) and its application in policy decision-making (Hayden 2015). However, very little research has explored the impact of a GNH or wellbeing economy on the business sector (Martin 2012).

International business initiatives that go beyond CSR provide an interesting juxtaposition to the Bhutan case. They include examples of businesses in developed nations and emerging economies and provide insight in a number of ways:

a) They help identify motivators and enablers of visionary behaviour that takes businesses beyond conventional CSR.
b) They provide examples of integrating business decisions with ethical values.
c) They operate in a variety of country-specific macro-level conditions that provide different systems conditions to those found in Bhutan.

This study therefore explores findings from interviews with business, government and NGO leaders in Bhutan and internationally. The interviews aim to explore if a transition is possible from conventional CSR to a 'beyond CSR' approach which involves a business purpose that is concerned with expanding mindsets, worldviews and responsibility, and which aims to improve individual, societal and planetary wellbeing.

This study is therefore important, as it seeks to understand what inspires and motivates more ethical and responsible business purposes and conduct, and what fosters 'beyond CSR' business conduct and models.

5 Motivation for this Study

On the surface, the motivation for this research study seems to stem from my personal and professional journey in business management and sustainability over the last 25 years. However, at a much deeper level it really goes back to my early childhood, growing up in Europe, when my teacher asked me at age 12 who I wanted to be when I grew up. A great question, to which I answered without hesitation that I wanted to become an astronomer. Although I never studied astrophysics and did not become an astronomer by profession, I now interpret my conviction as a 12 year-old as being due to my fascination with exploring what lies at the edges of our world, our lives and our knowing. It expressed my curiosity to see what is beyond the conventional view from a central point out into the world, and to venture to the far reaches, to corners and edges, and to look back at my physical and philosophical origins with new perspectives, insights and questions.

Throughout my life, I have been attracted to people, spaces, places and ways of thinking that stretch boundaries and offer unusual views and perspectives. It was therefore not surprising that by the age of 14, I decided that I wanted to emigrate to Australia, as for a European that land at the end of the earth promised an intriguing view from the edge. By the time I was 21, I had settled in Australia and by my late 30s my next surprising journey took me to travel, live and work in India, Nepal and Asia. When I was offered a management position in Bhutan it seemed the perfect place to gain another perspective. I spent nine years in the Himalayan Kingdom of Bhutan, which is precariously positioned as the geopolitical pivot between China and India, and is often portrayed as the last Shangri-La with its ancient traditions, rich culture, Buddhist history and development philosophy of Gross National Happiness (GNH).

I also spent a year in Tajikistan in Central Asia, a spirited country still teetering on the edge of civil war, experiencing the joys, good intentions and futility of development work. My journey has included many twists and turns and a truly emergent career that did not follow any norms or a conventional career plan. It led me to begin a PhD in my mid-40s at the transdisciplinary Institute for Sustainable Futures (ISF) at the University of Technology Sydney, outside the silos of academic disciplines. It seems that I landed in the perfect place, given my professional and personal journeys.

In my professional life I have always been attracted to people and topics I now recognise as "strange attractors", a term defined in complexity science as *"neither exact nor permanent solutions. Instead, they are temporary 'solutions' toward which a nonlinear dynamical system is drawn"* (Castellani & Hafferty 2009, p.57). I have had the good fortune to meet and know political leaders who listen and observe from the edges, Vajrayana Buddhist spiritual leaders who have committed their lives to bringing compassion and insight to the world, Yogic masters who have meditated in caves for decades and community leaders who put their lives on the line for the rights of persecuted minority groups. It is therefore not surprising that my PhD topic involves looking at the edges of current corporate social responsibility (CSR) practices and what lies beyond. I explored those edges through the eyes of 21 extraordinary business, government, and NGO leaders who agreed to participate in this research.

My professional interest and experience in business management and sustainability was encouraged by the increasing recognition in the business sector that 'business-as-usual' is no longer an option and that CSR is no longer enough. The combination of these factors has fuelled my interest in this field.

During my undergraduate business studies in Australia, I found that there was too little focus on unlocking the good that businesses can do for individuals, communities, societies, their environment and the world. As a result of working primarily in the service industry (mostly in tourism and hospitality), but also in fashion retail, business associations and tertiary business education in my early career, I realised that the measures of success for many business operators were becoming increasingly narrow. In a progressively more competitive world, the focus of the businesses that I worked for was primarily to grow at an exponential rate, and very little regard was given to the wellbeing of individuals, societies and the environment. At this point, I decided to undertake postgraduate studies in environmental management to better understand the interrelationship between economic activity and the protection of nature and its ecosystems.

I subsequently ran a sustainability consultancy for seven years that focused on sustainability planning and strategy development for state and national governments, as well as business planning and CSR programs for small to medium-sized enterprises (SMEs) mostly in the tourism sector and natural area management. Through this work, I came to realise that the sustainability movement was fighting an uphill battle. There seemed little change in people's minds and behaviours, let alone those of businesses or governments. I also observed that sustainability advocates increasingly spoke of the alarming 'doom and gloom' in the 1990s but largely failed to engage business leaders in creating positive solutions.

A further question started growing in my mind. It appeared to me that systemic change depended on each individual within a system changing their own mind and behaviour. I then found, through my long-established yoga practice, access to ancient yogic teachings, philosophy and the yoga of the mind. I was compelled to complete a Yoga Teaching Advanced Diploma, which included a wide range of subjects. Apart from yoga-specific practices it also covered anatomy, physiology, psychology, pedagogy, Eastern philosophies and meditation. This opened a new world to me by making me aware of the variety of philosophical stances of being, becoming, knowing, change and transformation. I recognise that this background and experience clearly shaped my ontological and epistemological views of the world, which are described in detail in the methodology in Part C. Through teaching yoga and meditation, I gained a glimpse of what impact self-cultivation and training of the mind can have in my own and other people's lives and environment.

All of these experiences across the different disciplines of business, sustainability and self and systems transformation then came together when I worked for seven years in a variety of management roles in five-star international boutique resorts, and as a sustainability consultant in Bhutan. One of the key milestones and experiences that led me to do this research was my work on developing a 'GNH in Business' program for a five-star hotel in Bhutan. It started off as a 'conventional CSR' project but quickly developed into an applied framework that went far beyond a CSR approach. It went from introducing CSR as an afterthought based on a need to fix the problems created by the business to environmental and social wellbeing becoming integral to the DNA of the organisation. The exposure to life in such a culturally and ontologically different environment and a unique Asian society had a profound impact on me. Bhutan's culture is steeped in over 1,300 years of Buddhist philosophy and tradition that is reflected in the Bhutanese way of life and worldview. Even today, despite increasing social and economic problems, Bhutanese society still finds great contentment in vibrant relationships, communities and culture. There seems to be a remarkable capacity for dealing with uncertainty and contradictions with compassion and acceptance.

Shaped by these experiences, I was interested in bringing academic rigour and research skills to my professional work, and in basing my PhD research on business ethics and sustainability, and on the use of various worldviews that emerge from diverse philosophies of happiness and systems thinking. I was also interested in comparing perspectives from Bhutanese and international businesses.

I therefore recognise that my worldview, background and subjective experiences determined the boundaries and assumptions of this study's investigation. I provide this background to enable the readers of this thesis to understand how and why I have delineated the study in the way I have, and to recognise that this has implications for the solution and framework I am proposing in the conclusion of this thesis.

6 Summary of methodology

This research study builds on my diverse 25-year career in business management, sustainability and the teaching of physical, mental and contemplative practices. It is therefore based on a transdisciplinary approach that recognises the complexity of life and the challenges societies face today. The methodology is outlined in detail in Part C of this thesis. Below is a brief summary which contextualises the literature review that follows in Part B.

The research for this thesis was undertaken between 2013 and 2016, with the primary research being conducted in late 2014 and early 2015 with participants from Bhutan, Europe, South Africa, North America and South America using a constructivist grounded theory approach (Glaser & Strauss 2009; Charmaz 2014). The study involved:

a) an in-depth review of academic and professional literature and of available government and media reports, civil society publications and publications in the fields of business and society, philosophies of happiness, systems thinking and Bhutan studies
b) semi-structured interviews with 21 business, government and NGO leaders in Bhutan and other nations
c) a focus group with eight business representatives from European businesses.

As outlined earlier, I also draw on a nine-year period of living and working in Bhutan. The experiences and insights from this period add an informal ethnographic aspect to this study. I also draw on my 25-year career in business management and sustainability.
All of these aspects of my approach form part of how I interpret the data of this transdisciplinary study that investigates enablers and barriers to 'beyond CSR' behaviour in businesses for increasing responsibility in business towards planetary wellbeing.

A broad literature review covering the concepts of corporate social responsibility and corporate sustainability, happiness studies and systems change was conducted before the interviews were conducted. The primary research for this study included a total of 21 semi-structured interviews with seven business leaders, seven government leaders and one NGO leader in Bhutan as well as six interviews with international business leaders. The industry sectors represented among the business interviewees in Bhutan include small and medium-sized enterprises (SMEs) in hospitality, tour operation, tertiary education, media and mining, all of which had between 50 and 300 employees, plus one large state-owned commercial entity with more than 9000 employees. International interviewees came from hospitality and facilities management service companies, insurance, retail and multi-sector businesses with the largest employing 430,000 staff in the country where the interviewee came from (the same company has 2.2 million staff globally). An international business network leader representing 35,000 businesses also participated in the interviews.

A focus group with eight participants from companies across Europe was held at a conference in Lille, France in October 2014. The focus group specifically explored the 'New Development Paradigm' framework (SNDP 2013) and its relevance to business sustainability.

This study takes a transdisciplinary approach because it assumes that sustainability challenges cannot be solved within a single discipline. This approach requires a broad scope, and so the study stretches across a number of research fields including the social sciences and humanities, with a particular focus on:

a) ancient and contemporary happiness studies, psychology and motivational theories
b) business management, especially the literature on CSR, ethics and sustainability
c) systems theories, especially skills and processes that enable systems thinking.

This may seem as an ambitious spread of areas to cover, and may raise alarm bells with some readers. However, the intention is to bring concepts, theories and research findings together that rarely get considered in combination. The aim of this approach is to use a variety of perspectives that cannot be found within a single discipline to investigate approaches to business sustainability solutions. Only by considering cross-disciplinary ideas can the complex problems of life on earth be seen in a different light which may provide innovative solutions. Therefore, I would like prepare the reader that there may be a lack of depth in some of the areas covered in the literature review, since they are covered only for the purpose of finding linkages across disciplines and theories in order to identify patterns, connections and gaps. This approach is also aligned with a systems thinking approach which is covered in detail in the literature review Part B, Section 3.

6.1 Research gap, objectives and topic

This research addresses a number of gaps in the literature on a) business, society, sustainability and ethics b) philosophies of happiness, drawing on ancient, contemporary, Eastern and Western philosophies, c) systems thinking and change and d) Bhutan studies. These diverse fields of literature have not previously been explored together.

The main research gap that this thesis addresses relates to a recommendation by Bansal & Song (2015) for future research to focus on normative ethical theories of business and CSR approaches viewed from a systems theory perspective and Eastern philosophies. In particular, Bansal & Song (2015, p.47) suggest that future research should expand into *"unexplored territory"* such as *"systems science and Buddhist philosophy"* as they challenge *"the egocentric, reductive and mechanical worldview prevalent in modern science without taking a normative stance (Macy 1991)…".*

Due to the number of research gaps that appear as a result of bringing together four distinct fields of literature, this study has two main research objectives. They are:

a) to explore the 'beyond CSR' mindsets and behaviours of business leaders, and how these translate into socially and environmentally committed business conduct with an expanded view of relational responsibility for planetary wellbeing
b) to explore what happens at the threshold when shifting from 'conventional CSR' to 'beyond CSR' in relation to worldviews, values and behaviours.

This research studies these objectives from three perspectives. The first considers Bhutan's Gross National Happiness (GNH) approach and how it impacts on business conduct and sustainability efforts. The second perspective considers international businesses embodying 'beyond CSR' business conduct and what motivates, enables and hinders their focus on planetary wellbeing. The third and final perspective of this study investigates how the insights from the Bhutanese and international explorations can inform the development of tools to understand various levels of business maturity to assess and support the shift from a conventional CSR to a 'beyond CSR' approach.

The research topic of this thesis is therefore summarised as:

Looking beyond corporate social responsibility through a holistic systems lens – an Eastern and Western focus

6.2 Research questions

The research topic and objectives are used to generate three research questions, with a number of 'in-between' questions as outlined below.

Research Question 1

Bhutan is an example of a country and economy focused on a 'beyond-GDP' approach to development, through its philosophy and metric of Gross National Happiness (GNH). Does this GNH development philosophy inspire a 'beyond-CSR' outlook and behaviour in Bhutanese businesses? If so, how?

This research question is explored through the following sub-questions:

a) What are the perceptions of GNH and the New Development Paradigm (NDP), and how do they influence Bhutanese leaders?
b) What are the perceptions of Bhutanese leaders of CSR compared to GNH, and how do they manifest in local Bhutanese businesses?

c) Does the GNH setting in Bhutan foster a 'beyond-CSR' approach in local Bhutanese businesses and business leaders? If so how?

Research Question 2
What are the enablers and barriers to 'beyond-CSR' business behaviour in international companies and how do they influence business conduct?

6.3 Research limitations

Limitations of the study include the sample size, which was small for a study that uses a grounded theory approach. Grounded theory benefits from a larger sample size to reach a point of saturation. However, while my level of 'insiderness' and experience in the fields of CSR and GNH in Bhutan could be considered problematic by some (Labaree 2002), it provides a level if insight that may balance the small sample size. It also provides the advantage of deeper insight into many nuances in relation to Bhutanese culture and the country's philosophy that inform this research. My nine years' experience of living in Bhutan also eliminated the 'romanticising Bhutan' phase (Teoh, 2015) that other researchers experience when they choose Bhutan as a research site and visit the country for the first time to conduct their research.

A further limitation could be that the results from Bhutan as a developing country with a small private sector and developing economy may not necessarily be applicable to other situations. However, the constructed grounded theory approach benefits from divergent samples and the Bhutan case provides the pivotal comparison in this study.

Furthermore, Bhutan's GNH concept has only been operationalised relatively recently, since 2008, and it may therefore be too soon to try to evaluate its effect on businesses. Although, GNH emerged out of Bhutan's 1,300 year Buddhist culture and therefore has a solid philosophical and cultural grounding in Bhutan. Also, by drawing on the extensive research in the field of CSR in developed and developing countries it is possible to draw some conclusions from Bhutan's case that highlight the potential of a GNH approach in the context of a 'beyond-GDP' and 'beyond CSR' era.

Some other limitations of this study include that grounded theory works on a saturation principle, but it is impossible to know whether I have been able to collect all the possible evidence. Furthermore, the use of inductive reasoning, and uncertainty over the completeness of evidence from the literature review and interviews, mean that conclusions will only ever be indicative and not definitive. Specifically, the constructivist grounded theory approach involves gathering the evidence, then looking for patterns that result in the formulation of a theory. This approach is based on moving from the specific to general ideas and on ultimately creating a theory that can be proven wrong. The full details of the methodology are outlined in Part C.

7 Structure of this thesis

Table 1 outlines the thesis structure and briefly outlines the topics covered in each section.

Table 1 - Structure of this thesis

Section	Details
Front matter	• Title page • Certificate of original authorship • Acknowledgments (including references to the persons who have assisted in the research work itself or in the preparation of the thesis itself, including editorial assistance) • Table of contents • List of tables • List of figures • Abbreviations • Abstract (with keywords)
Part A: Introduction and context of the study	• Global context of the research • Relevance and importance of the business sector • State of business sustainability • Key assumptions and delineation of scope • Reasons for choosing the research locations and subjects • Motivation for this study • Summary of methodology including the research gap, objectives, questions and limitations of the study • Outline of the structure of this thesis

	• Map of research design and summary • Contribution of this research
Part B: **Literature Review**	• Review of business and society literature, including ethics, sustainability and corporate responsibility literature • Review of happiness and wellbeing literature, including Eastern and Western perspectives, ancient and contemporary theories and a synthesis of concepts • Review of the systems-thinking and change theories literature
Part C: **Methodology**	• Ontological and epistemological stance • Theoretical framework and research design • Summary of the research process and reflections • Limitations of the study • Ethical considerations
Part D: **Bhutan research**	• Bhutan's history, culture and values • Bhutan's development approach – Gross National Happiness • Business, ethics, sustainability and GNH in Bhutan • Bhutanese leaders' perceptions of GNH and the New Development Paradigm (NDP) • Bhutanese leaders' perceptions of GNH, CSR and sustainability in Bhutan • Discussion of the findings and the conditions in Bhutan that foster 'beyond CSR' business conduct • Development of a matrix to recognise and support various levels of maturity of business responsibility and GNH/CSR commitment • Conclusion and recommendations Bhutan chapter
Part E: **International research**	• Evidence of enablers and barriers to moving beyond CSR towards responsibility for planetary wellbeing

	• Attitudes, values and outlook on time • Business vision, strategy, operations and organisational culture • Relationships and responsibility • Learning approach • Measures of success • Systems conditions
Part F: **Discussion, Synthesis and Conclusions**	• Beyond CSR Maturity Model (BCMM) • 'Beyond CSR' formula • Comparing maturity scores for Bhutanese and international businesses • Causal loop diagram using systems thinking to map an example of business conduct and its impact on the SDGs • Final thoughts
Appendix and Bibliography	• Appendix • Bibliography

8 Map of research design and study summary

Appendix 1.8 summarises the research design and maps the entire study by putting into context the overall big-picture problem that is explored in this research with the literature, research gap and questions, methodology and the frameworks that were synthised and used as lenses for analysis of the data . The research design illustrates the importance of the literature review as a key component of this study. The literature review not only provides a background to the transdisciplinary fields of this study but also produced a number of analytical frameworks. These frameworks are used as lenses for making sense of and drawing conclusions from the evidence, which in turn inform the context of the big picture problem the study seeks to explore. The map of this research study is adapted from Hammersley's (1998) framework and Hopwood's (2013) interpretation of that framework.

Each element from Appendix 1.8 is used at the beginning of each part of this thesis to illustrate how the parts are linked and connected.

9 Contribution of this study

This study makes a number of academic and practical contributions towards business as an agent for societal change and planetary wellbeing. It contributes to the academic literature on business responsibility, happiness philosophies and systems theories through synthesising major concepts into a number of lenses that have been used in this study to examine the evidence from the interviews.

The main contribution of this study is that it addresses a research gap identified in a seminal paper published by Bansal & Song (2015). This paper suggests that the exploration of business ethics and CSR from a systems perspective and Eastern worldviews, particularly Buddhist philosophy, is uncharted territory. This PhD research study provides a major contribution to this territory by using the systems and Buddhist lenses to develop a number of sense-making tools for conceptual and practical application in understanding what drives 'beyond CSR' business approaches and behaviour.

Specifically, the conceptual sense-making tools developed during this study are listed below. Those highlighted in bold indicate the major building blocks used in the theorising process of this study.

In particular, sense-making tools from the literature review in Part B of this thesis include:

1. A presentation of Aguinis & Glavas' (2012) predictors, mediators, moderators and outcomes of CSR as a 3 x 4 summary table (Table 2)
2. **A contextualisation of 10 types of ethical theories in a 2 x 2 matrix that positions them according to whether decisions are made based on rules or experience, and whether they are based on an individual or interdependent context (Figure 11)**
3. A summary of key Eastern and Western philosophers who contributed to the discourse on the meaning of life and happiness from 1,500 BCE to the present (Table 3)
4. Quotes from Eastern and Western philosophers on happiness (Table 4)
5. A compilation of happiness-related words in Sanskrit, Dzongkha and Mandarin (Table 5)
6. A compilation of the etymology of the origins of the word happiness in Greek, Latin, English, German, French, Italian and Spanish (Table 6)
7. A compilation of happiness terms and their definitions since the 1960s (Table 7)

8. Mapping concepts in contemporary happiness research along a temporal scale (Figure 13)
9. Mapping terms in contemporary happiness research along a temporal scale (Figure 14)
10. A summary of ancient and contemporary Western happiness theories (Table 9)
11. A categorisation of ancient and contemporary Western happiness theories (Table 10)
12. Seven categories of happiness theories (Figure 18)
13. Mapping the seven categories of happiness theories onto Henderson's (1996) 'expanding calculus of self-interest' (Figure 19)
14. **Three archetypes of worldviews for achieving happiness (Table 12) which are a synthesis of the Eastern and Western philosophies and approaches to achieving happiness**
15. A synthesis of differentiation between complicated and complex problems derived from Armson (2011) (Table 14)
16. A summary of skills required for holistic systems thinking from various sources (Table 15)
17. A proposed process for systems thinking adapted from Armson (2011) and Snowden & Boone (2007) (Figure 28)
18. A compilation of systems leverage points and their effectiveness (adapted from Meadows (1999 & 2008) (Table 16)
19. A comparison of interpretations by four different authors of Meadows (1999 & 2008) system leverage points (Table 17)
20. Matching how the New Development Paradigm (NDP 2013) model and Meadows' (1999 & 2008) systems leverage points relate to each other (Table 18)
21. **A synthesis and comparison of elements from different systems change theories (Table 19)**
22. A graph illustrating Eastern and Western perspectives of the relationship between sustainable development and happiness and wellbeing (Figure 30)

In addition, there are a number of conceptualisations and sense-making tools that emerged from the Bhutan chapter in Part D of this thesis. They include:

1. A summary and comparison of Bhutanese values systems from four different sources (Table 25)
2. A graph illustrating two types of happiness according to Buddhist philosophy based on Tashi (2004) (Figure 43)
3. **A synthesis and comparison of CSR as a cluster concept and of Gross National Happiness (Table 31)**

4. **A synthesis of findings from the Bhutan interviews illustrating the relationships between an interdependent worldview, GNH ethics, business purpose and CSR practices as a 'beyond CSR' approach (Figure 44)**
5. **A matrix of maturity levels of GNH in business which provides indicators and mechanisms for business, government and NGO stakeholders to assess and support businesses at different levels of GNH maturity in Bhutan (Table 33)**

Part E of the thesis also includes the following contribution:

1. **A synthesis of findings from the international interviews illustrating the relationships between an interdependent worldview, ethics of relational responsibility, business purpose and CSR practices as a 'beyond CSR' approach (Figure 49)**

Finally, Part F draws together a number of concepts that form the major contribution of this study:

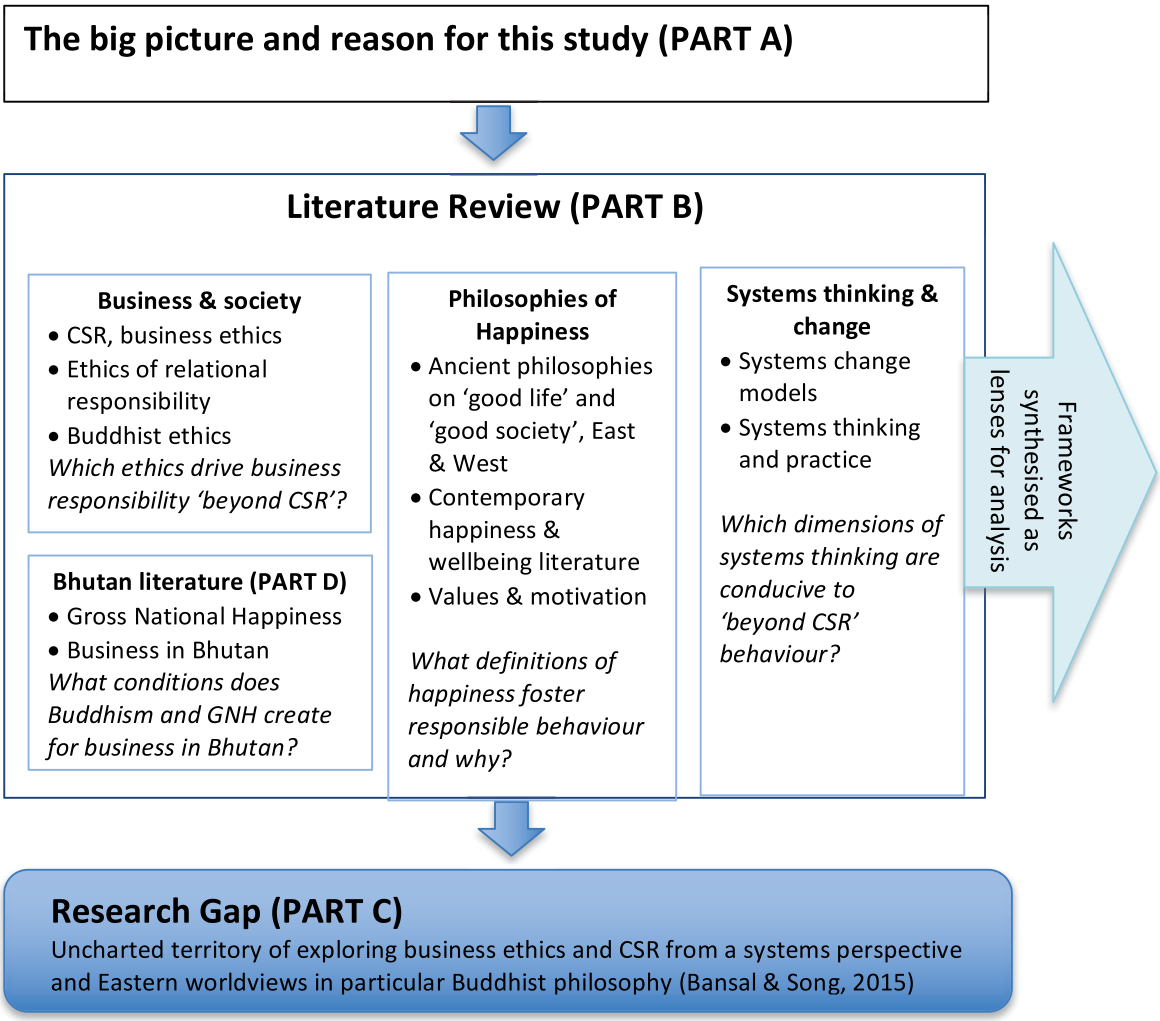
1. **Connecting the three archetypes of happiness with business approaches (Figure 50)**
2. **A synthesis of the key concepts from the literature review and interview findings as the 'Beyond CSR Maturity Model' (Figure 51)**
3. **The Beyond CSR Formula for business (Figure 56)**
4. **Comparison of aggregate maturity scores of Bhutanese and international businesses (Figure 57)**
5. **Mapping the causes and effects of the VW scandal in a causal loop diagram and their impact on specific SDGs (Figure 58).**

The main outcomes and recommendations of this study are integrated in Part F of this thesis and are based on the major building blocks highlighted above.

PART B - Literature review

This section of the thesis deals with the second component of the research design map illustrated in Appendix 1.8, the literature review. It outlines the approach to the literature in relation to the big picture questions that were outlined in Part A of this thesis. The purpose of this literature review is to weave together three distinct fields of literature in Part B of this thesis to synthesise frameworks that assist with the analysis and theorising process of this study.   A further stream of literature that informs this study is the literature on Bhutan, which is covered in Part D of this study together with the history and cultural context of Bhutan. Each section of the literature that is reviewed in Parts B and D explores a key theme that emerged from the interviews and other evidence considered in this study. Although the literature review forms the second part of this thesis document it was conducted towards the later part of the study in line with a grounded theory approach.

Excerpt from Appenix 1.8



The constructed grounded theory approach of this study is outlined in detail in Part C which aims to develop a theory as an outcome of the research study, rather than testing an existing hypothesis or theory. Furthermore, this study takes a transdisciplinary approach and therefore covers a broad spectrum of disparate literature in context with each other. This may result in a loss of depth within each of the fields covered. However, the intention is to draw insights from the breadth of this literature review and synthesise these different streams to create frameworks for analysing the interview data that was collected for this study.

Therefore, the three areas of literature covered in this review are:

a) business, society, sustainability and ethics literature – to understand the role of business in today's economy and its potential for influencing positive change towards a more sustainable future
b) philosophies of happiness literature – to understand the worldviews that exist across cultures that drive human behaviour and inform business leaders' behaviour and business purposes
c) systems thinking and change literature – to understand the interconnectedness of all phenomena and the leverage points available to businesses that can facilitate a systems view.

The first section in Part B reviews the business, society and sustainability literature and begins with a brief background on the history of trade and economic development across the globe. This section highlights some of the key academic analyses of concepts that are applied within businesses to alleviate their negative impacts on society and the environment and improve their positive impacts. These concepts include corporate social responsibility, corporate sustainability and various approaches to business ethics. A discussion and comparison of their strengths and weaknesses is provided in the analysis of this literature and an organisation of ethical theories is offered as a conclusion of the business section of the literature review.

The second section of this literature review covers in brief the historic and contemporary literature of selected Eastern and Western conceptions of happiness and wellbeing. In particular, this literature is investigated and synthesised to inform some common and distinctive themes across cultures and philosophies of happiness and approaches to achieving a happy and fulfilled life. Many philosophers from both the East and the West have identified the pursuit of happiness as a driver of human activity. The synthesis of this section provides a spectrum of worldviews that underlie human and societal conduct and are also found in business strategies and conduct. This synthesis forms a key building block in this thesis and the theorising process.

The third and last part of this literature review covers systems thinking and systems-change literature and synthesises a number of frameworks that have been proposed in the academic literature for managing and influencing systems. This section also draws out key aspects of systems thinking from Buddhist and Western perspectives, and examines how they relate to business ethics.

So how do business ethics and sustainability, philosophies of happiness and systems thinking interconnect in this study? Much of this literature review is about how different worldviews shape human behaviour and actions and therefore influence business conduct and sustainability. Instead of basing the discussion on religious ethical systems or rule-based norms, I follow the argument put forward by the Dalai Lama (Gyatson 1999). He suggests basing ethical conduct on achieving happiness through an interconnected view of reality rather than an independent, separate and individualistic view of happiness.

Thin (2012) suggests that there is a 'happiness lens' that brings a more holistic view to discussions. It is apparent that this perspective is based on an interconnected view of happiness illuminated through ancient Eastern and Western philosophers' approaches to finding happiness and meaning in life. This literature review therefore investigates a wide variety of approaches to happiness to demonstrate that the concept of a holistic 'happiness lens' depends entirely on the underlying worldview. It emerges that there is a spectrum of worldviews that can be identified. In fact, this literature review suggests that there are at least three different apertures to focus a happiness lens, depending on the underlying worldviews that have emerged throughout history in various cultures and societies. The result is a lens that, depending on its 'happiness aperture' approaches decision-making in a situation with either:

a) a narrow independent self-interested and impulsive view
b) a more collaborative negotiated way for mutual benefit
c) an interdependent, holistic and systems conscious view.

At the same time, business sustainability and business ethics are also considered in this study to be lead indicators of the level of commitment on the part of companies to better, fairer, safer, more holistic, restorative and compassionate ways of doing business. There is a recognised gradation of approaches to business sustainability and ethics, described in the phase model literature of corporate social responsibility. These gradations and phases range from denial to risk-management to stewardship approaches, which reflect different levels of genuine care and concern for stakeholders, the environment and planetary conditions.

Finally, the systems thinking and systems-change literature connects to the ancient wisdom traditions that were based on a systems view of life that considers all phenomena as interconnected. In particular, systems change frameworks and models are considered and their common elements distilled to provide a set of dimensions to interpret the findings from this.

1 Business and society - ethics, sustainability and CSR literature

Topik & Pomeranz (2014) in their work *The world that trade created,* remind us that markets, enterprise, trade and economic activity have shaped the world we live in today for many centuries and even millennia. They particularly focus on the era from 1400 until today and explore Asian, Latin American, US and European trade. They conclude that economic activity has connected continents and nations, and has seen many phases of intensification of global connections. These phases of trans-regional intensification of trade were driven by different forces. Sometimes it was war and power struggles, other times it was exploration and pioneering, sometimes it was missionaries and religious beliefs and other times it was the search for natural, cultural and human resources by profit-oriented organisations. All of these endeavours have shaped the underlying structures of social and economic change and cycles of crises and flourishing particularly over the past 600 years.

The actors involved in these interconnected networks included migrants, slaves, pirates, scientists, investors, entrepreneurs, merchants, traders, industrialists, engineers, pioneers and governments in a global network. As Pomeranz et al. (2006) point out, while the term ‘globalisation’ is relatively new, the actual phenomenon of trans-regional interconnected networks engaged in trade and value exchange is not.

As outlined in the introduction in Part A, Section 2.1 of this thesis, the business sector has an important role to play in the economic systems and wellbeing of local communities, countries and continents in the globalised world of today. Most economies across the world rely on the business sector as the most significant driver of economic activity. The size and interconnectedness of the business sector globally makes it the most significant potential change agent to influence global objectives such as the Sustainable Development Goals (SDGs). According to Sukhdev (2012) the private sector employs 70 per cent of the global workforce, or some 2.1 billion people (based on Torres 2013), and delivers nearly 60 per cent of global GDP (Sukhdev 2012). Businesses, ranging from privately owned micro and small to medium-sized enterprises (MSMEs) to publicly listed multinational companies (MNCs) continue to grow in power and influence in capitalist market economies across the world. Businesses are mechanisms that serve as the engines of the economy and they therefore comprise a subsystem of the economic system. The nested systems approach depicted in Figure 1 in Part A, Section 2.1, illustrates the position of the business sector in the context of the economy and society, which in turn are nested in the planetary ecosystems.

The business sector therefore represents a potentially powerful lever for shaping global conditions and economies that serves society and planetary wellbeing rather than perpetuating self-serving goals for the benefit of a few at the cost of large parts of society and planetary ecosystems. The engagement and participation of the business sector as change agents is paramount and provides a significant opportunity for creating more responsible economies and societal development. The major challenge in this endeavor is the reality that the business sector has the potential to impact social and systems change positively as well as negatively.

Therefore, this study seeks to engage the business sector at all levels, ranging from MSMEs and family-owned businesses to multinational corporations, as the sector of the economy that potentially has the widest reach across global communities, and the greatest potential to bring about positive social and systems change. This study includes interviews with business and government leaders with international and Bhutanese origins. Therefore, the literature review incorporates the context of the capitalist market economic systems as a background to the findings from the international interviews. The literature on Bhutanese society and culture and on the Bhutanese economy and business sector, is covered in detail in the Bhutan chapter in Part D of this thesis.

1.1 Brief background to historic market economies

To understand the context of today's economic system and the role of business, it is necessary to briefly outline some views on economic history and the development of a market economic system and the major influencers that shape the conditions for trade and economic systems.

The most common view in the European literature on the origins and rise of the capitalist market economic system points to the industrial revolution in Britain, access to natural and human resources from the New World, and access to coal and therefore energy, as three factors which combined to give Britain an advantage in economic development in the late 18th century and the early 19th century. Two other factors that contributed significantly to the advancement of European and American economies were slavery and colonialism that exploited human and natural resources for the benefit of European economic supremacy. Also, the changing paradigms in the lead-up to the industrial revolution from the 16th century across Europe, are seen as the seeds of today's capitalist economic system and thinking (Pomeranz, 2000). One of the most prominent Euro-centric interpretations of the rise of capitalism in Europe is the Weber Thesis (Weber, 1905), which proposes that religious thinking, and in particular the reformation thinking of Protestant ethics during the 19th century, led to a 'spirit of capitalism' and created the conditions which promoted individualism, self-interest and wealth accumulation (Peltonen 2008). Weber refers to this situation as the 'Iron Cage' of capitalism and *"lamented the loss of spirituality in modern life"* (Peltonen 2008, p.80). Weber argues for the religious context, and that Calvinism unintentionally spurred productive economic activity as a key influence on capitalism (Harrison & Huntington 2000). Others like Tawney (1926) and Robertson & Casson (1933) argue for the importance of the political context and economic movements as the main contributing factors for the rise of capitalist institutions in Europe. Economic historians such as Ashton (1977) attribute the industrial revolution and the rise of capitalism to higher education levels, the rise of scientific knowledge, rationalism and emerging broader worldviews. Later, Hagen (1962) continues a long line of criticism which rejects the proposition that the religious doctrine of Protestantism led to entrepreneurialism and commercialism for self-interest. However, Peltonen (2008) suggests that since the 1990s economic historians, particularly those from the USA, have been increasingly accepting of the Weber Thesis and support the idea that religious tenets can have a significant influence on economic growth and the evolution of economic institutions. A broader view is offered by Landes (1998) who expands the notion from religion to culture in general, and draws the conclusion that culture has a significant influence on economic development. Similarly, Ferguson (2001) suggests that Christian cultures are more inclined to capitalism than Asian cultures.

There is a substantial body of literature on the history of economic development in other parts of the world as outlined in Pomeranz (2000), Topik & Pomeranz (2014) and Rosenthal and Wong (2014). Examples of pre-industrial economies based on trade and wealth accumulation by private families and merchants emerged during the 14th and 15th centuries in Europe and Asia. For example, the Medici family, who built their wealth from banking and textile trading, exemplify the rise of the merchant class in Italy. The power and influence they gained from their wealth eventually enabled them to take political power in the province of Florence. They established many connections with other powerful families through marriage alliances across Europe to keep peace among nations. They were well known for fostering the arts and encouraging humanism for individuals and society collectively to improve their lives. Their dynasty lasted until the early 18th century and fell apart when the lack of a male heir, and near bankruptcy due to spending money on wars and bad loans to England, diminished the Medicis' power and influence. This example illustrates that the cultural norms of a hereditary line of merchants and politically inspired marriage alliances kept the Medici family in wealth and power but also, together with financing wars, brought about not only the end of the Medici family's dominance, but also the reign of Florence as the banking centre of Europe.

The rise of merchant trade and wealth accumulation during the era of the Chinese treasure fleet in the early 15th century illustrates another example of different influences that led to economic and wealth creation through trade. During a nearly 30-year period from 1405 to 1433, the Ming emperor Zhu Di lifted trade restrictions implemented by his predecessor. Zhu Di wanted to re-establish trade relations and extend the influence of China's Ming dynasty (Finlay 1997). The emperor, with the help of merchants, built a fleet of vessels that was the largest known at that time in history, with up to 3,400 ships (Edwards 2017). Commander Zhen He was sent on seven voyages in the South China Sea and Indian Ocean that reached as far as Persia, East Africa, Sri Lanka, Malaysia, Indonesia, Thailand and Taiwan (Levathes 2014). Each voyage involved up to 300 ships carrying 28,000 men, including six giant Chinese junks – the 'treasure ships' that were 120 meters length, with 9 masts and 12 sails. The voyages were intended to trade riches and re-establish diplomatic relations with these countries. The Confucian Civil Officials opposed the voyages from the very beginning (Dreyer 1995) and saw very little benefit for the state in the voyages. After the seventh voyage, all ship building and repair stopped and all overseas travel was prohibited. There are several theories explaining this turn of events, with some suggesting that the emperor was focused on internal war and unrest and therefore required human and financial resources for re-establishing internal dominance. Others suggest the conventional notion that the

Confucian bureaucrats opposed trade as it gave power and riches to merchants and the imperial eunuchs (Anderson 1990). Yet others posit that free trade and the increased power of the wealthy merchants threatened existing power structures (Edwards 2017). This example highlights that the conditions of changed trade policy significantly influenced the power balance between the state and private merchants. Protectionism is therefore seen as a way to control the power of trade and wealth that falls to individuals.

It is apparent from these examples that many factors influence the growth of trade, economic markets and wealth accumulation. I therefore refer to the literature that considers the debate between Europe-centred and non-European literature on economic history. One example is the debate between *"Euro-exceptionalism"* and *"Sino-exceptionalism"* in economic development (Deng 2012, p.451). This demonstrates that there is a broad discourse that compares how economies have grown and expanded historically. In particular, I draw on Pomeranz (2000) and Rosenthal & Wong (2011) who argue that investigation of and comparisons with other historical pre-industrial economies in Asia elicit a broader set of conditions that led to the rise of market economies, private business ownership and the accumulation of individual wealth. Rosenthal and Wong (2011) argue that the unintended consequences of war ultimately determined how economic institutions and technology changed China's and Europe's economies (Deng 2012).

An in-depth coverage of this literature and discourse is beyond the scope of this study; however I mention it in order to argue that there is a wide range of influencing factors that play a role in the complex evolution of economies and markets. In summary, in the literature on European and Asian economic history several factors have been identified as factors that influenced economic progress. They include: religious and cultural influences, natural and human resource availability, political and power dynamics, trade policies, political movements, higher education levels, the rise of scientific knowledge, rationalism and emerging broader worldviews.

1.2 The modern capitalist market economy

The discourse on how the modern economic system has come to exist can also be viewed from a complex systems view, as explained by Kauffman (2008, p.150) who notes just prior to the last financial crisis of 2008 that *"the 'econosphere' is a self-consistently co-constructing whole, persistently evolving, with small and large avalanches of the emergence of new ways of making a living"*. From a systems perspective there are infinite numbers of agents and interactions within the economic system that all depend on each other and influence each other to cause new emergent behaviours.

These emergent behaviours have been the subject of generations of economic theorising that comprises established economic theory. Modern economic theory started with Adam Smith, who was followed by Joseph Schumpeter, Friedrich Hayek, John Maynard Keynes, Michael Polanyi and many others. The basic theory argues that in a capitalist market economy the majority of the agents in the system are privately owned businesses that access human, natural, financial and technological capital to co-construct new innovations, generate wealth, create employment, generate taxes and compete in a market of buyers and sellers (CCAS 2017). However, the failings of capitalism are difficult to explain with the established theory, which lacks arguments for how capitalism can address spiralling social and environmental problems. Capitalism is known to generate instability, and it operates in states of non-equilibrium more often than equilibrium, causing boom and bust cycles, financial crises, job insecurity and inequality of wealth distribution (Piketty 2014). It has also caused much natural resource depletion, seriously compromising planetary boundaries (Rockstroem et al. 2009) without taking the cost of the loss of ecosystems into account.

The established economic theory fails to answer many questions about modern economic systems and their unintended social and environmental consequences. However, it is useful to understand the basic storyline of the established economic theorists to gain an insight into potential solutions. The following information is drawn from CCAS (2017) and outlines how capitalist and economic theory in Europe evolved:

1. Adam Smith in the 18th century proposed that through interactions between buyers and sellers, markets naturally emerge that solve resource inefficiencies through exchange, as if by an 'invisible hand' that allows distribution and prices to consistently veer towards equilibrium.
2. Neoclassical economics emerged in the early 19th century and built on Adam Smith's and David Ricardo's earlier work but suggested that consumer choice is in control of market forces such as price and demand because they seek to maximise the satisfaction (or utility) obtained from a product or service by rationally choosing the most useful products by weighing up the perceived value and utility. This is where two fundamental assumptions emerged that still shape today's economic system. They are a) that a figurative human being 'homo economicus' is able to consistently make rational choices, allowing economic behaviour to be predictable, and b) that the only goal of business is to compete for profit maximisation.

3. The *German School* of economic thought during the 19th century suggested that market forces are determined by innovations, which emerge from the study of historic events and scientific inventions that in turn create a reaction from the markets, channelling investment constructively.
4. Joseph Schumpeter proposed a different source of innovation in the 1940s. He suggested that innovations in the market emerge from the creativity of business people who see opportunities for commercialisation, which then results in new enterprises and investment.
5. Friedrich Hayek and John Maynard Keynes during the early 20th century proposed that innovation by entrepreneurs in a capitalist market economy is a self-selection process based on knowledge, experience and risk-taking ability that no centrally planned economy coordinated by governments could match in socialist or communist economies.

From these theories, a number of ongoing debates have emerged. Firstly, there is an ongoing macroeconomic debate regarding whether a free market economy can deliver better outcomes than more regulated economies subject to government interventions. This is often also the political dividing line in Western democracies, usually with more conservative parties tending to favour a free market economy and labour-oriented parties tending to favour government intervention. Secondly, there is an ongoing mircoeconomic discourse about the interactions between consumer behaviour and businesses, which gives rise to economists' canonical assumption of 'homo economicus' as a rational being who consistently acts entirely out of self-interest (Henrich et al. 2001). The classical liberal economics of Adam Smith saw economic activity as the natural human tendency to exchange and barter, creating a market wherever human societies connect. These markets were considered the most efficient way of buying and selling that could only function this way due to the private ownership of enterprises. According to Foucault et al. (2008) the difference between classical liberal economics and neoliberal economics is that in the latter, the focus is no longer on the process of exchange but on the process of competition (Read 2009). This differentiation has profound impacts on assumptions about what motivates 'homo economicus'. The shift from seeing markets as emerging from cooperative exchange between people, to seeing markets as places of competition for scarce resources, has turned 'homo economicus' from a cooperative individual who benefits from economic exchanges into a tool of the economy who requires continual encouragement to compete so as to serve the dynamism of the economy (Read 2009).

Contemporary insights from the fields of behavioural economics, psychology, neuroeconomics and ecological economics have challenged and debunked the myth of 'homo economicus'. Today, much evidence exists that dismantles the assumption of a universal human condition of consistently rational, selfish and competitive human beings (Henrich et al. 2001; Yamagashi et al. 2014; Levine et al. 2015). However, this assumption still deeply permeates much economic decision-making, policy and business strategy.

Similarly, ecological economics is building the case for valuing nature rather than seeing it as infinite, free and an external resource for the economic system. Ecological economics sees natural resource constraints as being the boundaries that frame the economic system, and argues that nature needs to be internalised when calculating the prices of goods and services that rely on natural resources (Costanza et al. 1997). The academic field of ecological economics and organisations such as the Institute for New Economic Thinking provide much evidence that challenge many of the old assumptions of neoclassical economics, yet neoclassical views persist and are still at the roots of capitalist theory and practice today.

For example, one of the principles that capitalist theory relies on is the assumption that competition and private ownership of businesses create dynamism in the economy that leads to continual employment and innovation, and an increase in the number of businesses that provide products and services for consumers. However, it has been found that neither competition nor private ownership alone is enough to maintain economic dynamism (CCAS 2017). Instead, there are institutions and mechanisms that are necessary to foster agile responsiveness to new opportunities for investment. Other circumstances, such as post-war conditions, can also mimic dynamism in the economy, but will eventually peter out. The conundrum of the capitalist 21st century is the fundamental reliance of societies within capitalist systems on having to maintain economic dynamism while trying to address the shortcomings of capitalist market economies (CCAS, 2017). Economic dynamism needs to be fuelled by ever-increasing consumption that leads to a race for continual innovation in the effort to improve the quality of life of those who can afford to pay for it. At the same time research studies in the happiness and wellbeing field have clearly shown that ever increasing standards of living do not increase levels of happiness beyond a certain point of material wealth. Section 2 of this literature review covers these insights in detail.

At the same time large parts of the global population llive in poverty. The dynamism of capitalist market economies represents a self-reinforcing feedback loop that keeps the current system locked in its position and perpetuates the social inequalities and environmental degeneration contributing to the *"great acceleration"* of earth system indicators (Steffen et al. 2015, p.82). Some posit that recalibrating this dynamism, as measured by macroeconomic tools such as low unemployment, low inflation and particularly GDP growth, is the key to breaking the dependency on infinite growth in a world of finite resources.

Philosophers, thinkers, adameics and economists are starting to question the wisdom of perpetuating a consumption-driven economy and lifestyle that persuades 'consumers' to "*spend money we don't have, on things we don't need, to create impressions that won't last, on people we don't care about"* (Jackson 2013, p. 6). Jackson's quote suggests that capitalist dynamism resembles a futile addiction that enslaves consumers, rather than economic markets serving human beings for the exchange of genuine value and satisfaction. In market economies the exchange of value has changed from being a service to society to a transaction that serves to increase GDP, and this is being recognised in the 'beyond GDP' debate. This debate challenges the wisdom of focusing on GDP growth and suggests that it is an inappropriate measure of progress that distracts from finding solutions to the social and environmental problems the world is facing today.

1.3 Beyond-GDP debate – do metrics matter most?

The global 'beyond-Gross Domestic Product (GDP)' debate on the limitations of GDP can be traced back to the mid-1930s, when the 'father' of GDP, Simon Kuznets himself presented the first data set on income to the US Congress. He presented the data as a way to assess the state of the national economy, but warned that what he called Gross National Product (GNP) should not be mistaken for a barometer for social policy. Kuznets went on to say that *"the welfare of a nation can scarcely be inferred from a measurement of national income"* (European Commission 2013). He explained that GNP could not, for example, distinguish between growth in good and bad jobs, and that the results would look the same whether workers earned their income from employers who endangered their lives or from employers who guarded their health and safety (Wysham 2011). Despite Kuznets' warnings, his most important work *National Income and its Composition* (Kuznets 1941) served as a blueprint for assessing progress and GNP/GDP was adopted by most nations as their measure of progress and it came to be used as a means of comparing nations. American sociologist Cameron (1958 & 1963) highlighted that measuring should not replace the process of clearly defining a phenomenon or desired condition and suggested that:

It would be nice if all of the data which sociologists require could be enumerated because then we could run them through IBM machines and draw charts as the economists do. However, not everything that can be counted counts, and not everything that counts can be counted (Cameron 1963, p.13).

This was followed by Robert Kennedy's GDP speech in 1968 echoing Cameron's (1963) sentiments, stating that: "*GDP … measures everything in short, except that, which makes life worthwhile"* (Kennedy, 1968). From across the other side of the globe, the Fourth King of Bhutan famously declared in the mid-1970s that *"Gross National Happiness is more important than GDP"* (GNH Centre 2013).

This 'beyond GDP' debate has emerged with some vigour, particularly since the last global economic crisis in 2008 (Capra & Henderson 2009; Berger 2010; Sachs 2011; UN 2012; OECD 2013a; Costanza et al. 2009; Kubiszewski et al. 2013). The 'beyond-GDP' proponents argue that GDP was never designed to reflect the actual progress of a nation in all its many facets, as it only measures market transactions and ignores social and environmental costs, inequalities within society, and value created outside of the market (Costanza et al. 2014, Kubiszewski et al. 2015). GDP is increasingly recognised as overvaluing the production and consumption of goods and ignoring that which makes life worth living (Kubiszewski et al. 2013; Kennedy 1968).

As outlined later in the review of the philosophies of happiness literature in Part B Section 2, most of the philosophies of happiness across the millennia, and the contemporary happiness research field, are based on the assumption that every human being is motivated by the search for happiness in order to make their life worthwhile (McMahon, 2007). The contemporary happiness research field has therefore provided much fuel to inform the 'beyond GDP' debate (European Commission, 2013), which has inspired new measures of progress, policies, theories and indicators of sustainable development and wellbeing in many regions and countries across the world (Hák et al. 2012).

Costanza et al. (2014) group the plethora of 'Beyond-GDP' measures that have emerged over the past 30 years into three main categories:

a) **Alternative economic measures in monetary units:** These are measures (easily comparable to GDP figures) that add all the value created in an economy such as labour and volunteer work and subtract costs, to account for factors such as environmental damage, crime and health problems. An example is the Genuine

Progress Indicator (GPI) (Cobb et al. 1995, Talberth et al. 2007, Costanza et al. 2009, Kubiszewski et al. 2013).

b) **Subjective measures of wellbeing:** These measures involve extensive surveys on how people perceive their lives across a range of domains. Participants are asked about their level of satisfaction with their lives overall, their standard of living, health, education and psychological wellbeing. Examples include the World Values Survey (WVS).

c) Weighted composite measures combining objective and subjective indicators Examples include the Happy Planet Index, which includes the three variables of life satisfaction, life expectancy and ecological footprint to rank countries' progress. Other examples include the Organisation for Economic Cooperation and Development's (OECD) Better Life Index (2013), which combines 11 variables including life satisfaction, housing, jobs, civic engagement and work-life balance; the Social Progress Index (Social Progress Imperative, 2016); the Australian National Development Index (Salvaris, 2013), the UK's National Wellbeing measures (ONS, 2014) , the Legatum Prosperity Index (Legatum, 2014) and Bhutan's GNH Index (Ura et al. 2012b).

Other matters being discussed in the 'beyond-GDP' debate include the need for new international institutions, human-centred leadership, a new money system that is not dependent on growth, new ownership structures and replacing efficiency mindsets with sufficiency mindsets (Hayden, 2015). More voices are emerging from among policy, economic, academic and business thinkers, promoting new indicators of progress beyond GDP to include wellbeing as a key aim or even as an overarching societal aim (European Commission 2013; National Research Council 2013; NDP 2013; O'Donnell et al. 2014). However, there are only few that are calling for a shift in mindsets, worldviews and aspirations through a new narrative for a new economy (Korten & Scharmer 2014).

Today, not only government leaders but also the general public are speaking of going beyond GDP. A recent 'Beyond GDP' survey (GlobeScan 2013) shows strong support for the idea of measuring social and environmental indicators in addition to economic ones as a way of getting a more complete picture of societies and their genuine progress. This was the third survey of its kind since 2007, across 11 countries with a sample size of nearly 11,000 people each time. The study found that on average, 68% of the general public in Australia, the UK, China, Canada, France, Russia, Brazil, USA, India and Kenya now favour replacing GDP with broader and more holistic measures of progress. In China, the UK and Australia support for this shift reached up to 81%. The countries most sceptical of this shift included India, with 44% supporting a new system for measuring progress, Kenya with 43% and Germany with 57% (GlobeScan 2013).

Moves to replace GDP as the sole measure of progress include interest and proactive engagement by world leaders such as German Chancellor Angela Merkel, former South Korean President Park Geun-hye and former British Prime Minister David Cameron (Helliwell et al. 2013). The World Happiness Report 2013 (Helliwell et al. 2013, p.5) claims that *"there is now a rising worldwide demand that policy be more closely aligned with what really matters to people as they themselves characterise their lives."* However, this confidence on the part of academics, and the early moves by politicians to implement wellbeing measures in the UK and elsewhere, have not been matched by equivalent changes in thinking, policies and institutional arrangements.

One of the key weaknesses of the 'beyond-GDP' debate in wanting to change the current economic system is its single focus on measurements of progress. This focus is based on the assumption that we only care about what we measure. As Stiglitz et al. (2010, p.xviii) note in their report on the measurement of economic performance and social progress: *"In an increasingly performance-oriented society, metrics matter. What we measure affects what we do. If we have the wrong metrics, we will strive for the wrong things. In the quest to increase GDP, we may end up with a society in which citizens are worse off"*.

In the same report, former French President Nicolas Sarkozy, who commissioned the report (Stiglitz et al. 2010) notes in his foreword that: *"We will not change our behaviour unless we change the ways we measure our economic performance."* (Nicolas Sarkozy in Stiglitz et al. 2010, p.v)

Sarkozy mentions the important aspect of behaviour change but links it to the single lever of the measurement of economic performance. However, the current GDP metrics and business performance measures are based on the underlying assumption that the economy is a competitive place of scarce resources where every person has to fend for their own interests or risk being left behind. The most crucial question remains: Will changing the metrics change underlying assumptions and behaviour, or is it necessary to change the underlying mindsets, assumptions and behaviours before we can change the metrics?

While I agree that measurements are important elements that create feedback loops and influence the direction the economic and social systems are moving in, changing the metrics we use is not nearly enough to change behaviours, values and awareness levels. The third part of this literature review discusses systems thinking and systems-change models, particularly Meadow's (1999; 2009) 12 systems leverage points for systems intervention, which provide useful guidance in relation to questions about metrics. In addition, the second part of the review of the philosophies of happiness literature outlines contemporary findings from happiness and wellbeing research. Key results of this research highlight that material wealth and standard of living only contributes to life satisfaction, quality of life and mental and physical wellbeing up to a certain point. Beyond this point continuing consumption and further increasing standards of living do not increase individual happiness and wellbeing.

The next section explores the literature regarding business, its role in society and its responsibility for people, society and planetary wellbeing.

1.4 Business responsibility versus business sustainability literature

The most recent authoritative and complete summary of the business sustainability and responsibility literatures comes from scholars at the Academy of Management in an article by Bansal & Song (2015). They highlight two historically significant fields of study which emerged from very different sources and paradigms: the business responsibility literature which began in the 1950s, and the business sustainability literature which began in the 1980s.

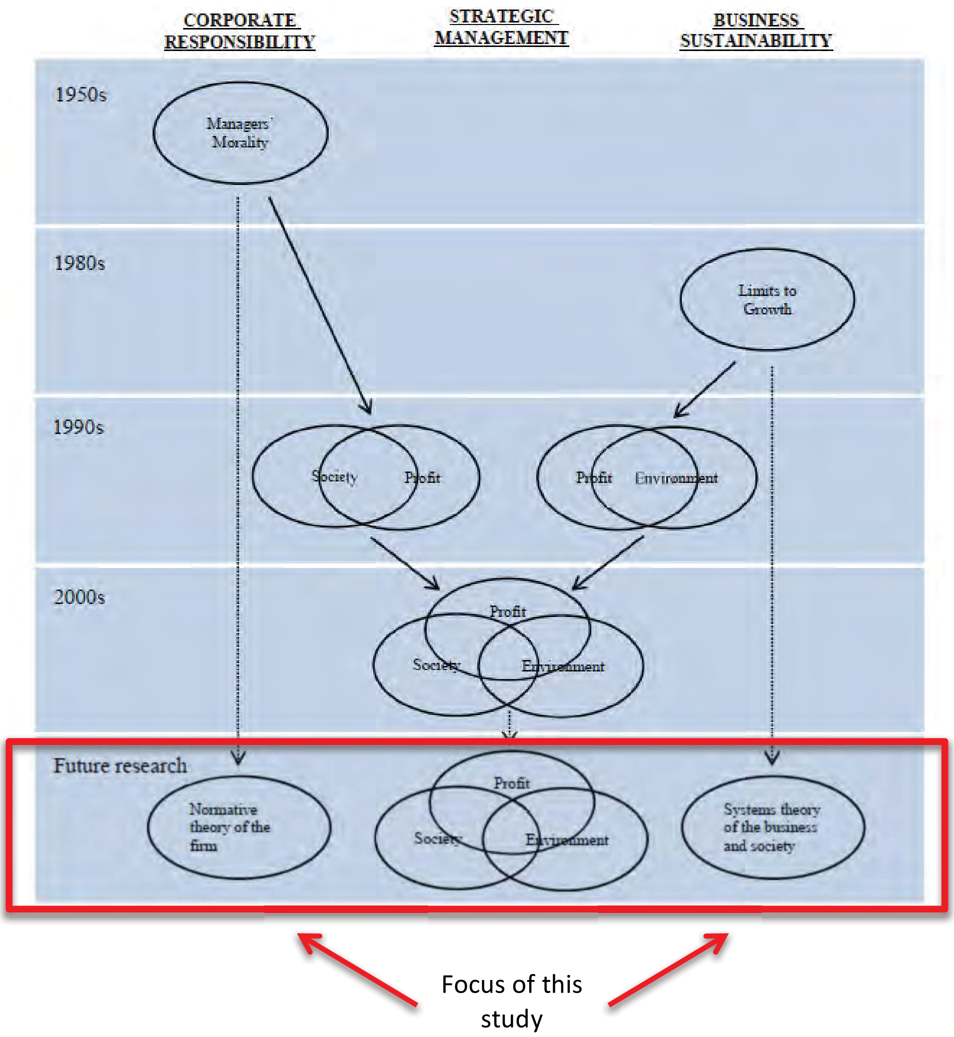
According to Bansal & Song (2015) the responsibility literature emerged from a normative stance that recognised and questioned the limitations of capitalism. One of the earliest alarm bells about free market mechanisms came from Karl Polanyi, an Austrian economic historian and social philosopher in the early 20th century who said: *"To allow the market mechanism to be sole director of the fate of human beings and their natural environment … would result in the demolition of society"* (Polanyi 1944, p.76, quoted in Bansal & Song 2015, p.3). The business responsibility literature and discourse was a direct response to these types of concerns. It was argued that businesses and managers had moral and legal responsibilities to society to address the shortcomings of the capitalist market system. This stream of thinking, based on ethics and normative welfare economics, evolved into the business ethics literature and corporate social responsibility literature, which are covered in more detail in Section 1.5 below.

According to Bansal & Song (2015), the concerns which led to the creation of business sustainability literature were distinctly different to the concerns which led to the development of the business responsibility literature. The increasing recognition of natural resource depletion and of limitations to the availability of resources during the 1970s and 80s on the part of governments and civil society was expressed by systems thinkers such as Meadows et al. (1972). In their seminal work *Limits to Growth,* they concluded that business needs to be seen as a nested system within the societal and ecological systems. Business sustainability scholars drew mostly on natural sciences such as biology, ecology and others such as engineering in response to the threat posed to economic development by the unrestrained exploitation of natural resources. Business sustainability, as described by Porter (2010, p.40) includes:

> *Sustainability, roughly following the Brundtland definition (Brundtland, 1987), is defined in terms of increased breadth of conventional business objectives from sole self-centered focus on economic, to a more complete attention to economic, social, environmental, and cultural bottom lines, and increased length as well, from the immediate present to that plus perspectives of future generations. The sustainable commons consists of resource pools that are used by all but owned by none, such as clean air, clean water, and the like* (Porter 2010, p.40).

According to Bansal and Song (2015) both the corporate responsibility and sustainability literatures are concerned with the intersection of business and the wellbeing of societies, and they converged in the early 2000s. Figure 2, adapted from Bansal and Song (2015, p.82) illustrates this convergence, providing a useful overview of the evolution of corporate responsibility and sustainability literatures.

Figure 2 - Summary of the evolution of corporate responsibility and business sustainability literature (Bansal & Song 2015, p.82)



Source: Adapted from Bansal & Song 2015, p.82.

This thesis addresses what Bansal & Song (2015) have suggested future research to focus on normative ethical theories of business and CSR approaches viewed from a systems theory perspective. In particular, Bansal & Song (2015, p.47) suggest that such research should also expand into *"unexplored territory"* such as *"systems science and Buddhist philosophy"* as these areas of thought challenge *"the egocentric, reductive and mechanical worldview prevalent in modern science without taking a normative stance (Macy 1991)…".* This study sets out to explore the similarities and differences between Buddhist philosophy, systems thinking and the ethical theories found in Eastern and Western philosophies of happiness.

This thesis is mostly based on the corporate responsibility literature and to a lesser extent on the business sustainability literature. It recognises that the latter is intertwined with, and complementary to, the former, especially as this study takes a systems perspective. This study attempts to create a connection between normative theory and systems theory, resulting in a tool that may assist the business community to recognise a path towards 'beyond CSR' business approach. This study therefore attempts to address the research gap identified by Bansal & Song (2015, p. 50):

> *[When] issues are being treated as just any business issues or societal context … [t]he unique insight that is at the interface of business and society, such as the moral questions and systems issues, are being missed.*

Since the convergence of corporate responsibility and business sustainability literature, the two terms of responsibility and sustainability are often used interchangeably. This will be apparent in the following review. They are also used interchangeably in this study and are grounded in the nested systems approach which views business as a subsystem of the economy, society and the ecosystem, as outlined in the introduction Part A.

1.5 Business ethics and responsibility literature

The business ethics literature has contributed two key concepts that are of interest in this study: corporate social responsibility (CSR) and stakeholder theory. This section of the literature review deals in more detail with the CSR literature, and also briefly covers some of the key concepts of stakeholder theory, such as the separation fallacy and integration theory.

The history of scholarly discourse on business ethics, sustainability and corporate social responsibility (CSR) spans at least the past 80 years. The early scholars who studied companies' social concerns include Berle (1931), Dodd (1932) and Bowen (1953), followed by Davis (1960) and Frederick (1960). Over the last 15 years, corporate social responsibility (CSR) has evolved and has become much more prevalent (Serenko & Bontis 2009; Wagner et al. 2009), with the CSR literature becoming highly fragmented (Aguinis & Glavas 2012). Scholars from the management and moral theories disciplines developed a range of concepts and definitions of CSR (Carroll 1999; Garriga & Melé 2004; Waddock 2004). Parmar et al. (2010 p.412) summarise the concepts encompassed in the CSR literature as:

a) corporate social performance (Carroll 1979; Wartick & Cochran 1985; Wood 1991)
b) corporate social responsiveness (Ackerman 1975; Ackerman & Bauer 1976; Sethi 1975)
c) corporate citizenship (Wood & Lodgsdon 2001; Waddock 2004)
d) corporate governance (Jones 1980; Freeman & Evan 1990; Sacconi 2006)

e) corporate accountability (Zadek et al. 1997)
f) sustainability and the triple bottom line (Elkington 1997)
g) corporate social entrepreneurship (Austin et al. 2006).

While this could potentially create confusion, Dahlsrud (2006) found, through content analysis of the available CSR definitions, that even though different terms are used, their meanings are largely congruent (Benn & Bolton 2011). The common principle of these concepts is to expand the responsibility and care of a business beyond purely financial outcomes (Freeman et al. 2010).

Therefore, in this study the following key concepts of CSR that occur most frequently (Martinuzzi & Krumay 2013) across a wide range of definitions are considered the elements that define CSR:

a) CSR describes a **voluntary** and **ethical** obligation.
b) This results in actions and conduct by a business that go **beyond the compliance with laws** and regulations. At the very least these actions minimise social and environmental impacts and at best create shared value for stakeholders and the environment.
c) CSR is in accordance with **societal and sustainable development goals.**
d) CSR involves treating all **stakeholders** of the business ethically and understanding their needs.

Carroll's CSR pyramid (1979) shown in Figure 3 is the most widely quoted CSR framework. It focuses on integrating social responsibilities in business, and originally did not include environmental concerns, which are covered by other concepts. An overlapping but different concept is the idea of corporate sustainability (CS) (Visser & Tolhurst 2010; Benn et al. 2014), which seems to be more closely associated with industry practice. Dyllick and Hockerts (2002) identify three types of capital that form the basis for CS considerations in business: economic, natural and social capital. These three forms of capital are the three pillars of corporate sustainability and are also referred to as 'the triple bottom line' (Benn & Bolton 2011) or 'people, plant, profits' (Elkington 1997).

Among the wide variety of definitions of CSR, perhaps one of the more salient ones is offered by Matten and Moon (2007, p.179) who define CSR as: *"a cluster concept, which overlaps with such concepts as business ethics, corporate philanthropy, corporate citizenship, sustainability and environmental responsibility".*

Crane et al. (2008) also offer a set of six core characteristics of CSR:

a) It is undertaken voluntarily.
b) It internalises or manages externalities.
c) It considers multiple stakeholders.
d) It balances social and economic responsibilities.
e) Its practices are underpinned by a set of values.
f) It goes beyond philanthropy to consider how business functions impact on society.

The concept of corporate citizenship (CC) takes a specific relational perspective and implies that corporations have the responsibility to be good corporate citizens in whichever culture and country they operate. Waddock's (2003) definition of CC emphasises the relational component, whereas Wood et al. (2006) emphasise the global citizen responsibility aspect, based on rights and duties that are relevant in this PhD study.

Waddock (2003) defines CC as:

> *"Corporate citizenship really means developing mutually beneficial, interactive and trusting relationships between the company and its many stakeholders – employees, customers, communities, suppliers, governments, investors and even non-governmental organizations (NGOs) and activists through the implementation of the company's strategies and operating practices."* (Waddock, 2003, p.3)

Wood et al.'s defines CC as:

> *"A global business citizen is a business enterprise (including its managers) that responsibly exercises its rights and implements its duties to individuals, stakeholders, and societies within and across national and cultural borders." (Wood et al. 2006, p.4)*

Crittenden et al. (2011, p.448) suggest that there are four key dimensions that make global corporate citizenship implementable. They are:

a. understanding the operating environment
b. understanding the key management domains
c. developing a stakeholder engagement program
d. developing metrics for measuring and reporting.

The most widely accepted model of CSR (reproduced in Figure 3) is Carroll's (1979; 1991) four-part pyramid of corporate social responsibility (Carroll & Buchholtz 2015), which divides the total responsibility of a business into four parts:

a) **Primary: economic responsibilities** (required by society)
   The base-layer and foundation for all other levels is to be a profitable business first.
b) **Secondary: legal responsibilities** (required by society)
   The second layer is to obey the law.
c) **Tertiary: ethical responsibilities** (expected by society)
   The third layer is the obligation to do no harm and to do what is right, just and fair.
d) **Final: philanthropic responsibilities** (desired by society)
   The top layer is to be a caring and good corporate citizen.

Figure 3 - CSR Pyramid of responsibilities

Source: Adapted from Carroll (1979) CSR Pyramid

The challenge with any concept represented in a pyramid model is that it implies a step-by-step approach, in which one only moves to a higher level when conditions required at the current level are fulfilled. This is not necessarily the case in reality. For example, the model implies that only once a business is economically viable does it need to concern itself with legal responsibilities, and only once legal compliance is achieved do ethical considerations enter into the decision-making process. Clearly, this is not compatible with the expectations of society and governments, and the model may therefore be misleading in its simplicity.

Garriga & Melé (2014, p.94-95) provide a useful and comprehensive map of the four main categories of CSR theories, with a large variety of approaches to CSR. Their map offers a more nuanced approach to understanding CSR. They outline four categories and 14 approaches to CSR. The four categories are:

1) Instrumental Theories – strategies for achieving financial profitability through social activities (maximisation of shareholder value; strategies for competitive advantages; cause-related marketing).
2) Political Theories – involving the responsible use of business power in society and the political arena (corporate constitutionalism; integrative social contract theory; corporate citizenship)
3) Integrative Theories – integration of social demands and expectations in management decisions (Issues management; public responsibility; stakeholder management; corporate social performance)
4) Ethical Theories – orientation to doing the right thing and acting for the common good of society (stakeholder normative theory; universal rights; sustainable development; the common good).

All of these theories emerged from the business responsibility literature that Bansal and Song (2015) have identified, as illustrated in Figure 3.

The instrumental theories are narrowly focused and self-serving, and are motivated by the business case for CSR, which prioritises risk-management, efficiency and competitive strategic advantage. The political theories consider that the power of business comes with a responsibility to society and these theories therefore take a broader perspective of responsibility. Integrative theories focus on the corporate processes, law and public policy to determine responses to social issues. The ethical CSR theories mentioned above are based on Kantian and utilitarian ethics, or in other words, they are based on Western modernist ethical theories. None of these CSR categories seem to incorporate non-Western views, and nor do they suggest any consideration of the interconnectedness of business and the larger complex socio-ecological system. This thesis intends to contribute some new perspectives by drawing on Buddhist philosophy and systems thinking.

1.6 Evolution of business responsibility – phase models

Frederick (1998) points out that CSR has been evolving through three distinct phases since the 1950s and he predicts that a fourth phase will emerge. He calls phase one Corporate Social Responsibility (CSR_1), phase 2 Corporate Social Responsiveness (CSR_2) and phase 3 Corporate Social Rectitude (CSR_3). He also points to the possible emergence of the next stage CSR_4. According to Frederick CSR_4 may take a new approach by focusing on the grander and more profound questions implicit in the relationship between business and society. Rather than asking the smaller and smaller questions that are evident in the $CSR_{1\text{-}2\text{-}3}$

realm, he suggests that the central task of CSR is to steer corporations into more socially favourable directions. He proposes to change the 'C ' in CSR_4 from 'corporate' to 'cosmos', implying that the main focus needs to be on the interconnected processes of all living systems on earth, rather than on corporate performance alone. In short, he advocates a systems approach to CSR that views corporations as one of the parts in an interdependent system. This description is aligned with what is termed 'beyond CSR' in this study.

Frederick (1998) goes on to propose that the S in CSR_4 should stand for 'science', suggesting that a broad range of natural and social science insights need to be adopted by corporations so that they understand ecological limitations. Lastly, and possibly most challenging to many business practitioners, is Frederick's proposal for the R in CSR to symbolise 'religion', suggesting that there may be links between the daily work of corporate employees and a search for a broader realm of meaning. While Frederick calls this a 'religious impulse' to match the R in CSR, this could be misunderstood to indicate a faith-based approach to corporations' relationships with society. Frederick (1998, p.50) clarifies that what he means is that the 'R' would stand for the basic hypothesis that every human being searches to understand his or her place in the universe:

> *This search for meaning and purpose appears to be a constant in human affairs and possibly underlies or at least contributes to the widespread presence of religious activities and philosophical beliefs throughout human societies, past and present. That human constant might [also] be referred to as … a spiritual impulse or even metaphysical impulse.*

The paradigm shift proposed by Frederick (1998) in the CSR_4 model has profound similarities to the shift suggested in the New Development Paradigm (NDP) model, discussed later in Section 3.9.

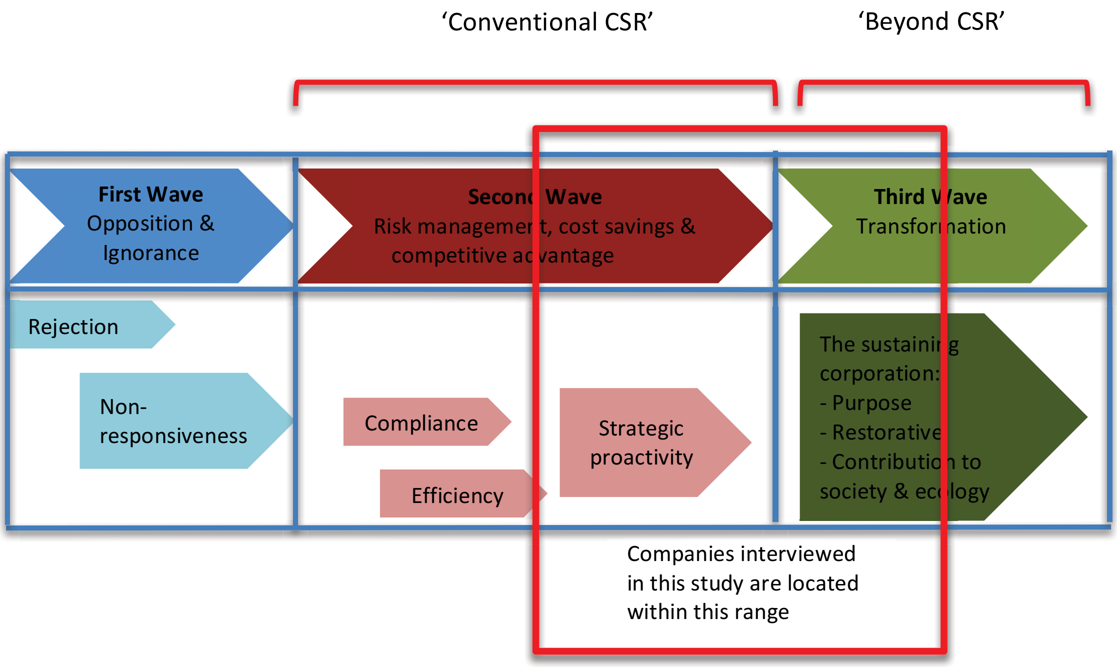
Another valuable and relevant concept from the CSR literature is the variety of phase models of progress towards increasingly transformed businesses. (Benn et al. 2014) describe a concept of evolving CSR phases similar to those described by Frederick (1998). Benn et al. (2014) describe three 'waves' of sustainability that business organisations can evolve through. Figure 4 is a simplified version of Benn at al.'s (2014, p.22) *Waves of Sustainability.* The waves are described as follows:

1) **First Wave:** opposition, rejection and ignorance about the value of sustainability and care

2) **Second Wave:** compliance, efficiency and strategic proactivity – seeing the value of sustainability and care in risk management, cost savings and finding competitive advantage.
3) **Third wave:** requires transformation to a sustaining business that is a restorative contributor to society and the environment.

The terminology I defined earlier as 'conventional CSR' and 'beyond CSR' is also mapped in Figure 4 to illustrate the scope of these terms in context to the waves of sustainability.

Figure 4 - Waves of Sustainability (reproduced from Benn et al. 2014)



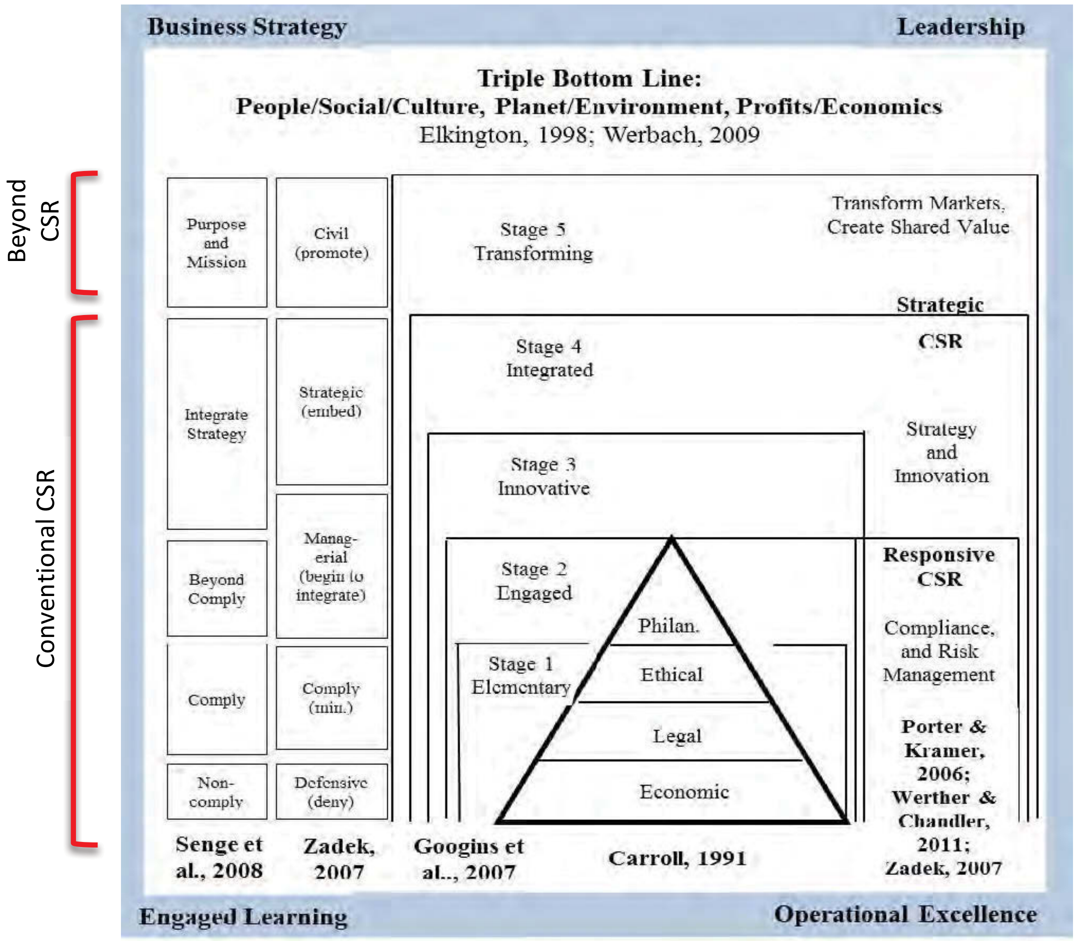
Source: Adapted from Benn et al. (2014, p.22) modified from V. Kemp, A Stark and J. Tantrum (2004, note 19)

Of particular interest to this study is the transition that businesses make from the 'second wave' to the 'third wave' or transformation phase, and whether it is a linear or incremental transition, or whether a business can start off as a third wave 'sustaining corporation'. The businesses I interviewed in this study were specifically selected to represent businesses that are near the threshold of changing from second to third wave organisations.

According to Benn et al. (2014), third wave organisations emerge due to society's increasing levels of care for all humans, other species and the natural environment, and their increasing rejection of social and environmental exploitation. The milieu of the third wave is one of societal transformation that recognises complexity and interconnectedness, and that allows widespread change that occurs in short-term bursts but is ongoing. Third wave organisations act locally and globally, are agile in adapting to new circumstances and recognise that their success is closely linked to understanding and engaging with their stakeholders. The sustaining organisations of the third wave rely more on collaborative relationships than on competitive survival strategies. They also measure their success not only in relation to financial performance but also in relation to ethical conduct, social impact and shared values (Benn et al. 2014).

A third and similar model describing the phases of organisational approaches to sustainability and CSR is the Boston College's 'Stages of Corporate Citizenship' developed by Mirvis & Googins (2006). They describe five stages: elementary, engaged, innovative, integrated and transforming, with 'transforming' being the most sophisticated state. These stages, according to Mirvis & Googins (2006) manifest within a business across the following seven dimensions: how the concept of corporate citizenship is interpreted, strategic intent, leadership, structural composition, management issues, stakeholder relations and transparency. Many other phase models have been proposed by authors including Senge et al. (2008) and Googins et al. (2007). These models are represented by Berger (2013) in a useful assimilation reproduced in Figure 5.

Figure 5 - An assimilation of CSR phase models by Berger (2013, p.76)



Source: Adapted from Berger (2013, p. 76)

The phase models and frameworks by Frederick (1998), Benn et al. (2014), Mirvis & Googins (2006), Senge et al. (2008), Googins et al. (2007) and Berger's (2013) assimilated version (Carroll & Buchholtz 2015) all highlight that CSR and sustainability are not static concepts within companies. They all argue that companies evolve either incrementally or through massive transformational shifts towards a more evolved stage of CSR. While these models imply that there is a continuum, they do not specifically highlight what happens at the transition between one phase and the next.

The core of this research is the investigation of the threshold where businesses are operating in a more evolved and transformative way, transforming them into sustaining, caring and responsible businesses. The interviews in Bhutan and with international business leaders examine what conditions act as enablers or barriers which help or hinder businesses in their efforts to move into a more evolved stage of CSR that goes beyond a conventional risk management approach to CSR. This thesis also questions the core assumption of these phase models which suggests that there is a natural progression towards a more transformative way of doing business. I question whether Western worldviews that are wedded to capitalist economic market systems and business-case justifications for CSR are capable of shifting towards a transformative business practices with an expanded view of responsibility that cares for the wellbeing of the entire socio-ecological system. It is therefore important to understand what factors facilitate a shift in mindset at the individual level in leaders, so that their inner transformation can lead to social innovation and change.

1.7 *Recent developments in business sustainability and responsibility*

Recent developments in business and management education have seen the rise of *business responsibility* in preference to sustainability due to some recent initiatives such as the UN Principles for Responsible Management Education (PRME) (UNPRME, 2016) and the 50+20 Group's manifesto *Management Education for the World* presented at the Rio+20 meetings (Jeanrenaud et al. 2017). These initiatives are transforming how business studies are being taught. They focus on encouraging a sense of responsibility in the business leaders of the future, and on providing them with new tools and a new view of the role of business in society.

At the same time, business sustainability conferences are increasingly acknowledging that the business community has a responsibility to contribute to new economic thinking and systems, and a responsibility to respect planetary boundaries (Rockström et al. 2009). The former French Minister for Agriculture and the organiser of the World Forum for a Responsible Economy, Philip Vasseur, declared to an audience of over 5,000 business leaders in October 2016 that: *"We need to create a new system and responsibility is at the core of this new system".* There are many other annual events on the calendar of business executives that consider sustainability and responsibility to be core parts of their business. They include:

- the Responsible Business Summit in Europe
- Sustainable Brands conferences across the world
- the Business for Social Responsibility conference in the US
- the World Forum for a Responsible Economy in France.

In particular industry sectors there are many conferences with sustainability themes and many reporting and certification schemes for businesses to participate in as a way of integrating sustainability and responsibility throughout their daily activities and overarching strategies. As Tideman et al. (2016a, p.202) point out, there is a growing number of business leaders who recognise and commit to responsible business conduct, while academics increasingly assert that *"business and society are interdependent and cannot function without each other (Senge et al. 2008; van Tulder et al. 2014)".*

Another concept that has created much interest in the business sector in recent years is Porter and Kramer's (2011) 'creating share value' concept. They promote the opportunity for businesses to redefine their purpose, and to understand and serve societal needs, which according to the authors, results in shared value outcomes for society and businesses. This approach has gained much interest from progressive businesses as a way to expand their care and responsibility for stakeholders. Many consulting firms have recognised this approach as a new way to engage businesses in societal and environmental sustainability by starting with redesigning the business purpose.

Other recent developments that address the interrelationship between societal, ecological and systems needs and the role of businesses in fulfilling those are summarised by Tideman (2016a, p.202):

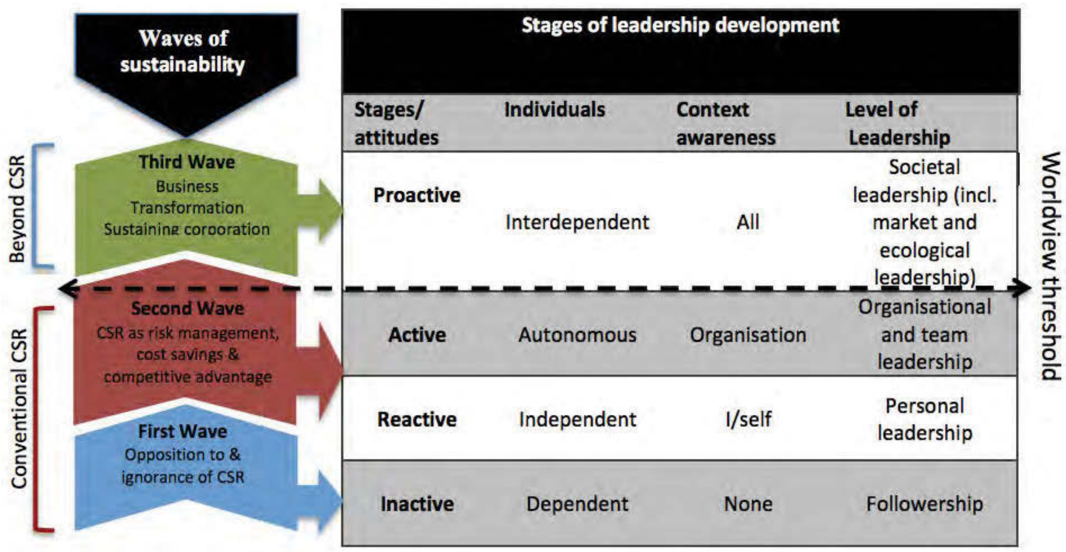
> *Dyllick and Muff (2015) describe this as Business Sustainability 3.0, which presupposes the recognition that ultimately not only consumer needs reflect societal needs, but that societal needs also depend on the fulfillment of ecological needs. In Business Sustainability 3.0 eco-system needs are considered more fundamental than societal needs, which in turn are considered more fundamental than economic needs. Snower (2013) describes this as the new interconnectedness paradigm in economic thinking. This line of thinking is almost identical to [Bhutan's] GNH principle 1, which is grounded in the reality that the economy, society and eco-system are intractably interconnected. This close resemblance indicates that business sustainability is an inevitable process of adjusting to a new reality* (Tideman, 2016a, p.202).

It now appears increasingly common that the embedded interconnected systems view of ecological, social and economic systems is recognised as essential to business sustainability. Tideman (2016a) points to Bhutan's GNH principle as an example of how development can be addressed using an interconnected worldview. This highlights the relevance of this PhD study, which compares Bhutanese and international business leaders' approaches and decision-making as a way to investigate 'beyond CSR' enablers and behaviour.

Tideman (2016b), in his most recent book *Business as an instrument for societal change,* develops a framework that suggests how business leaders' mindsets need to change in order make the needs of the larger socio-ecological system their highest priority. He developed the *"6C"* model for societal leadership, which suggests six mindsets that are required for business leadership of the future. These are: 1) context awareness, 2) connectedness, 3) centeredness, 4) collective vision, 5) creative competence and 6) consciousness (Tideman, 2016b, p.228). Many of these mindsets emerge again later in Parts D and E of this thesis in discussing the findings from the Bhutanese and international interviews.

Tideman (2016b) also proposes a framework based on four stages of leadership development. Each successive level is more conducive to promoting sustainability than the one before it. For each level Tideman (2016b) describes the individual's view of themselves, the context in which they operate, and the relevant type of leadership required at each of the four stages. This approach is similar to the stages suggested in various CSR phase models fur businesses discussed earlier, but Tideman (2016b) applies them to business leadership. This framework therefore provides a useful complement to the CSR phase models as it suggests individual leaders' views of themselves have to evolve towards an interdependent worldview for them to be able to function at the highest level of socio-ecological leadership. Figure 6 illustrates how Tideman's stages of leadership development relate to Benn et al.'s (2014) organisational waves of sustainability.

Figure 6 - Stages of leadership development matched with waves of sustainability



Source: Adapted from Benn et al. (2014, p.22) and Tideman (2016b, p.242)

Figure 6 illustrates the differentiation made between 'conventional CSR' and 'beyond CSR' concepts used in this study and suggests that there is a threshold of worldviews that separates the second from the third wave of sustainability.

1.8 Motivations for corporate social responsibility

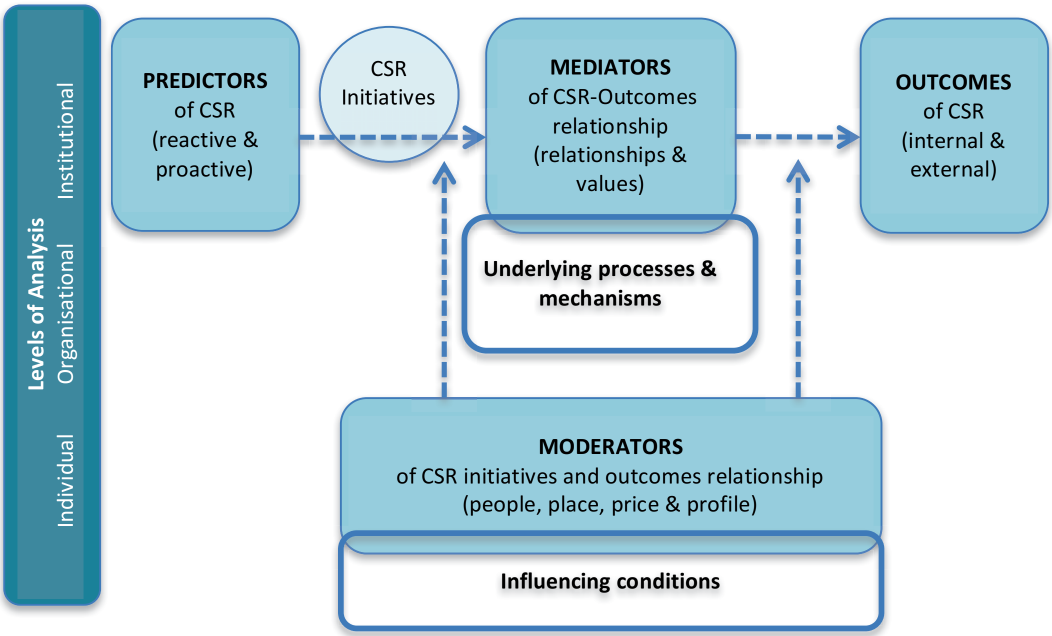
The reasons why businesses engage in sustainability and CSR activities vary widely and depend on a complex combination of variables such as national business systems, cultural and social norms, industry sectors, market contexts, the size of business operations, ownership structures, the worldviews of the leadership and many other factors (Angus-Leppan et al. 2009; Aguinis & Glavas 2012). Bettinazzi et al. (2015, p.8) suggest that the literature on motives for CSR practices can be classified according to three motivational archetypes:

a) instrumental motives based on the business case
b) ethical motives represented in a general sense of socio-ecological responsibility and
c) reputational motives based on seeking a 'license to operate' in the eyes of stakeholders.

These motivational theories overlap to some extent with Garriga & Melé (2014) classifications of CSR categories. Any business usually displays a combination of the three types of motives, but Bansal and Roth (2000) suggest that one of them usually dominates. Basu and Palazzo (2008) suggest that this is because business leaders' worldviews determine how they see their responsibilities to stakeholders, society and planetary wellbeing. While some of the literature suggests that motives stabilise as organisational beliefs and norms (Trice and Beyer, 1993), others point out that organisational motives for sustainability or CSR are not fixed and are dependent on business leaders' *"cognitive framings, which themselves is evolutionary"* (Bettinazzi et al. 2015, p.9). These cognitive framings are explored in Parts D and E of this thesis which draw on the results from interviews with Bhutanese and international business leaders. These interviews constitute the qualitative data for this study.

A seminal study by Aguinis and Glavas (2012) provides a comprehensive model of the CSR literature focused on the relationships between predictors and outcomes of CSR. Figure 7 is an adapted version of the model, showing the relationships between the predictors, mediators, moderators and outcomes of CSR initiatives. Table 2 summarises Aguinis and Glavas' (2012) synthesis of findings from 588 CSR journal articles and 102 books between 1970 and 2011. Aguinis and Glavas investigate the relationships between predictors, mediators, moderators and outcomes of CSR initiatives. Their study defines mediators as underlying processes and mechanisms of CSR initiatives leading to outcomes, and moderators as conditions that influence CSR outcomes. The study also organises the findings according to the levels of analysis, such as individual, organisational or institutional. Aguinis and Glavas's (2012) study provides a comprehensive overview of the CSR literature on the relationships between the predictors, mediators, moderators and outcomes of CSR initiatives.

Figure 7 - Adapted model of CSR literature on the relationships between predictors and outcomes of CSR (adapted from Aguinis & Glavas 2012, p.952)



Source: Adapted from Aguinis & Glavas 2012, p.952

Table 2 - Summary of findings from CSR literature on relationships between predictors, mediators, moderators and outcomes of CSR organised at the individual, organisational and institutional levels of analysis (adapted from Aguinis & Glavas 2012, p.952)

Level of analysis	**Predictors of CSR**	**Mediators of CSR** (underlying processes and mechanisms of CSR initiatives leading to outcomes)	**Moderators of CSR** (conditions that influence CSR outcomes)	**Outcomes of CSR** (for businesses)
Institutional Level (refers to normative, cultural-cognitive and regulative elements, constructs shaped by society and external stakeholders)	• Institutional & stakeholder pressure (shareholders, consumers, media, local community, community interest groups) • Regulation, standards & certification demands	• Stakeholder relations	• Stakeholder salience • Industry regulation and growth • Contact/ visibility with public	• Reputation • Consumer loyalty & positive business evaluations • Stakeholder relations • Customer choice of the company/product
Organisational Level	• Business instrumental and normative motives (business case or ethical imperative) • Business mission & values • Corporate governance structure	• Firm intangible resources • Managerial interpretation of CSR as an opportunity	• R & D investment and advertising • Finances/slack resources • Business size	• Financial performance • Business capabilities • Reduced risk
Individual Level	• Supervisory commitment to CSR • Values, needs, and awareness regarding CSR	• Employee perceptions of visionary leadership • Organisational identity and pride	• Supervisory influences (e.g. commitment to ethics, equity sensitivity) • Employee discretion	• Enhanced organisational identification, employee engagement, organisational citizenship behaviour and attractiveness to potential employees

Source: Adapted from Aguinis and Glavas (2012, p. 952)

It is apparent from Table 2 that the outcomes of CSR initiatives in the literature focus on concerns that relate to companies in the second wave of sustainability as defined by Benn et al. (2014). These outcomes relate to reputation, risk management, efficiency, compliance and business performance. It appears that there is a lack of research that focuses on the larger socio-ecological systems outcomes.

Hence, this PhD thesis is concerned with outcomes that originate from different predictors and goes beyond the outcomes studied in the CSR literature quoted above. The focus of this study is on the enablers and barriers to expanding care and responsibility and a broader worldview that stretches beyond the outcomes for the business to include outcomes for a wide range of direct and indirect stakeholders and for planetary wellbeing. Therefore, the predictors, mediators and moderators for 'beyond CSR' outcomes will most likely look very different to those listed in Table 2.

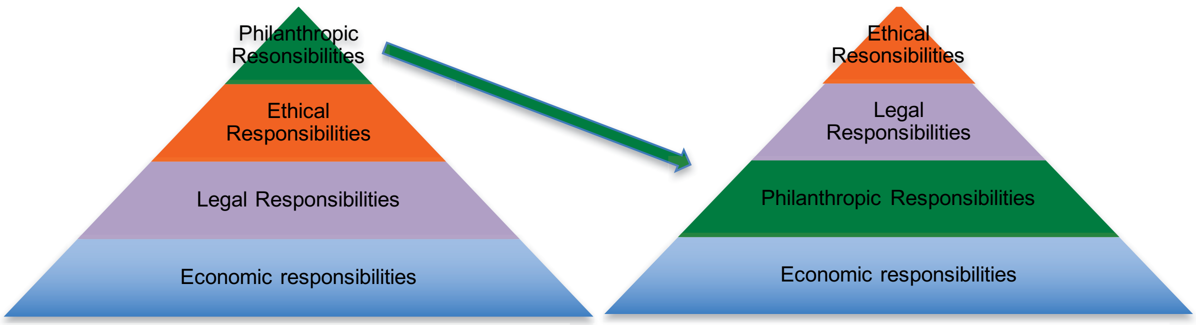
1.9 CSR in economically less developed countries

This study investigates businesses in developed countries (the UK, the USA, Canada, Brazil, Europe) and an economically less developed country (Bhutan). It is therefore relevant to briefly cover the literature on business responsibility and CSR in economically less developed countries with a particular focus on Asia.

CSR in Asia started to appear in the literature more frequently in 2004 (Chappel & Moon, 2005; Visser & Tolhurst, 2010). Despite the vast differences in histories and cultures of Asian nations, Alfonso et al. (2010) suggest that CSR in Asian countries is very often linked to underlying value systems. It appears that in many Asian nations, similar phenomena albeit based on different religious and cultural traditions, have been found to emphasise the concepts of cooperation and the collective wellbeing of family, society and the nation rather than the wellbeing of the individual (Alfonso et al. 2010). This is the case in Bhutan, where the value system is profoundly influenced by the Mahayana Buddhist tradition. In Hong Kong and China values are influenced by Confucianism. In Japan they are influenced by Zen Buddhism, Shintoism, Confucianism and the Samurai code of conduct, while in India they are influenced by Hinduism. These religious and cultural traditions have provided the moral and ethical backbones of these countries for many centuries (Whelan 2007; Alfonso et al. 2010). While conventional thought assumes that CSR develops with an economy (Visser, 2010), others have argued that CSR is more implicit in Asian countries and therefore it is more a function of social institutions (such as political, financial, educational and cultural institutions) rather than a function of the state of development of a country (Chappel &

Moon, 2005). Also, Visser (2008) proposes that Carroll's (1979) traditional pyramid of CSR has a different emphasis in developing countries. Visser argues for a rearrangement of the CSR pyramid as shown in Figure 8. He agrees that economic responsibility also builds the basis of the CSR pyramid in developing country businesses, but he suggests that developing countries with 'strong indigenous traditions' place a higher priority on philanthropy than on legal and ethical responsibilities (Visser 2008, Jamali & Mirshak 2007).

Figure 8 - Rearrangement of Carroll's (1979) traditional CSR pyramid as proposed by Visser (2008)



Carroll's (1979) CSR Pyramid and emphasis in developed countries and economies

Visser's (2008) CSR pyramid and emphasis in developing countries and economies

Source: Adapted from Visser (2008)

Visser (2008) also proposed a number of drivers for CSR practice in developing countries that differ from drivers in developed countries. He suggests that pressures from within a developing country include cultural traditions, political reform, socio-economic priorities, governance gaps, crisis response and market access. He identifies global pressures on CSR practice in Asia, including international standardisation, investment incentives, stakeholder activism and supply chain demands by multinational companies.

A positive relationship between strong religious beliefs and business ethics has also been established. In particular, Buddhist ethics and concepts have been applied to questions of business ethics. The concepts include interconnectedness, compassion, generosity, gratitude and care and they have been proposed as useful guiding principles for difficult decision-making situations (Zsolnai, 2011). However, these ethics and values are being displaced as market economies take shape in developing countries as there is a fundamental contradiction between the epistemological and basic assumptions of capitalism and those of all traditional cultures.

1.10 Business ethics

The Cambridge Dictionary (2017) defines ethics as *"the study of what is morally right and wrong, or a set of beliefs about what is morally right and wrong"*. Often ethics is confused with behaviour that adheres to social norms, religious beliefs or legal rules. However ethics draw on an individual's values to make the best possible choice that creates the least harm and the most benefit (Naaman et al. 2013). There are many different philosophical strands of ethics, some of which are discussed in this section in relation to business. Business ethics in Western economies is concerned with professional, relational and social responsibility (Fisscher & Nijhof 2005) and is driven by instrumental ethics that have no doubt contributed to the current socio-ecological crises.

An individual's values and beliefs shape their ethical stance. Similarly, in a business, the prevailing belief systems of the leaders and owners, and the organisational culture, influence how decisions are made and which circumstances and stakeholders are taken into consideration.

Before delving into these concepts it is important to consider whether a business or corporation can have responsibility as an entity, since it is made up of many individuals. Crane and Matten (2016) argue that businesses can be held morally responsible for their actions for the following reasons:

a) They have a legal identity. Being a legal entity comes with rights and responsibilities.
b) Business entities have internal decision-making processes that are aligned with organisational goals and therefore they have independent agency.
c) They have an organisational culture that is shaped by belief systems and values that influence individual day-to-day decisions.
d) They have a distinct function, purpose or identity. For example they are 'corporate citizens' when they interact with their stakeholders.

Based on these arguments public expectation considers a business as an entity with responsibility. In addition, business leaders, owners and decision-makers are responsible for the organisation's intentions, purpose, vision, goals, decisions and actions. The next sections explore business ethics in the context of stakeholder theory, and instrumental, ethical and systems theories.

1.10.1 Stakeholder theory

Stakeholder theory (ST) emerged in the US and was first proposed by Freeman (1984). He suggests that companies have responsibilities, not just to their shareholders but also to a wider circle of direct and even indirect stakeholders. ST was offered as a contrasting concept to Friedman's (1970) shareholder theory. Friedman argued that the only responsibility of businesses is to increase profits.

This juxtaposition of concepts has for the last 40 years kept a debate going about why businesses and corporations do or do not have a social and moral responsibility for their actions. It has also long been argued that in addition to their legal obligations, companies have a moral obligation to consider more than pure self-interest (Moore 1999). Moore (1999) suggests that all CSR approaches, even if disguised as ethical or integrative theories, are ultimately motivated by an instrumental business case. Henry Ford promoted social obligation of companies early in the 20th century. He wanted to re-invest profits into the company to employ more people as a way to share the benefits from industrialisation and enable more people to afford cars. However, some of the major shareholders in the Ford Company, primarily the Dodge brothers, challenged and defeated the notion of sharing benefits with stakeholders in court, in the famous *Dodge v. Ford 1919* case. This case established the first legal precedent that saw a company's first and foremost responsibility as being to act in the shareholders' interests by maximising profits (Sukhdev 2012).

Partly due to accelerating globalisation, this notion has been adopted in many other countries, although the US seems to be the only country with a legal basis for this narrow focus of business responsibility. For example, European companies have long had a much broader social and environmental focus (Bhaduri & Selarka 2016). Friedman (1970) vehemently argues that socially oriented actions by corporations are in fact motivated by self-interest and not CSR at all, and that their aim is surreptitious profit maximisation. This has led some scholars to conclude that the primary motivations for the actions of business decision-makers should be the ultimate criteria for judging whether an activity is deserving of the label 'CSR' (Bowie, 1991). This study questions Friedman's suggestion that all business decision-making is motivated by self-serving instrumental intentions. This study is concerned with the underlying motivations and worldviews of business leaders that display 'beyond CSR' behaviour and create 'beyond CSR' outcomes.

Stakeholder theory, as popularised by Edward Freeman (1984), is considered to be one of the most influential areas of inquiry that has emerged in the field of business ethics (Stark, 1994). It focuses on the responsibilities that a business has to groups and individuals that are affected by, or affect, everyday business decisions and activities. The underlying assumption made by stakeholder theory is that businesses have a responsibility of care for the wellbeing of stakeholders beyond the traditional view of management being responsible to employees, suppliers, customers and shareholders. The network model of stakeholder theory (Rowley, 1997) recognises that in addition to the traditional stakeholders, there are also competitors, government and civil society to be considered, all of which have their own stakeholders to consider. Therefore, a network of relationships which extends far beyond the business itself requires consideration, care and respect for responsible decisions.

Freeman & Liedtka (1991) highlight that:

> *Corporations are places in which both individual human beings and human communities engage in caring activities that are aimed at mutual support and unparalleled human achievement.*

That stakeholder theory emerged out of the US may be a direct reaction to the narrow legal fiduciary duty that companies in the US are mandated with. In comparison Europe (particularly Germany and Scandinavia) and Asia (particularly Japan and Korea) have a long cultural history of a broader stakeholder orientation which extends beyond owners and shareholders (Crane & Matten 2016).

Stakeholder theory has evolved over the years and many different definitions and approaches have been proposed. They can be categorised into three types (Donaldson & Preston 1995):

a) **Normative** – provides reasons why business *should* take stakeholder interests into consideration.
b) **Descriptive** – provides descriptions of *how* businesses *actually do* consider stakeholder interests.
c) **Instrumental** – investigates *whether it is of benefit to a business* to consider stakeholder interests.

Parmar et al. (2010) note that the business ethics literature differentiates between 'good ethics' and 'good business'. They propose that stakeholder theory tries to bridge this separation of ethics and business by connecting ethical conduct with the process of value creation in business. This potentially provides businesses with an important stepping stone for moving from the risk-management approach to CSR, towards a more transformative business CSR approach that is described in Benn et al. (2014) as the third wave of CSR. However, I argue that if the process of value creation in business is driven only by the business case for CSR, and not by the need for societal and planetary wellbeing, then the opportunity to move towards transformative business is lost.

Parmar et al. (2010, p. 433) go as far as proposing that: *"We can be the generation that remakes business and capitalism, putting ethics at the centre of business and business at the centre of ethics".* The findings from the interviews with Bhutanese and international business leaders presented in Parts D and E of this thesis contribute to the debate about whether good ethics linked to good business is the only pathway to expanding business care and responsibility so that it includes a concern for societal and planetary wellbeing.

The key tenet of stakeholder theory is that relationships matter. This implies a stance that values relational ethics. However, as Verbos & Humphries (2015, p.24) point out, because stakeholder theory retains the business at the centre of relational ethics it is *"limited and limiting in the potential diversity of possible responses to the crises facing humanity and Earth"*. Although stakeholder theory has done much to elevate the importance of relational ethics, its business-centred view of relationships could potentially lead businesses to contribute to socio-ecological and economic problems rather than to help solve them.

A metaphor can be found in the ancient investigations of the solar system, which recognised the movement of the planets as the key to spatial orientation and time-keeping on Earth. Similarly, recognising the value of considering stakeholder relationships when making judgements about a business's responsibility to society is an essential key to orienting business goals and decision-making.

Prior to the widespread acceptance of the heliocentric model, a geocentric view of the world, which assumed the planets orbit around earth, led to navigation and time-keeping errors that saw ships travelling off course and religious holidays falling on the wrong dates. When the geocentric model of the solar system was eventually replaced with the heliocentric model, and it became generally accepted that the planets orbit around the sun rather than the earth, navigation and time-keeping became more reliable and accurate. The equivalent of the heliocentric model of the planets in the business context is the understanding that business needs to orbit around society and its stakeholders in order to navigate in a better direction, introduce more appropriate innovations, make more useful discoveries and adopt a long-term outlook on time. The business-centred view, which is maintained in stakeholder theory, sees society and the planet as the servants of business and the economy. I argue that the business-centred view keeps businesses navigating in the wrong direction, and adopting short-term outlooks that are unable to go beyond conventional CSR.

1.10.2 Business case argument for CSR – instrumental CSR

Friedman's proposition caused much debate from the 1970s to the 2000s, but more recently, and particularly since the 2008 financial crisis, the notion that businesses have a broader social and environmental responsibility has become widely accepted (Crane & Matten, 2016). However, the reasons why businesses engage in socially and environmentally responsible behaviour are often based on instrumental theory or the 'business case for CSR' (Mintzberg, 1983; Kurucz et al. 2008) and are based on the following assumptions:

a) CSR enhances longer-term viability due to cost reductions and improved reputation resulting in customer and employee loyalty;
b) Risk-reduction from CSR activities protects reputation, product image, operational infrastructure and human resources;
c) Self-regulation within industry sectors, reduces the likelihood of government imposed regulation and reduces uncertainty and risk;
d) Businesses are more likely to succeed in stable communities that are safe, offer educational and employment opportunities, and have access to clean natural environments and therefore invest in environmental and societal improvement as useful business strategies (Porter & Kramer 2006).

This business case argument is based on a particular ethical stance, which aligns with the Western consequentialist ethical theories. This means that the actions of a business are morally justified by the goals that are to be achieved. Subscribing to the business case argument means that businesses confine their motivations to the risk-management and compliance as identified CSR waves model as 'second wave' (Benn et al. 2014) (see Figure 4). Using consequentialist ethics could theoretically be a lever to shift a business beyond risk management towards more transformative third wave behaviour and outcomes by changing the business's goals. However, changing the vision and goals of a business depends primarily on the leadership vision and on ownership structure. As discussed later under the systems leverage points framework, changing the goals within a system can be a powerful means of bringing about change. However, specific conditions are required to overcome stakeholders' resistance to changing the goals of an organisation.

The consequentialist ethical stance perpetuates an instrumental approach to CSR, which limits its ability to extend responsibility and care for planetary conditions. Most of the companies caught up in corporate scandals have become victims of consequentialist ethics, linear thinking and the business case for CSR decision-making.

1.11 Ethical theories and their application in business

There is a wide range of normative ethical theories that are relevant to business conduct and CSR practices. Each of them offers a unique perspective on how to make decisions when faced with ethical dilemmas. Figure 11 in Section 1.17 and the following section provide a synthesis of ten ethical theories and allocates them across four quadrants considering deductive versus heuristic ethical models in self-oriented versus relational contexts. The information that this synthesis is based on is sourced mostly from Crane and Matten (2016), Hayborn (2011), Held (2006), Hursthouse (2013) and Engster & Hamington (2015) unless stated otherwise.

Below is a brief analysis and contextualisation of the ethical theories of modernist and other traditions. Ethics of care, ethics of relational responsibility and Buddhist ethics are investigated in more depth for the purposes of this study in Sections 1.12 to 1.16.

1.11.1 Self-referential modernist theories of ethics

The self-referential modernist theories of ethics include four major approaches to making ethical decisions, which have been grouped into the two categories: non-consequentialist (also called deontological) and consequentialist theories. Non-consequentialist ethics are not concerned with outcomes but mostly with a process for ethical decision-making. In contrast, consequentialist theories are mostly concerned with the ethics of the outcome of a decision. The following sections discuss the two categories of non-consequentialist and consequentialist ethics in relation to business decision-making.

Non-consequentialist ethics

The two types of non-consequentialist ethical theories are the *ethics of duty* and the *ethics of rights*, in which rules or intentions determine the best possible action.

Ethics of Duty is based on Immanuel Kant's (1724-1804) principle of the 'categorical imperative' which is a way of evaluating actions according to three criteria. Kant suggested that an action can be considered to be ethical if the action a) could be applied consistently by every individual and in all situations; b) respects human dignity and does not exploit anyone; and c) is based on universal principles which are accepted across societies and cultures. This approach to ethical decision-making is similar to the 'golden rule', which has emerged in many religions and belief systems, which suggests that everyone should treat others as they want to be treated themselves (Brammer et al. 2007). I position this ethical theory in Figure 11 between the self-oriented and relational ethical theories due to the reference point in this approach being each individuals' own subjective frame that considers obligations to others as a duty. The *ethics of duty* have been extensively investigated in a business context (Bowie, 2017) and form the foundation of stakeholder theory (Evan & Freeman, 1993). Codes of conduct for businesses in relation to social and environmental conduct are an expression of this ethical theory. However, in a business context the 'categorical imperative' test is difficult to apply as it is too abstract and does not consider the consequences of actions (Crane & Matten, 2016).

The *ethics of rights* appeared during the European Enlightenment of the 18^{th} century and are based on John Locke's (1632–1704) proposition that every human being should be entitled to the 'natural rights' to life, freedom and property. This type of ethical stance has in recent times evolved into 'human rights', which were formalised through the UN Declaration of Human Rights (1948) and the EU Charter of Fundamental Human Rights (2000). Human rights is now a broader concept which includes the freedom of speech, conscience and association as well as the right to consent, privacy and a fair legal trial (Crane & Matten, 2016). The *ethics of rights* have been influential in business due to the UN Global Compact initiative established in 2000 to engage businesses across the world in a commitment to a code of conduct that includes human rights. Participation in this initiative is seen as an indicator of ethical business conduct. The most recent development has been the 'Ruggie principles' endorsed by the UN Human Rights Council in 2011, which are based on three core principles:

a) Governments have the duty to safeguard human rights against the exploitation by third parties such as the business sector.
b) Businesses have the responsibility to respect human rights.
c) Access to legal and other solutions has to be made available to victims of human rights abuse.

The UN Global Compact code of conduct has been adopted by more than 8000 companies. However the *ethics of rights* have been criticised for lacking a reliable methodology, and for relying too much on common sense (Crane & Matten, 2016). Also, it has been noted that the concept of 'rights' is mostly a Western one, and it is not necessarily translatable to other cultural contexts. However, the *ethics of rights* are based on respect for others and they focus on protecting and respecting other human beings' rights and therefore may resonate with some collectivist societies who respect collective wellbeing and the individual's role within the collective. I therefore position this ethical theory in the relational and deductive quadrant in Figure 11.

Consequentialist ethics

Consequentialist ethics are based on the assumption that the intended outcomes and goals determine the best possible action. The ethical theories under this category include *egoism* and *utilitarianism*.

Egoism as an ethical stance assumes that all human behaviour is motivated by self-interest and was attributed to Adam Smith (1723–1790) as a result of one of his major works, *An inquiry into the wealth of nations* (Smith, 1776/1976). He proposes the concept of the 'invisible hand' as being the mechanism by which self-interested behaviour translates into the equitable wealth distribution for all involved in a market economy. He therefore argues that the 'invisible hand' benefits society at large (Fleischacker, 2004). This concept took hold and spread as a tenet of classical liberal economics. It found many proponents in the 20th century such as Milton Friedman, who applied the same assumption of self-interest to businesses. The ethical theory of *egoism* does consider others not out of a cooperative motivation but only when others can serve a self-interested outcome.

It therefore becomes apparent that this ethical theory will require a strong governance mechanism that ensures that those pursuing only their self-interest are unable to do so at a cost to others. Friedman's free market economics were meant to provide this mechanism, however there is increasing evidence of rising inequality within and among societies, which demonstrates that this mechanism is not reliable (Piketty, 2014). Therefore, the focus on the interests of the business at the expense of the welfare of stakeholders and the natural environment, and the use of natural and human resources to serve businesses, is steeped in this ethic of egoism and free market economics. I position this ethical theory in the deductive/self-oriented quadrant in Figure 11.

Like Adam Smith's 'invisible hand', *Utilitarianism* as proposed by Jeremy Bentham and John Stuart Mill emerged during the Enlightenment in the 18th century. Together, these thinkers shaped what we still call modern economics. As discussed further in the review of the philosophies of happiness literature in Section 2.7.5, Bentham's 'greatest happiness principle' suggested that the best decisions and actions produce the greatest happiness for the greatest number of people affected by a decision. This principle is based on the assumption that the only purpose of a human life is to be self-interested, which means maximising pleasure while minimising pain. In economic terms this principle was described as humans maximising utility from any decision that they make. The best ethical decisions and actions using this approach are therefore those that deliver the most benefit at the least cost for as many people as possible.

In a business context Crane and Matten (2016) suggest that social and environmental impact assessments that assess the positive and negative impacts of a proposed action demonstrate the utilitarian approach. Such assessments follow a process that weighs up the effects on stakeholders and the environment and are based on the belief that the best ethical decision is the one that benefits the greatest number of people. Another example of this utilitarian approach is Porter and Kramer's (2011) concept of 'creating shared value'. It combines a concern for the largest number of stakeholders with the concept of the 'business case' for sustainability (Hahn et al. 2014). The benefits of social and environmental business initiatives are thereby reduced to a process of cost minimisation and benefit maximisation for the business.

The problem with the *utilitarian* approach to ethical decision-making is that it is based on subjective perceptions of what constitutes positive or negative, good or bad. Decisions based on this ethical theory attempt to quantify unquantifiable and intangible aspects of a situation, and they are based on the bias of the decision-makers and often ignore minority groups (Crane & Matten, 2016). Business leaders who justify CSR activities with a business case are using *utilitarian* and *egoistic* ethical decision-making and in this study these are referred to as 'conventional CSR' approaches. I therefore position utilitarian ethics in the deductive/self-oriented quadrant in Figure 11.

1.11.2 Theories of ethics from other traditions

There is a wide range of ethical theories from other traditions, four of which are considered here. They include virtue ethics, postmodern ethics, discourse ethics and ethics of care. The first three are outlined briefly in this section and ethics of care are discussed in more detail in Sections 1.12 and 1.13.

Virtue Ethics – based on character and integrity

Virtue ethics originated from Plato's and Aristotle's philosophies, which are discussed in detail in Sections 2.7.1 and 2.7.2 of the philosophies of happiness literature review. Virtues are learned character traits that manifest in consistent patterns of respected and valued behaviour such as honesty, courage, humility, generosity and loyalty. They require ongoing cultivation and life experience (Nielsen 2006). The basic premise of virtue ethics is that through leading a 'good life' and engaging in virtuous conduct, a person can achieve eudemonia or a state of happiness in a fulfilled life (Kenny 1978; Ryff 1989; Seligman 2002). The link between virtue and happiness is also made in many religions. Virtue ethics was dominant in Western cultures until the Enlightenment in the 18th century and re-emerged in the 1950s with Anscombe's (1958) 'Modern Moral Philosophy' (Hursthouse 2013). Eastern philosophies such as Buddhism and Confucianism also place great emphasis on the cultivation of character and virtues such as honesty, compassion, wisdom and respect for elders (Wood & Lamond 2011; Keown 2005). Virtue ethics focuses on the character and integrity of the decision-maker, which is particularly relevant to business, where leaders learn character traits through their relationships with peers who act as role models (MacIntyre 1984). In a business context, a 'good business life' involves taking a holistic view that balances profitability with virtuous conduct and good relationships with stakeholders (Crane & Matten, 2016).

One of the challenges with virtue ethics, particularly in a business context, is the process by which good and virtuous character traits actually play out in ethical decision-making and actions. The examples of the corporate scandals mentioned in the introductory chapter highlight this dilemma. They demonstrate that even if individuals in a business have good character traits they can be pressured into unethical behaviour due to competitive strategies that prioritise profit growth at any cost. Furthermore, it is difficult to identify which role models and peers to look up to for genuinely virtuous ethical decision-making (Crane & Matten 2016). This is particularly relevant in a post-truth world where leaders and peers can easily turn out to be 'wolves in sheeps' clothing'. I therefore position virtue ethics in the centre of Figure because depending on a persons' values and worldview this ethical theory could operate in any of the four quadrants.

Postmodern ethics – based on emotional and moral impulse

Postmodern ethics emerged as a reaction to the Western enlightenment era to counter the rising reductionist worldview and the dominant economic schools of thought of socialism and capitalism. *Postmodern ethics* recognised the complexities of human relationships with nature and society (Crane & Matten 2016). Rather than referring to rules, universal principles and codes of conduct, this ethical theory proposes that the source of morality is the 'moral impulse' towards others, suggesting that humans instinctively and through life experiences know what is right and wrong (Bauman 1993). *Postmodern ethical* decision-making is based on gut feeling and empathy while engaging with stakeholders (Crane & Matten 2016) and most advocates of this kind of decision-making are highly sceptical of business ethics that draw on utilitarian, egoist and duty ethics (ten Bos & Willmott, 2001). Gustafson (2000) describes the postmodern ethical stance in business decision-making as:

a) a holistic and unified approach rather than one involving the application of different standards in business and personal life
b) based on practices, narratives and metaphors of experiences
c) recognising that no two ethical issues are ever the same and therefore no a priori rules can be used for efficiency, and each ethical issue has to be considered anew and ethical issues require resolution one at a time
d) an ongoing learning process that always builds on previous experiences and therefore can only ever offer a preliminary view.

There is an obvious clash of paradigms between postmodern ethics and the most common Western business ethics approaches enshrined in *utilitarianism ethics* and *ethics of duty,* as there are no rules or step-by-step processes that can easily be applied in business decision-making. The idea of 'moral impulse' is difficult to apply in a business context as it is considered too subjective and time consuming to deliberate about each ethical issue one at a time (Crane & Matten 2016). I therefore position postmodern ethics in the heuristic and self-oriented quadrant in Figure 11.

Discourse ethics – based on norm-generating and participatory approach

Discourse ethics is based on the premise that there is no way to rationally justify norms and principles of ethical behaviour, but that instead they need to be generated through a participatory process to resolve ethical dilemmas (Preuss 1999). Rather than reaching agreement among a wide range of belief systems to settle conflicts or ethical dilemmas, *discourse ethics* is based on real-life experiences and reflective processes (Steinmann & Loehr 1994). Habermas (1983) describes the process of 'ideal discourse' as impartial, non-persuasive, non-coercive and based on the expertise of the participants. He asserts that those in positions of power should not impose their values in situations involving ethical dilemmas, and that they should resist the temptation to resolve conflicts in ways that serve their own purposes, but should instead contribute to reaching consensus between all participants in the process.

The application of *discourse ethics* in a business context has become commonplace in many companies that use stakeholder engagement processes in CSR-related activities. The major limitation of applying participatory discourse processes in a business context is the time it takes to resolve ethical issues (Crane & Matten, 2016). Also *discourse ethics* and participatory processes assume that the stakeholders engage in highly self-aware, reflective and altruistic dialogue, which is not always the case (Noland & Phillips, 2010). Decision-making according to the tenets of *discourse ethics* requires much patience and genuine compassion for the participants, the ability to appreciate pluralism of belief systems and being able to let go of one's own views and preferences. While this participatory process could be a highly beneficial way of reaching ethical decisions in a business context, it would require a shift in worldviews from *utilitarian ethics* and *ethics of duty.* It therefore require a shift in epistemological and ontological outlook. Due to the relational and emergent quality of discourse ethics, it is positioned it in the heuristic/relational quadrant in Figure 11.

1.12 Ethics of care

Of particular interest in this study is the contribution that the *ethics of care* brings to the discussion of business decision-making. The *ethics of care* takes a broader responsibility beyond self-interest towards planetary wellbeing. It is worthwhile exploring here how sustainability and CSR efforts in businesses are taken as a proxy for care for stakeholders, and for societal and environmental conditions. The core concept that unifies the many schools of thought in the *ethics of care* literature is ethical decision-making based on relationships and actively seeking responsibility for oneself and the other, rather than basing ethical decisions on the character of a person alone, or on rules.

While most scholars credit feminist thinking of the late 1960s to early 1980s (Crane & Matten 2016; Held 2006) for bringing forth the concept of *ethics of care*, there are others (Engster & Hamington 2015) that trace it back to moral sentimentalism (Slote 2010; Baier 1987), and American pragmatist thought (Hamington 2004). There are also connections that have been made between care ethics and Eastern philosophies like Confucianism (Li 1994, Romar 2004) and Buddhism (Bailey 2012). During the 1980s care ethics was taken up in the fields of psychology and philosophy and during the 1990s it began to influence political theory (Tronto 1993; Myers 2013), social policy (Sevenhuijsen 1998) and international relations (Robinson 1999; Engster & Hamington 2015).

In this study, feminist ethics is therefore considered as only one example among many approaches to 'care ethics'. The feminist ethic posits that men and women have different approaches to resolving ethical dilemmas (Gilligan 1982). From this perspective, conflicts need to be resolved in the context of the network of interpersonal relationships that any person making an ethical decision is embedded in (Crane & Matten 2016). These decisions are based on emotions, intuition and feelings with the aim of achieving harmony, empathy and integration.

The three core elements of the feminist approach to ethical decision-making are: a) considering the context of human interrelationships, b) actively taking responsibility and c) learning from past experience (Borgeson 2007).

Since the early 2000s, the theory of care ethics has grown and it has been applied in education (Noddings 2002; Johnston 2006; Monchinski 2010), in social science where a care framework was developed to assess welfare policies (Daly & Rake 2003) and in business (Simola 2007; Hamington & Sander-Staudt 2011).

Also, Foucault's ethics of self-care (1988) as well as Levinas's concept of care-for-others (1998) are included in this study's broad understanding of the ethics of care. Foucault's (1988) basic argument is that the care of the self has ethical priority before the care for others. He argues that ontologically, one's relationship with one's self comes first before we have relationships with others (Myers, 2013). However, it is also possible to interpret Foucault's argument as being based on the idea that the self-care requires an inner transformation in order to attain greater insight. In this way Foucault's view is also aligned with most Eastern philosophical or spiritual paths. Levinas's (1998) concept of care-for-others takes the opposite view, arguing that it is only through a focus on the 'other' and our responsibility to them, that the self is generated (Oksala, 2005).

Eastern philosophies such as Buddhism, Taosim and Yoga, discussed in Section 2.6 of this literature review, propose a combination of these seemingly opposing concepts through the paths of practice laid out by these traditions. They combine a self-care and cultivation process for the purpose of extending care and responsibility to others. Buddhist ethics emphasise compassion for all sentient beings (Gould, 1995), actively taking responsibility for learning and growing emotionally and spiritually as a person, and acknowledging that all phenomena are interconnected (Macy, 1991). Confucian ethics emphasises relationships, interconnectedness and seeking to create harmony among stakeholders as key principles in decision-making (Romar, 2004).

Thin (2012) laments that the feminist ethic of care has had a limited influence on mainstream feminism, and argues that the *ethics of care* offer a welcome departure from the fixation of feminist scholarship on gender equality of incomes, access to paid employment, status and political power. Others argue that the maturity of the theory of care ethics is demonstrated by the fact that some scholars view care ethics as a type of virtue ethics, while others see it as consequentialist, and yet others as a practice-based theory (Engster & Hamington 2015). However, as Sander-Staudt (2016) suggests, care ethics is not synonymous with feminist ethics, although most of the literature on caring and care ethics emerged from this field. The association of care ethics with feminism is therefore somewhat unfortunate, as it compartmentalises care for others as a feminine quality and interest rather than elevating to the status of a universal human capability.

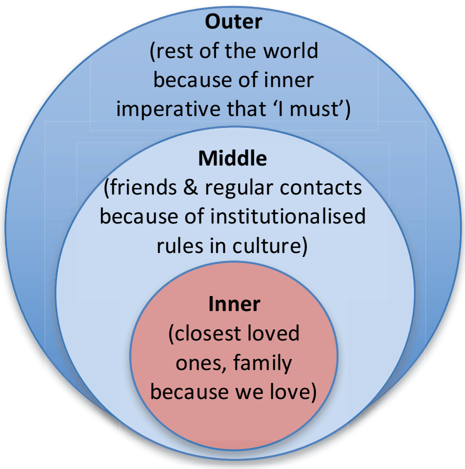
More contemporary views on care ethics (Engster & Hamington 2015, pp. 3-4) propose that although there is no universally accepted definition of *ethics of care* among these many different lineages, there are five core themes that are generally endorsed by the scholars in the field. These are:

1) A relational approach to ethics: "*The relational ontology of care ethics claims that relations of interdependence and dependence are a fundamental feature of our existence"* (Robinson, 2011, p.4)
2) Responsiveness to others: *"Care … seems to be a perspective of taking the other's needs as the starting point for what must be done"* (Tronto, 1993, p.105) but it also requires the cared-for to respond and engage, thereby invoking a two-way relationship
3) Caring responses that take the unique context of any situation into account: this requires empathy and an understanding of the other's experience, context, relative power and relational networks.
4) Crossing moral boundaries: challenging the established understanding of ethical theory that tends to compartmentalise caring to few people in a private context.

Some but not all emotions are tools that inform and motivate ethical conduct: creating empathy in relationships that foster caring actions; *"The ethics of care values emotion rather than rejects it … such emotions as sympathy, empathy, sensitivity and responsiveness … need to be cultivated"* (Held 2006, p.10).

One of the more significant expansions of the definitions of *ethics of care* beyond face-to-face care, came from Tronto (1993, p.103) who describes it as *"everything that we do to maintain, continue, and repair our 'world' so that we can live in it as well as possible"*. This definition has been criticised by some for being too broad and therefore failing to give attention to the context and relationships that occur in caring practices (Bowden, 1997). However, I consider concepts such as Noddings' (1984) circles of caring relationships to be embedded in Tronto's (1993) description. Noddings' (1984) circles of care suggest a ripple effect from the person caring to increasing circles of care, as illustrated in Figure 9. These circles include a) an inner circle of the closest loved ones, b) a middle circle of friends and regular contacts and c) the outer circle, which includes the rest of the world. Noddings' (1984) conceptualisation extends to embrace the rest of the world and incorporates elements of postmodern ethics. However, care in this conceptualisation is constrained to reactive and involuntary notions motivated by the impulse of love, "because we love" and the impulse of obligation embedded in social and cultural norms, "because I must". The notion of a more proactive and generative care such as "because I want to" is absent from this model. This model is one expression of how Foucault's self-care and Levines' other-care can be combined and considered as a continuum of interrelated ways of caring rather than as opposites.

Figure 9 - Noddings' (1984) circles of caring relationships identifying why we care



Source: Adapted from Noddings (1984)

The concept of circles of relationships has been used as a building block in this study to develop the model of circles of maturity in business shown in Figure 51 in Part F, Section 1.1. This model is a synthesis of various aspects of this literature review, and it is developed further in the conclusion to this study. This model is one of the contributions of this study to the field of business responsibility and sustainability.

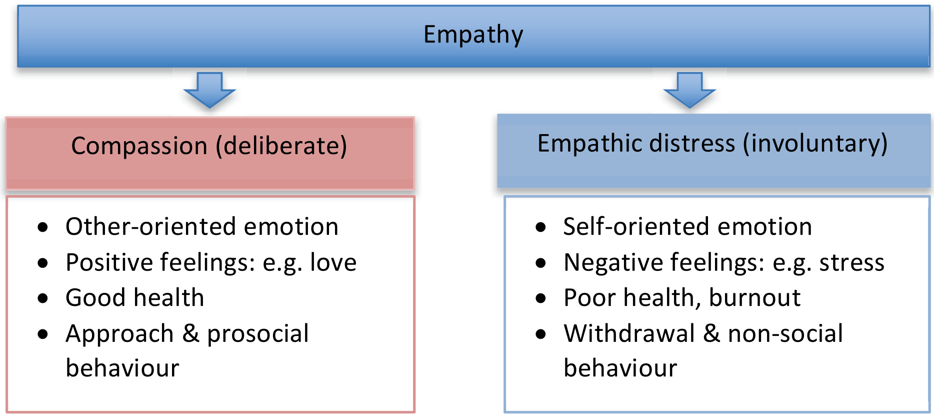
Tronto (1993, p.105–108) developed a phase model of care, which describes four interconnected and overlapping stages that are involved in the process of care:

1) *caring about* – which recognises the need for care
2) *taking care of* – actively owning and taking responsibility for the need
3) *care-giving* – the actual act of giving care
4) *care-receiving* – responsiveness of the cared-for that completes a feedback loop.

Tronto also associates these stages with four ethical characteristics of care which she identifies as attentiveness, responsibility, competence and responsiveness. These characteristics are also closely related to Noddings' (1984) concepts of engrossment, displacement of motivation, and commitment (Hawk, 2011). Hoffman (2000) reformulates the concept of engrossment as *"mediated associative empathy"*, which describes involuntary triggered feelings of empathy. This is in contrast to what Slote (2010) calls *"projected empathy"* which involves a deliberate effort to imagine oneself in another person's situation. These characteristics become relevant later in the discussion of the interview findings, especially the distinction between involuntary and deliberate empathy.

Recent findings in cognitive neuroscience also contribute an important distinction between the social emotions of empathy and compassion (Singer & Klimecki 2014) as outlined in Figure 10. The findings suggest that empathy, or the involuntary feeling of another person's pain, can elicit negative feelings, and if intense and ongoing can result in empathic distress that eventually leads to burnout or withdrawal (Singer et al. 2004, Singer & Lamm 2009; Singer & Klimecki 2014, Conti, 2013). On the other hand Singer & Klimecki (2014) also argue that people who are able to generate compassion don't necessarily feel another person's pain but actually experience positive feelings of warmth, concern and care that motivate them to help those who are suffering (Singer & Klimecki 2014; Conti, 2013). According to Singer & Klimecki (2014, p.875) *"Compassion is feeling **for** and not feeling **with** the other".*

Figure 10 - The distinction between compassion and empathic distress (Singer & Klimecki 2014 p. 875)



Source: Adapted from Singer & Klimecki 2014, p.875, Schematic model that differentiates between two empathic reactions to the suffering of others.

Ethics of care is focused on the giving action of caring, and can be motivated by either empathy or compassion as differentiated by Singer & Klimecki (2014). According to Hawk (2011, p.5) the one doing the caring also has to cultivate certain characteristics in a caring connection such as devotion, reliability, patience, trust, humility and courage. This notion is also supported by the social neuroscience research that is now investigating what factors cause the different social emotions of empathy and compassion to emerge, and how they can be trained and changed (Singer & Klimecki 2014). Therefore, the idea that characteristics and attitudes can be shaped by a deliberate generative process of cultivating the body and mind not only confirms propositions from ancient traditions from the East and West, but also implies that this interpretation of ethics of care does cross over into virtue ethics to some extent. For example, Buddhist 'metta' meditation, which is a practice that extends loving-kindness to ever-increasing circles of relationships, represents such a deliberate generative practice that strengthens care, compassion and responsibility in all relationships. Buddhist compassion is often misunderstood and considered a weak and soft quality in Western mindsets. In fact, Choegyam Trungpa (1973) argues that Buddhist compassion is "intelligent compassion" that is not feeling sorry for others or sharing their suffering but is *"clarity, which contains fundamental warmth"* (Trungpa 1973, p.97). Midal (2004, p.127) further explains that the care for others in a Buddhist context is not based on moral principles, obligation, *"self-denial or martyrdom, but rather springs from the development of genuine warmth and compassion"* (Trungpa 2000,p.3).

Similarly, Hawk (2011, p.8) considers relationships of care from the ethics of care perspective as *"[t]he caring relationship defines both individuals [carer and cared-for] but it does not sacrifice either individual. Rather, caring is serving the well-being and constructive development of the other and one's self at the same time."*

Another recent contribution from the field of political theory proposes the concept of 'worldly ethics' (Myers 2013). Myers (2013) bases her concept on Habermas's argument that the pluralism of modernity, and the diversity of religious belief systems and ways of life across the world, make it impossible to find a single answer to the question of what constitutes a 'good life'. Myers (2013, p.16) argues, therefore, that the "*therapeutic and charitable models of ethics"* as promoted by Foucault and Levinas respectively, are not enough to translate into a care of the world in *"which participants cooperate and contend with one another in an effort to affect worldly conditions"*. This indicates that there potentially is a threshold beyond the concepts of care-for-self and care-of-others leading into a realm that takes a broader systems view which includes extended care and compassion for planetary wellbeing. She also argues that not all care is the same, and questions the Foucauldian assumption that one kind of care leads to another, such as self-care inevitably leading to other care. However, Myers (2013) contends that self-care or self-cultivation practices can fuel worldly care if those practices are intended right from the very beginning to be for the benefit of a larger worldly or planetary context. I argue that the intention to improve planetary conditions inferred by Myers (2013) arises from an expanded worldview that recognises relationships as *"the stuff of the world"* (Macy, 1991, p.86). They are also recognised as such at the core of general systems theory and systems thinking in Western traditions, and in the Buddhist concept of mutual causality or dependent co-arising.

For example Vajrayana Buddhism offers an elaborate system of self-cultivation practices for body and mind for the specific purpose of promoting the wellbeing of all sentient beings. This includes not only all human and nonhuman species, but all tangible and intangible materials of the cosmos. These Buddhist practices are designed to establish a worldview of interdependent reality, where self-cultivation and mind training lead to expanding planetary care, which leads to a continual learning cycle until the practitioner achieves complete awareness and clarity of reality as relational and in constant dynamic flux. In Buddhism this state of awareness is called enlightenment. Ultimately, as Puig de la Bellacasa (2012) notes *"caring is not only about normative ethics or an affective state. Caring is vital to creating relations since care and relations share conceptual and ontological resonance"* (quoted in Eidenskog 2015, p. 30).

One manifestation of this kind of approach to care is the Mind and Life Institute's (2017) 'Call to Care' program currently being piloted in school education systems. The program promotes social-emotional learning and is based on a framework of three modes of care:

1. receiving care
2. cultivating self-care and
3. extending care.

This is a real-life example of how these concepts are being combined and translated into actual systems and practices for a modern secular world, drawing on a wide range of Eastern and Western traditions and philosophies. I have therefore positioned ethics of care in the heuristic/relational quadrant in Figure 11.

The ethics of care concept, while focusing on care for self and others, seems to fall short of encompassing concerns and actions which aim at benefitting the wellbeing of society at large and the environment. The 'worldly ethics' proposed by Myers (2013) moves towards greater planetary care but as Singer & Klimecki (2014) point out, neither ethics of care nor worldly ethics make a distinction between involuntary empathy and deliberate compassion. This leads to the unfortunate conclusion that ethics of care relies on the involuntary empathic caring instincts of mothers and women (Friedman 1987), limiting its potential to be a more universal human ethical approach. The potential to recognise relationships within socio-ecological systems as complex interconnected webs of life in which relationships are the life blood and sustaining force of the system is therefore lost. For this reason, in my view ethics of care has little chance of making a real impact in the context of business responsibility. Although, recent discussions about ethics of care in business is explored further in the next section.

1.13 Ethics of care in business

By their very nature, activities in business, trade, commerce and the economy rely on well-functioning and constructive relationships. No business can survive without managing its relationships with its employees, customers, suppliers, community stakeholders and the environment in a local and global context. When these relationships are managed in line with a business purpose that is driven by an expanded care for others, they have the potential to foster decision-making that is based on ethics of care principles. If ethics of care had a broader universal appeal beyond its typecast association with feminism and female qualities, it could potentially play a central role in the survival and sustainability of businesses that want to contribute to society and the planet.

The ethics of care literature in organisational contexts has mostly emerged in the domains of education and health care, with a common theme being the struggle to balance the conflicting values of providing effective care and maximising organisational efficiency and profitability (Hawk 2011). It has also emerged increasingly in social policy, political theory and the law and legal domains. However, of most interest to this study is the emergence of ethics of care in the business literature where it has been incorporated into stakeholder theory (Freeman 1984 & 1994; Freeman et al. 2010; Wicks et al. 1994), knowledge and creativity management, and leadership studies (Hawk, 2011). Stakeholder theory links to ethics of care in the sense that it proposes that a business has responsibility for its stakeholders and supply chain. Hawk (2011) makes the case for the application of ethics of care in a business based on the responsibility for stakeholder relationships:

> *Any organisation that produces a product or service has reciprocal… multiple, dynamic, and interwoven relationships that demand attention to well-being and, hopefully, constructive cultivation.* (Hawk 2011, p.15).

Hawk (2011) finds that ethics of care have rarely been a topic in the primary business ethics literature, and that more than 75 per cent of business ethics and CSR texts do not mention the concept. The first concerted academic effort to fill this gap came from Hamington & Sander-Standt (2011) in *Applying care ethics in business*. Since the 2008 global financial crisis, ethics of care have appeared in a wide range of fields in attempts to find answers to how such crises can be prevented, and attempts to provide better direction for businesses facing ethical dilemmas (Hamington & Sander-Standt 2011).

Some criticisms of care ethics have argued that its focus on individual sentiment leads to relativism and ambiguity. Other criticisms have been based on the misperception that it epitomises 'morality of women', and still others have portrayed it as parochial, since it focuses on relationships of closest proximity (Sander-Staudt 2016, Terjesen 2011). Furthermore, it has been argued that its reliance on innate empathy inevitably leads to *"benevolence fatigue"* (Terjesen 2011, p.66) or *"empathic distress"* (Singer & Klimecki 2014, p.875).

These criticisms point out that care ethics lacks two key qualities that would render it effective in a business context. Firstly, care ethics lack a recognition of a broader universal context that acknowledges the importance of the influence of relationships between all life forms on the societal and planetary levels. Secondly, because care ethics relies on the innate empathy of the individual, it lacks an active or deliberate approach to care that transcends gender and anthropocentrism.

Due to these limitations, another relevant ethical theory considered in this thesis is McNamee & Gergen's (1999) ethics of relational responsibility, which is discussed in more detail in the following Sections 1.14 and 1.15.

1.14 Ethics of relational responsibility

The difference between care and responsibility is based on the difference between an involuntary and a deliberate or intentional approach to a situation. As described in the ethics of care section, care is considered either an innate quality or a duty vested in an individual.

Relational responsibility refers to *"an ethic which reaches beyond codified and individualised norms of duty"* (Hoskins et al. 2011, p.22). It shifts the focus from individual responsibility and blame to *"a shared attempt to sustain the conditions in which we can join in the construction of meaning and morality"* (McNamee & Gergen, 1999, p.xi).

Relational responsibility emerged from the field of social psychology and is described by McNamee & Gergen (1999) as context dependent, and as relying on past experiences and beliefs about 'self' in relationship with the world. It draws attention to the fact that the concept of individual autonomy arises out of relationships with others, and that it is therefore a social and cultural construct (Gergen 2011). The concepts of self and autonomy are at the core of the Western individualist ideology and are reflected in how many Westerners make meaning of their lives. Critics of this Western worldview point out that the Western conception of self

> *fosters a sense of fundamental loneliness and alienation; generates a sense of pervasive doubt in oneself; invites one to think of oneself as the sole arbiter of what is good and evil; establishes a tension between self on the one hand and community on the other; defines relationships as secondary to well-being of the self; and ultimately encourages forms of self-serving, narcissistic and exploitative behaviour (cf Felpi, 1989, Hewitt 1989, Bellah et al. 1985; Lasch 1978; and Leary 2004)* (in Gergen, 2011, p.205).

This Western conception of the individual as a separate *"bounded being"* (Gergen, 2009, p.5) results in a sense of profound isolation that prevents individuals from really knowing others and knowing each other's meanings (Slife & Richardson 2010). The language of personal and institutional responsibility therefore isolates people by not recognising their embeddedness in a relational world and *"perpetuates the prescription of individual solutions in a world filled with systemic problems"* (Deetz & White 1999, p.114).

The type of responsibility proposed by McNamee & Gergen (1999) in the ethics of relational responsibility, is clearly different from that of individual accountability. They question the primacy of the Western individualist ideology that considers *"subjective agency… as the basis for both our identity and our distinct value"* (McNamee & Gergen 1999, p. 6). They argue that subjective volition and individual responsibility establish a context where all good and bad in society is considered to originate from individuals' agency. As a result, actions and their impacts that an individual cannot directly be held accountable for such as climate change or inequality do not fall into the realm of individual responsibility. Hence, the progressive deterioration in socio-ecological global conditions.

Relational responsibility, on the other hand, is based on the alternative proposition of the *"relational being",* which *"nourish[es] and protect[s] not individuals, or even groups, but the generative processes of relating"* (Gergen, 2009, p.5). This approach is not new and has great similarities with ancient Eastern and indigenous thinking (Gergen 2009, Verbos & Humphries 2015, Hoskins et al. 2011). The common thread across these approaches is that they do not differentiate between self and other, but rather see the relational processes and context of life as inextricably linked to ever action and non-action.

While this view of self, causality and agency is in direct contrast to the dominant Western ideology of individualism, *"relational responsibility corresponds with the Buddhist quintessence of dependent origination. Based on this reasoning, relational Buddhism submits that personal happiness arises through an interpersonal orientation rather than the other way around"* (David et al. 2014, p.368). The concept of dependent origination is discussed in connection with Buddhist ethics in section 1.16. Relational responsibility and dependent origination (also called mutual causality, dependent co-arising or interdependent causality) together provide two of the core concepts of this thesis, exploring the application of Buddhist and systems theories to management studies and corporate responsibility.

Relational responsibility emerges through the deliberate commitment to dialogue and relatedness that also includes *"an openness to being transformed"* (Suchman, 2002, p.11). It also suggests a dynamic norm-generating process that values pluralism and engages with a problem through a collaborative and relational learning process (Calton, 2006).

Relational responsibility suggests that co-constructing meaning and morality creates a space for ethical decision-making beyond self-interest and rules-based ethics. This emergent process locates the responsibility for socio-ecological problems in the hands of collective institutions such as communities, businesses, NGOs, governments and other relational structures in society.

McNamee & Gergen (1999) suggest engaging in a process of dialogic immersion that explores and reveals relational dynamics at four different levels. They include:

1. **Individual level**: Becoming aware of the many internal voices that every person embodies from a life of experiences and interacting with others and then naming those voices as a way of bringing them to conscious awareness
2. **Individual in relation to others level**: Crafting conjoint relations by shifting from individual blame to understanding how wrong actions can emerge within relationships, focussing on a joint achievement
3. **Groups in relation to other groups level**: Invoking group realities through dialogue among groups that treat problematic actions as an emergent behaviour of a group rather than of individual intent
4. **Systemic level**: Expanding the conversations and exploration into the realm of the societal systems, cultural systems, economic systems, and ecosystems focusing on how an action is embedded in the conditions of these systems.

These four levels of engaging in relational responsibility suggest that ultimately every individual is constituted and part of a *"systemic soup"* and therefore all actions or events are in some way connected to every individual (McNamee & Gergen, 1999, p.17). This expanded sense of responsibility which makes everyone complicit and relationally responsible for everything that occurs in the world is what I refer to as relational responsibility in the remainder of this study.

Critics of relational responsibility (Lannamann, 1999) comment that it is not desirable to completely diffuse individual accountability into relationships but at the same time acknowledge that reducing accountability to a matter of individual agency is overly simplistic. McNamee & Gergen (1999, p.10) clearly state that it is not their intention to abandon the individualist tradition altogether but to enrich it by *"developing new forms of intelligibility".* This process for increasing intelligibility and understanding of relational dynamics is laid out by McNamee & Gergen (1999) in many examples of practical conversation and communication tools at all four levels of their suggested approach. The actual methods that can be engaged in a relational responsibility process appear to be very similar to those used in discourse ethics. However, the difference between these two ethical approaches is that relational responsibility intentionally works at four levels from the individual to the systemic levels to make sense of interdependent causality and design intelligent approaches for learning and moving forward.

Lannamann (1999) also suggests that there are politics of power that could render a relational responsibility dialogue ineffective. For example if, relational responsibility is introduced as a process in an organisation there will be those who engage willingly and commit to dialogue and the process of considering responsibility at the four levels suggested above. However, there will be those who do not believe in the process and do not commit to exploring the levels of responsibility and if they are in positions of power are able to manipulate the process and steer it in the direction of a particular outcome. This critique was also raised by Deetz and White (1999) who question why those with power in a situation would voluntarily give up their power to engage in a relational process that divests and shares power. They argue that this would only occur if the interdependencies between individuals and groups would be clearly visible and obvious. This critique highlights a key purpose of the processes which build relational responsibility. Those processes need to serve the purpose of illuminating and making relational interdependencies clearly understood and recognisable for all the stakeholders involved. This is the primary purpose and value that I see in the process of building relational responsibility.

Deetz and Whitee (1999) also suggest that the term 'responsibility' may be an obstacle in applying the ethics of relational responsibility as the term is so closely associated with individualism and rationalism. However, in a business context, the term responsibility is at least on the radar of business leaders through the concept of CSR. Although it has a strong association with the individualist perspective, CSR responsibility is already linked with a social purpose beyond the company. Even if this CSR responsibility does not prevent unethical and irresponsible conduct such as highlighted in the case of VW, at least there is a recognition that there is an incongruence between the CSR intent and the actual conduct of the company. This provides a good entry point to engage business leaders and business units in a new approach to responsibility. I therefore consider relational responsibility a suitable concept and process to help facilitate the expansion of business responsibility using CSR responsibility as a starting point to go beyond CSR. I position the ethics of relational responsibility in the far top corner of the heuristic/relational quadrant in Figure 11 as this ethical theory seems to rely on the foundation of an interdependent worldview.

1.15 Ethics of relational responsibility in business

Considering the VW emissions falsification scandal once again in the context of relational responsibility, highlights how the company applied an individualist approach by assigning blame to the CEO and numerous other senior managers. The agency of these individuals was blamed for the installation of 'defeat devices' in 11 million diesel vehicles between 2009 and 2015, deceiving consumers and authorities. The responsibility was assigned to those individuals and because their decisions were revealed and the company reputation was severely damaged, they lost their jobs.

However, the company's processes and approach to responsibility and their internal and external relationships has not transformed or expanded. Those with decision making power still carry the isolated task of making good decisions based on the individualist approach.

If a relational responsibility process was to be introduced to explore responsibility at the four levels suggested by McNamee & Gergen (1999), co-created decisions would no doubt emerge. Those decisions and resulting actions would take into account the far-reaching impacts that the 'defeat devices' had on increasing greenhouse gas emissions since the vehicles would release up to 25 times more nitrogen oxide (NOx) into the atmosphere than allowed by regulation (Holland et al. 2016). They would also consider the resulting respiratory problems that cause thousands of premature deaths in the countries where these vehicles are being driven (Chossiere et al. 2017). The VW company, instead of sacking the former CEO Martin Winterkorn, could have tasked him with the job of leading a relational responsibility dialogue process to understand the causes and effects of the decision to install 'defeat devices' and to build a relational responsibility ethic that transforms company decision making processes. Instead of assigning blame to particular individuals, the process could have led to a transformational learning experience for the individuals and the organisation.

This case demonstrates the limitation of the individualist ideology that focuses the burden of making good and right decisions on the individual, relying on their good character, integrity, knowledge of rules, laws and expectations and their sense of care for others. The context in which these individuals make decisions was ignored and became irrelevant to the company's response. By contrast, the process of co-designing and co-creating relational responsibility would foster a level of systems relatedness where *"there are no outward events… to which we have not all made a contribution whether by our language, actions or physical existence"* (McNamee & Gergen, 1999, p.17).

Business decision-making based on an ethics of relational responsibility would therefore shape a radically different approach. This approach as described by Verbos et al. (2015) suggests that business would by necessity look beyond its own self-interest:

> *In a relational ethic grounded in an explicit recognition of the necessary connectedness of all life, the corporation would have a much less dominant place. The legitimate actions of corporations would be determined by, embedded in, and accountable to the environment and people affected by such actions* (Verbos et al. 2015, p.30).

While this approach appears similar to stakeholder theory, it is based on a new conception of businesses which does not view them as independent entities or 'selves' that relate to the 'other'. Instead, a business is seen as being imbued with an ethics of relational responsibility, in which it considers itself as part of a process of creating value for society where responsibility for decisions and actions is co-created. This seems an outrageous proposition given the current culture of the free market economic system where businesses consider themselves independent actors with control over their own and others' behaviours and actions. An ethics of relational responsibility questions this entrenched assumption and provides a radically different view of the world. As McNamee & Gergen (1999, p.170) suggest, *"relational theory can be best expressed in the practice of change",* which would requires a fundamental shift in the dominant narrative in businesses and the economy. The analysis of the conversations with Bhutanese and international business leaders in this study is therefore sensitive to discovering where such a shift may already be manifesting in the practices described by McNamee & Gergen (1999):

> *Relational responsibility is a difficult concept to appreciate. It involves an ethics of speaking, ethics of listening, and an ethics of acting with one another. It is especially difficult to 'do' it. It involves an appreciative practice. When you can reach the point of doing it, when it becomes part of you, it can then become a very effective guide for inquiry, understanding, inventing possible changes, and acting in any relationship. With relational responsibility as a guiding practice, the world of relationships changes* (McNamee & Gergen, 1999, p.170).

Gergen (2009) suggests that the experience of reality through the lens of relational responsibility resembles that of being at a confluence of a vast pool of past causes and effects coming together in an emergent moment. This may seem a mind-bending concept that is challenging to comprehend, let alone to apply in business. The process of functioning in a relationally responsible way in business requires the ability to deal with high levels of uncertainty and complexity. It also requires the skill of balancing a generative and collaborative process with expected business outcomes. In short, relational responsibility expects more from business leaders, requiring them to evolve their own levels of relational intelligence and work with their stakeholders to learn and practice relational responsibility. Gergen (2009, p.58) suggests:

> *If we wish to generate more promising futures, the major challenge is that of collaboratively creating new conditions of confluence.*

The SDGs provide the perfect opportunity for creating these new conditions of confluence if they can be seen in a relational responsibility context, rather than as a list of individual goals with specific metrics to achieve. The SDGs and the ethics of relational responsibility set high expectations for businesses and their leaders and is nothing less than is required at this time in the socio-ecological global context. Gergen (2009, p.xv) concludes:

> *The future well-being of the planet depends significantly on the extent to which we can nourish and protect not individuals, or even groups, but the generative process of relating.*

1.16 Buddhist ethics

Buddhist ethics are relevant in this study as they provide a backdrop to the findings from the interviews in Bhutan, which are presented in Part D of this thesis. Most of the Western literature applies a Western Christian lens to Buddhist ethics and therefore often associates Buddhist ethics with virtue ethics (Whitehill 2000) or utilitarian ethics (Kalupahana 1976). Western scholars who study Buddhist scriptures often perceive them as providing prescriptive rules for cultivating good virtues and characteristics (Keown 1992; Whitehill 2000). Buddhist teachings are therefore often portrayed as offering objective foundations for ethical decision-making, or in other words a form of 'moral realism' (Keown 2000, p.3).

The application of traditional Buddhist morality to modern challenges has mostly been linked to two ethical frameworks (Prebish 2000):

a) from the Theravada tradition, the four *brahmavihāras* (love, compassion, sympathetic joy and equanimity)

b) from the Mahāyāna tradtition, the six, sometimes ten, *pāramitās* (generosity, morality, patience, courage, meditation, insight (wisdom), skilful means, humility (surrender), strength, pure awareness (Keown 2000).

Furthermore, the traditional Buddhist ethical rules appear in two specific forms in the scriptures. One is the five precepts (*sīla)* for lay practitioners, which comprise an internally enforced ethical framework. Also known as the five virtues, they are: refraining from harming others, refraining from stealing, refraining from lying, moderation of sense pleasures and refraining from intoxication. The five precepts (*sīla)* represent the core of normative Buddhist morality. Morality or *sīla* is one of the three main elements of the eightfold path to ultimate happiness or *nirvana*. The other two parts are meditation (*samādhi*) and wisdom (*prajñā*) (Prebish 2000). The other set of ethical rules less relevant to this study relate to the monastic code or Vinaya, which guides the right functioning of a monastic community and provides an externally enforced ethical framework (Prebish 2000).

Although environmental and ecological concerns are not explicitly part of Buddhist ethics, as they were not a concern at the time of the Buddha, Keown (2000) suggests that an essential aspect of Buddhist teachings is the concept of '*extended kinship'* among all spheres of life, including animals, humans and the divine. The practice of loving-kindness (*mettā*) as a way to extend compassion to all sentient beings has therefore been described as a way to strengthen the bond and care for relationships within the broader system. On the other hand, the notion of eco-Buddhism popularised in the West seems a romanticised and nostalgic vision of South East Asian Buddhism that acknowledges the ability for all living and inanimate objects to contain a seed of enlightenment (Harris, 2000).

While rules or moral precepts do exist as guides, there is also an understanding that there are circumstances in which rules may not be useful or appropriate. In practice, there is also a provision that these moral precepts can be broken in certain situations, drawing on the doctrine of 'skilful means' *upāya-kauśalya*. Skilful means can only be applied to decision-making if the motivation of the decision-maker is compassion, or the impulse to perform an altruistic act such as saving another from committing an immoral action (Keown 2005).

The concept of 'skilful means', *upāya-kauśalya,* is particularly linked to the Mahāyāna lineage of Buddhism. This lineage is prevalent in Bhutan and therefore a very relevant concept in relation to Gross National Happiness and this study. Skilful means is a tool sanctioned for highly accomplished Buddhist practitioners *(bodhisattvas)* who dedicate their lives to helping others out of deliberate compassion instead of involuntary empathy. This approach provides a useful distinction that is not found in any of the Western ethical theories except for the Christian utilitarian hybrid of 'situation ethics' proposed by Joseph Fletcher (1966). Situation ethics makes a similar concession that, depending on circumstances, prescribed normative rules may be contravened if motivated by love and good intentions (Keown 2000, p.5). Both situation ethics and *upāya-kauśalya* prioritise outcomes over rigidly following set rules and norms if actions are motivated by love and compassion (Keown, 2005). In situation ethics, love is considered the only intrinsic good, and nothing else is considered universally good or bad (Allsopp, 1990). Hence, according to situation ethics, maximising love in the world is seen as the only standard for right and wrong (Keown, 2005).

I suggest that the Buddhist concept of skilful means overlaps with virtue ethics, ethics of care, situation ethics and ethics of relational responsibility as they all focus on the intention or motivation that drives an action rather than relying on set principles or specific decision-making methodologies. I am basing this stance on the recognition that 'skilful means' prioritises the most beneficial outcomes when they are coupled with compassion rather than adherence to a set of precepts (Keown, 2005). The intention or *cetan*ā of an action inspired by 'skilful means' therefore becomes the most important standard for determining right and wrong in Buddhist ethics.

In a business context Buddhist ethics are based on the individual's sense of responsibility and intention to do good. Like postmodern and care ethics, Buddhist ethics could be criticised for being too subjective for application in a business context. However, what differentiates the Buddhist concept of 'skilful means' is its structured and deliberate approach to training mental skills that can turn reactive empathy, fuelled by subjective emotions, into proactively generated compassion and care that is motivated by the highest and most mature human values that are beyond emotional turbulence.

My observations while living in Bhutan for nine years gave me some insights into a culture where people see a person's intentions as the ultimate indicator of their ethics. The cultural and spiritual practices in Bhutan, which strongly emphasise self-discipline, relationships with others and awareness of motivations, seem to be more visible and tangible in everyday life than the practice of the five precepts as hard and fast rules.

One other relevant concept from Buddhist ethics relates to the Eightfold Path, which is the path of cultivation for becoming the most mature and evolved human being possible. In particular, the fifth step on the Eightfold Path is concerned with 'right livelihood' and stipulates that earning a living should bring no harm to others (neither humans nor animals) and that the chosen profession should be commendable (Tideman, 2004). This step on the cultivation path provides the opportunity, through daily work and earning a living, to practise the best possible conduct that contributes to societal happiness. 'Right livelihood' creates peace and stability of mind, which establish the foundation to further progress on the Eightfold Path and the cultivation of mental capacity.

A contemporary approach to Buddhist ethics was proposed by HH the Dalai Lama in his book *Ancient wisdom modern world: Ethics for a new millennium* (Gyatso 1999). The Dalai Lama is the spiritual head of the Gelugpa school of Tibetan (Vajrayana) Buddhism, one of four Mayahana lineages. He suggests that ethics in the 21st century need to be decoupled from religious and rules-based constructs, and that instead they need to be based on the common human condition of the quest for happiness. From a Buddhist perspective, the pursuit of happiness can begin when someone fully accepts the inevitable fact that life is followed by death. One of the earliest didactic tools developed by the Buddha was the 'wheel of life' which he used to teach lay people about the cycle of life and death as the foundation of ethical and moral conduct in everyday life (Keown & Prebish, 2013).

To the Western mind, the direct engagement with death as part of life seems a confronting proposition, but in Buddhist philosophy this is the foundational worldview. The Western worldview is based on the hope that we may somehow get away with avoiding death. The recognition that life ultimately has an unsatisfactory outcome is expressed in the Buddhist teachings as the first noble truth. This awareness of the inevitability of death is the starting point for the path laid out in Buddhist philosophy, which provides a method for cultivating a mind that accepts the reality of death. Western mindsets generally try to avoid or deny this fact and engage in the pursuit of happiness as a way to compensate and live in hope that we may be able somehow to cheat the system. A well-respected Bhutanese philosopher, academic and Director of the Centre for Bhutan Studies, Dasho Karma Ura, suggests that *"we have to be ready for the moment we cease to exist … [by thinking] of death for five minutes a day"* (quoted in Weiner, 2015). Despite the different starting points and ways to pursue happiness, the Dalai Lama (Gyatso, 1999, p.4) suggests the *"basic sameness as human beings"* is expressed in the human desire for happiness and avoidance of suffering.

The different starting points adopted by Eastern and Western mindsets in the pursuit of happiness lead to fundamentally different approaches to all aspects of life, including business. According to Western logic modern life is organised around independence, autonomy, personal self-reliance and maximising happiness for the individual as the ultimate goal. This worldview leads to an assumption that other people and relationships are irrelevant to our happiness, and that therefore others' happiness is irrelevant to us (Gyatso, 1999). The Dalai Lama concludes that this view is the source of todays' human problems like war, crime, violence, corruption, poverty and inequality. He suggests that these phenomena are caused by human behaviour based on the self-interested pursuit of happiness. In doing so he frames these societal issues as ethical problems and therefore as problems of worldview.

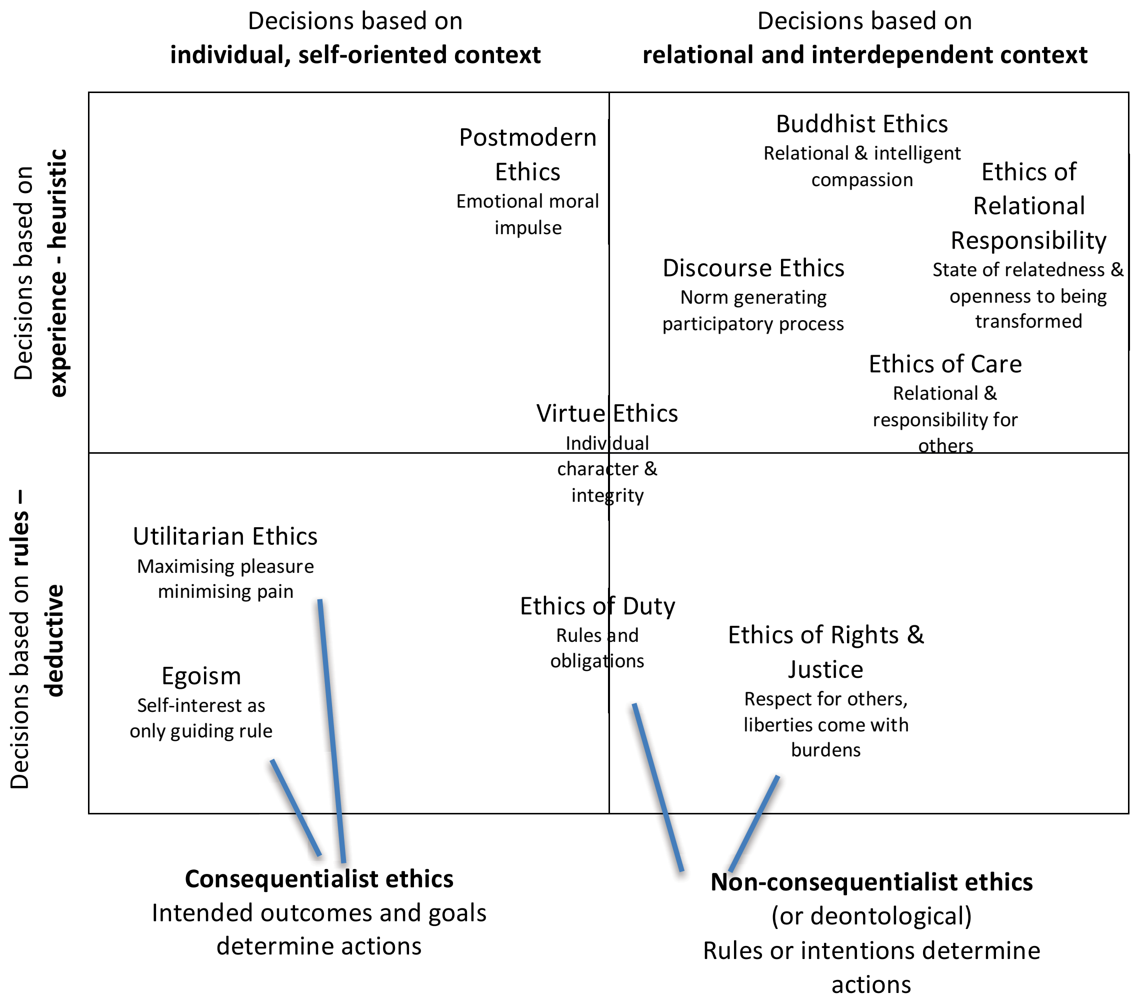
Buddhist philosophy proposes an entirely different view of reality that recognises isolated phenomena, experiences and interactions as never being able to constitute the entirety of reality. Instead, Buddhist philosophy proposes a view of reality called dependent origination, or dependent co-arising or mutual causality (Macy, 1991). This view of reality is further discussed in Part B, Section 3.2.1 and proposes an interdependent systems view of reality, where all phenomena are interconnected through non-linear causes and effects that create the conditions for further causes and effects to emerge. This view of reality is expressed in contemporary Western science in quantum physics, complexity science and systems thinking.

Buddhist ethics are therefore primarily about a view of reality rather than a set of rules or principles. According to Buddhist philosophy, this view can be cultivated through practices and methods which build wisdom and a state of mind that perceives and participates in reality in an interdependent, emergent and entirely agile and adaptive way. In this approach, ethical decision-making is concerned with the evolution of an individual's level of awareness. Decision-making is seen, not as the end goal but as an integral part of a larger system. Therefore, I position Buddhist ethics in the heuristic/relational quadrant in Figure 11 as ethical decisions are based on heuristics and an interdependent worldview.

1.17 Summary of business ethics

To summarise the ethical approaches covered in the previous sections, Figure 11 illustrates the position of 10 ethical theories in a matrix that locates them according to whether their approach to decision-making is based on rules or on experience, and whether they are based on an individual or relational approach.

Figure 11 - Ethical theories in context



Source: Compiled and adapted from various sources including Crane & Matten (2016), Hayborn (2011), Held (2006), Hursthouse (2013) and Engster & Hamington (2015)

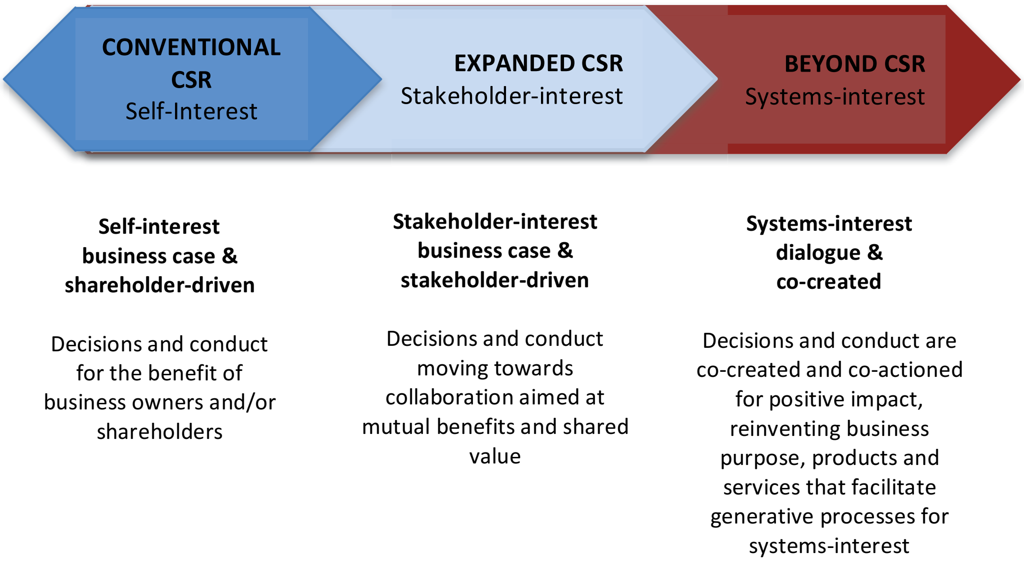
Most of the current approaches to business ethics are based on rules and procedural decision-making. They include egoism, utilitarianism, ethics of duty and ethics of rights and justice. These are the underlying ethical approaches that underpin 'conventional CSR' implementation based on a business case for CSR. The ethical approaches that base decision-making on experience and heuristics are less prevalent in a business context. The most interesting ones for this study include Buddhist ethics, ethics of relational responsibility and ethics of care. An understanding among businesses of these experiential, relational and emergent approaches to ethics has traditionally been lacking due to the dominant reductionist worldview that prevails in economics and business. However, developing an understanding of these relational ethical traditions is important for businesses that want to move towards a 'beyond CSR' approach.

1.18 Business and society summary

It is apparent from the literature review that in applying the concepts of business responsibility and ethics, the business sector today draws mostly on instrumental ethical theories that use rules, rights and the business case as justifications for decision-making. CSR theories that involve a broader sense of duty and obligation towards stakeholders and society, such as integrative and ethical theories that are based on doing the right thing for the common good, are emerging in business practices through the adoption of concepts such as 'shared value', 'net positive' and 'economy for the common good'. While these CSR theories increase the focus on relational responsibility, I question how much the underlying worldviews and ethical frameworks have shifted from the rational reductionist thinking that is deeply embedded in global business and trade relations today.

Relational and holistic ethical theories such as care ethics, Buddhist ethics and ethics of relational responsibility require longer timescales and deeper engagement with stakeholders that is centred on societal and planetary wellbeing. They do not seem to fit with the instrumental CSR approaches implemented in 'conventional CSR' companies such as VW or Lehman Brothers and other examples mentioned in the introduction to this thesis. Political, integrative and ethical approaches to CSR (Garriga & Melé 2014) adopt an expanded sense of responsibility, and they operate within a larger societal and environmental context. However, these approaches to CSR seem mostly to be based on a particular worldview that positions business in a role of power. At best, the businesses involved aim to negotiate mutually beneficial outcomes with their stakeholders, and at worst they use their power to pursue self-interested goals. The underlying ontology and epistemology of these Western approaches to CSR are limited by their view of the world as controllable and predictable, and by their reliance on a linear understanding of cause and effect. This is increasingly problematic as we come to understand the complexities of the economic system within the socio-ecological system of the planet. Figure 12 synthesises the key concepts of 'conventional CSR' and 'beyond CSR' covered in this section of the literature review.

Figure 12 - Differentiation between conventional and beyond CSR



In summary, it is noteworthy that these vastly different approaches to ethical decision-making in the Western and Eastern traditions provide the backdrop to the findings from the international and Bhutanese interviews conducted for this study. One might expect that the international leaders interviewed in this study would mostly base their worldviews and business conduct on utilitarian ethics and ethics of rights and duties. At the same time, it would be reasonable to expect that the Bhutanese interviewees would base their worldviews and business conduct on Buddhist ethics. Part F of this thesis will reveal if these expectations are accurate.

The next section explores the philosophies of happiness literature in order to examine some of the underlying worldviews that motivate human behaviour. In particular, Eastern philosophies are contrasted with Western worldviews to identify motivators for human and therefore business behaviour.

2 The philosophies of happiness literature

The literature on happiness and how to live the most meaningful life possible is very closely related to the literature on ethical philosophies. In many ways, they are so intertwined that it is difficult to tease them apart. However, there has been a recent explosion in the field of happiness studies that informs much of the contemporary discourse on ethics and living a meaningful life.

The following sections explore the happiness and wellbeing literature from ancient and contemporary philosophers from Eastern and Western traditions. This section of the literature review specifically seeks to illuminate how the pursuit of happiness in different cultures and ages of history demonstrate vastly different worldviews. The final synthesis of the philosophies of happiness represents a major building block in this study. It is used as one of the lenses to make sense of the interview data in Parts D and E.

2.1 Introduction to happiness and wellbeing literature

This section outlines the reasons for exploring the happiness and wellbeing literature. It also outlines a selection of ancient and contemporary philosophies from East and West outlining conceptions of happiness and explores how these are used to give meaning in life.

Humanity has always looked to philosophy (De Botton, 2000) and to religion (Leifer 1997) for answers to explain human existence and how to find a satisfactory meaning in life (Capra, 2014). For many ancient and contemporary philosophers in the East and West, happiness is a by-product of a life lived with purpose and meaning.

Therefore, it is not surprising that the discourse on finding meaning in life through the pursuit of happiness is as old as humankind. Any attempt to summarise the history of the happiness discourse is therefore challenging, as it is *"not merely a history of [hu]mankind but also the history of ethical, philosophical and religious thought"* (Mumford Jones 1953, p.63). Even an entire thesis would barely do justice to the vast history of happiness discourse across the world, with its many rich and varied cultures from the earliest epochs of documented human history. Hayborn (2008) describes the paradigm of happiness from a philosophers perspective and suggests:

> *Philosophers like to wade in clear streams, not murky swamps…. Happiness is a paradigm of unclarity, the Mother of All Swamps… dealing with some of the most rich, complex, nebulous, diaphanous, fluid, and evanescent phenomena known to humankind* (Hayborn 2008, p. vii).

The field of happiness studies is explored in this thesis in order to understand the variety of approaches offered for pursuing happiness by selected philosophers from across the East and West. The happiness literature also provides profound insight into how different cultures and philosophies see causality and the 'self' or the person. This investigation highlights that different ontologies, epistemologies and cultures define happiness in very different ways, emphasising that happiness is in many ways a socially constructed concept. The literature review on happiness also serves to understand three common perceptions of how to achieve happiness summarised in Table 12 in Section 2.11.

Most of the contemporary research into the phenomenon of happiness has emerged from a wide range of disciplines including psychology, philosophy, economics and quantitative sociology. This research has mostly focused on the individual (micro) level or on the aggregated national (macro) level (Thin, 2014). It is interesting to note that qualitative sociology has made very little contribution to the happiness debate at the meso level which includes family, community and organisational institutions (Schuessler et al. 1985; Haller et al. 2006; Thin 2012; Thin 2014). This research study is aimed at the meso level and therefore addresses this particular research gap.

Another intention of investigating the happiness literature is to bring to the foreground the close link between deliberations about happiness and the discourse on the ethics and moral conduct of individuals. The link between happiness and ethical conduct is relevant for the remainder of this study.

To understand the link between happiness and ethics, it is essential to gain at least some understanding of the various interpretations and approaches taken in different cultures and philosophies to finding out how to live a meaningful life through the pursuit of happiness. This endeavour will help in exploring the concepts of happiness, satisfaction, contentment and a good life. This comparative process puts into perspective the 'Eastern' and 'Western' worldview of happiness and places it among other potential worldviews.

2.2 *Context of selected Eastern and Western conceptions of happiness*

While it would be an important task to conduct a comparative meta-analysis of the evolution of concepts such as 'the meaning of happiness' and 'living a fulfilled life' across all ancient cultures, such a task is unfortunately beyond the scope of this thesis. Instead, I will focus on two lineages of thought, which I describe as 'Western' and 'Eastern' schools of thought. The term 'Western' describes philosophies of European origin starting with the Ancient Greeks. The term 'Eastern' refers to the non-European schools of thought originating in the Vedic philosophies of India and the Sinitic philosophies in China.

Both of these terms (Eastern and Western) may be misleading in that they give the impression of homogenous traditions with clear-cut contrasts and boundaries between East and West (Harrison 2013). In reality both 'Eastern' and 'Western' thinking are diverse and influenced by geography, culture, politics and religious systems. The main difference between them is that 'Western' philosophy has its roots in the Ancient Greek thinkers, whereas 'Eastern' philosophies have no common root or philosophical heritage (Harrison 2013).

Despite these terms being simplistic generalisations, which some readers may find offensive, they are used here to describe the geographic origins of philosophical discourses on happiness. Also there is a vast pool of indigenous wisdom from the pre-colonised American, African and Oceanic regions that is unfortunately not included in this brief overview of philosophies of happiness and the search for meaning in life. Furthermore, Islamic philosophy is also not included in this overview, although it would have provided an interesting perspective as it has the same Hellenic roots as the 'Western' philosophies.

It is important to highlight here that this is not an attempt at providing a comprehensive overview of the philosophy of religions or comparative philosophy, and in no way does it attempt to define a global notion of happiness. The pitfalls of choosing a small number of philosophical traditions to compare include oversimplification, presentation of stark contrasts and illicit assimilations (Wong 2014). However, the intention here is to encourage a reflective process of questioning my own entrenched paradigms and assumptions, and hopefully to inspire my readers to do so as well.

I am using this literature review on happiness from different philosophical traditions to create a framework for understanding approaches offered throughout history for pursuing happiness. Furthermore, the purpose of this brief compilation is to contextualise current findings and debates in contemporary 'Western' happiness research. It also highlights that the approaches to pursuing happiness cannot be divided into 'Eastern' and 'Western' views, because there are some similarities as well as differences but they offer an outline of conceptions of the 'field of happiness'.

The main questions that philosophers have been trying to answer for millennia include:

1. Is the purpose of human existence to find happiness?
2. What is the meaning of life?
3. Will happiness result in meaning in life?

4. How can happiness be defined and how is it different from wellbeing?
5. Is happiness a state of mind or a sensation of the body?
6. Is happiness related to our conduct and our values?
7. How desirable is happiness and is it an appropriate motivator in all areas of life?
8. Is happiness a collective or an individual pursuit?
9. What are the determinants of happiness?
10. How can happiness be increased or improved?
11. How much motivation and agency do we have in improving our happiness?
12. How can we observe and measure the experience of happiness?
13. Is the purpose of human existence to ensure the happiness of all living beings on earth?

Two additional questions currently still requiring more attention in the happiness studies today are:

14. Do different cultures and languages define happiness differently and if so, how?
15. Does the desire for different types of happiness vary across cultures?

The following sections will touch on some of these questions from the 'Eastern' and 'Western' philosophical perspectives.

Finally, another purpose of this section of the literature review is to unpack the many layers and concepts that are rolled up in the terms happiness and wellbeing. Rather than consolidating them in an attempt to define each concept, the intention is to show the vast spectrum of meanings that happiness and wellbeing have acquired in different cultures over the last 2,500 years. My hope is that this approach will illuminate the differences that exist when people speak of happiness, and that it will provide a rich insight into how approaches to achieving happiness originate from vastly different worldviews.

2.3 *Scope of this section of the literature review*

Documented human history started around 4,000 BCE. During the period from 600 to 200 BCE, in both the 'Eastern' and 'Western' regions of the world, there was an explosion of debate and literature on how to achieve happiness and how to live a fulfilled life. The following sections describe the scope of the Eastern and Western perspectives that I consider for this thesis. The reason for delineating them as I have is purely to distil in the later sections of this thesis, a 'field' from 'Eastern' and 'Western' perspectives about the purpose of happiness, its definitions, conditions and causes.

Eastern philosophies have always been intertwined with local religious thought but have also distinct not monotheistic traditions (Wilkinson 2008; Griffiths 2005) where the existence of a God is not essential or necessary (Zaehner, 1996). It is therefore sometimes difficult to separate the philosophical from the religious components. I am primarily considering the philosophical aspects of 'the meaning of life' and 'happiness' and to a lesser extent the religious aspects such as worship rituals and perceptions of deities, which are often the manifestations of various aspects of one person (such as Buddha). The differentiation between philosophical and religious aspects may seem artificial but helps to delineate the scope of this section of the literature review.

Most philosophical innovations and religions emerged as a response to a crisis in societal life and functioning, and aimed to answer the key problem of human and societal cohesion and coherence (Smith, 1991). This is evident from the concurrent emergence of many philosophers in the East and West during the period from 500 to 200 BCE who pioneered new ways of thinking. As shown in Table 3, the years around 500 BCE were a major turning point in world history. In Western history, the late Bronze Age and Iron Age concluded around 500 BCE when the period of the ancient Greeks began. Similarly, in Eastern history, the late Vedic era in India concluded in approximately 500 BCE, and a period of great turmoil described as the Warring States period in China began ca. 600 BCE. Others have described this period of history, with the seemingly concurrent emergence of new ways of thinking in the East and West, as the 'Axial Age' (Jaspers, 1949 & 2011), or as the 'Great Leap of Being' (Voeglin, 2000). Although these descriptions are contested, they highlight that there were changes in the traditions and living conditions of many unconnected societies and cultures across the world that triggered new ways of thinking. As Smith (1991, p. 163) put it:

> *When tradition is no longer adequate to hold society together, human life faces the gravest crisis it has encountered. It is a crisis the modern world should have no difficulty in understanding for in recent years it has returned to haunt humanity in an acute form.*

A similar phenomenon may be the reason for the recent 'happiness turn' as Ahmed (2007) calls it – the emergence of happiness studies as an academic field in its own right, an entire 'happiness industry' manifested in a large range of self-help books, happiness formulas and brands, wellbeing policies and a plethora of happiness measurements.

Table 3 below is a summary of the historic time periods and some of the Eastern and Western philosophies and philosophers who discussed happiness. Not all of them are discussed in this review. Among the Eastern philosophies on happiness and leading a meaningful life, I am drawing on Hinduism, Carvaka/ Lokayata, Buddhism, Taoism and Confucianism. Most of the information in this section was sourced from Smith (1991), Leaman (2000), Harrison (2013) and Joshanloo (2013).

Among the Western schools of thought which explore happiness and the meaning of life, I draw in particular on the ancient Greeks (Socrates, Plato, Aristotle and Epicurus), and then jump ahead to Christianity during the age of Thomas Aquinas. I also refer to the age of Enlightenment, particularly in relation to utilitarianism and Jeremy Bentham, and then to contemporary Western happiness studies. The information compiled on Western philosophical thought on happiness and living a meaningful life was sourced mostly from Russell (1957), McMahon (2006), Kesebir & Diener (2008), Götz (2010), Chittister (2011), Rabbas et al. (2015) and Bok (2010).

A broad spectrum of views can be seen in this selection of philosophers and philosophies, which is the intention of this section of the literature review. Table 3 identifies the historic epochs and relevant thinkers and philosophers, however only a few of them are described in detail in the following sections.

Table 3 - Historic periods and some Eastern and Western philosophers engaged in happiness and meaning of life discourse

Time period	Western discourse on the meaning of life and happiness	Eastern discourse on the meaning of life and happiness
1,500 – 500 BCE	***Late Bronze Age & Iron Age*** • Judaism (ca. 600 BCE)	***Late Vedic Period in India (1500 – 500 BCE)*** • Hinduism • Buddhism: Siddhartha Gautama 'Buddha' (ca. 552–483 BCE) • Carvaka (ca 600 BCE) Indian philosophical tradition. ***Late Eastern Zhou Dynasty and Warring State Period in China*** *(ca. 600–221 BCE)* • Taoism: Lao Tzu (ca. 604–531 BCE) Confucianism: Confucius (ca. 551–479 BCE)
500 BCE – 500 CE	***Ancient Greeks (500 – 146 BCE)*** • Heraclitus (ca. 500 BCE) • Socrates (ca. 469–399 BCE) • Aristotle (384–322 BCE) • Epicurus (341–271 BCE) ***Ancient Rome (753 BCE – 476 CE)*** • Seneca (60 BCE) Stoicism • Cicero (106–43 BCE)	***Late Eastern Zhou Dynasty and Warring State Period in China*** *(ca. 600 - 221 BCE)* • Taoism: Chuang Tzu (ca. 370–287 BCE) • Confucianism: Mencius (372–289 BC) ***Classical period in India (320 – 650 CE)*** • Yoga: Patanjali (ca. between 250 and 400 CE)

500 – 1,300 CE	***Middle Ages*** • Boethius (600 CE) – happiness is God-given • Thomas Aquinas (ca. 1225–1274 CE) – integrated Aristotle's philosophy into theology	***Islamic Golden Age (800 – 1300 CE)*** • Lokayata – revival of Carvaka's philosophy in India (ca. 500–600 CE) • Sufism: (ca. 900 CE) ***Tang Dynasty China (ca. 618–906 CE)*** • Neo-Confucianism (emerged ca. 700 CE) ***Song Dynasty China (ca. 960 – 1279 CE)*** • Zhang Zai (1020–1077 CE)
1,300 – 1,850 CE	***Renaissance (1300–1700 CE)*** • John Locke (1690) – increase pleasure, diminish pain use it to judge good from bad ***Enlightenment (1700 –1800 CE)*** ***Utilitarians*** *(hedonists central claim – all and only pleasure bears intrinsic value)* • Bentham (1748 – 1832) • John Stuart Mill (1806 – 1873)	***Late Ming early Qing Dynasty*** • Neo-Confucian Wang Fuzhi (1619–1692 CE)
1,850 – 1950 CE	***Industrial Revolution (1800 –1950 CE)***	
1950 – present	***Contemporary history (1950 –present)*** • Richard Easterlin • Ed Diener • Daniel Kahneman • Mathieu Ricard • Mihaly Csikszentmihalyi • Martin Seligman	

2.4 *How desirable is happiness – Is it the purpose of life for everyone?*

There are vast differences across cultures and periods of history in ways of approaching the purpose and meaning in life. This has resulted in a wide variety of approaches to happiness. There are no clear-cut Eastern or Western approaches to achieving happiness, or even any agreement as to the desirability of happiness. Of course, how desirable happiness is considered to be will depend on the definition one uses, and there are many definitions. At best, many of the dictionary definitions in Western languages are inconclusive. They describe the state of happiness as an emotion, a state of mind or a feeling. At worst these dictionary definitions appear to be vague, and of limited use for explaining what contributes to the experience of happiness. Section 2.8 outlines some of the main ways happiness is understood in various contemporary scholarly disciplines, and offers more nuanced ways for understanding the overlapping terms of happiness, wellbeing, contentment and meaningful life.

Below are a number of definitions of happiness from a variety of English-language dictionaries:

Sourced from Merriam Webster online dictionary (2016)

a) a state of wellbeing and contentment: joy
b) a pleasurable or satisfying experience.

From online Oxford Dictionaries (2016)

a) The state of being happy, which is defined as feeling or showing pleasure or contentment.

Lomas (2016) highlights that the English language may be limited in the range of terms it uses to describe positive emotional states and wellbeing. He suggests that there are some 216 terms from other languages untranslatable into English, which describe wellbeing and happiness in three distinct categories:

a) as complex positive **feelings**
b) as intimate **relationships** and prosocial behaviour
c) as **character** traits, resilience and spirituality.

Apart from variations in the terms used to describe states of happiness and wellbeing across cultures and ages, there have also been a wide range of views as to how to pursue happiness. The two extremes ends of the spectrum are the direct approach with happiness as a goal, and the indirect approach with happiness as a reward. These are best characterised by the following quotes from Mill (2004) and McMahon (2006):

Goal:

> *Perhaps happiness is, was and ever shall be the ultimate human end in every time and place* (McMahon, 2006, pxiii).

Reward:

> *Those only are happy who have their minds fixed on some object other than their own happiness* (Mill, 2004, p. 100)

One of the key assumptions made in investigating the various philosophies is that in their attempt to make sense of human existence, they offer theories of life and practices that are intended to lead to peace of mind and lasting contentment. Ultimately they aim to provide the basis for experiencing happiness or fulfilment in this life. Many philosophers and thinkers from the 'East' and 'West' have deliberated about happiness and the meaning of life. Table 4 presents a selection of quotes drawn from key sources such as McMahon (2006), Bok (2010), Ricard (2006) and Ricard (2015) and others. They demonstrate a wide variety of perspectives on different types of happiness, how important it is or is not, how to achieve or cultivate it and how it is linked to morality. Great variations between cultures and time periods provide a kaleidoscope of views.

Table 4 - Selection of quotes from Eastern and Western philosophers on happiness and the meaning of life

Quotes from Eastern philosophers	Quotes from Western philosophers
As soon as the way is expressed in a creative act, it has a name. When it once has that name, men can know how to come to equilibrium, they can be free from risk of failure and error. Lao Tzu ca. 604–531 BCE (Tzu 1934)	*What being is there who does not desire happiness? … since we all of us desire happiness, how can we be happy? – that is the next question* Plato ca. 428 -347 BCE quoting Socrates (McMahon 2006, p.25)
When there are no stirrings of pleasure, anger, sorrow, or joy, the mind may be said to be in a state of equilibrium … Let the states of equilibrium and harmony exist in perfection, and a happy order will prevail throughout the heavens and earth, and all things will be nourished and flourish. Confucius ca. 551–479 BCE (Legge 1861, p.243)	*Happiness is the highest good, being a realization and perfect practice of virtue, which some can attain, while others have little or none of it.* Aristotle ca. 384-322 BCE (Aristotle 2012, p.xiii)
The only end of man is enjoyment produced by sensual pleasures. Nor may you say that such cannot be called the end of man as they are always mixed with some kind of pain, because it is our wisdom to enjoy the pure pleasure as far as we can, and to avoid the pain which inevitably accompanies it. Charvaka ca. 600 BCE (Acharya 1882 p.3)	*One must practice the things that produce happiness, since if that is present we have everything and if it is absent we do everything in order to have it.* Epicurus ca. 341 – 271 BCE (Ricard 2006, p.26)
Is there such a thing as supreme happiness in the world or isn't there? Is there some way to keep yourself alive or isn't there? What to do, what to rely on, what to avoid, what to stick by, what to follow, what to leave alone, what to find happiness in, what to hate? Chuang Tzu ca. 370–287 BCE (Watson 1968, p.190)	*God alone constitutes man's happiness.* Thomas Aquinas ca. 1225–1274 CE (French 2013, p.145)

To fully apply one's heart is to understand one's nature. If one understands one's nature, then one understands heaven. Mencius 372–289 BCE (Harrison 2013, p. 121)	*Morality is not properly the doctrine of how we may make ourselves happy, but how we may make ourselves worthy of happiness.* Immanuel Kant, 1724–1804 (Kant & Abbott 2004, p.105)
An exertion should be made to understand 'This is suffering'…because this is beneficial, relevant to the fundamentals of the spiritual life, and leads to disenchantment, to dispassion, to cessation, to peace, to direct knowledge, to enlightenment, to Nibbana [nirvana]. Buddha ca. 500 BCE (Bodhi 2005, p.360)	*It is the greatest happiness of the greatest number that is the measure of right and wrong.* Jeremy Bentham 1748-1832 (Bentham 1776, p.ii)
All the joy the world contains *Has come through wishing happiness for others.* *All the misery the world contains* *Has come through wanting pleasure for oneself.* Shantideva (9th century teacher) (Shantideva 2006, P.19)	*I never, indeed wavered in the conviction that happiness is the test of all rules of conduct and the end of life. But now thought that this end was only to be attained by not making it the direct end.* John Stuart Mill, 1806–1873 (McMahon 2006, p347-348)
A person of humanity (ren) is simply one without selfish desires. Whang Zhui, 1619–1692 CE (Lui 2012, p.106)	*If we were to ask the question: 'What is human life's chief concern?' one of the answers we should receive would be: 'It is happiness… How to gain, how to keep, how to recover happiness, is in fact for most men at all times the secret motive of all they do, and of all they are willing to endure.* William James, 1842–1910 (James 1903, p.78)
The nature of man is such that he craves for eternal or permanent happiness. But the things from which he hopes to derive such happiness are themselves impermanent. Happiness or satisfaction derived from	*Striving to find meaning in one's life is the primary motivational force in man. That is why I speak of 'will to meaning' in contrast to the 'will to pleasure', … as well as in contrast to the 'will to power'.*

*impermanent or ephemeral things would surely be temporary and therefore fall short of his expectation, that is, permanent happiness. Hence his suffering. (*Kalupahana,1976, p.37)	Viktor Frankl 1905–1997 (Frankl 1992, p.104)
If our ambition expresses itself in terms of worldly pursuits, at first we search for happiness, but then we begin to enjoy the struggle toward happiness as well and we begin to relax into our struggle. Chögyam Trungpa, 1939 -1987 (Trungpa, 1973, p. 27)	*Happiness, cannot be pursued; it must ensue, and it only does so as the unintended side-effect of one's dedication to a cause greater than oneself or as the by-product of one's surrender to a person other than oneself. Happiness must happen… you have to let it happen by not caring about it.* Viktor Frankl 1905–1997 (Frankl 1992, p.12)
The effort to secure our happiness, to maintain ourselves in relation to something else, is the process of ego. Chögyam Trungpa, 1939 -1987 (Trungpa, 2010, p. 18)	*Human life will never be understood unless its highest aspirations are taken into account. Growth, self-actualization, the striving toward health, the quest for identity and autonomy, the yearning for excellence (and other ways of phrasing the striving "upward") must by now be accepted beyond question as a widespread and perhaps universal human tendency.* (Maslow 1954, pp.xii-xiii)
The logical reasoning mind is always geared toward the creation of happiness. (Choegyam Trungpa, 1999, p. 29)	*It is by being fully involved with every detail of our lives, whether good or bad, that we find happiness, not by trying to look for it directly.* (Csikszentmihalyi 2013, p.2)
True happiness relates more to the mind and heart. Happiness that depends mainly on physical pleasure is unstable; one day it's there, the next day it may not be. The 14th Dalai Lama (Lama, 2010, p.28)	*A meaningful life is one that joins with something larger than we are – and the larger that something is, the more meaning our lives have.* (Seligman 2002, p. 260)

There is no way to happiness; happiness is the way. Thich Nhat Hanh (Hanh 2010, p.41)	*One important caveat to the evidence which suggests that high well-being causes better functioning at the individual and societal levels is that it is not necessary for people to be euphorically happy all of the time in order to achieve a better life … while it is important to recognize the benefits of high subjective well-being for individuals and societies, it is a mistake to think that constant euphoria is a desired outcome.* (Diener et al. 2009, p.393)

It is safe to say that the topic of happiness has occupied many thinkers and fuelled much debate in the last 2,500 years. However, whether the pursuit of happiness is the purpose of life for everyone depends on which underlying worldview and definition is used out of the many that can be found in different cultures and languages.

2.5 *Is happiness enough?*

The question that is often asked at this point is whether the pursuit of happiness is enough for a fulfilled and meaningful life. There has been increasing scepticism and somewhat of a backlash in popular opinion in the Western media since around 2005, particularly in the USA, about the pressure that people feel to be productive and happy all the time. There are those who question the assumption that all human beings desire happiness (Duncan 2007).

Researchers started only fairly recently to explore how people value happiness and its outcomes. Significant variations have been found in how people experience and value emotions in different cultures. It was found that individualistic cultures like the US and Australia highly value positive emotions more than people in collectivist cultures such as China and Taiwan who assign little value to positive emotions (Eid & Diener, 2001). On the other hand, much recent research has shown the benefits of happiness (see also Section 2.8.4) particularly for health and physical wellbeing, which may be one of the reasons why happiness is highly valued by individualistic cultures (Diener 2000; Myers 1983; Eid & Diener 2001). Collectivist cultures like Bhutan see the purpose of human existence to ensure the happiness and wellbeing of all living beings on earth and therefore value happiness from a very different worldview (NDP 2013).

Some researchers have observed the obsession with happiness in individualist societies in recent decades and found a fascinating paradox with far-reaching implications (Mauss et al. 2011). Although the pursuit of happiness is considered by most individualist societies to be the most basic and rational endeavour, studies have found that valuing happiness can have the opposite effect and plunge people into unhappiness and even depression (Mauss et al. 2011).

Another concept that has entered the happiness debate and adds another dimension is the 'purpose and meaning in life' concept, which was found to greatly contribute towards the experience of happiness as an emotion (Ryff 1989). A person with a sense of purpose in life is *"[some]one who functions positively, has goals, intentions and a sense of direction, all of which contribute to the feeling that life is meaningful"* (Ryff 1989, p. 1071).

As discussed later in Part B, Section 2.8.4, recent research has found that positive emotions (affect) and overall life satisfaction are not enough to provide a holistic picture of what makes life worth living. Wong (2012) proposes a dual-systems model to account for meaning in life by bridging the two most widely recognised psychological models. These are, firstly, the existential psychological models that have traditionally focused on learning to manage the 'darker' side of human nature, and secondly the positive psychology model that focuses on net positive experiences and emotions as the indicators of a worthwhile life (Wong 2012). Wong's model suggests that meaning and satisfaction can be gained even from negative situations if one has the ability to manage both negative and positive life situations optimally.

It appears, therefore, that there is no simple answer to the question of whether happiness is enough. It all seems to depend on how happiness is defined and from which worldview.

The following sections take an abbreviated tour of Eastern and Western philosophies of happiness, making big jumps in time periods in order to highlight some of the key ideas that are relevant to this study.

2.6 *Eastern philosophies on happiness*

Table 3 above outlines the scope of the Eastern philosophies I am covering in this literature review. For the purposes of this thesis I consider the 'Eastern' perspective of happiness discourse as commencing from the late Vedic period in India and the Warring States period in China, roughly between 600 and 200 BCE. Although there is evidence of oral traditions transmitting Vedic teachings on living a good life from as early as 3000 BCE (Muniapan & Satpathy 2013), it was during these historic periods that some of the world's most persistent Eastern philosophies took shape in the form of Hinduism, Buddhism, Taoism and Confucianism.

It is interesting to note that the 'Eastern' philosophies found in ancient China and India are not monotheistic, with the exception of some Hindu schools of thought (Robinson 1992). Although Hinduism and Buddhism have many deities and devotional practices, those deities often represent manifestations of various states of mind experienced by one person (such as the Buddha) or an impersonal highest reality (such as divine power of *Brahman*). The delineation between the philosophies and their religious practices and rituals may appear as inextricably fused. However, they are often outlined in separate scriptures suggesting that

Eastern traditions such as Buddhism offers a philosophy of life separate from any religious institutions and practices.

Table 5 - Happiness-related words in Sanskrit, Dzongkha and Madarin

Etymology of happiness in various Eastern Languages	Meaning
Sanskrit: *sukha*	1) Happiness, joy, enjoyment, pleasure 2) Ease, comfort
Sanskrit: *bhoga*	1) Leading an enjoyable life (eating, enjoying, consuming, sexual enjoyment) 2) Feeling or perception of pleasure or pain
Sanskrit: *ananda*	1) True happiness, bliss, joy as part of human nature (different from 'ordinary' happiness) 2) Sensual pleasure
Sanskrit: *mayas*	Delight, joy, happiness
Sanskrit: *bhadra*	1) welfare, prosperity 2) happiness, blessing
Dzongkha: *gawa* **From Tibetan** དགའ་སྐྱིད།	1) Happiness 2) Sunshine 3) Halcyon (peaceful, prosperous, joyful, carefree times)
Dzongha: *yid dga' ba'i ming* **From Tibetan** དགའ་སྤྲོ་	1) delight, gaiety, glad, glee, happy, joy, pleasure, happiness 2) joy [ful mind] and happiness 3) fascination, joy and inspiration, happiness. content, delightful; ex {ltad mo dga' spro} delightful spectacles
Mandarin: *xingfu* **From traditional Chinese** 幸福	1) Happiness 2) Good fortune, luck 3) Being pleased
Mandarin: *xiǎnglè zhǔyì*	Hedonism
Mandarin: *kuàilè* **From traditional Chinese 快樂**	Happiness, joy, cheerful, pleasure
Mandarin: *gāoxìng* **From traditional Chinese 高興**	Being happy, cheerful, pleased, glad, merry Delight, joy, rejoicing, pleasure

A brief overview of happiness-related terms in Sanskrit, Dzongkha and Madarin suggests that the nuances of good luck, happy feelings and pleasure are often rolled into the same words, and that these words have overlapping meaning with other words. Some of these terms also suggest that there is a hierarchy of forms of happiness. The terms here are mostly sourced from MacDonell (2004), Han Trainer Dictionary (2016), Götz (2010) and the Dzongkha Development Commission (2015).

These terms highlight that in the selected Eastern languages the terms describing a range of happiness-related concepts span a broad spectrum of human experience. The spectrum ranges from physical enjoyment to mental joy, to happiness granted by an external authority (such as a god) and spiritual experiences. This highlights the difficulty in defining happiness, not just in Western but also Eastern languages, and how definitions are often limited to emotional experiences rather than broader definitions such as meaning of life.

The following section provides a brief summary of the key points in the Hindu, Charvaka/Lokayata, Buddhist, Taoist and Confucian philosophies in relation to concepts of happiness as emotional experiences and how they explain the meaning of life.

2.6.1 Hinduism

Hinduism is a tradition that emerged during the late Vedic period between 1,500 and 500 BCE in India. There is no specific founder of the Hindu philosophy, which is diverse and pluralistic, and has no unified system of faith or creed (Flood 1996). However, the core teachings, the Vedas, were orally transmitted for millennia before they were first documented in the Rig Vedas (ca. 1500–1200 BCE), then in the Upanishads (ca. 600 BCE) and subsequently in the Mahabharata, which includes the well-known Bhagavad Gita (ca. 400 BCE). Hinduism is considered one of the Vedic orthodox schools of thought as it upholds the Vedas. It is also considered by many scholars to be more of a philosophy than a religion (Klostermaier 2008; Insoll 2001) due to its focus on leading a good and meaningful life. The main proposition of Hinduism is that *atman* (the soul) and *brahman* (the divine or god) are one and the same, but distractions of the human material life conceal this union (Joshanloo 2014). The main goal of Hindu philosophy and practices is therefore to develop a higher consciousness as a way to reveal the unity of humankind with the divine. Consequently, the highest form of meaning in life is considered the spiritual wisdom that comes from the union of self and god (Joshanloo 2014). This union is considered to be within every person's reach (Smith 1991).

The Upanishads advocate a prosocial approach rather than a hermit's life, and they highlight that to be able to attain a higher consciousness, it is important to be part of society to first experience a full material life of pleasure (Nikhilananada 1990). One of the causes of enduring happiness is therefore considered to be cooperation between sentient beings, rather than competition or escape (Nikhilananada 1990). The Mahabharata is more prescriptive and detailed than the Upanishads in its outline of the *purusartha* or the "four goals in life":

1. Pleasure of the senses, love and emotions (*kama*)

2. External conditions and resources in life such as wealth, fame, power and success (*artha)*
3. Renunciation of pleasure, wealth and power to be at service to something greater than oneself (*dharma)*
4. Infinite being, complete awareness and joy (*moksha).*

While each of these goals is recognised as a legitimate way of leading a meaningful life in Hindu philosophy, most people are happy to pursue the first three goals of pleasure, success and service for all of their lives. However, the interesting point in life comes *"when these things lose their original charm and one finds oneself wishing that life had something more to offer"* (Smith, 1991 p.20). In Hinduism, these first three goals are only the means to finding the right direction towards the ultimate goal of human life, which is to realise the union of self with the divine, resulting in freedom from the ever-continuing cycle of death and rebirth (*samsara*). The Hindu approach is therefore interesting in the context of this review as it embraces the human endeavours of accumulating material pleasures and success as prerequisites, before one can recognise the futility of those two life goals. Only when someone experiences the disappointment and frustration of pursuing pleasure and success, are they ready to face the question of whether life has something more to offer (Smith 1991).

At this point Hinduism provides a very detailed approach along four different paths for actualising human potential. These paths are meant to appeal to people with different talents and backgrounds, and it is recognised that there is not only one way to achieving the union of self with the divine. Traditionally, these paths were also geared to the different castes within Indian society. These paths are known as *yogas*, of which only the physical and mental disciplines are well known in the Western world. The term yoga appeared for the first time in the Upanishads, although some contend that the system of yoga was around as early as 2,500 BCE (Singleton 2010). Later, the Bhagavad Gita scripture describes three paths of yoga in more detail, but the yoga texts most commonly referred to today are the *Yogasutras* compiled by Patanjali ca. 250 CE (Singleton 2010).

The four yoga paths to the ultimate goal of *moksha* or ultimate joy are described as:

1. *Raja* yoga: the path of mental and physical discipline
2. *Karma* yoga: the path of work and action
3. *Jana* yoga: the path of knowledge
4. *Bhakti* yoga: the path of devotion.

It is *raja* yoga that is probably most familiar to Westerners today. The first instructions on how to practice *raja* yoga can be found in the Bhagavad Gita (ca. 400 BCE), which outlines basic meditation techniques. Patanjali (ca. 250 CE), credited as the founder of *raja* yoga, organised the mental and physical disciplines of breathing, meditation and sustained posture practices in an eight-step process and documented them in the *Yogasutras* (Morgan 2001). The *raja* yoga practices were designed to increase the level of precision and control over the body's and the mind's every function (Smith 1991). This in turn allows the stilling of the mind, which provides the gateway to achieving ultimate joy, the union of self with the divine (*moksha)*. The more detailed physical practice of *hatha* yoga was only later developed during the period from the 9th to the 12th century CE.

It is interesting to note here that the very practical aim and the path of the *yogas* possibly represent *"one of the most realistic, matter-of-fact, practical-minded systems of thought and training ever set up by the human mind"* (Zimmer 1969, p.81). The focus on real experience and control of body and mind functions is the most distinctive feature of Hindu philosophy. This is in contrast to the ancient Greek and Western approaches that distinguished between subjective and objective with a focus on logic, conceptualisation and argumentation as a way of pursuing happiness.

The ultimate aim of Hindu philosophy is to help each individual to achieve the union of the self with *brahman,* thereby ending the continual cycle of death-rebirth-death. The outcome is therefore framed as the ultimate desired state, which can be described as bliss or true happiness, rather than the process. Only one of the four goals of Hinduism, the *dharma,* which involves being of service to others through social and religious duty, is 'other-oriented' and relational in a human sense. It is the main component of Hindu philosophy that is concerned with improving the wellbeing of others through ethical conduct and behaviour.

2.6.2 Lokayata / Carvaka

Although the Lokayata philosophy is now a lost tradition, with none of its texts or followers remaining, it is of significance to this review as it demonstrates a contrary view to pursuing true happiness as commonly thought of in the 'Eastern' philosophies. It therefore demonstrates the point that Eastern philosophies are not homogenous and can be divergent. Lokayata rejected the Vedas, the existence of *brahman* and the orthodox schools of Hindu philosophy and focused instead on materialism (Chattopadhyaya 1959). This philosophy has therefore always been placed at the periphery of Indian philosophies

(Turner-Lauck Wernicki 2016). Two key figures are credited with having developed the early Lokayata philosophy: Carvaka (Billington 1997; Morgan 2001) and Ajita Kesakambali (Turner-Lauck-Wernicki 2016). They both lived in about 600 BCE. It was not until the sixth and seventh centuries CE that their ideas developed into a formal school of thought known as Indian materialism (Turner-Lauck-Wernicki 2016).

The rejection of anything divine or spiritual and a focus on the only reality being in the material world led to the conclusion that there is no soul and therefore no necessity for virtuous behaviour or self-constraint (Morgan 2001). Lokayata promotes hedonism (Harrison 2013) and the pursuit of physical pleasures as the only good and valid path to happiness (Turner-Lauck Wernicki 2016). The followers of this philosophy adopted an egoistic approach to ethics, in which an individual's ends take priority over the ends of others. They rejected the utilitarian approach to pleasure, which promotes the maximisation of pleasure on a collective level (Turner-Lauck Wernicki). There was no regard given to the wellbeing of society as a whole and the doctrine proposed that individuals have no obligation to help others unless doing so ultimately benefited themselves.

This philosophy is of particular relevance here in this review as it demonstrates that 'Eastern' philosophies, that are generally assumed to comprise a homogenous school of thought, can in fact be diverse and contradictory. From an epistemological and axiological point of view, Lokayata is far removed from the other six orthodox Hindu schools of thought and from Jainism and Buddhism, the two unorthodox schools of thought that emerged from the Vedic period (Billington 1997).

When a philosophy rejects the existence of something greater than the self, and the pursuit of material pleasures becomes the ultimate way to achieving happiness, this seems to imply an egoistic ethical stance that prioritises the self-oriented pursuit of happiness. It therefore resembles more the contemporary consumerist self-oriented search for happiness than the other dominant Asian philosophies.

2.6.3 Buddhism

Siddharta Gautama was a prince born into a Hindu family in the border region of northern India and Nepal (ca. 552–483 BCE). He became disillusioned with his life of luxury, comfort and protection inside his family's palace and decided to leave his privileged life to follow the path of the ascetics. After seven years of experiencing the suffering and hardship of an ascetic lifestyle, he meditated under a Bodhi tree in northern India where he is said to have reached enlightenment at the age of about 35 years. In this fully awakened state of mind he is said have completely understood life and existence, and was able to free himself from the fear of human suffering (Wilkinson 2008). From then on he was called 'Buddha', meaning the 'Enlightened One' or the 'Awakened One' (Smith 1991).

His experience inspired many seekers and he spent the next 40 years travelling across northern India teaching the insights he had gained. His main message was to follow a 'Middle Path' between the extremes of ascetic and luxurious lifestyles. He said that it was within each and every person's reach to achieve enlightenment through the practices he had developed. He died in his 80s and his teachings were transmitted orally by his disciples from generation to generation. After about 150 years of 'Early Buddhism', the teachings split into different schools as they were influenced by the local cultures and traditions in the regions where the Buddhist teachings had spread. The main schools of Buddhism that exist today include Theravadan and Mahayanan Buddhism. Vajrayana (Tibetan Buddhism) is one branch of Mahayanan Buddhism.

Buddha's teachings were based on his own experience and he did not accept the Vedic concepts of self and the paths to achieving union with the divine that were offered. He rejected the idea of a defined permanent self as an illusion (Joshanloo 2014) and identified pleasurable experiences as harbouring the seeds of unhappiness and suffering (Harrison 2013). Some therefore consider Buddhism to be an unorthodox offshoot of the Vedic tradition (Krishna 1991).

While the various schools of Buddhism all accept the first documented teachings of the Buddha in the Pali Canon (ca. 29 BCE), they subsequently developed their own scriptures and interpretations of the original teachings. The central Buddhist teachings subscribed to by all the Buddhist schools of thought, are the 'Four Noble Truths' (Smith 1991). They outline the thought process and path that is required to achieve freedom from human suffering (physical and mental) and to achieve ultimate happiness, *nirvana.* The four noble truths can be summarised as:

1. The human experience of life includes much mental and physical suffering (such as the trauma of birth, sickness, fear of death, separation from loved ones etc.).
2. The cause of the suffering is the search for personal fulfilment through satisfying the egos' selfish cravings.
3. The cure is to overcome the selfish cravings and the desire for personal fulfilment.
4. Overcoming selfish cravings and achieving nirvana can be accomplished through the Eightfold Path (Philip & Smith 2004; Anderson 2013; Lee 2006).

Buddhism assumes that lasting happiness relies purely on one's own efforts and can be experienced when one reaches enlightenment, liberation or freedom from suffering. This can be achieved within one lifetime or over several reincarnations due to the belief in the existence of continuity of consciousness (Webb 2012). Happiness is positioned as an existential and spiritual experience rather than as emotions based on pleasure and comfort (Selin & Davey 2012). Also, pleasures of the senses are considered superficial *"leaving deep regions of the human psyche empty and wanting"* (Smith 1991).

The way to achieving enlightenment through the Eightfold Path varies somewhat in the practices and rituals of the different Buddhist traditions. Comparative religious studies suggest that the major difference between Buddhist traditions rests in the purpose of enlightenment. In *Theravadan* Buddhism the purpose of seeking enlightenment or awakening is mostly to become an *arhat* or saint, and wanting to free oneself of the cycle of birth and death to reach *nirvana* (Goodman 2014). *Mahayana,* of which *Vajrayana* Buddhism is one branch, is said to have the distinct purpose of seeking enlightenment, not just for oneself, but for the benefit of all sentient beings (Patrul Rinpoche 1998; Ricard 2015), through helping to end their suffering and assisting others to achieve enlightenment (Goodman 2014). While this differentiation may be made in the literature in practice it seems irrelevant as most schools of Buddhism are based on the practices of compassion, generosity and altruism in all actions towards all sentient beings. Buddhist practice therefore seems to have a strong orientation towards other beings and ending of their suffering.

According to the most well-known contemporary Buddhist spiritual leader, His Holiness the Dalai Lama, of the Gelupka school of Vajrajana Buddhism, the purpose of human life is to seek happiness, which can be achieved in a systematic manner by following the Eightfold Path (Lama and Cutler 1999). In Buddhist philosophy, achieving true happiness is therefore synonymous with reaching enlightenment or full awakening, which is *"considered the ultimate state of happiness and fulfilment … achieved by the cultivation of one's mind, which along with enhanced well-being brings about kindness, compassion, tolerance and wisdom"* (Tideman, 2011, p. 134).

The Eightfold Path charts the active engagement that is required for anyone seeking contentment and happiness through enlightenment.

The Eightfold Path consists of three stages that develop insight, morality and a contemplative practice:

1. Understanding life's problem of suffering (Most beneficial *view*)
2. Being clear on what we want in life – contentment through enlightenment (Most beneficial *intent*)

Insight

3. Being aware of our speech and motives tending to kindness (Most beneficial *speech*)
4. Being aware of our behaviour tending to selflessness (Most beneficial *conduct*)
5. Engaging in occupations that promote life instead of destroying it; earning a living as life's means not life's end (Most beneficial *livelihood*)

Morality

6. Developing virtues, curbing passions, removing destructive states of mind (Most beneficial *effort*)
7. Overcoming the ignorance of our true nature, by fully understanding life and ourselves (Most beneficial *mindfulness*)
8. Practicing techniques including meditation, visualisation, breathing exercises and yoga exercises (Most beneficial *concentration*) (Keown 2016, Harrison 2013).

Contemplation / Meditation

Morality is considered an integral part of achieving *nirvana* (Keown 2005) and all of the steps in the Eightfold Path require a high degree of awareness and right conduct which are achieved by training the mind. As noted by Smith (1991, p.109) *"no teacher has credited the mind with more influence over life than did the Buddha"*. This highlights the level of agency and responsibility that Buddhism awards to the individual for achieving happiness and contentment, not just for themselves, but also for society and the entire ecosystem.

Another important concept that stems from Buddhist philosophy which is relevant to the pursuit of happiness and systems change is the non-linear view of arising phenomena. 'Dependent co-arising' or 'mutual causality' recognises that there is a non-linear relationship between a particular cause and an observable effect, and that all phenomena emerge from contextual causes and conditions (Macy 1991). In other words, everything impacts on everything else in the universe. Contemporary scientists are finding this a 'remarkable' insight from Buddhist philosophy and *"a quintessential expression of the systemic conception* *of reality"* (Capra & Luisi 2014, p.290). The complexity of experiencing reality in a system, where each thing depends on every other thing, brings forth the concept of interconnectedness. Therefore, in the Buddhist philosophy, understanding the interconnectedness of all life and phenomena would appear to be a prerequisite for achieving ultimate happiness or enlightenment.

In summary, the Buddhist path consists of ethics, meditation and wisdom practices (Attwood 2013), for the purpose of reaching enlightenment, which is synonymous with ultimate happiness. Buddhist ethics, and individuals' relationships with others, are key components of Buddhist teaching, and they are covered in Section 1.16 above. Buddhist philosophy offers a method of practice which aims to benefit the awakening of the self, mostly in order to benefit others. It is therefore an approach relevant to this study, which seeks to identify access points for achieving happiness in relationship to expanding levels of care in business practices and sustainability.

2.6.4 Taoism

Most of the philosophers of ancient China, especially those who lived during the violent times of the Warring States period (ca. 600–200 BCE) tried to resolve the problem of how to find happiness while living in a world dominated by chaos, suffering and absurdity (Watson, 2013). During these tumultuous times, two influential Chinese philosophers laid the foundations of Taoism. They were Lao Tzu (ca. 604–531 BCE) and Chuang Tzu (ca, 370–287 BCE) (Tzu 1968; Smith 1991; Leaman 2000). They developed a philosophy in response to this very problem and as a direct reaction to the social upheaval facing Chinese society during this era (Harrison 2013).

Like Buddhist philosophy, other schools of thinking in China, such as Confucianism, Mohism and Legalism, also proposed concrete plans of action that would transform the individual and society and they aimed at eventually freeing the world from suffering (Watson 2013). However, Taoism and especially Chuang Tzu's answer to the problem of the horrendous conditions of the Warring States era, was very different. Chuang Tzu proposed that all the suffering and unhappiness experienced in human life are man-made due to the habit of labelling experiences as either good or bad. Chuang Tzu concluded the suffering and unhappiness of humanity *"spring from the web of values created by him[her]self"* (Watson 2013 p. x). He draws a connection to values and their tendency to create judgements by aggregating phenomena into conceptualisations of reality. These conceptualisations are also often called paradigms or worldviews that arise out of cultural and social circumstances.

Lao Tzu's Taoist philosophy is based on the ancient Chinese concept of *Tao,* which means 'way' or 'path'. Lao Tzu proposes three interrelated ways (Smith 1991, Harrison 2013):

a) the way of ultimate reality (or eternal truth)
b) the way of the universe and its driving power in nature (or the ordering principle behind all life) and
c) the best way to live a human life.

Smith (1991) suggests that three types of Taoism emerged in China that still exist today:
a) philosophical Taosim
b) vitalising Taoism which is based on hygienic and movement practices
c) religious Taosim.

Philosophical Taoism is reflective and works on conserving the *te* by using it efficiently by aligning daily life to the *Tao* (Smith 1991). In comparison, vitalising Taoists are engaged in physically active programs to increase the amount of *te* or *chi*, drawing it from nature. They seek to maximise *chi* through nutrition, sexual practices, hygiene as well as breathing exercises and movement (such as *Tai Chi Chuan* to draw *chi* from the cosmos), and by cultivating the mind (for example through Taoist meditation). Taoism therefore seeks alignment with nature rather than dominance over it by promoting naturalness and a simple life (Smith, 1991). Religious Taosim institutionalised Chinese folk religions with the aim to make the rituals to heal, perform miracles and *chi* widely available to ordinary people (Smith 1991).

The main objective of Taoist beliefs and practices is to enable *te,* or the vital life force*,* to flow freely through a human being (Smith 1991). The Taoist therefore, focuses on preserving the vital life force, or drawing more of it from nature and the universe. Much of the philosophy therefore focuses on how to preserve life and avoid harm and danger in the human world by searching for a simple, humble and natural life (Smith 1991). Civilised life and luxuries are disdained and simplicity and naturalness is preferred, which was the main differentiating factor between the Taoists and Confucians in ancient China (Smith 1991).

One of the key concepts in Taoism is the principle of *yin yang*, which proposes that dualities like good/evil, light/dark and happy/unhappy are composed of two complementing halves which form a whole, the *Tao* (Billington 1997, Smith 1991). Therefore, embracing the duality of life and its extremes, refraining from labelling them and making value judgements about them, is considered the right approach to living a full and happy life.

Another defining concept is the overriding ethical principle in Taoism of *Wu Wei*. This is often translated as 'inaction', but it is far from inaction and means effortless action that embodies suppleness, simplicity and freedom (Smith 1991), non-interference (Wilkinson 2008) or an attitude shift that requires letting go of striving (Neville 1989). *Wu Wei* was taught to enable people to maintain agile responses to the world, to be humble and to cultivate the feminine (Wilkinson 2008). As Leaman (2000) explains, when *Wu Wei* is practised, what appears weak may well be strong and what appears as no action may well be very effective action.

Chuang Tzu dedicated an entire chapter in his book to 'Supreme Happiness'. In this chapter he debates whether there is such a thing as happiness at all. He concludes that true happiness lies in the principle of *Wu Wei* :

> *I take inaction to be true happiness, but ordinary people think it is a bitter thing. I say: perfect happiness knows no happiness … perfect happiness, keeping alive – only inaction gets you close to this … so I say, heaven and earth do nothing, and there is nothing that is not done* (Watson 2013, p. 140).

Taoists stood for absolute individual freedom and non-violence, and considered compassion to be a trait of those who survive life's struggles: *"Heaven arms with compassion those whom she would not see destroyed"* (Smith 1991, p.217). It is not surprising then that the moral precepts of Taoism include avoiding evil thoughts, cultivating humaneness and love, avoid excess in all things, and accepting teachings from Taoist teachers (Wilkinson 2008). Therefore, following an ethical path and cultivating benevolence for one's own and others' wellbeing was of the highest priority. Ultimately, it was recognised in Taoist philosophy that the direct pursuit of happiness and contentment as an ideal state would not lead to happiness. It was thought that happiness and contentment would emerge only as by-products of living in accordance with the Tao (Joshanloo 2014). Taoism therefore promotes an indirect approach to happiness that focuses on self-cultivation and concern for others as the path to living the best possible life. This attitude makes it possible to experience contentment under adverse circumstances (Chen 2006).

In summary, the Taoist view of ultimate happiness aims to experience complete alignment with the *Tao* that should result in non-harming, non-interfering and benevolent conduct. This again points to a connection between self-cultivation, ethical conduct, benefit to others and happiness.

2.6.5 Confucianism

If you want happiness for an hour, take a nap.
If you want happiness for a day, go fishing,
If you want happiness for a year, inherit a fortune.
If you want happiness for a lifetime, help somebody
(Chinese Proverb quoted in Stavrova, 2014, p. 127).

The two philosophers recognised as the key influencers who shaped Confucianism are Confucius himself (ca. 551–479 BCE) and Mencius (ca. 372–289 BCE) who was born about 100 years after Confucius died (Harrison 2013). Confucius, like Lao Tzu, lived during a time when social cohesion had deteriorated to a critical point in China. The Warring States period saw warfare reaching new heights of cruelty and horror, which made him question how Chinese society could avoid destroying itself (Smith, 1991). Confucianism became China's state religion in 59 CE and remained so until the 20th century, when China turned to communism (Wilkinson 2008). For 2000 years Confucianism acted as a guide for ethical practice in public life, and it was commonplace and accepted to practise Taoism alongside it in private life and to be guided by Buddhism at the time of death (Smith 1991). This highlights that these approaches to living a good life were primarily considered as philosophies and ethical guides rather than religions.

Confucius had a keen interest in history and made the observation that in the period from 1000 BCE to 500 BCE, Chinese society had changed from a collective society into an individualistic society with self-conscious and reflective individuals (Smith 1991). This provides an interesting context in light of how 'Eastern' cultures are often portrayed as being more collectivist than 'Western' individualistic cultures and societies. Confucian philosophy emerged from an era of social chaos, where tradition was being lost and people acted mainly out of self-interest. Confucius did not subscribe to the prevailing heavy-handed law-and-order approach, or to the alternative Mohist approach of solving social problems with love (Smith 1991).

He promoted a more pragmatic approach and suggested that while love has an important place in life, it needs to be supported by social structures and a collective ethos. Confucius therefore focused mainly on personal conduct and moral order as a way of shifting tradition from an unconscious or spontaneous phenomenon to a conscious and deliberate foundation for society (Smith 1991). He reoriented tradition by keeping it as his core focus, while reinterpreting, reformulating and reinventing it to expose individuals to moral ideas by every possible means, such as through schools, theatres, temples, their homes, poetry, stories and even toys, so that society could prompt its members to *"behave socially even when the law is not looking"* (Smith 1991, p. 170).

Confucius assumed that the mind operates in a context of attitudes and emotions that are shaped by a person's relationships (Smith 1991). He thought that developing reason was nothing but the development of self-interest, and that altruism could not occur from persuasion or pressure. Therefore, he insisted that deciding what values are most important to the collective wellbeing was the first and most important enquiry for a Confucian (Smith 1991). The process of self-inquiry and cultivation was considered essential for developing social virtues, but was not seen as a way to isolate oneself from society (Joshanloo 2014).

A happy life was considered to be a good life that was practised by being humane, virtuous and following the doctrine of the mean (unity of cosmos and humankind) and valuing social relationships, especially those within the family (Joshanloo 2014). This would result in internal and societal harmony, which brings happiness through order and harmony in one's relationships with others rather than through the private pursuit of individual pleasure (Joshanloo 2014). It is interesting to note here that again self-discipline and overcoming the ego-self were identified as the path to a happy and harmonious life (Hall & Ames 1987).

Like Taoism, Confucianism draws on the ancient Chinese principle of *yin yang,* which is one of the fundamental principles of Confucianism. *Yin yang* describes opposite qualities like cold/warm, hard/soft or male/female. Everything in the universe is considered to be made up of two qualities, which are inherent in all structures, relationships, human beings and all other sentient beings. Achieving harmony and balance within oneself and within society, state and government is the highest goal of Confucians who follow the key moral precept of *"What you do not want done to you, do not do to others"* (Smith 1991).

Mencius is regarded by some to be more influential in the development of Confucianism than Confucius himself. Mencius formulated the theory of 'the original goodness of human nature' (Leaman 2000). Mencius drew out of Confucius's teachings some unstated assumptions, including that human nature is innately good and that virtues and good instincts for helping others are the expressions of this goodness (Harrison 2013). He explained bad behaviour as unnatural acts perpetrated by people who have become corrupted and who were lacking the appropriate conditions for their goodness to blossom (Harrison 2013).

In Mencius's view, to develop the goodness of human nature required self-cultivation and the nurturing of four dispositions through moral education. These four dispositions can grow into virtues when nurtured. They are:

a) compassion grows into benevolence
b) disregard towards anyone not showing compassion grows into righteousness
c) deference to authority and seniority grows into propriety and
d) approval of good and disapproval of bad grows into wisdom (Harrison 2013).

Mencius therefore attributed the utmost importance to self-awareness through introspection, and favoured a focus on the internal world rather than the external world as the means to achieving contentment and harmony with the cosmic order (Harrison 2013). Mencius said *"To fully apply one's heart is to understand one's nature. If one understands one's nature, then one understands heaven"* (quoted in Harrison 2013, p.121).

The path to this self-knowledge, and to making unconscious tradition a 'deliberate tradition' involves the five key concepts (Smith 1991):

a) *Jen* (the way of relationships)
- describes the ideal relationships between people
- feeling of humanity and compassion towards others and respect for self
- goodness, benevolence and love can be nurtured and human-heartedness is a quality that can be learned (Wilkinson 2008). This aspect is also considered the virtue of virtues in life by Smith (1991).

b) *Chun tzu* (the way of being)
- describes the mature person, humble, quietly confident, not disturbed by their own success or challenging times.

c) *Li* (the way of conduct guided by ritual or protocol)
- good manners and right conduct, blueprint for a well-conducted life (Smith 1991)
- 'doctrine of the mean' refers to the way that is constantly in the middle between two unworkable extremes (i.e. pride should not be indulged nor pleasure taken to excess)
- encourages compromise and fosters humility; implies that emotions can be controlled
- 'Five Constant Relationships' describes the essence of what makes social life work based on respect and support between parents and children, husband and wife, those in power and without power.

d) ***Te* (the way of virtues and moral values)**

- the power of leading by moral example

- national values – contributing to society

- dedication to others' needs rather than only thinking of one's own needs, including contribution to the wellbeing of the state.

e) ***Wen* (the way of aesthetics and spirituality)**

- refers to engaging in the arts like music, art, poetry, cultural aesthetics and spirituality

- power of the arts to transform human nature in the direction of virtuous behaviour.

Confucianism therefore seems mostly concerned with providing a structured and pragmatic approach to cultivating prosocial, altruistic and collectivist behaviour that fosters social cohesion. While placing great emphasis on individual conduct in relationships and the cultivation of compassion towards other beings, it has a clear intention and larger purpose of societal wellbeing and functioning at its core.

2.6.6 Summary of Eastern philosophies on happiness

There are a number of key insights that can be drawn from considering Eastern philosophies and their perspectives on happiness and meaning in life. Firstly, it is obvious that some of the Eastern schools of thought, particularly Confucianism, Buddhism and Taosim, emphasise a societal concern and propose practices and guidelines that foster discipline, obedience or refining individuals' awareness for the benefit of society at large. The practices they proposed included self-cultivation of mind and body as a way of steering human behaviour away from greed, violence and lethargy towards sufficiency, generosity and compassion.

Secondly, these Eastern philosophies require their followers to turn inward and consider each individual's contribution and influence on the entire society and life. The cultivation of the individual's capabilities therefore has a particular purpose and intention that is larger than the individual and serve to expand the worldview to embrace the societal and planetary context. This is reinforced by the the view of causality that all phenomena are interconnected and interdependent and that there is no first cause or last effect.

Thirdly, the Eastern philosophies particularly Taoism and Buddhism propose that individual care and cultivation is only a means toward creating a better society and societal conditions, and not an end in itself. Individualistic pursuits of happiness are considered to be anti-social.

These insights bring to light the importance of the link between an expanded worldview and the conceptions of happiness, liberation or enlightenment, particularly in Confucian, Taoist and Buddhist traditions. Material or hedonistic notions of happiness are considered inappropriate or irrelevant for forming well-functioning and thriving societies. The intention by many of the Eastern traditions is to dissolve the view of the ego-focussed self and cultivate a broader societal and interconnected perspective. The brief overview of the Eastern philosophies contributes to building the argument that different philosophical perspectives about achieving happiness give insight into vastly different worldviews.

2.7 Western ancient philosophies on happiness

There is a comprehensive body of literature, especially from the last 30 years, that documents the history of happiness in Western thought in much detail (Annas 1993; McMahon 2006; Kesebir & Diener 2008; Bok 2010). The following section is not intended to give a complete history of the 'Western' happiness discourse. Rather, it aims to highlight some of the concepts relevant to this thesis.

Western philosophy is widely considered to be secular (Fieser 2008), but until 300 years ago philosophers found themselves tied to the religions and cultures of their times. Those who rejected the existence of a god were shunned and even sentenced to death. Socrates was executed for denying the gods and allegedly corrupting the youth of Athens with his views (Russell 1957). It was only during the Age of Enlightenment in the 18th century that David Hume became the first recognised philosopher to openly admit to being an atheist (De Botton 2000). Once philosophy broke away from theology, ideas about happiness and the meaning of life in Western philosophy became more secular and at the same time more focused on individual pleasure (Kesebir & Diener 2008).

The etymology of the words used to describe happiness in seven European languages, illustrates that happiness has overlapping and to some extend contradictory meanings. Table 6 lists the meanings for happiness as explained in Greek, Latin, English, German, French, Italian and Spanish.

Table 6 - Origins of concepts of happiness in European languages

Concepts of happiness in various European languages	Meaning
Greek: *eftychía*	From ancient Greek ca. 9^{th}–6^{th} century BCE *eutukhia* (good luck) 1) happiness 2) contentment 3) good luck
Greek: *eudaimonia*	From ancient Greek ca. 9^{th}–6^{th} century BCE *eu* (good) and *daimon* (spirit): "good spirit" describing a flourishing life over an entire lifespan that is characterised by virtuous conduct, practical wisdom and using logic. Used by Aristotle (400 BCE).
Greek: *hedoné*	From ancient Greek ca. 9^{th}–6^{th} century BCE: 1) pleasure, delight 2) in Greek mythology the goddess of sensual pleasures.
Latin: *beatitudo*	From Proto-Italic descended ca. 2400 BCE *beatus* (happy, fortunate, prosperous, wealthy, copious, sumptuous): 1) happiness, 2) blessedness, felicity, 3) beatitude, blissfulness.
Latin: *felix*	From Proto-Indo-European ca. 3500 BCE 1) happy, lucky, blessed, fortunate 2) fertile, fruitful 3) auspicious, favourable, of good luck.
Latin: *placere*	From Latin *placeo* ca. 500 BCE 1) to make happy, to please or satisfy 2) to be approved, be agreeable, be acceptable or to suit
English: *happiness*	From Middle English *hap* (good luck, chance, fortune) An original and current meaning: 1) originally meant luck, good fortune (10^{th} – 14^{th} century) 2) from 16^{th} century became the description of experiencing the feeling of joy and contentment as a result of some external or internal event or circumstances.
English: *pleasure*	From Latin *placere* ca. 500 BCE, adopted in middle English as *plaisir* ca 1000 CE 1) pleasure.
English: *luck*	Appeared in late middle English in the 15^{th} century, possibly adapted from Middle Low German *lucke* or derived from the English world *lock.* 1) success or failure apparently brought by chance rather than through one's own actions.
German: *Glück*	From Middle High German *gelücke* 12^{th} century CE Has two current meanings: 1) having good luck or good fortune 2) being happy, happiness.
German: *Frohsinn*	1) of happy senses 2) pleasure 3) amusement, delight (From Old High German ca. 700 CE).
French: *bonheur*	From *bon* (good) *heur* (fortune) late Latin ca. 3^{rd} – 6^{th} century CE: 1) good fortune 2) happiness.
French: *plaisir*	From Latin *placere* ca. 500 BCE: 1) pleasure.

Italian: *felicità*	From Latin *felix* (happy) ca. 500 BCE: 1) happiness.
Italian: *piacere*	From Latin *placere* ca. 500 BCE: 1) pleasure, enjoyment 2) delight 3) favour, kindness.
Spanish: *felicidad*	From Latin *felix* (happy) ca. 500 BCE: 1) happiness 2) Felicity.
Spanish: *placer*	From Latin *placere* ca. 500 BCE 1) pleasure.
Spanish: *fortuna*	From Latin *fortuna* and *fors* (chance, luck) ca. 500 BCE 1) fortune 2) wealth 3) luck.

Sources: Compiled from a variety of sources including Annas (1993), McMahon (2006) , Götz (2010), Dictionary.com (2016), Wiktionary (2016) and Oxford Dictionaries (2016).

It becomes apparent that, similar to the Eastern language samples listed earlier in Table 5, the terms describing happiness in European languages have similar overlapping meanings across three distinct areas:

1. happiness as an emotion
2. happiness as luck or as a fortunate circumstance
3. a larger state of happiness, that is more encompassing than the other two.

The interpretation of happiness as good fortune is similar to the Eastern interpretation of happiness as *karma* and the Western interpretation of fate. The interpretation in the English language of happiness as luck or as a random occurrence seems to have emerged together with the Enlightenment era of the 16th century that saw the rise of objectivist and scientific inquiry.

The key philosophers of ancient Greece who shaped the Western philosophical discourse on happiness, pleasure and meaning in life include Socrates, Plato, Aristotle and Epicurus. The following section describes each of their approaches in turn.

2.7.1 Socrates and Plato

Socrates lived in Athens from ca. 469 to 399 BCE and his student Plato from ca. 428 to 347 BCE during a time when Homeric views on happiness prevailed. The Homeric view of happiness was linked to luck and fate and the belief that happiness was only given by the gods to those whom they favoured. The individual pursuit of happiness was considered arrogant (Russell 1957). Happiness was therefore considered out of anyone's control and impossible to achieve through conscious human effort. Against this backdrop, Socrates suggested that happiness is what every human being desires, and that it does not depend on external wealth or circumstances. He insisted that happiness is neither hedonism nor satisfaction of the senses. To him happiness was not dependent on external circumstances and he believed it is the higher goal that every human being desires. Socrates never documented his teachings and the only records of his wisdom are Plato's 24 dialogues with his teacher. It is therefore difficult to differentiate Socrates' from Plato's teachings and they are therefore presented here together.

The legacy of Socrates, Plato and Aristotle was to identify happiness as the ultimate desire and purpose of humankind (McMahon 2006). They lived during a time when democratic rule became popular, which gave people the desire for self-determination and raised their hopes for pursuing happiness as a life goal. Socrates rejected all previous views of happiness and proposed that rather than being God-given, it is attainable by every human being through effort. He saw it as the ultimate and natural longing of humankind (McMahon 2006, p.25):

> *What being is there that does not desire happiness? Well then, since we all of us desire happiness, how can we be happy? – that is the next question* (Socrates as quoted in Plato's *Euthydemus*).

Socrates recommended practices for attaining happiness, which included rational control over the desires of the body and stabilising the mind in a calm state so that it is not affected by external distractions, events or sensations. Socrates was the first to link ethics, values and justice with the meaning of life and the pursuit of happiness. He argued that a happier life could be achieved by leading a moral life. Accused of 'impiety', he was sentenced to death for his radical views and bad influence on the youth of Athens (De Botton 2000).

However, Plato continued to develop his teacher's ideas relating to the cultivation of happiness and advocated a stringent program to discipline desires of the material and 'lower' pleasure realms. This was very much in line with Socrates' belief that attaining 'higher' levels of happiness required life-long learning, appreciation of ethical conduct and physical beauty, as well as a beautiful mind and wisdom. Plato believed that Athens was not ready for Socrates' revolutionary idea of happiness and described his teacher as the only person who was truly happy and nearing the goal of *"becoming like a god"* (McMahon, 2006, p.39).

Although both Socrates and Plato insisted that happiness was within the reach of each and every person, they also conceded that only very few would be able to achieve a happy life.

They recognised that the majority of people prefer to follow their desires for short-term pleasure rather than make the effort to reach higher realms of intellect, wisdom and happiness of the mind (De Botton 2000).

While the Homeric view of happiness has long been superseded, some of Socrates' and Plato's insights into human nature still persist today. They documented for the first time in Western philosophy how people go about their daily lives and inquired into the purpose of life. They also made for the first time the connection between happiness and morality, a topic which is the subject of continuing debate. Contemporary findings from happiness studies provide some evidence for the existence of this connection.

2.7.2 Aristotle

Plato's student Aristotle, who lived from ca. 384 to 322 BCE, wrote much about the subject of happiness. His work the *Nichomachean ethics* explores the connection between happiness and ethics. He argues that the purpose of a human life is to achieve happiness through developing a good moral character and living a virtuous life. He also acknowledges that sufficient material comfort is necessary, not just occasionally but consistently for living a life to the fullest potential. In Aristotle's (1991, p.34) words:

> *He is happy who lives in accordance with complete virtue and is sufficiently equipped with external goods, not for some chance period but throughout a complete life.*

Aristotle uses the term *eudaimonia* to describe the goal of reaching one's fullest potential and living a happy life over an entire lifetime. He differentiates this goal from short-lived emotions and feelings that arise from satisfying desires and seeking pleasurable sensations:

> *for as it is not one swallow or one fine day that makes a spring, so it is not one day or a short time that makes a man blessed and happy* (Aristotle 1991, p.18).

Reeve (2012 p. 225) suggests that *"happiness is an imperfect translation of* eudaimonia*"* as it falls short of how Aristotle describes it. Waterman (1984) and Ryff (1989) agree that there are better ways to translate *eudaimonia* such as *"a sense of excellence … toward which one strives, and it gives meaning and direction to one's life"* (Ryff 1989, p. 1070). This implies that *eudaimonia* has more to do with a 'purpose and meaning in life' than it has to do with the experience of a positive emotion.

Annas (1993) quotes Aristotle's acknowledgement that people's understanding of *eudaimonia* varies depending on their circumstances:

what happiness is, they disagree, and the many do not characterize it in the same way as the wise. For the many characterize it as something evident and clear, like pleasure or wealth or honour, some saying one and others another—and often even the same person says something different, saying after falling ill that it is health, and when in poverty that it is wealth. And when they are aware of their own ignorance they admire people who say something lofty and beyond them (Nicomachean Ethics, quoted in Annas, 1993, pp. 45).

Aristotle's use of happiness or *eudaimonia* as a proxy for reaching a final good in life by living and doing well is highlighted in the following quote (Annas 1993, p. 44):

*Most people are pretty much agreed about the name [of the final good]; for both the many and the refined call it happiness [*eudaimonia*], and suppose that living well and doing well are the same as being happy.*

It is clear that Aristotle's meaning of happiness is very different from the concepts of good luck, short-term pleasurable feelings or conditions of external wealth. Rather, it refers to the meaning and purpose of a human life:

the function of man is to live a certain kind of life, and this activity implies a rational principle, and the function of a good man is the good and noble performance of these, and if any action is well performed it is performed in accord with the appropriate excellence: if this is the case, then happiness turns out to be an activity of the soul in accordance with virtue (Nicomachean Ethics 1098a, p.13).

Aristotle differentiates *eudaimonia* from 'general happiness' by describing the conditions and circumstances that contribute to the every-day experience of happiness:

We may define happiness as prosperity combined with virtue, or as independence of life; or as the secure enjoyment of the maximum pleasure; or as a good condition of property and body, together with the power of guarding one's property and body and making use of them. That happiness is one or more of these things pretty well everybody agrees (Aristotle quoted in McMahon 2006, p. 46).

He distinguishes between internal and external determinants of happiness. He considers a good birth, many friends, a long and happy life, honour and good luck as external conditions for happiness. Good health, beauty, strength, large stature, athletic powers and virtue are considered internal conditions necessary to achieving 'general happiness' (McMahon 2006).

He proposes that pursuing this kind of 'general happiness' should be achieved by following the *Doctrine of the Golden Mean*, which promotes moderation between two extremes. He argues that this approach could become the vehicle for achieving and living a virtuous life. He suggests that the *Golden Mean* is relative to each individual and not absolute.

Aristotle's most interesting move is to claim that what differentiated human beings from the rest of nature is the ability to reason. He therefore argues that each individual can take responsibility for their actions, can act according to ethical standards and values and can choose to live a good and virtuous life. The core values or virtues, which he promotes as essential include generosity, friendship, courage, justice, self-restraint, benevolence, citizenship and wisdom (Russell, 1957).

Although he proposes that pleasure and virtue are determinants of happiness, he also argues that they are not enough by themselves. He understands that choices, which promise immediate gratification and pleasure, are mostly unsatisfying. Aristotle therefore believes that making choices which contribute to the greater good required virtuous action in line with reason and usually required some risk, suffering or sacrifice (McMahon, 2006).

Aristotle concludes that virtuous behaviour only brings moderate happiness and that the highest expression and experience of happiness comes from exercising the human faculty of reason. He considers practical reasoning as the linear progression of true thinking from an appropriate starting point (Kraut 2016). Aristotle identified *akrasia*, or the weakness of the will, as the key challenge that corrupts a person's efforts to lead a good life. He proposes that this affliction can be alleviated with training in right motivation, right thoughts and right actions.

Aristotle also proposes political structures and policies that will support the best possible conditions for virtuous behaviour in society. He promotes education of the whole person, including shaping their moral character to perfect the rational capacity of humans, which will produce happy and productive individuals. However, he discriminates against women and children, as he saw them as deficient in virtue and therefore unable to achieve happiness, resulting in a world of a 'happy few' and an *"unhappy majority"* (McMahon, 2006, p.50). Aristotle's concept of happiness or *eudaimonia* mostly caters to the elite, to men of means and thereby excludes the great majority of society, leaving them disappointed and wanting more out of their lives (Nevarez 2011). Aristotle's *eudaimonia* therefore considers the path to happiness as an individual pursuit based on rational linear reasoning that is accessible only to a small privileged minority.

2.7.3 Epicurus

While Aristotle's philosophy catered for the elite, Epicurus aims his philosophy of happiness at the common man and woman. He agrees with Plato and Aristotle that the human endeavour is the process of achieving happiness as an end goal in itself. He draws on Socrates' concept of relativity of pleasure and makes a distinction between 'positive' and 'negative' pleasure. Where positive pleasure requires the removal of pain (which causes continual frustration due to a pain-pleasure-pain cycle) and negative pleasure is a state where all needs are fulfilled and no physical or mental pain is experienced (McMahon, 2006).

Epicurus concludes that the true state of happiness comes from negative pleasure, from being in a state where there are no unfulfilled needs. Some say that Epicurus never promotes *hedonism* as the term is commonly understood and that he argues instead that pleasure is the *"freedom from bodily pain and mental anguish"* (McMahon, 2006 p.55). Epicurus may have been misinterpreted due to one line from his Letter to Menoeceus being quoted out of context that *"pleasure is the beginning and goal of a happy life"* (Epicurus, 2016, p. 128). This has led some to believe that he promotes a kind of materialism and superficial pleasure-focused hedonism. However, he clearly makes a distinction between the pleasures of extravagant and wasteful luxuries compared to the pleasure of wisdom, virtue and the absence of physical and mental pain:

> *When we say, then, that pleasure is the end and aim, we do not mean the pleasures of the prodigal or the pleasures of sensuality, as we are understood to do by some through ignorance, prejudice, or wilful misrepresentation. By pleasure we mean the absence of pain in the body and of trouble in the soul. It is not an unbroken succession of drinking-bouts and of revelry, not sexual lust,… which produce a pleasant life; it is sober reasoning, searching out the grounds of every choice and avoidance, and banishing those beliefs through which the greatest tumults take possession of the soul. Of all this the beginning and the greatest good is wisdom… from it spring all the other virtues, for it teaches that we cannot live pleasantly without living wisely, honorably, and justly; nor live wisely, honorably, and justly without living pleasantly. For the virtues have grown into one with a pleasant life, and a pleasant life is inseparable from them* (Epicurus, 2016, p.1).

He suggests that this kind of pleasant life can be achieved through self-restraint, moderation, seeking a simple life and prioritising mental pleasure (or wisdom) over physical pleasures. He proposes that the three main ingredients for achieving happiness are friendship, freedom (financial and other) and the 'analysed life' (De Botton 2000). Friendship is very important to Epicurus and he values pursuing happiness with like-minded people rather than a lonely pursuit of physical pleasures. He argues that achieving *ataraxia,* a peaceful state of mind, is the way to overcome the pain-pleasure-pain cycle through philosophical contemplation. He also emphasises that seeking happiness in external things will lead to continual disappointment and anxiety, and that true happiness is to be found in a simple life.

Although Epicurus is widely misunderstood as promoting hedonism, he actually offers a very grounded view of happiness that focuses on achieving a peaceful state of mind through recognising the folly of relying on external circumstances as the path to happiness. Instead, he very clearly proposes an internal process of contemplation, which bears some similarities to the Eastern philosophies covered earlier. The difference is that the practices and techniques developed by Epicurus have not survived as a complete system of practice like in the Hindu, Taoist or Buddhist traditions.

2.7.4 Christianity - Thomas Aquinas

Christianity has its origins in Judaism and together with Islam, these three faiths are the three largest Abrahamic religions (Derrida and Anidjar 2002). Although there is ongoing debate about the existence of Abraham as a historical figure (Dever 2001), he is recognised as the first prophet influencing these religions with his legend emerging during the Iron Age between 1200 and 1850 BCE (Moore & Kelle 2011). Abraham's main messages, which were adopted by all three religions, were a belief in monotheism and the belief that God is the creator of all life on earth (AANM 2017; Woodhead 2004). The ten commandments emerged from Judaism and set out the guiding principles of ethics and conduct, and they are recognised in different forms by all three Abrahamic religions.

Christianity was shaped by the life and teachings of Jesus Christ who lived between ca. 4 BCE and 30 CE (Rahner 1975) in a region of the Roman Empire known today as Israel. According to the New Testament in the Christian scripture *The Bible*, Jesus was born the son of Mary and Joseph in Bethlehem. He grew up in Nazareth, and his father trained him as a carpenter, but not much is known of his early life. At the age of 30 he was baptised by John the Baptist and he began teaching how to best follow God (Dunn 2013). As a Jewish preacher he is said to have healed the sick, gathered disciples and established a ministry (Charlesworth 2008).

He became a popular and controversial preacher and eventually while in Jerusalem he was tried and sentenced to death by crucifixion for claiming to be the Son of God and the King of the Jews (Blomberg 2009). His followers claimed that he came back to life after his death and ascended to heaven. Eventually, his disciples and community of followers founded the religion that today is known as Christianity (Sanders, 1993). Christians believe that Jesus Christ is the Son of God and that he is the 'Messiah' who died and was resurrected to save humanity. Christianity is said to provide a pathway to life after death, or in other words, to eternal life (Metzger & Coogan, 1993).

Because Christianity has been a religion since its beginnings, it has long been thought that Christian theology and secular philosophical thought are irreconcilable. According to this view, to legitimately discuss Christian theology requires a commitment to the Christian faith (Murray & Rea, 2016). Thomas Aquinas (1225–1274 AC) was the first to offer the possibility of a new relationship between theology and philosophy. Aquinas simultaneously connected and made distinctions between Christian theology and Aristotelian philosophy (Gunarante et al. 2017; Murray & Rea 2016). Some scholars argue that Aquinas was influenced, not only by Aristotle but also by a wide range of other philosophers including Plato, due to the prominent Platonic participatory approaches in Aquinas' writings (McInerny & O'Callaghan 2016). In the second book of his main work the *Summa Theologica*, Aquinas dedicates much deliberation to the pursuit of happiness from a philosophical and a theological point of view. He argues that there are two types of happiness. One is a lesser or *"natural happiness",* which although difficult to achieve, can be attained in this earthly life. The other is a superior, perfect and *"complete happiness",* which can only be achieved by believers in God after death by seeing *"God as He is"* (Aquinas 1984, p. 11). Aquinas argues that this experience of ultimate happiness is achievable only through a religious belief in God, and this view "*dominated Western thought from sixth century BCE to the Renaissance"* (Gunarante & Gunarante 2017, p.2).

This is where Aristotle's and Aquinas's views on achieving complete and ultimate happiness diverge. Aristotle believes that the path to ultimate happiness is through an individual's ability to reason rationally, whereas Aquinas believes that ultimate happiness can only be attained through an individual's belief in God and the Christian Church. Aquinas uses reason to confirm the profound desire of every human being for ultimate happiness, which he argues can only be found in God as the absolute Being.

Although they diverge in the paths to achieving ultimate happiness, Aristotle's and Aquinas's views of causality are very similar. Aristotle's four types of causes include material, formal, efficient and final causes but exclude any kind of psychological factor. Aristotle ascribes the highest explanatory priority to the final cause suggesting that the purpose of any phenomenon motivates certain actions and behaviours in people to use materials and designs that will fulfill the purpose (Falcon 2015). Aquinas adopts Aristotle's explanation of the four types of causes and argues that the first cause is the mind of God (Dodds 2000) and that ultimate happiness is therefore oneness with God. While Aristotle's understanding of causality was nuanced and included ontological dependency, much of the scientific inquiry during the Renaissance reduced causality to the efficient cause. The efficient cause was the primary driver for change, and was considered the only cause worthy of scientific enquiry (Bunge 1979). The loss of a richer understanding of causality and its replacement with a more linear and singular cause and effect relationship is in stark contrast to Eastern conceptions of mutual causality and the interdependent nature of causes, conditions and effects. This linear understanding of causality also meant that the question of how to achieve happiness came to be seen in individual and linear terms.

2.7.5 Enlightenment - Utilitarianism

Making a big jump ahead in history by some 2,000 years brings us to the time period referred to as the Enlightenment which emerged at the end of the Middle Ages as a stark shift in European thinking. Much of the discourse on happiness and the purpose of life since the ancient Greeks in Western philosophy have been dominated by the discourse and turmoil of Christianity, which was associated with much cruelty and struggle during the Middle Ages. A commonly held view was that happiness was a 'god-given' gift that only pious and righteous men and women were lucky to enough to earn. Happiness was difficult to attain for the great majority who struggled against superstitious traditions and the barbaric customs of the Middle Ages (McMahon 2006). It was not until the beginning of the 18th century that Enlightenment thinkers pushed the idea that life doesn't have to be hard, and that human beings were meant to be happy. The belief that happiness was the natural human condition was poignantly expressed by Abbé Pestré as the *"law of our being … [which is] engraved in our hearts"* (McMahon 2006, p.218).

The Enlightenment was also the time when utilitarianism emerged with thinkers such as Jeremy Bentham (1748 – 1832 CE), John Stuart Mill (1806 – 1873 CE) and later William S. Jevons (1835 – 1882 CE) setting the course towards a utilitarian paradigm that persists in Western thought today. Bentham was convinced that humankind is only interested in maximising pleasure and minimising pain. He describes a popular idea of the time as the ‘principle of utility’ and describes it as the ‘greatest happiness principle’:

> *Nature has placed mankind under the governance of two sovereign masters, pain and pleasure. It is for them alone to point out what we ought to do, as well as to determine what we shall do. On the one hand the standard of right and wrong, on the other the chain of causes and effects, are fastened to their throne. They govern us in all we do, in all we say, in all we think… the principle of utility recognises this subjection and assumes it for the foundation of the system, the object of which is to rear the fabric of felicity by the hands of reason and of law* (Bentham 1948, chp1, section 1).

Bentham linked ethics with happiness by defining ethics as *“the art of directing men’s actions to the production of the greatest possible quantity of happiness on the part of those whose interest is in view”* (Bentham 1781, p.225). He developed an equation, the ‘felicific calculus’ as a measure that he hoped would be able to predict the ethical status of any particular action. He uses seven variables that in his view determine the amount of pleasure that will follow an action including intensity, duration, likelihood, immediacy, fruitfulness, purity and the extent of the effect (Götz 2010). His mathematically inspired approach to measuring happiness leaves the concept devoid of any feelings or emotions and reduces the human endeavour to a ‘business case’ for group-level happiness (Davies 2015).

Bentham’s resulting moral theory of ‘utilitarianism’ is therefore based on the precept that any action can be considered good if it promotes happiness of those affected by it, and it can be considered bad if it diminishes the happiness of those concerned (Morris 2012). More importantly though, *“Bentham’s understanding of “happiness” as being identical with pleasure forms the basis of what has become known as the classical hedonistic version of utilitarianism”* (Morris 2012, pp. 435-436).

An applied version of ‘utilitarianism’ can today be found in welfare economics, which weighs up the effects of individual, government and business behaviour on the wellbeing of society (White 2014). Some consider that Bentham’s desire to place the maximisation of happiness (in the sense of pleasure) at the centre of all policy decision-making, as failed in the East as well as the West (Morris 2012). At the same time, others express great concern over the current push by some economists, governments and businesses to champion happiness (White 2014; Davies 2015). In particular, the greatest criticism is aimed at paternalistic approaches by governments that are manipulating how people make choices and design their lives, and in the process completely disrespect autonomy of the individual (White 2014).

While Bentham treats all types of pleasure as the same, Mill made a differentiation similar to the ancient Greek philosophers that considered mental pleasures to be of higher value than bodily pleasures: *"Some kinds of pleasure are more desirable and more valuable than others …[such as] superiority of mental over bodily pleasures"* (Mill, 2004, P.22). In his justification for placing greater value on intellectual pleasures, he differs from Aristotle who simply states this as a fact. Mill insists that the experience of intellectual pleasure can only be experienced by humans. Mill argues that happiness derived from mental and intellectual pleasure lasts longer, is more certain, less costly and less likely to result in pain. He argues that most people who experience the 'higher pleasures' mostly prefer them to the 'lower pleasures' (Götz 2010). Mill also connects the search for happiness within ethics and proposes that the purpose of life is happiness, and that ethical and virtuous conduct is the means to achieving happiness.

This circular connection of ethics with happiness occurs throughout Western philosophy and Christianity, and it is a phenomenon that will be explored further in the next section.

2.7.6 Summary of Western ancient philosophies on happiness

Much of the ancient Greek thought on happiness positions it as something most people should be able to pursue, and promotes it as the ultimate aim of every human's endeavour. Happiness is therefore seen as an individual outcome. Although Aristotle saw happiness as the end result of virtuous conduct, this is not how most people in the Western world understand happiness today. The reason for this may be that the ancient Greeks understood virtuous happiness, or happiness that is concerned with others, requires risk, sacrifice and suffering, which human nature seems to avoid in favour of comfort and ease. Unlike Eastern philosophies, the Western perspectives of happiness covered here propose in general two pathways for achieving a fulfilled and happy life. The first is making self-oriented decisions and a focus on the pursuit of individual happiness, or in other words the hedonistic path. The second is encapsulated in Aristotle's eudemonic path that promotes virtuous conduct, with the intention of creating a mutual benefit for an individual and others. The virtuous cycle in which happiness increases due to virtuous behaviour, which in turn increases happiness, has been for a long time been a concept based on philosophical arguments. However, more recently the contemporary Western literature on happiness and wellbeing has cited evidence that suggests there is in fact a connection between feeling happy and engagement in prosocial or virtuous activities.

2.8 Western contemporary happiness discourse and literature

Similar to the Age of Enlightenment which commenced in the 18th century, the present age, especially since the turn of the millennium, may very well be ushering in a period of profound upheaval in how Western cultures in particular understand happiness. This section explores the 'happiness turn' (Ahmed 2007; Kullenberg & Nelhans 2015) of the 21st century Western happiness literature that has seen yet another explosion in the amount of research and the number of publications about happiness, life satisfaction, positive affect and subjective wellbeing, commencing in the 1960s. The intensification of the discourse and debate about happiness in Western philosophy in the past seems mostly to have been a reaction to unsatisfactory conditions in society, where living conditions were poor, personal freedom denied or human potential was left unfulfilled for many people. The current 'happiness turn' however, seems to have emerged in the 1960s when Western societies entered an age of relative prosperity and freedom having recovered from the second World War. An increasing dissatisfaction with happiness and success being associated with material wealth was particularly evident among the younger generations.

The study of happiness is now considered its own field of research and 'happiness studies' have been integrated into many disciplines including sociology, psychology, medicine and economics to name just a few (Kullenberg & Nelhans 2015). Other than the emergence of positive psychology as popularised by Lyubomirsky (2007), Seligman and Csikszentmihalyi (2000), the main focus of much of the writing in contemporary happiness studies has been on measuring various aspects of life satisfaction, subjective emotions and the determinants of happiness .

The *Journal of Happiness Studies* was first published in 2000 followed by the *Journal of Positive Psychology* in 2006. According to Kullenberg & Nelhans (2015) this current 'happiness turn', as reflected in research publications on the topics of happiness, life satisfaction, positive affect and subjective wellbeing, has been building since the 1960s. When searching for these four terms, Kullenberg & Nelhans (2015) found that nearly 25,000 scientific papers were published between 1960 and 2013. Of these,78% appeared between 2000 and 2013 (Kullenberg & Nelhans 2015). Although a scientometric study of the numbers of publications does not necessarily shed light on the quality of the discourse, it nevertheless provides a useful initial overview of the most popular authors and theories. Kullenberg & Nelhans (2015) traced the four search terms relating to happiness from the 1960s and categorised them and described their appearance in the scientific literature as follows:

Phase 1: 1960–1974

(1% or 214 papers of the total 25,000 happiness papers published between 1960 and 2013)

During this phase happiness studies mostly related to the field of gerontology, and were concerned with happiness and wellbeing in relation to aging successfully. The most noteworthy publications are Neugarten et al.'s (1961) paper on "The measurement of life satisfaction" which introduced the 'Life Satisfaction Index'. Bradburn's (1969) book *The structure of psychological wellbeing* introduces the "Affect Balance Scale", for measuring positive and negative affect. The most cited authors during this period include Bradburn and Caplovitz (1965), Gurin et al. (1960), Neugarten et al. (1961), Cumming & Henry (1961), Terman et al. (1938), Wilson (1967), Burgess & Cottrell (1939), Knox (1971), Locke (1951) and Palmore (1968).

Phase 2: 1975–1989

(5% or 1,300 papers of the total 25,000 happiness papers published between 1960 and 2013)

This phase saw a consolidation of gerontological happiness studies and the emergence of social indicator research and social psychology, which set out to measure wellbeing. The most influential publication during this period was Andrews & Withey's (1976) book *Social indicators of well-being* which introduced the 'Delighted-Terrible Scale'. The most cited authors during this period include Neugarten et al. (1961), Bradburn (1969), Andrews and Withey (1976), Larson (1978), Campbell et al. (1976), Edwards & Klemmack (1973), Cantril (1965), Spreitze & Snyder (1974), Gurin et al. (1960).

Phase 3: 1990–1999

(15.5% or 3,869 papers of the total 25,000 happiness papers published between 1960 and 2013)

Happiness research during this period appears not only in gerontology but most notably in social indicators research, marriage and family research, personality psychology, clinical and medical studies, and consumer research. Dominating the literature during this time were Diener's (1984) concept of 'subjective wellbeing', the 'life satisfaction scale' (Diener et al. 1985) and Watson et al.'s (1988) 'positive and negative affect' measure. These publications progress the methods for measuring happiness to make them more precise. The most cited authors during this period include Diener (1984), Andrews and Withey (1976), Bradburn (1969), Campbell et al. (1976), Neugarten et al. (1961), Watson et al. (1988), Watson and Tellegen (1985), Diener et al. (1985), Larson (1978) and Rosenberg (1965).

Phase 4: 2000–2009

(42% or 10,426 papers of the total 25,000 happiness papers published between 1960 and 2013)

Diener and Watson's measures of subjective wellbeing became the accepted standard and emerged as established methodological tools. During this 10-year period, the number of publications more than doubled across the field of happiness studies. The *Journal of Happiness Studies* launched in 2000 was followed by the *Journal of Positive Psychology* founded in 2006 and happiness studies started to emerge in economic research, appearing in journals such as *Ecological Economics,* the *Journal of Economic Psychology* and the *Journal of Economic Behaviour and Organisations*. The most cited authors during this period include Watson et al. (1988), Diener et al. (1985), Diener (1984), Diener et al. (1999), Radloff (1977), American Psychiatric Association (1994), Andrews & Withey (1976), Baron & Kenny (1986), Bradburn (1969), Pavot & Diener (1993), Ryan & Deci (2001), Aiken & West (1991) and Ryff (1989).

Phase 5: 2010–2013

(36% or 9,072 papers of the total 25,000 happiness papers published between 1960 – 2013)

The field of happiness studies was diverse and productive, with studies emerging in a wide range of scientific disciplines including biology, neurology, clinical psychiatry, physical medicine psychology, social psychology, personality studies, genetics, neuroscience, gerontology and economics. The *Journal of Happiness Studies* and *Social Indicator Research* were now the entry points to societal-level studies which compared the happiness levels of nations and cultures. Also, a cluster of publications on 'happiness economics' influenced by Kahneman & Krueger (2006) and Layard (2005) emerged during this time. The most cited authors during this period are the same as in Phase 4, with a new addition being Lyubomirsky et al. (2005) with their inquiry into the connection between happiness and success.

When taking a more qualitative and content view of the happiness literature of the last 50 years it can be seen that there are some other authors that have made major contributions to the key topics of discussion. A content summary of the contemporary happiness literature is outlined in Appendix 1.1 which lists some of the key research findings in relation to the causes and effects of happiness.

2.8.1 Western contemporary terminology of happiness and wellbeing

Up until the late 1960s, psychologists interested in the topic of happiness like Raymond Dodge (Murchison & Boring 1930) and Wilson (1967) lamented that theories of happiness had not progressed much beyond what the ancient Greek philosophers had formulated some 2500 years ago (Diener et al. 1999). Since the 1970s though, there has been a marked increase in studies that investigate the processes that underlie happiness. They have considered factors both external and internal to the individual (Diener et al. 1999)

The increase in theories of happiness was accompanied by a wide range of new terms in the field of happiness studies. The difficult task of defining happiness is even more challenging when considered in the context with the term 'wellbeing'. The two terms are often used interchangeably, which contributes to confusion and disagreements in the field of happiness studies, especially in Western philosophy and psychology. As suggested by Veenhoven:

> *The word 'happiness' has different meanings and these meanings are often mixed up, which gives the concept a reputation for being elusive.* (Veenhoven 2004, p.3)

Over the past 50 years, disciplines ranging from psychology to neuroscience and from economics to business science, have been researching what makes individuals and societies happy and well. There is still much debate about definitions of happiness and subjective wellbeing, the difference between the two, the causal relationships between happiness and its drivers, and whether happiness can be measured reliably or not (Easterlin 1974; Diener 1984; Kahneman & Krueger 2006; Veenhoven & Hagerty, 2006; Seligman 2011). Carlisle et al. (2009) suggest that:

> *…It is apparent from much of the scientific literature that well-being is a complex and contestable construct and that, despite intense academic scrutiny and a voluminous literature, its definition remains unresolved* (Carlisle et al. 2009, p.1557).

While it seems futile to conceive of a universally agreed definition of the terms used in happiness studies, it is nonetheless informative to highlight the range of concepts that are associated with the field. As the brief review of some of the historic perceptions of happiness in Western philosophy has shown, there are a number of concepts that are included under the umbrella term of happiness. These include:

1) **Eudaimonia** - a virtuous life well lived (Aristotle)
2) **Hedonism** - physical and mental pleasures (Cyrenaics, Epicureans)
3) **Good luck** - rare fortunate circumstances (Homer)

4) **God-given** - (Medieval era)
5) **Utility** – characteristic of an object and/or action that produces advantage, benefit, pleasure or happiness to the parties concerned by the object or action (Bentham 1781).

Since the 1960s the contemporary discourse on happiness has added a number of other terms, which often confuse matters more than they clarify (Hayborn 2011). Table 7 provides some examples of the range of terms with overlapping meanings. It is useful to be aware of these overlaps.

Table 7 - Happiness terminology since the 1960s including brief definitions and references

Happiness terminology since the 1960s	Brief definition and reference
Happiness as an emotion	Included in the description of positive affect (Diener et al. 1999).
Wellbeing	Generally feeling good (Kitayama & Markus 2000).
Wellbeing as health	Defined by the World Health Organisation in 1948 as "a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity" (Huber et al. 2011).
Psychological wellbeing	Influenced by the ability to choose and create suitable environments, sense of autonomy, level of self-acceptance, sense of purpose in life, personal growth and positive relationships (Ryff 1989) and is defined more broadly than happiness as not only the absence of debilitating emotions and the presence of positive emotions but also the presence of meaning, healthy relationships, environmental mastery, engagement and self-actualisation (Seligman & Csikszentmihalyi, 2000; Seligman 2011).
Subjective wellbeing	Cognitive evaluation of life overall, including life satisfaction, domain satisfaction and affective experience (Oishi et al. 2010; Diener et al. 1999; Veenhoven 2009), or an umbrella term that includes a person's subjective positive and negative evaluations of their life satisfaction, domain satisfaction and affective reactions (Diener & Ryan 2009).
Hedonic wellbeing	When feelings of happiness are more frequent than sadness, anger, stress and pain (Steptoe et al. 2015).
Eudemonic wellbeing	Fully flourishing and achieving one's fullest potential (Steger 2012) and having a sense of purpose and meaning in life (Steptoe et al. 2015).
Life satisfaction	Cognitive evaluation of an individual's life as a whole, including desire to change, satisfaction with the past and with current life, satisfaction with future and significant others'

	views of one's life (Diener et al. 1999). The appreciation of one's life overall (Veenhoven, 1984).
Domain satisfaction	Cognitive evaluation of an individual's life relating to work, family, leisure, health, finance, self and one's group (Diener et al. 1999).
Positive and negative affect	Describes mood states as positive affect when a person feels enthusiastic, active and alert (Watson et al. 1988) or joy, elation, contentment, pride, affection, happiness and ecstasy (Diener et al. 1999) and as negative affect when a person feels subjective distress such as anger, contempt, disgust, guilt, fear and nervousness (Watson et al. 1988) or guilt/shame, sadness, anxiety, anger, stress, depression and envy (Diener et al. 1999).
Meaning and purpose in life	Cognitive evaluation and comprehension of the amount of meaning in life combined with its motivating power and sense of purpose (Warner & Williams 1987, Steger et al. 2006, Steger 2012).
Quality of life	Made up of subjective wellbeing, economic and social indicators (Diener & Suh 1998); or quality of a good life made up of types of activities, level of self-reliance in daily living, good health, supportive relationships and a positive outlook (Brock 1993), or quality of life includes physical, psychological, social, spiritual and economic aspects of an individual's life (Yamaguchi, 2014).

This list of terms is by no means exhaustive, and each term has its own vast field of literature, making it impossible to cover adequately within this thesis. All of these concepts are multi-dimensional and can be defined in many ways. There are obviously overlaps in the definitions of happiness and its related terms, but also contradictions between definitions, depending on which discipline is using them and for which purpose and in what culture. Veenhoven (2010) therefore suggests that the definition of happiness can evolve:

> *In the universalist view happiness is comparable to 'pain'… In the relativistic view, happiness is more comparable to 'beauty', the idea of which varies across time and culture… If different in different cultures, happiness cannot serve for the evaluation of cultures. If culturally variable, the definition of happiness can also change over time*… (Veenhoven 2010, p.328).

However, it can be said that contemporary Western thought typically understands happiness as either a state of mind or as an overall state of wellbeing, signifying the flourishing of a person's life (Hayborn 2011). While this distinction is fairly clear, it becomes muddied when the above happiness- and wellbeing-related terms are being used interchangeably to describe more and more subtle concepts in relation to the experience of happiness.

Instead of adopting a particular definition of happiness or wellbeing for this study, I am attempting to map the concepts in relation to each other to create a layering of terms. This is outlined in the next section. Figures 13 and 14 attempt to illustrate some of the overlapping concepts and terminology and put them in context with each other.

2.8.2 Happiness and wellbeing measurement

It is not useful to look for agreement in definitions of happiness and wellbeing terms. However, in the last two decades clarity and some consistency have emerged in the ways in which various phenomena in the field are measured (Kahneman & Deaton 2010). This implies that there has to be some agreement on how positive emotions, life satisfaction and a sense of meaning in life distinguish happiness and wellbeing.

The definition of the term subjective wellbeing (SWB) that dominates the measurement debate includes two core components, firstly how we feel (affect) and secondly how we think (cognitive evaluation) (Diener et al. 1999; Diener et al. 2003; Veenhoven 1994). These components are clearly separable (Lucas et al. 2004) but there is debate over which one of those components is more important in contributing to SWB. Diener & Seligman (2004) argue that the cognitive component is the primary contributor to SWB, whereas others like Davern et al. (2007) propose it is the affect component.

The measurement of subjective wellbeing as an affective-cognitive construct was reaffirmed by the Organisation for Economic Cooperation and Development (OECD) with their definition of subjective wellbeing based on Diener (2006):

> *Subjective well-being is taken to be good mental states, including all of the various evaluations, positive and negative, that people make of their lives and the affective [emotional] reactions of people to their experiences* (OECD 2013a, p.10).

While this is a fairly generic definition, the OECD has added another component to measuring SWB to provide a more holistic approach. They added what they called an eudemonic component, to capture a person's sense of purpose and engagement based on the substantial literature on good psychological functioning. This literature includes Huppert & So (2009), Clark & Senik (2011) and Deci & Ryan (2006). The OECD therefore clearly recommends a more comprehensive three-component measure of SWB, which they believe should be applied in any national measurement efforts. The three OECD-recommended components of subjective wellbeing are therefore:

1. *Life evaluations* – reflective and cognitive assessment on a person's life overall

2. *Affect* – experience of positive and negative emotions at a particular point in time
3. *Eudemonia* – experience of a sense of meaning and purpose in life.

The OECD's engagement with the topic of measuring subjective wellbeing is significant because their 2013 *"Guidelines for measuring subjective wellbeing"* provide a sound methodology for countries interested in measuring wellbeing in their nations. The OECD recommends that nations measure these indicators widely and comparatively through national statistics data collection (Helliwell et al. 2013).

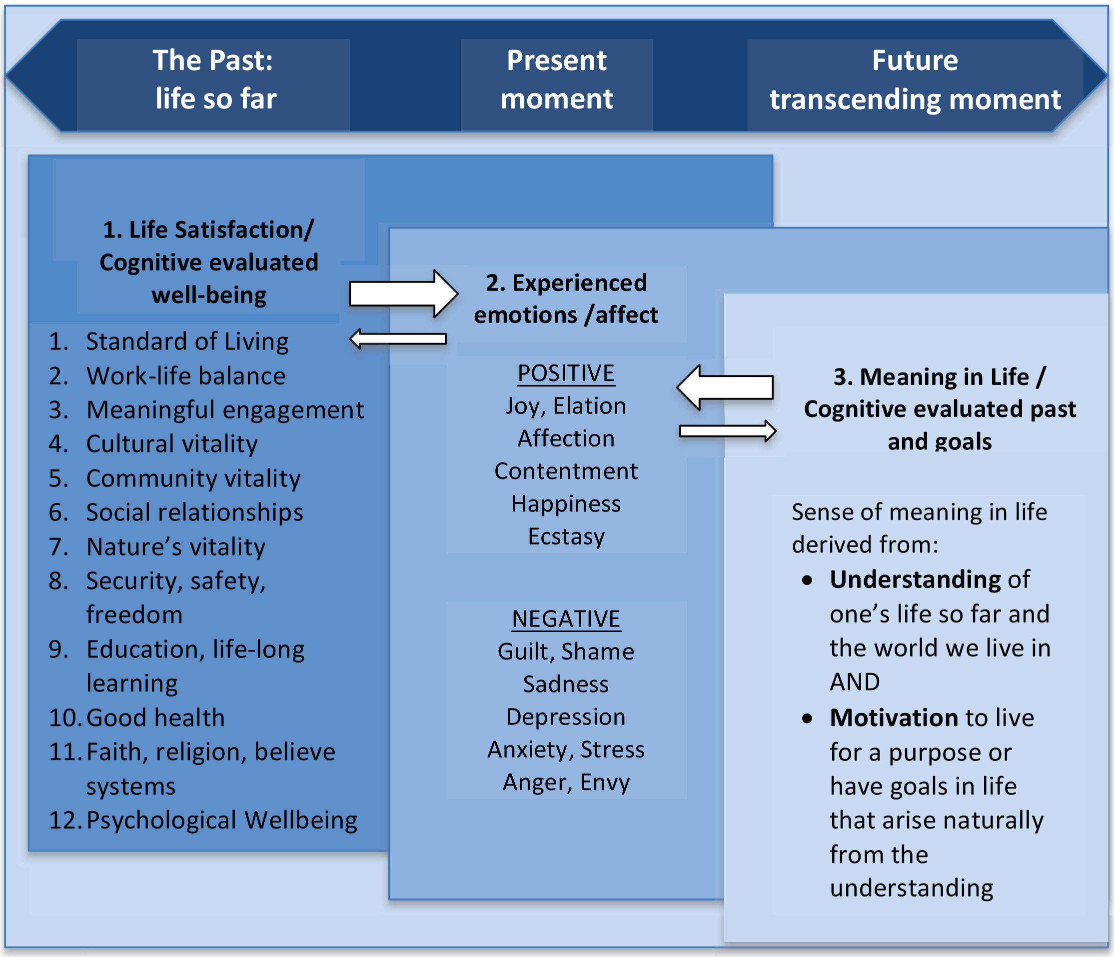
This differentiation is also reflected in much of the scholarly debate of the last 40 years, which has focused on the causal factors that increase or influence happiness and wellbeing. The most common causalities that have emerged are in two spheres: a) external life circumstances and b) how we internally process experiences. Ahuvia et al. (2015, p.13) argue that *"[t]hese two processes mutually affect each other".* This describes one of the most interesting recent developments in the factors-of-happiness debate, which proposes an interactionist perspective. This means that happiness does not only arise from positive personal perceptions, and that individual happiness is actually a mutual and collective endeavour that requires co-responsibility as described by Ahuvia et al. (2015):

> *In the context of co-responsibility, happiness is not a "self-help" pursuit but is, rather, a collective enterprise* (Ahuvia, et al. 2015, p.13).

This implies that happiness is essentially a social phenomenon, as much as it is an individual experience.

One of the contributions of this research is the positioning of external and internal happiness causes along a temporal scale. Figure 13 shows the three concepts of evaluated, experienced and projected happiness and their relation to time. Figure 14 highlights which aspects of the various causes of happiness are encapsulated in the terminology of leading academic discourse on happiness and wellbeing. Together, these two figures attempt to make sense of the complex and overlapping terminology and concepts in the contemporary happiness and wellbeing literature.

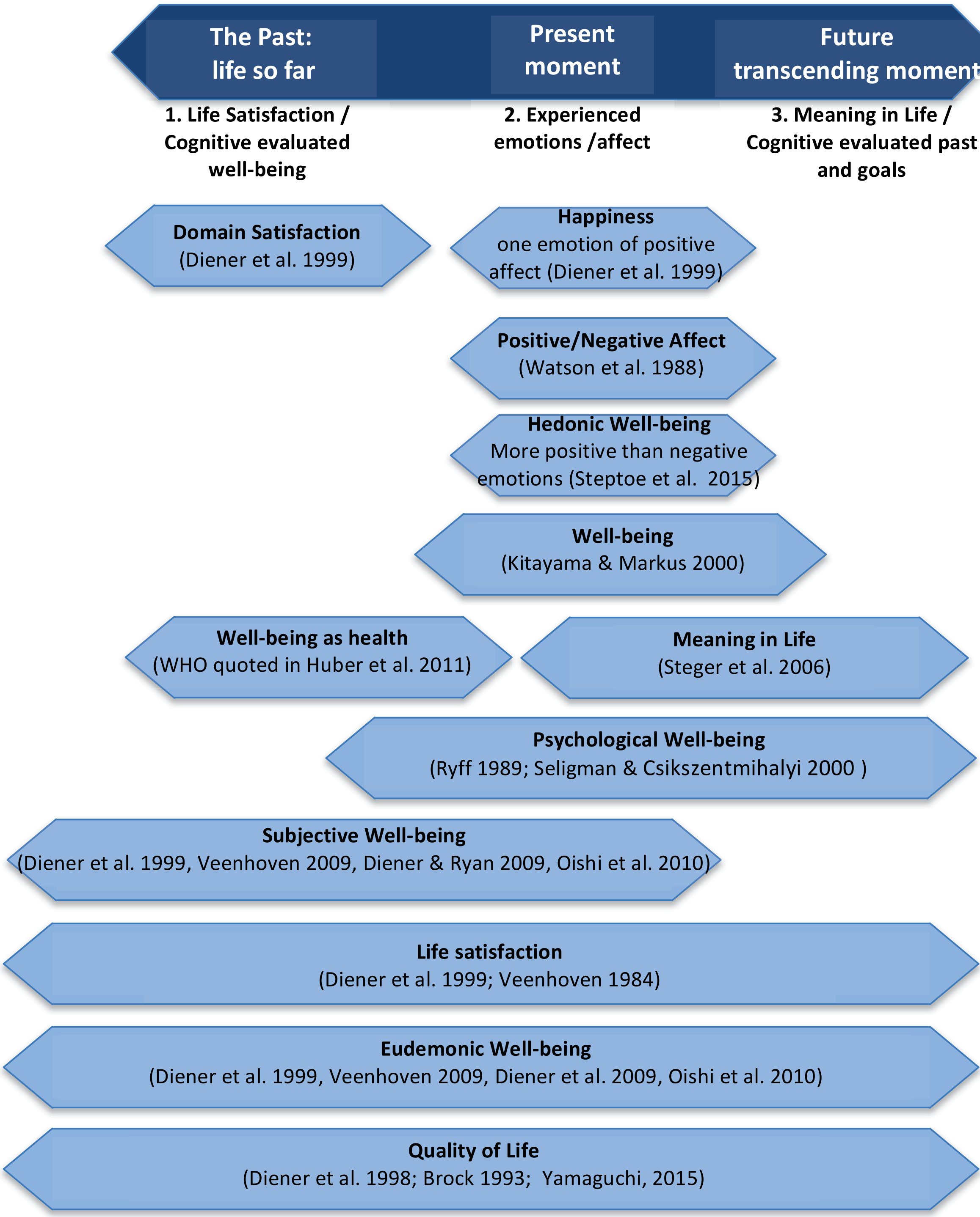
Figure 13 - Mapping concepts of contemporary happiness research along a temporal scale



Source: Adapted from Sebastian (2015a)

According to Figure 13 the emotional state experienced in the present mediates the evaluation of past life satisfaction and of the outlook for the future and for meaning in life. This positions many of the concepts of happiness and wellbeing in relationship to each other. The focus of the contemporary happiness studies field seems to primarily be on the experience and evaluation of happiness as an individual pursuit. This is in direct contrast to some Eastern philosophies and also the contemporary social happiness literature. However, together these fields contribute a rich tapestry of ideas about how individual and societal happiness are potentially interrelated and interdependent.

Figure 14 - Mapping terminologies of contemporary happiness research (definitions and differentiations of terms) based on Figure 13 above and Table 7



2.8.3 Examples of individual and national-level measurement

Along with the wide range of terms describing happiness comes an equally vast range of ever more finely tuned measurement approaches, which have mostly appeared since the 1960s. Up until then, behaviourist psychology and the emerging economic theory of the 18th and 19th centuries considered the idea of measuring happiness and subjective wellbeing as not possible and that it is impossible to compare individuals (Hayborn & Tiberius 2012). Instead, a focus on wealth creation surfaced as the basis of economic theory, and creating wealth was seen as a way to enable people to satisfy their preferences. Hence people's choices became the focus of economics, rather than their emotional states or evaluation of their lives.

Since the 1960s a wide range of subjective wellbeing measures and affect measures have emerged, and they have been sufficiently tested to provide much evidence for the existence of causal connections between wellbeing and happiness, as outlined in Appendix 1.1.

Below is a list of selected individual- and nation-level measures showing the range of tools being used in contemporary happiness studies. This is not an exhaustive list and a discussion of individual measurement tools is beyond the scope of this literature review.

Individual-level measurements:

1. Cantril Self-Anchoring Striving Scale (Ladder of Life) (Cantril 1965)
2. Satisfaction with Life Scale (Diener et al. 1985, Pavot & Diener 1993)
3. Positive and Negative Affect Schedule PANAS (Watson et al. 1988)
4. Psychological Well-being Scale (Ryff 1989)
5. Subjective Well-being Index (Diener 2000)
6. Subjective Happiness Scale (Lyubomirksy & Lepper 1999)
7. Day Reconstruction Method (Kahneman et al. 2004)
8. Experience Sampling Method (Massimini et al. 1987; Stone et al. 1999)
9. Meaning in Life Scale (Steger et al. 2006)
10. Vitality Scale (Ryan & Frederick 1997)

National-level measurements:

1. Happy Plant Index (New Economics Foundation 2012)
2. Human Development Index (UNDP 2016)
3. Gross National Happiness Index (Ura et al. 2012b)
4. Better Life Index (OECD 2013)

5. Australian National Development Index (Salvaris 2013)
6. Legatum Prosperity Index (Legatum Institute 2014),
7. Social Progress Index (Porter et al. 2016)
8. Societal Progress Indicators and Responsibility for All (SPIRAL), (Council of Europe, 2016)
9. Genuine Progress Index (Cobb et al. 1995)

Detailed descriptions and references for more than 100 national measurement indices can be found in Hák et al. (2012) who developed a database and categorisation framework for nation-level indices. There is also a vast field of literature on nation-level measurements under the term 'beyond GDP measures', and a valuable overview can be found in Fleurbaey and Blanchet (2013). The significance of these nation-level measures is that there are now many alternative ways of measuring the progress of nations that address some of the weaknesses of GDP by considering individual and societal wellbeing as key indicators in addition to economic indicators.

The most recent references that discuss individual and national measures of happiness are Diener et al. (2010) *International differences in well-being,* Weimann et al. (2015) *Measuring happiness: the economics of well-being* and the OECD's *Guidelines on measuring subjective well-being* (OECD 2013a).

While the variety of measurement techniques and authoritative literature on the validity of measuring happiness and wellbeing is undisputed, there is still debate regarding the optimum mix of subjective and objective indicators to inform policy decisions for societal wellbeing.

2.8.4 Causes and effects of happiness

The contemporary field of happiness studies has generated much empirical research in the disciplines of psychology, sociology, neuroscience, biology, medicine and economics, all of them with the aim of determining the causes of happiness. Much of this research has occurred since 2010, described as Phase 5 in the evolution of the happiness literature by Kullenberg & Nelhans (2015). Appendix 1.1 summarises some of the key variables in life that have been found to either correlate with, cause or influence happiness. The impacts of demographic variables such as age and marital status, as well as personality traits (DeNeve & Cooper 1998) are not included here, however there is a vast amount of literature available outlining the impact of those variables on happiness. It is evident from a brief scan of

Appendix 1.1 that most of the contemporary research has focused on happiness and its causes and effects.

This confirms that many of the current research efforts have framed happiness as an ultimate goal or reward that is worthwhile pursuing in itself. In fact, capitalism and the current Western paradigm are based on Benthian utilitarianism, which is based on maximising pleasure and avoiding pain. This paradigm proposes that every action should aim at a maximum happiness outcome. The 'happiness as the ultimate good' concept can be traced back to Aristotle's philosophy, which has shaped the default happiness assumptions of Western happiness research and discourse. Due to the focus on the end result of happiness, the instrumental value of happiness as a source and motivator of beneficial actions and behaviours has often been overlooked (Thin 2012).

The scholarly preoccupation with seeing happiness as an outcome rather than a causal condition which has the potential to positively influence human behaviour and aspects of individuals' lives and society was addressed by Veenhoven (1989) in his book *How harmful is happiness? Consequences of enjoying life or not*. Since then, more research has focused on happiness as a causal factor. In particular, four areas of study have shown bi-causal or reverse correlations. They are:

1. Purpose and meaning in life
2. Community vitality, generosity, altruism, prosocial behaviour
3. Belief systems, faith, religion and spirituality
4. Virtue, ethical conduct.

Some of the key findings from these areas of research are discussed in more detail in the following sections as they bear specific relevance to the thesis, which seeks to investigate the motivators for business conduct that expands care to all stakeholders and goes beyond conventional CSR practices.

2.8.4.1 Sense of meaning in life

As outlined earlier, the concept of 'meaning in life' has been described as a cognitive evaluation and comprehension of the level of meaning in life that a person perceives, combined with its motivating power, give the person a sense of purpose and direction (Warner et al. 1987, Heine et al. 2006, Steger et al. 2006, Steger 2012).

Meaning in life has been found to correlate with happiness in various ways: in increasing positive emotions such as love, joy and vitality (Steger et al. 2006), in general increasing positive affect (Chamberlain et al. 1988, Keyes et al. 2002, King et.al 2006) and in increasing life satisfaction (Keyes et al. 2002, Steger et al. 2008b). The results of cross-cultural studies in this area have been tested and verified (Chang & Dodder 1983, Ryff & Keyes, 1995, Debats 1996, Steger et al. 2008c) indicating that seeking a sense of purpose and meaning in life is potentially more a universal human condition and less culturally influenced than the pursuit of happiness.

It has also been found in cross-cultural studies that with a high sense of meaning in life are better able to deal with challenging life circumstances (Debats et al. 1995, Jim et al. 2006, Shin et al. 2005). Therefore, a sense of meaning in life is also considered a resource during challenging times (Steger et al. 2008c). At the same time Victor Frankl (1992), the psychologist who survived incarceration in a German concentration camp during the Second World War, found from his experience that a person's attitude towards suffering and challenge can also be a gateway to gaining meaning in life. This was later supported with empirical evidence in a study in which people who had experienced challenging life events reported an increased sense of meaning life (Tedeschi et al. 1998).

One of the most relevant findings comes from the field of social genomics is a study found that happiness achieved from a sense of purpose and meaning (eudemonic wellbeing), was associated with a significant reduction in stress levels that could be observed at the gene level (Fredrickson et al. 2013). This was not the case for happiness that was achieved from hedonic pleasures. The same study also highlights that hedonic and eudemonic wellbeing are not mutually exclusive but can influence each other in a reinforcing feedback loop. This means that people who experience positive emotions are better able to find meaning in life, while at the same time this sense of meaning in life increases positive emotions. Positive feedback loops of this kind are relevant in the context of systems behaviour, which is discussed later in the systems section and relates to the topic of this thesis.

2.8.4.2 Community vitality, generosity, altruism, prosocial behaviour

Community vitality, generosity, altruism and prosocial behaviour are highly relevant to this thesis, because it seeks to understand how and why businesses would expand their responsibility and engagement with stakeholders.

Another concept related to altruism and prosocial behaviour is cooperation, which been defined as referring to situations in which "*one individual pays a cost for another to receive a benefit. Cost and benefit are measured in terms of reproductive success, where reproduction can be cultural or genetic"* (Rand & Nowak 2013).

Recent studies (Inglehart & Welzel 2005; Inglehart 2010) have also found that socially diverse communities, where tolerance of 'out-groups' and gender equality is high, provide increased choices and opportunities and result in increased levels of happiness. Furthermore, countries with higher levels of social capital have been associated with lower rates of mental illness (DeSilva et al. 2005).

A branch of happiness research has emerged in the last decade that investigates the effects of generosity and proscocial behaviour on happiness. It has been found that spending money on oneself does not impact individual happiness levels, but that giving more to others increases happiness levels (Dunn et al. 2008). Other studies have found that reducing self-centred tendencies and increasing selflessness is associated with lasting psychological wellbeing (Dambrun & Ricard 2011). Similarly, altruistic predisposition is associated with improved health and wellbeing (Tankersley et al. 2007).

This same phenomenon has also been studied across countries, with 120 out of 136 countries demonstrating a positive relationship between giving to others and increased individual happiness, regardless of whether the country is poor or rich (Aknin et al. 2013; Dunn et al. 2014). Aknin et al. (2013) suggest that the benefit experienced from helping others, as demonstrated by prosocial spending, is a possible psychological universal human personality trait, as it emerges in a wide range of cultural and economic contexts. Other studies however (Haski-Leventhal 2009) have found contradictory evidence that showed substantial variations across European cultures when investigating the positive relationship between volunteering and increased life satisfaction. Stavrova & Siegers (2013) suggests that this indicates sociocultural moderators may be involved that 'switch' the relationship between altruism and happiness on and off or reverse its direction.

It has also been shown that giving does not always result in increased happiness (Berman & Small 2012). When prosocial behaviour is imposed or expected, it removes agency and with it the pleasure derived from helping others (Harbaugh et al. 2007; Weinstein & Ryan 2010). Therefore, the level of individual agency, and feeling personally responsible for prosocial behaviour, is considered a key determinant of the joy derived from giving (Berman & Small

2012). The level of autonomy has also been identified in self-determination theory as one of three key components for human wellbeing, along with relatedness and competence (Weinstein & Ryan 2010).

People prefer to have the freedom to decide between self-interested and proscocial behaviour (Botti et al. 2009). Happiness can be gained from self-interested decisions as long as there is no prosocial option available, or if the self-interest option is imposed by authority or belief systems. In other words, *"[s]elf-interest becomes undesirable when it is chosen over a prosocial option but not when it is imposed"* (Berman & Small 2012, p. 1194).

Other concepts related to prosocial behaviour include giving and altruism. Studies have investigated the intention to give or engage in altruism (rather than the action) and found improved positive emotions. One study used a Buddhist 'metta'-meditation practice to cultivate benevolence toward others. Simply by visualising and paying attention to feelings of 'loving-kindness', an increase in positive emotions such as love, engagement, serenity, joy and amusement, as well as a heightened sense of connectedness to others, was found (Fredrickson et al. 2008). The same meditation practice has also been found to improve physical health (Kok & Fredrickson 2010).

Significant evidence also reports that happiness can impact prosocial behaviour and community vitality. For example, Diener & Biswas-Diener (2008) found that happier people are more likely to help others, are more aware of others' needs, and are more inclined to altruistic behaviour. A number of studies have found that valuing happiness can lead to an increase in happiness as long as happiness is defined as going beyond individual emotional states and is focused on social engagement (Mauss et al. 2011; Fredrickson et al. 2008; Keltner 2009; Kesebir & Diener 2008; Konow & Earley 2008; Ryff & Singer 2008). The same phenomenon has also been described as the 'hedonic paradox' by Konow and Earley (2008). They found that the best way to improve a person's subjective wellbeing is to engage in activities that are focused on helping others, for example through community and public service or volunteering.

This is supported by studies that have investigated what happens when people pursue happiness as a goal. It was found that wanting to be happier or becoming aware of one's happiness does not in itself cause less happiness. However, people tend to compare themselves and negatively evaluate their progress towards their goal when they are in a context that is perceived to be conducive to happiness (Mauss et al. 2011). This phenomenon was reported by John Stuart Mill early in the 19th century after he emerged from a kind of 'mid-life-crisis' and recognised that making happiness a goal could be troublesome:

> *Those only are happy (I thought) who have their minds fixed on some object other than their own happiness; on the happiness of others, on the improvement of mankind, even on some art or pursuit, followed not as a means but, as itself an ideal end. Aiming thus at something else, they find happiness by the way* (John Stuart Mill, quoted in McMahon 2006, pp. 347-348).

Similarly, Parks et al. (2012) found that 77% of people who used online self-help guides and programs to increase their happiness reported that they engaged in benevolent acts and 41% reported an increased religious or spiritual interest. A number of studies have also found that prosocial and antisocial behaviour is linked with a sense of meaning in life. For example antisocial behaviour is found to be higher in people with a low sense of meaning in life (Shek 1997, Rahman & Khaleque 1996).

Other insightful contributions to this area of research have included findings that most people believe genuinely good deeds or prosocial behaviour involve a sacrifice and result in no benefits to oneself (Lin-Healy & Small 2013). The same study also found that if there was a benefit to someone who has engaged in prosocial behaviour then their 'goodness' was thought to be tarnished by self-interest and it was assumed that their action was therefore less valuable.

Similarly, viewed from Deci's (1975) self-determination theory perspective, altruism and prosocial behaviour increase subjective wellbeing when it is intrinsically motivated and the person is not looking for an external reward (Oarga et al. 2015). A study across 23 European and former Russian Federation countries revealed that people who had a lower belief in reciprocity, experienced a stronger benefit from prosocial behaviour (Oarga et al. 2015). The same study found that prosocial behaviour is more strongly associated with life satisfaction in countries where helping others is considered a strong social norm.

Intentions focused on external rewards may even undermine the benefits to subjective wellbeing from prosocial behaviour (Gebauer et al. 2008, Weinstein & Ryan 2010).

According to Weigel et al. (1999, p.350), Schopenhauer's idea that people always act out of self-interest to maximise the beneficial outcomes to themselves is one of the very few shared ideas between psychoanalysts (Freud 1933a), behaviourists (Skinner 1974) and economists (Smith 1776/1976; Myers 1983).

The recent scientific debate between evolutionary biologists, psychologists, philosophers and neuroscientists regarding cooperation and altruism in human societies (Ricard 2015; Wilson 2015) paints a different picture and argues that humans are "super-cooperators" (Nowak & Highfield 2011). The "cooperation-came-first" hypothesis (Wilson 2015, p.52) highlights that group-level cooperation is based on three human traits that are adapted to a group-level evolutionary selection process. They are: humans' capacity to cooperate beyond kinship, their cognitive abilities and the ability to pass on culture from generation to generation.

Altruism can go wrong

However, there are also warnings from authors who have studied pathological expressions of altruism in individuals and society (Oakley et al. 2011). According to these authors, behaviours that result in actions such as the martyrdom of suicide bombers, genocide and anorexia, are examples of altruism gone wrong. Two unanswered questions remain: a) Does unconditional altruism really exists at all? (Fleischman 2013) and b) Is pathological altruism is a defunct form of altruism or is it not altruism at all? (Berofskey 2011).

A useful distinction has also been offered regarding the intent versus the outcome of altruism. Berofskey (2011) concludes that altruistic intentions go wrong when people are ignorant of their motivations, act compulsively and have a leaning toward destructiveness: "*Altruistic behaviour is defined by intent, not outcome."* (Berofskey, 2011, p.264)

In summary, community vitality, generosity, altruism and prosocial behaviour seem to be the tools for the human species to adapt and evolve within their environment and therefore demonstrate Boulding's (1981, p.18) principle of *"survival of the fitting"*. These characteristics require intentionality, an expansion of care beyond the immediate tribe or family, and they are behaviours that require a high level of awareness and emotional intelligence. These insights are highly relevant in the context of the findings from research interviews with Bhutanese and international business leaders.

2.8.4.3 Belief systems, faith, religion and spirituality

The question of whether genetics regulate how humans make judgments about moral rights and wrongs has long been debated. Moral relativists argue that such judgments are entirely context dependent (Traphagan 2011). In short, the debate between biological and cultural determinism continues, and for this thesis the influence of cultural belief systems, faith and religion are of particular interest. It is important to explore belief systems and religion in relation to happiness and business responsibility as they have been proposed as the most powerful leverage points for creating systems change (Meadows 2009). This will be covered in more detail in the systems literature section.

The literature on conformity to social norms (Cialdini & Goldstein 2004) posits that by helping others, people gain social approval and respect for their actions, which represents an external reward (Oarga et al. 2015). Tavrora's (2014) research found that across 70 countries, wellbeing benefits from prosocial behaviour were influenced by the socio-cultural characteristics of each society. Therefore, social norms, values, belief systems and religions clearly play an important part in people's perceptions of life satisfaction and subjective wellbeing.

An influential study by Inglehart & Baker (2000, p.49) that covered 65 societies and some 75% of the world population at the time, found that economic development is closely linked with pervasive and predictable 'massive cultural change' which manifests in the loss of absolute norms. Inglehart & Baker (2000) have found evidence that industrialisation causes a dramatic shift towards secular-rational values, in comparison to post-industrial societies that see a rise in tolerance, trust, wellbeing, and participatory and even postmaterialist values. Most importantly, they also found that the broad cultural traditions of a country are embedded in a set of values and represent an enduring belief system that is unlikely to disappear, regardless of the level of development of the country. This supports other findings by other scholars from a range of disciplines who found that distinctive cultural traits persist for long periods despite capitalist economic systems and levels of development (Putnam 1993; Fukuyama 1995; Hamilton 1994 quoted in Inglehart et al. 2000). These findings are highly relevant for the Bhutan section of this thesis, as Bhutan is in a phase of industrialisation, and leaders are concerned about the loss of traditional values, beliefs and religious practices. However, the abovementioned research also gives hope to Bhutan that its Buddhist philosophy and values may be parts of the broad cultural traditions that will endure even if the country continues with its socio-economic development success of the last 20 years.

Contemporary happiness studies have contributed much evidence to the notion that happiness can be achieved by either getting what we want or by wanting what we get.

Inglehart (2010) proposes two key routes to achieving happiness: one is via belief systems and the other is via economic development, which increases freedom of choice (Sen 2000). Evidence suggests that happiness can be achieved by either optimising external conditions or by developing a belief system that embeds a positive response to existing life circumstances (Inglehart 2010, p.384). This is of particular relevance to the Bhutan section of this thesis, as Bhutan is pursuing both of these options with its approach of Gross National Happiness.

Religion

Traditionally, religions have provided a strong belief system in many societies but regardless of whether belief systems are religious or secular, they have generally been linked with higher levels of subjective wellbeing (Inglehart 2010). Many other studies have found that an emphasis on religious beliefs is associated with increased subjective wellbeing (Ferriss 2002; Kahneman & Krueger 2006; Limm & Putnam 2009). Interestingly, while religious people have been found to be happier than non-religious people in most countries, they also tend to be poorer than non-religious people (Inglehart 2010).

The positive relationship between higher subjective wellbeing and religiosity is said to be associated with a higher sense of purpose and meaning in life as well as better social support systems (Diener et al. 2009). Other reasons offered for this positive relationship include that religions tend to encourage people to lower their expectations, and to be content with their lives as they are. They may also provide a sense of security (Inglehart 2010).

It has also been found at the national level that highly religious countries tend to report higher life satisfaction and reduced suicide rates (Diener & Seligman 2004; Helliwell 2007). However paradoxically, nations with the highest levels of wellbeing tend not to be very religious, and some of the most religious nations are found to have low levels of wellbeing (Diener et al. 2009). This paradox may be explained by the evidence that religiosity and economic development have been shown to have similar impacts on happiness as a positive affect (Inglehart 2010). However, economic development seems to have a much greater positive impact on the way people evaluate their life satisfaction than religiosity does (Inglehart 2010). This indicates that economic development may have a double effect, both as a belief system and as a means of improving the standard of living.

However, it has also been found that intrinsic (rather than extrinsic) motivation for participating in a religion is a key factor in the strength of the link between higher wellbeing and religion (Ardelt 2003; Ardelt & Koenig 2007). This indicates that enforced belief systems do not have the same effect as intrinsic or voluntarily chosen beliefs on improving subjective wellbeing. Interestingly, studies of atheists and people in communist countries (Inglehart 2010) suggest that it is not necessarily religious beliefs, but any belief system, that fosters intrinsic motivation and a sense of meaning and belonging that improves happiness and life satisfaction. It should be noted though that happy atheists are found mostly in high-income countries (Inglehart 2010), suggesting that material wealth has to some extent replaced the need for religious belief. Inglehart (2010) suggests therefore that both religious belief and the freedom to choose can lead to happiness:

> *…[L]ong before modernization became possible, traditional societies evolved ways of coping with the stresses of human existence and the need for a sense of meaning… both faith and freedom can lead to happiness. To some extent they tend to substitute for each other – but there is no reason why a society could not attain both high levels of autonomy and a belief system conducive to happiness* (Inglehart 2010, p. 385).

The degree to which a religious belief system is enforced within a society has been shown to influence prosocial behaviour in a study across 70 countries (Stavrova & Siegers 2013). The study revealed that religious people in countries with low or no social pressure for religiosity engage in more prosocial and ethical behaviours than non-religious people in the same country. As the social enforcement of religiosity increases, the prosocial effects of religiosity disappear, and the higher the social pressure for religiosity.

On the other hand, when considering whether emotions (affect) can influence belief systems, some studies indicate that emotional states are predictors of the search for belief systems. As mentioned previously, Mauss et al. (2011) found that valuing happiness and pursuing happiness as a goal in itself can lead to paradoxical effects such as being less happy in positive situations. It has also been found that unhappy people turn to religion and that longer-term religious beliefs are therefore conducive to increased subjective wellbeing (Inglehart 2010).

In summary, belief systems, faith, religion and spirituality have all been found to be causes of increased subjective wellbeing and happiness. This is an outcome of being embedded or engaged in a belief system or religion. This supports the argument for a path to happiness as a reward rather than happiness as a goal, because belief systems and religions are usually culturally transmitted rather than specifically chosen goals of an individual. This is highly relevant to the findings from the interviews in this study, specifically in the context of Bhutan as the philosophical and religious traditions of Buddhism are all pervading in Bhutan.

2.8.4.4 Virtue, values and ethical conduct

With the rise of the positive psychology movement since the early 2000s, there has been an increase in studies seeking to find empirical evidence of the relationships between virtue, values and ethics and happiness levels (Kesbir & Diener 2013). These human qualities are considered the foundation of the field of positive psychology (Sandage & Hill 2001; Sheldon & King 2001) and are particularly relevant in discourse about building resilience among individuals and societies to be able to cope with today's global challenges.

As outlined in the earlier sections of this literature review, philosophers like Aristotle, the Stoics and Epicurus, as well as Eastern philosophers like Buddha, Confucius and Lao Tzu have long argued that virtuous behaviour is a key ingredient to achieving a happy and meaningful life. Some of the psychology studies that have tested and supported the hypothesis that prosocial behaviour, ethical values and moral decisions have positive effects on happiness or subjective wellbeing include Dunn et al. (2008), Stavrova et al. (2013), Harris (2010), James (2004), Borgonovi (2008), Buchanan and Bardi (2010), Dunn et al. (2014), James & Chymis (2011) and Post (2005).

Most notably, Kesbir and Diener (2013, p.2) found a bi-directional relationship between happiness and virtue, leading to a *"virtuous cycle".* Their findings not only support the ancient wisdom tradition's and philosophers' proposition that virtuous conduct leads to happiness, but also that happiness (as in the sense of subjective wellbeing) leads to virtue. In addition, Kesbir & Diener (2013, p.17) cite substantial research that has found that some exposure to challenging life experiences can lead to strengths and noble values and virtues, suggesting that even unhappy circumstances can under certain conditions start a virtuous cycle. These findings are particularly relevant in the context of the interviews with the Bhutanese and international business and government leaders covered in Parts D and E of this thesis.

Cross-cultural studies have also found that this positive association between virtue and happiness is generally true across a wide range of cultures such as USA and Europe (James 2004) and Canada, Mexico and Brazil (James 2011). Significant variations were found between cultures, indicating that cultural differences may influence ethical attitudes and behaviours (James 2011). Other cross-cultural studies using data from the World Values

Study found that people who find it unacceptable to cheat on taxes have higher levels of happiness than people who believe it is sometimes acceptable (Helliwell, 2003).

In another study, a high proportion of Russian research participants rejected unfairly generous offers (Bahry & Wilson 2006; Henrich et al. 2006). Another study found that in some countries conduct that is considered 'too virtuous' does not guarantee a higher status in society, but may instead pose greater risk of social sanctions and exclusion (Stavrova, 2014). This phenomenon has been called *antisocial punishment* (Nikiforakis 2008; Rand & Nowak 2011) and was observed in a recent experimental economics study of eastern and southern European countries (Hermann et al. 2008). In another study Stavrova (2014) found research participants punished others who were more generous, even when it meant a loss to those carrying out the punishment. In other words, *antisocial punishment* means punishing someone who contributes to the group through their cooperative behaviour, even if it comes at a cost to the punisher and the punisher's group (Sylwester et al. 2013). This is in contrast to *altruistic punishment,* which means punishing someone who has exploited group resources, even if it comes at a cost to the punisher (Sylwester et al. 2013).

Stavrova et al. (2013) suggest that in countries with high levels of antisocial punishment, cooperative behaviour does not result in additional benefits such as social approval and therefore cooperation is less socially desirable. Also, benevolent cooperators in high antisocial punishment countries are considered to deviate from the norm, and they are therefore are seen as deserving of punishment. Interestingly, cultural variations in the relationship between antisocial punishment and life satisfaction were also found (Stavrova et al. 2013). In particular, countries where antisocial punishment is relatively low like Denmark, civic virtue was found to be positively correlated to life satisfaction. Compared to countries where antisocial punishment is common such as Greece, the more virtuous people were found to be less satisfied with life than more selfish or fraudulently inclined individuals (Stavrova et al. 2013).

Examples of actions that violate civic virtue expectations include those that were exposed in the Panama Papers scandal of April 2016, where over 200,000 companies and people, including not only the rich and famous but also leading political figures from across the world, were found to have hidden money in offshore bank accounts for tax-evasion. These crimes of 'everyday life' are committed by those who think of themselves as respectable citizens and who would reject being labelled as criminals (Karstedt & Farrall 2006).

Other studies explored the relationship between increasing incomes and ethical propensity. It was found that in the US and Europe, increasing incomes reduced ethical propensity (James & Chymis 2004) whereas in Mexico increasing income positively affected ethics (James 2011). Again, this may be an indication that cultural norms may have an influence on these relationships.

The extent to which ethics and virtue affect happiness levels is similarly low to the effect that increasing income, being married or going to church have on happiness (with each contributing between 2 – 4% to total happiness) (James 2011). Another study found that the positive impact of civic virtue on happiness (as an emotional state) was stronger in 'individualistic' countries than in 'collectivist' countries (Stavrova et al. 2013). These findings also support the research mentioned earlier that found happiness (as an emotional state) is not as highly valued in Eastern cultures as it is in Western cultures. This suggests that the simplistic differentiation between Eastern and Western cultures and their philosophies of a meaningful life is not an accurate one, and that it may be more productive to differentiate between individualist and collectivist cultures, as this dichotomy may be an underlying reason for findings such as this.

While increases in personal freedom and control over one's life have been found to significantly improve happiness, they have been found to have no significant effect on ethical tendencies (James & Chymis 2004). On the other hand a study in Mexico found people who highly value fairness, respectfulness, honesty and helpfulness were on average happier than those without those values (Garcia et al. 2007)

The effects of ethics on happiness are now being explored widely in the field of happiness studies. However, the effect of happiness on ethical attitudes and behaviour has been the subject of fewer studies. Early evidence from the USA and Europe suggests that subjective wellbeing impacts ethical behaviour, and subjective wellbeing has been identified as an important predictor of ethical propensity (James & Chymis 2004). A more recent study by James (2011) found that psychological wellbeing was a key factor in the positive correlation between life satisfaction and ethical attitudes. Ethical theorists such as Hayborn (2011) suggest that there is somewhat of a consensus among the scholars of ethical theory that virtue as a value has priority over all other values in life.

The connection between types of motivation, types of values and happiness, is one of the more interesting investigations in relation to the topic of this thesis, which is interested in understanding motivations for going 'beyond CSR'. It has been found that people who are intrinsically motivated, or in other words people that have their own sets of values, have higher levels of happiness than people who are extrinsically motivated, such as through the desire to obtain rewards or avoid punishment (Frey & Stutzer 2002a). The next section will explore motivational theories in a little more detail.

In summary, virtue, values and ethical conduct have been found to be bi-causally related to increasing happiness and subjective wellbeing, meaning values and ethics can increase happiness, and increased happiness can increase ethical conduct). Although the cultural norms of a society or community influence how strong this effect is. In the context of this study, which investigates Bhutan as a case site, it is important to note that Bhutanese society has a collectivist orientation and therefore the connection between virtuous conduct and personal individual emotions of happiness is of less importance than the overall wellbeing of society.

2.8.5 Happiness and economic development

One of the most persistent debates in the contemporary field of happiness studies concerns the 'hedonic treadmill' effect (Brickman & Campbell 1971) and the 'Easterlin Paradox' (Easterlin 1974). The proponents of the hedonic treadmill effect argue that individuals adjust to rising prosperity and severe poverty after a certain time period and return to a baseline level of happiness (Brickman & Campbell 1971, Diener et al. 1999, Kahneman et al. 2004). Some call this the set point theory (Headey & Wearing 1989; Larsen 2000). This was not only believed at an individual level but also at national levels as countries developed and grew economically (Easterlin 1974; Kenny 2004). The Easterlin Paradox (Easterlin 1974) described the phenomenon that richer countries showed higher levels of happiness, despite economic growth not being conducive to rising happiness (Inglehart 2010). It was believed that neither individual efforts nor social policy would be able to continually increase happiness beyond the set point. The theory that economic development would increase individual subjective wellbeing levels was therefore widely rejected until recently (Inglehart 2010).

In the mid-2000s a number of studies (Diener et al. 2006; Lucas et al. 2003) showed that at a group level average levels of satisfaction tended to return to a baseline (Inglehart, 2010). This finding at a group level has been explained in the 'Social Comparison Theory' (Festinger 1954). However, at an individual level, economic development has seen significant numbers of people stay above their initial level of life satisfaction while others have remained below it (Inglehart 2010).

Inglehart (1997) proposes a hypothesis to explain why increasing material wealth from economic development can increase happiness at an individual level but does not do so at a group level. He argues that when people live in poverty and scarcity they focus on survival needs, prioritising what Maslow (1970) would have called 'deficit needs' or physiological and safety needs. However, as people accumulate increasing material wealth they feel more secure and shift their priorities from survival to valuing self-expression and free choice (Inglehart 2010). According to Inglehart's hypothesis, this in turn causes a societal-level shift from focusing on increasing economic growth to improving subjective wellbeing and this gives the appearance at an aggregated level that nations do not become happier as economic wealth continues to grow. Inglehart's theory very much mirrors Maslow's (1970) hierarchy of needs approach, which has been widely criticised as not being scientifically rigorous enough (Boeree 2006). Maslow's theory of motivation is discussed in more detail in the following section on happiness and motivational theories.

Another interpretation of the above phenomenon is that at the individual level there are many other variables and conditions that contribute to life satisfaction other than better economic conditions. The phenomenon could also indicate that economic development may improve some people's living standards at the same time as negatively affecting others people's living standards, widening inequality within a society. In recent years, Easterlin himself also came to the conclusion that the well-known "Easterlin Paradox" mostly appears in wealthy, highly educated Western countries, and that in developing countries, happiness levels have indeed changed substantially (Stavrova 2014). This indicates that economic development may very well improve happiness levels at an individual level up to a certain point, beyond which the effect on happiness diminishes and even disappears.

This is an interesting perspective but it does not explain why security and survival needs cease to be motivators after a certain period of time. The next section will explore some theories of motivation in relation to prosocial intentions and a purpose in life.

According to economic theory, the pursuit of happiness, as defined in the term 'utility', clearly matters (Bentham 1789). Utility refers to the benefit that a person experiences from consuming goods and services. Economists have traditionally assumed that the satisfaction of a person is determined by their consumption of goods and services, creating a tension between limited resources and the unlimited wants of humankind. However, consumer demand theory does recognise the 'law of diminishing marginal utility' (Jevons 1866) which states the more a person consumes of a particular product or service, the less benefit they will obtain. After a certain threshold, further consumption will no longer bring pleasure. This process is also referred to in psychology as adaptation (Diener et al. 2006) or a balancing feedback loop in systems theory (Meadows 2008). The challenge of measuring the subjective and ever-changing levels of satisfaction derived from consumption is solved in the field of economics by observing the consumption choices people make, and revealing their ultimate preferences (Frey & Stutzer 2001). Economics assumes that humans are rational and predictable, and that the ability to satisfy their preferences are the most important indications of their happiness.

2.8.6 Wellbeing and happiness at work

Based on my conversations with business leaders and academics over the past three years, it has been interesting to note that when I mentioned that my research included philosophies of happiness and business sustainability, the most common association that people made was with the increasingly popular phenomenon of 'wellbeing at work'. This association is based on the belief that happy workers are more productive workers.

Most of the literature about happiness and wellbeing in business is centred around the 'wellbeing at work' topic . This research study does not cover the 'wellbeing at work' or 'wellbeing of stakeholders' research in detail as there is ample literature available in this field. This literature focuses on the positive impacts of employee wellbeing on business performance and the benefits of a happy and healthy work environment for individual employees' subjective wellbeing. Also, stakeholder wellbeing is of increasing concern and Freeman's stakeholder theory has been widely applied and recently extended by Porter & Kramer (2011) in their 'Shared Value' concept. It has attracted much interest from the business sector as a way to move beyond conventional CSR practices. Both of these are important and growing areas of research that provide support for safe, healthy and supportive working conditions, and better quality of life. However they are outside of the scope of this literature review.

Since 'happiness' has made a splash, particularly since 2010 in the context of business operations, the literature has focused mostly on wellbeing and happiness at work in relation to staff, management and leadership. This focus is often motivated by a 'business case' mindset which aims to improve productivity. This field of research is concerned with a number of key areas such as:

a) how to best measure happiness and subjective wellbeing in the workplace (Warr et al. 2013; Porath et al. 2012, May et al. 2004) and objective assessments of job quality (Green, 2006)
b) what factors contribute to wellbeing at work (Karasek 1979; Siegrist 1996; Warr 2007)
c) the relationship between job satisfaction, subjective wellbeing, employee engagement, and work performance (Fisher 2009; Van de Voorde 2012; Warr & Inceoglu 2012; Schaufeli & Bakker 2003) as well as business level productivity (Harter et al. 2002; Harter et al. 2010; Patterson et al. 2004).

Many studies have found a correlation between job satisfaction and job engagement (Rich et al. 2010), organisational commitment (Cooper-Hakim & Viswesvaran 2005) and higher personal and business performance (Bryson et al. 2014). The concern for happiness and wellbeing in this context is motivated by a desire to achieve increased efficiencies, higher productivity and increased business competiveness and profitability. While there are undoubtedly many business owners with a genuine concern for the wellbeing of their employees, there are also many businesses with the primary motive of the business case for improving profitability and performance goals, and to a secondary degree about the ethical concern for the wellbeing of employees. The interest in happiness and wellbeing at work initiatives mirrors how sustainability and CSR activities have been adopted by many businesses due to the business case for cost savings and improved efficiencies. Wellbeing at work programs are also being used as proxies to demonstrate how much businesses care. This is equivalent to conventional CSR initiatives which leave the underlying business strategy, purpose and worldview of the leadership and business culture unchanged. Much of this business approach is motivated by self-interest and focuses on risk management and competitive advantage and is not discussed further in this study.

2.8.7 Happiness and motivational theories

The plethora of Western theories of happiness is mirrored by related motivational theories. For the purpose of this thesis, I will concentrate on the eudemonic values, hedonistic, values, intrinsic/extrinsic concepts of motivation, and self-determination theories. This study is interested what motivates more ethical, relational, responsible and sustainable behaviour within the business sector? Therefore, motivational theories in relation to happiness are of great interest here.

Eudemonic motivational theories – from Aristotle to Maslow

One of the earliest motivational theories emerged with the ancient Greeks and their tradition of *eudaimonia.* Socrates, Plato and in particular Aristotle, make a clear distinction between the physical needs, which they consider to be 'lower' needs, and mental psychological needs that they consider to be 'higher' needs. Aristotle's conviction is that ultimate happiness can only come from fulfilling the 'higher' psychological needs.

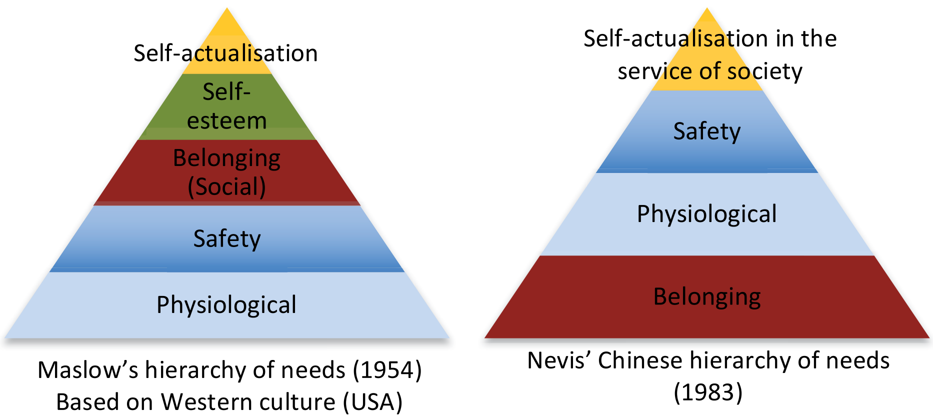
This line of thinking emerges again in Maslow's hierarchy of needs (Maslow 1954; 1968), which proposes that people whose lower needs (such as physiological and security needs) are fulfilled will focus on higher-level psychological needs (such as self-esteem and self-actualisation needs). Maslow also proposes that those higher-level needs are universal to humankind across cultures (Maslow 1954) and argues that people who have the freedom to pursue self-actualisation are more fulfilled and satisfied with life than those concerned with food and shelter needs (James 2011; Maslow 1968).

Maslow's theory has long been criticised for its lack of scientific method and for its hierarchical nature, which was thought to be too compartmentalised and rigid. Other motivational theories, such as Max-Neef's (2006) theory of human needs has provided a more nuanced understanding of needs. However, recent findings in the field of happiness studies may provide some support for elements of Maslow's hypothesis. Indeed, it has been shown that there are clearly separable elements that influence the life evaluation of subjective wellbeing. These elements are different from those which influence the experience of positive and negative emotions (affect) (Lucas et al. 1996, Kahneman et al. 1999). Life evaluation and the experience of positive/negative emotions have been associated with different kinds of happiness, indicating that different kinds of needs could lead to different kinds of happiness. These different kinds of happiness include short-lived emotions and long-lasting happiness or life satisfaction (Tay & Diener 2011).

Clearly influenced by Maslow's theory, Inglehart (1990) suggests that once people have their basic material needs met, they move into a post-materialistic phase and turn their focus to self-actualisation. While Goldstein (1934) coined the term self-actualisation, Maslow (1948, p.383) defines it as *"the desire for self-fulfilment … the tendency … to become actualised in what he[/she] is potentially … the desire to become more and more what one is, to become everything that one is capable of becoming".* Diener et al. (1995) suggests that levels of subjective wellbeing are higher in wealthier nations because it is more likely that people have their basic physiological and safety needs met. However, Diener (2000) qualifies this by adding that this is mostly the case for Westernised nations that ascribe a higher importance to subjective wellbeing.

Cross-cultural studies (Nevis 1983) inspired by Maslow's hierarchy have resulted in the proposition that the hierarchy of needs in collectivist countries differs from the hierarchy in individualistic societies (Gambrel & Cinaci 2003). For example, Nevis (1983) proposes a variation of a hierarchy of needs for Chinese society. Based on his evidence and logic, Nevis (1983) argues that 'belonging needs' are the most basic needs in Chinese society and suggests removing the self-esteem need from the hierarchy pyramid. Figure 15 shows the two approaches and highlights how Western cultures tend to focus on the inner needs of the individual for the purpose of individual development, whereas Eastern cultures tend to focus on social order at the service of society at large (Nevis 1983).

Figure 15 - Comparison of needs hierarchies by Maslow (1954) based on Western nations and Nevis (1983) based on Chinese culture:



A more recent study using data from 123 nations representing some 66% of the world's population set out to test Maslow's hypothesis by analysing the relationship between needs and subjective wellbeing, and whether needs are fulfilled in the order Maslow proposes (Tay & Diener 2011). The study combines Maslow's theory (1954) with those of Deci & Ryan (2000), Ryff & Keyes (1995) and others, and uses six categories of needs: a) basic, b) safety, c) social, d) respect, e) mastery and f) autonomy needs. It finds that the basic needs for food and shelter are consistently important in people's life evaluations across the world. In contrast, social and respect needs are consistently important for the experience of positive emotions. Lastly, deprivation of basic needs, respect and autonomy, were found to consistently influence negative feelings in all regions of the world (Tay & Diener 2011).

The study supports Maslow's (1954) hypothesis to the extent that people were found to fulfil basic and safety needs first before other needs. Tay et al. attributes variations in the fulfilment of basic and safety needs to country-level conditions, which are deemed beyond the control of an individual. However, psychosocial needs were found to have a similar ordering across different conditions, with social needs coming before autonomy needs, and mastery needs only being fulfilled once most other needs had been met.

Tay & Diener (2011) suggest that country conditions have less influence on people's psychosocial needs as they are mostly within an individual's control. They also found that 'lower' level needs are fulfilled more quickly than the 'higher' level needs. Overall though, they find only a weak tendency to fulfil needs in a specific order. One of the reasons for the weakness of this tendency is believed to be that people fulfil psychosocial needs even when 'lower' needs are not fully met. This may be one way to explain the first part of the 'happy peasants and miserable millionaires' paradox identified by Graham (2009).

One of the key conclusions of Tay & Diener (2011, p.362) is that "*People's motivations may differ from actual need fulfilment owing to the circumstances in which they live".* This implies that the motivational power of basic and safety needs does depend on the political, cultural and economic context that people live in. According to Tay et al. (2011), this points to the possibility that different needs might be emphasised in different cultures and therefore that links between needs and subjective wellbeing will be different in different countries.

It has also been found that having many resources available to fulfil one's needs, such as money and hours of social time, has a diminishing return or *"declining marginal utility"* (Diener et al. 2008, p.277) making it essential to attend to a variety of needs in daily activities even if not all of the 'lower' needs are fulfilled.

A further highly relevant finding of Tay & Diener's (2011) research is that a person's subjective wellbeing is also improved if others in the same country have their needs met. This implies that Maslow's hierarchy of needs, which focuses on the individual, is not sufficient as a needs fulfilment theory, since individuals cannot simply pursue and achieve needs fulfilment on their own at an individual level. This means that need fulfilment has to be considered at the societal level as well as suggested by Tay & Diener (2011):

> *Improving one's own life is not enough; society-wide improvement is also required* (Tay & Diener 2011 p.363).

2.8.7.1 Hedonistic motivational theories

Bentham's notion of maximising pleasure and minimising pain is the basis of hedonistic motivation theories as proposed by Freud (1933a) and Williams (1968). Hedonistic motivation is about the individual satisfying their bodily and psychological needs. This brings pleasure and sensuous gratification (Schwartz 2012). Today, hedonistic motivation fuels much of the accumulation of material wealth, but only leads to prosocial, ethical or virtuous behaviour if it improves the material comforts of a person (James 2011). Therein lies a fundamental problem as suggested by James (2011):

> *According to Nussbaum (2005, p.174), this has been a 'problem that has troubled economists in the Benthamite tradition' because it is not possible to introduce an ethical value into a calculation of pleasure and pains* (James 2011, p. 197).

Behaviour motivated by hedonism can be placed along a continuum of pleasure and aversion, and what is considered pleasure or pain changes over time depending on the conditions a person finds themselves in (Petri & Govern 2013). Also, distinct dimensions of motivation were described by Margolis (1984) as self-interest, group-interest and participation, which constantly require trade-offs when people make choices. There is much evidence now that the idea of rational choice motivated by self-interest is highly contested, and hence hedonistic motivation theories seem inadequate for explaining diverse altruistic and group-oriented behaviours.

2.8.7.2 Motivation and individual and cultural values

The relationship between cultural values and motivation was hinted at earlier. Schwartz (2006), one of the most widely recognised researchers on values, suggests that consensus has been emerging among values researchers since the 1950s on the nature of basic values. He describes six main features (Schwartz 2006, p. 143):

1. *Values are beliefs that are linked inextricably to affect.*
2. *Values refer to desirable goals that motivate action.*
3. *Values transcend specific actions and situations (e.g., obedience and honesty are values that are relevant at work or in school, in sports, business, and politics, with family, friends, or strangers). This feature distinguishes values from narrower concepts like norms and attitudes that usually refer to specific actions, objects, or situations.*

4. *Values serve as standards or criteria that guide the selection or evaluation of actions, policies, people, and events.*
5. *Values are ordered by importance relative to one another to form a system of priorities. This hierarchical feature also distinguishes values from norms and attitudes.*
6. *The relative importance of values guides action. The trade-off among relevant, competing values is what guides attitudes and behaviours* (Schwartz 2006, p. 143).

Schwartz (2012) finds, in a review of a range of cross-cultural studies across 82 nations, that people everywhere experience a conflict between pursuing self-interested goals and transcending self-interest. He considers values as key motivators of behaviour, and sees them as the cornerstones of attitudes. This provides a view of motivation that is based on values rather than needs fulfilment. Schwartz (2012) suggests a circular continuum of interrelated motivations based on a set of 10 universal values, as shown in Figure 16 below. Closeness of values in the circle suggests similar underlying motivations, and if two values are far apart, this suggests that the underlying motivations may be contradictory. The continuum of the 10 values identified by Schwartz creates a set of 12 potential shared relationships (Schwartz 2012, p.9):

1. *Power and achievement—social superiority and esteem;*
2. *Achievement and hedonism--self-centred satisfaction;*
3. *Hedonism and stimulation--a desire for affectively pleasant arousal;*
4. *Stimulation and self-direction—intrinsic interest in novelty and mastery;*
5. *Self-direction and universalism—reliance upon one's own judgment and comfort with the diversity of existence;*
6. *Universalism and benevolence--enhancement of others and transcendence of selfish interests;*
7. *Benevolence and tradition—devotion to one's in-group;*
8. *Benevolence and conformity—normative behaviour that promotes close relationships;*
9. *Conformity and tradition--subordination of self in favour of socially imposed expectations;*
10. *Tradition and security – preserving exiting social arrangements that give certainty to life;*
11. *Conformity and security – protection of order and harmony in relations;*

12. *Security and power – avoiding or overcoming threats by controlling relationships and resources* (Schwartz, 2012, p.9).

Figure 16 - Theoretical model of the interrelatedness among ten motivational types of values at individual-level (Schwartz 2012, p.9)

Source: Adapted from Schwartz (2012, p.9)

Strong empirical evidence supports the existence of a correlation between people's values and their resulting behaviours (Bardi & Schwartz 2003; Roccas & Sagiv 2010; Crompton 2010), regardless of whether it is the result of a period of deliberation or unconscious behaviour. However, in reality people often behave in ways that contradict their values depending on whether they are intrinsically or extrinsically motivated (Crompton, 2010). It has been shown that people who are motivated by intrinsic values and goals (such as a sense of belonging to a community, a sense of self-acceptance, or desire for personal growth) are more likely to behave prosocially and pro-environmentally (Kasser & Ryan 1996; Grouzet et al. 2005, Crompton 2010). In comparison, people who are motivated by extrinsic values (such as external rewards like money, image or recognition from others), are more concerned with self-enhancement (Crompton 2010). The distinction between intrinsic and extrinsic values has also been related to Schwartz's (2012) self-transcendence and self-enhancement terms respectively as shown in Figure 16 above.

Empirical evidence has also suggests that people motivated by intrinsic rewards tend to be happier than people who are motivated by extrinsic rewards (Frey & Stutzer, 2002a).

While there is substantial agreement about the universality and make-up of individual-level values, there is still much debate about values at the societal level, especially between the two authors Schwartz and Hofstede (Schwartz 2011, Hofstede 2001, Fischer et al. 2010, Chudzikowski et al. 2011).

Hofstede's work from the 1970s was based on organisational research at IBM technology company across 72 countries. He proposed a four-dimensional model of national culture and values, which was first published in *Culture's consequences* (Hofstede, 1980). Since then, Hofestede's work has evolved but his basic cultural values dimensions for different countries are still widely used today. Hofstede (1991) describes them as follows:

a) ***Power distance:*** *Social inequality, including the relationship with authority.*
b) ***Individualism-collectivism****: The relationship between the individual and group.*
c) ***Masculinity-femininity:*** *The social (and emotional) implications of having been born as a boy or a girl.*
d) ***Uncertainty avoidance****: Ways of dealing with uncertainty, relating to the control of aggression and the expression of emotions* (Hofstede 1991, pp. 13-14).

Hofstede claimed that these country-level cultural value dimensions, although aggregated from individuals' responses, were not replicable at the individual level (Fischer et al. 2010). On the other hand Schwartz (2004 & 2006) proposed seven cultural value constructs that he found overlapped considerably with value constructs at the individual level (Fischer et al. 2010).

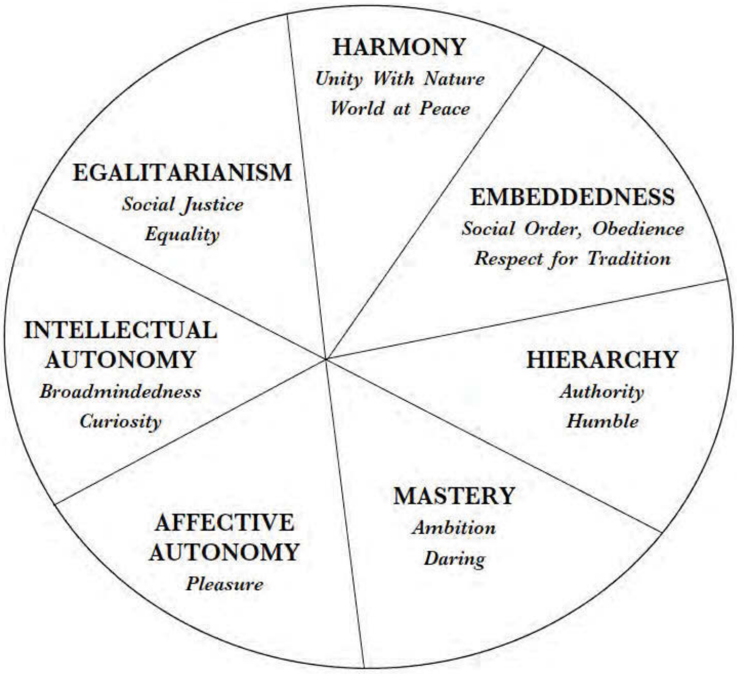
Schwartz's (2006) seven cultural value dimensions are again presented in a circular arrangement as shown in Figure 17 with their arrangement representing opposing values. According to Schwartz (2006) these values emerge as a society confronts problems at a societal level. He describes three types of problems which are summarised here as:

Problem 1: Defining boundaries between the person and the group
Intellectual autonomy/Affective autonomy versus **Embeddedness**

Problem 2: Preserving social fabric by productive cooperation
Egalitarianism versus **Hierarchy**

Problem 3: Managing people's relationship to nature and society
Harmony versus **Mastery**

Figure 17 - Schwartz's cultural values dimensions: prototypical structure



Source: Schwartz (2006, p.142)

Comparative studies of Schwartz and Hofstede's cultural values models have found that the explanatory powers of the two different measures developed by the two authors are comparable (Drogendijk & Slangen 2006). Another study using both authors' models found that if appropriate cultural indicators are chosen, then national cultures can be distinguished by showing that in most countries, culturally different regions usually cluster in line with national basic cultural values (Minkov & Hofstede 2011).

These findings are particularly relevant as this study compares interview results from Bhutanese and international business and government leaders. Therefore, it is important to note that interview participants from Bhutan were culturally more inclined towards harmony, embeddedness and hierarchy, while interview participants from other developed countries were more inclined towards intellectual autonomy, affective autonomy and mastery.

2.8.7.3 New motivational model

Social neuroscientist Professor Tania Singer (2015) recently presented at the World Economic Forum in Davos a new view of human nature informed by psychology, biology and social neuroscience. She proposes seven motivational systems that lead to different behavioural outcomes. She draws on recent findings from a large-scale social neuroscience research project which indicate that mental training and education can change what economists call 'stable preferences' in economic behaviour (Singer 2015). The results of the project suggest that there are seven different motivational systems and that in any particular context the most active one will determine behaviour, as shown in Table 8. Singer (2015) suggests that depending on the context in which people live, certain motivational systems will be more activated than others, and this determines the choices people make.

Table 8 - Seven motivational systems of human nature (Singer 2015)

Motivational systems	**Lead to different behaviours**
Anger	Aggressive Behaviour
Fear	Defensive Behaviour
Consumption	Self-interested behaviour (typical utility function in economic theory)
Affiliation	Conforming behaviour, wanting to belong to a group
Power	Competitive behaviour
Achievement	Excelling behaviour, wanting to be the best, optimising performance
Care	Prosocial behaviour, cooperation

Although this motivational theory incorporates care as one of the motivational systems that leads to prosocial behaviour and cooperation, it is still based on the predominant Western worldview of a clearly defined 'bounded self'. The concept of care within this view therefore extends to charitable behaviour towards others. However, due to the predominance of the concept of a separate existent self, I posit that this caring motivation will not extend to care for the entire socio-ecological system and all life forms within it. I argue that caring for, and taking responsibility for, the world as a system requires a different worldview, such as the systems view that is inherent in many indigenous cultures and in philosophical traditions such as Buddhism and Taoism, and which is also found in the contemporary relational responsibility worldview discussed earlier.

This has direct implications for societies, governments, businesses and their stakeholders: they can make conscious choices about the conditions that they want to create to facilitate favourable motivational systems in society. The business sector can play an active role in creating conditions that foster a caring motivational system in their organisations and among stakeholders that will increase prosocial and cooperative behaviour and increase responsibility for planetary wellbeing.

2.9 *Summary of Western theories of happiness*

There is much evidence that there are individual and societal advantages associated with improving happiness and conditions for wellbeing (Biswas-Diener et al. 2015). Some of the individual benefits of higher levels of experience and evaluative wellbeing include:

a) higher levels of prosperity, enjoyment and improved productivity at work (Diener et al. 2013)
b) higher incomes (DeNeve et al. 2013)
c) improved physical and mental health, such as reduced psychological stress (Hooker & Pressman, 2015) and increased longevity (DeNeve et al. 2013)

At a societal level there are also psychosocial benefits to wellbeing (Biswas-Diener et al. 2015) including:

a) increased social capital and cooperation
b) higher frequency of prosocial behaviour, larger social networks and more successful social relationships (DeNeve et al. 2013; Lyubomirksy et al. 2005)
c) higher levels of altruism and trust (Keltner et al. 2014).

These results reflect the vast collection of theories of happiness and wellbeing that have emerged from contemporary Western research in the field of happiness studies. The intention of this section of the literature review is to highlight some of the most popular approaches to interpreting happiness and wellbeing, and to demonstrate that these terms are cluster concepts that overlap, yet are distinctly different. The wide range of interpretations and their relationships highlights that it would be counterproductive to confine the discussions to any particular definitions of the terms happiness and wellbeing.

Hayborn (2011) proposes that there are three accepted distinctions within the theories of wellbeing: a) hedonism, b) desire theories and c) objective list theories. Stavrova (2014) organises the theories of happiness into five categories: a) genetic predisposition, b) bottom-up approaches, c) goals theories, d) value-as-moderator model and e) Social Comparison Theory.

Most philosophers do not consider happiness (as in the short-term emotional state) to be sufficient for wellbeing, and they consider it even less adequate for a 'good life' (Hayborn 2011, Diener et al. 2003). Yet, subjective wellbeing is still considered a key concept in Western ethical thought, and it is seen as one of the main contributors to the experience of a 'good life' (Hayborn 2011).

In summary, including the early views from the ancient Greeks, some of the key concepts relating to happiness and wellbeing that have emerged from Western thought are outlined in Table 9.

Table 9 - Ancient and contemporary Western happiness theories

Happiness theory	Description and references
Eudemonia	Aristotle's concept of living a fulfilled life of purpose and virtuous conduct (Kenny 1978), proposes that virtue is necessary for achieving happiness (Huppert et al. 2009; Ryff 1989; Seligman 2002).
Life satisfaction	Overall favourable subjective assessment of life circumstances (Tatarkiewicz 1976, Diener et al. 1999, Veenhoven 1984).
Emotional state	Happiness is an experience of positive emotions (Hayborn 2008, 2011, Bok 2010, Ricard 2006).
Genetic Predisposition	People's genetic make-up influences their levels of happiness and wellbeing which stay fairly stable over time, due to adaptation and habituation (Brickman & Campbell, 1971; Diener et al. 2006, Lykken & Tellegen, 1996; Myers 1992; Stavrova 2014).
Hedonism	Happiness relates to maximising pleasure and avoiding pain, resulting in a net positive balance of pleasure over pain (Brandt 1959; Campbell 1973; Ebenstein 1991; Kahneman 1999; Hayborn 2000; Feldman 2010).
Desire theories	Happiness is achieved through actual objectively assessable circumstances in life that satisfy current desires and needs (Sumner 1996).
Objective list theories or Bottom-up approach	Lists of items, objective determinants of happiness, including demographics and life circumstances that contribute to wellbeing, based on the concept that there is a set of universal human needs that a happy person can satisfy (Diener et al. 1999, Lyubomirsky 2001; Sumner 1996; Seligman 2011; Stavrova 2014).
Social Comparison Theories	Based on Festinger's (1954) social comparisons processes, posits that subjective wellbeing varies due to comparisons a person makes with their peers and society in relation to income levels (Clark et al. 2008) and non-material circumstances such as health conditions (Carrieri, 2012). Baseline happiness levels also influence how much a person is prone to comparing themselves to others around them, with people

	with high baseline happiness using comparisons much less than people with lower baseline happiness levels (Lyubomirsky 2001). However, it is not clear if social comparison is a result of, or a reason for differences in happiness (Stavrova 2014).
Social Norms Framework	Recognises the importance of social influence and desire for conformity on subjective wellbeing, and investigates the "discrepancy between the self and society's normative expectations" (Stavrova, 2014 p. 35).
Goals Theories	Achieving happiness by setting and reaching one's individual goals if resources are available that help to achieve the goals (Kasser & Ryan 1996; Diener et al. 1995; Stavrova 2014).
Values-as-moderator model	According to Stavrova (2014), the more importance a person places on particular values, the more happiness they experience from activities that are aligned with those values, meaning success in activities and domains that are aligned with an individual's personal values produce more happiness than non-aligned activities (Oishi et al. 1999).
Inclusive theories	Examples include subjective wellbeing and Gross National Happiness, Seligman's PERMA model (Sumner 1996, Ura 2012b; Seligman 2011). They include subjective and objective elements, and take a holistic view of happiness as a contextual phenomenon that is experienced subjectively but also collectively.

This is by no means a complete list but just a sample of the wide range of perspectives on achieving, measuring or explaining the experiences of happiness and wellbeing. They are relevant in connection with this thesis as they provide insight into the motivational theories that have emerged over the last 100 years.

2.10 Consolidation of insights from happiness philosophies and studies

In synthesising the wide range of theories about happiness and wellbeing from Eastern and Western philosophies, ancient and contemporary literature as listed in Sections 2.6, 2.7 and 2.8 above, I propose to organise them into seven broad categories as outlined further in Table 10:

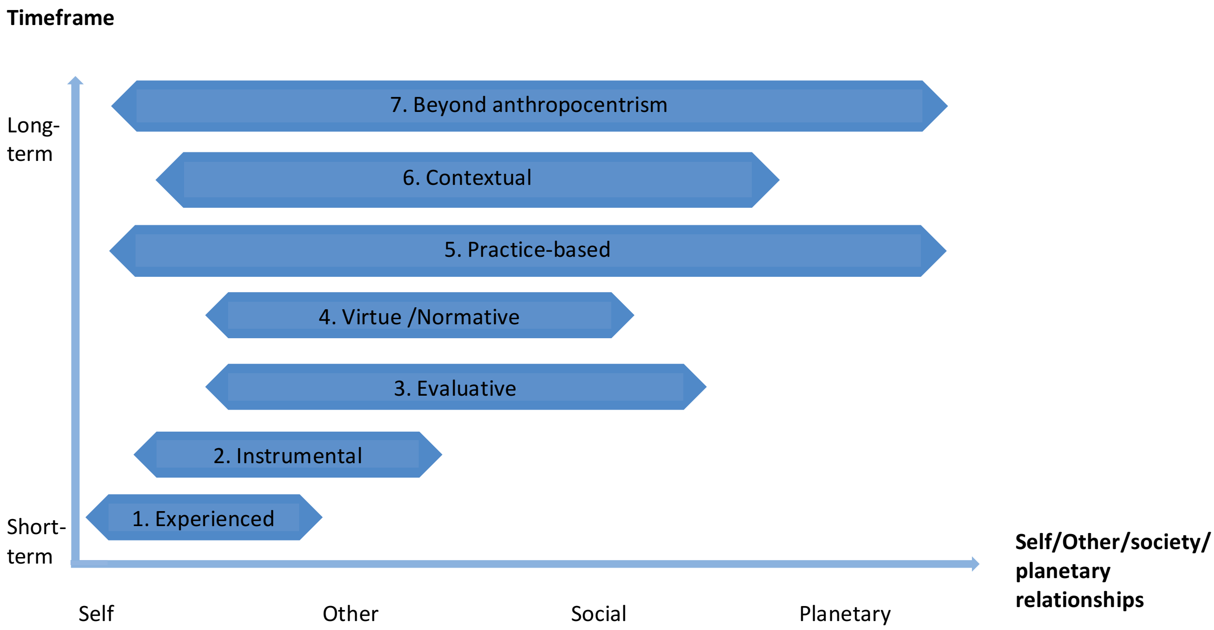
1) **Emotionally experienced** happiness theories (the focus is on how happiness is experienced)
2) **Instrumental** happiness theories (the focus is on end-goal or outcomes)
3) **Evaluative** happiness theories (the focus is on how happiness is evaluated and measured)
4) **Virtue and normative** theories (the focus is on how one should achieve happiness)
5) **Practice-based** happiness theories (the focus is on the actual practices and processes for cultivating conditions for happiness and wellbeing)
6) **Contextual** theories of happiness (the focus is on the social, environmental context)
7) **Beyond anthropocentrism** theories of happiness (the focus is on planetary and systems conditions and interconnectedness).

Table 10 - Seven categories of happiness and wellbeing theories and relevant examples

Categories of theory	Examples of approaches
1. Emotionally experienced theories (how happiness is experienced)	• Emotional state • Social comparison
2. Instrumental theories (end-goal or outcome oriented)	• Goals theories • Objective list theories (bottom-up approaches) • Desire theories • Hedonism
3. Evaluative theories (how happiness is evaluated and compared)	• Subjective wellbeing • All indicators designed for measurement • Life satisfaction
4. Virtue and normative theories (how one *should* achieve happiness)	• Values-as-moderator model • Eudemonia
5. Practice-based (cultivation) theories (actual practices and process for cultivating conditions for happiness and wellbeing)	• Ancient Greeks' physical and mental training • Eightfold Path of Buddhism • Vitalising Taoism • Four yoga paths of Hinduism • Five concepts of the 'Deliberate Tradition' of Confucianism
6. Contextual theories (considering social, environmental context)	• PERMA model (positive emotion, engagement, good relationships, meaning and purpose, accomplishment/achievement/mastery • Social comparison • Social norms framework
7. Beyond anthropocentrism systems theories (considering planetary and systems conditions and interconnectedness)	• Gross National Happiness philosophy (discussed in Part D, Section 1.4) • Eastern philosophies such as Buddhism and Taoism • New Development Paradigm (discussed in Part B, Section 3.9) • Planetary health model

The organisation of the various types of happiness theories into these seven categories is offered as a sense-making tool, and one it is of the contributions of this study. Another way of considering the types of theories drawn from the ancient Eastern and Western philosophical traditions and contemporary Western happiness studies is to organise them along two axes, with the vertical axis extending from short-term to long-term, and the horizontal axis extending from a self-centred focus to a planetary focus. Although this is a generalisation of these theories, it may offer some insight into the focus of different happiness theories. Figure 18 illustrates the range of ideas that have been discussed.

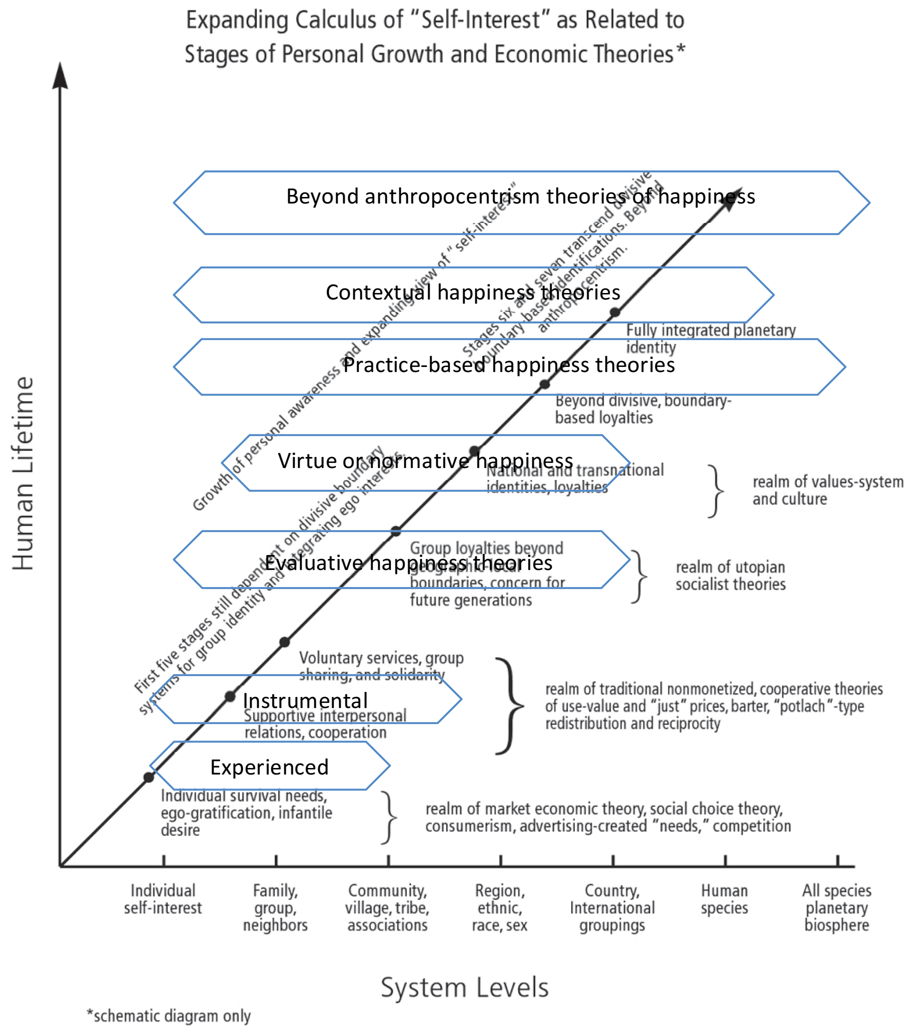
Figure 18 - Categories of happiness theories ranging from those with a self-centred focus to those with a planetary and systems orientation



The location of the seven categories of happiness theories on this graph is another way of understanding the relationships of some of the approaches to happiness in the Eastern and Western literature. Their location on the graph is intended to illustrate the range and level of relational and temporal context they generally take into consideration.

Using axes similar to those in Figure 18 above, Hazel Henderson (1980) offers a schematic that presented the levels of human consciousness and stages of maturity in context with a human lifetime and economic theories. Figure 19 is a replication of Henderson's (1996, p.154) 'expanding calculus of self-interest', with an overlay of the types of happiness theories as categorised above.

Figure 19 - Henderson's expanding calculus of self-interest overlayed with categories of happiness theories



Source: Adapted from Henderson (1996, p.154) 'expanding calculus of self-interest'

Given the diversity and range of theories of happiness, it would be difficult to construct a consolidated view based on a single definition of happiness. It would also be difficult to specify what a single happiness definition could contribute to debates and decision-making processes. The mapping of the seven categories of happiness theories to Henderson's (1996) human consciousness and stages of maturity in Figure 19 suggests that a broader concern beyond self-interest evolves over a human lifetime that leads to a planetary outlook which includes all species and the planetary biosphere. The assumption that happiness theories that are concerned with a larger context and wider group of stakeholders require higher levels of consciousness and maturity is adopted in this study. The investigation of the GNH philosophy in Bhutan is used to support this assumption later in Section D.

Another sense-making theory about happiness as a social phenomena emerged in the policy context and was proposed by Thin (2012) as the 'happiness lens'. Thin (2012) developed the 'happiness lens' for a government policy context which could also apply in a business context. For example, Thin (2012) identifies a number of philosophical and attitudinal trends that apply just as much to a business strategy context as they do to a policy context.

Some of the key trends keeping happiness studies at the forefront of debate include (Thin 2012, pp.18-21):

a) A burst of interest in *social capital* has been a major development in social science, drawing attention to informal and relational aspects of progress.
b) The popularity of the *positive psychology* literature and movement, as well as the *self-esteem* and *capabilities* literature has seen a pronounced focus on individualism and this has resulted in criticism and scepticism of these approaches (Biswas-Diener 2011; Thin 2011).
c) The fields of *environmental and social responsibility* and *sustainable development* have seen a surge in attention and interest, particularly in the three-year period in the lead-up to the new set of UN Sustainable Development Goals launched in September 2015. The consultation phase for the development of these goals was focused on creating "the world we want", which inherently focuses on what a good life and society that is worth sustaining would look like..
d) Disillusionment, particularly in the developed world, with the idea that more wealth provides more opportunities for consumption of goods and services, and that this is the only way to happiness, has led to an increase in people searching for a purpose and meaning in life, and for other options for creating a good quality of life.
e) Increasing democratisation, and the increased reliability of basic material supplies in developing and middle-income nations, increasing life expectancy and increasing freedom of choice have all contributed to happiness and quality of life being concepts in circulation and debate.

The default assumptions about why happiness matters are applied by Thin (2012, pp. 21-22) in the field of happiness policy, but are equally applicable in a business context. They include:

a) Happiness is an important indicator for business decision-making because it has beneficial effects and has intrinsic value for individuals and society (see Part B, Section 2.8 for some of the key research findings from the contemporary field of happiness and wellbeing studies).

b) Although 100% happiness levels are not possible, most people in the world have not reached an optimal level of happiness yet, and there is much room for improvement.

c) Most importantly for this study, happiness emerges from, and is constituted by, social relationships that allow for improving individual and collective quality of life.

Thin's (2012, pp. 22-28) happiness lens comprises five key qualities that emerge from happiness analysis and dialogue. The five key qualities are outlined and summarised in Table 11 below. As can be seen in his construct of a happiness lens, his interpretation most likely draws on the context- and systems-oriented happiness theories. He includes empathy, positivity, holism, life-span perspective and transparency as the five aspects that a happiness lens brings into focus. Thin's assumption is therefore that if happiness is considered in a policy context, it automatically shifts the view to a broader expanded worldview that increases care and relational responsibility. However, this is not necessarily the case as happiness in Western economic systems is based on an individualistic and self-interested worldview.

Table 11 - Neil Thin's (2012) five qualities that the happiness lens contributes to discussion and decision-making

Happiness lens requires or draws attention to…	**Description**
1. Empathy (respecting subjectivity)	• Promotes consideration of others' feelings, respecting their humanity and agency, stepping into others' shoes (Hodges et al. 2011) • Attention to and respect for people's subjective experiences of happiness through objective measures, acknowledging that they can never provide a full picture.
2. Positivity (attention to goodness)	• Shows interest in goodness and tends to give attention to strength, positive experiences and outcomes, the intrinsic value of daily activities. • Contributes realism to debates, and decision-making. • Good moods, positive outlook, joy and following meaningful purpose in life matter as intrinsic values in themselves but also due to their positive social outcomes.
3. Holism (treating people as complex, rounded individuals)	• Taking a caring or humane approach and considering individuals as whole people, whose whole life matters and who are culturally embedded. • Not just about domain-specific satisfaction levels but also the interaction of all aspects of someone's life, including trade-offs and synergies in relation to resources, activities, relationships and environment – in short, considering people

	as part of a complex adaptive system nested within systems. • Draws attention to the everyday activities and relationships that contribute to the good life and good society, which are mostly under-recognised and under-valued.
4. Life-span perspective (considering full scope of wellbeing over a lifetime)	• Reflection on whether our lives make sense or have value as a whole • Considering the 'deathbed test' thought experiment of reflecting back on one's life and what brought the most happiness and meaning in life.
5. Transparency (declaring the ultimate value that activities contribute to the good life and good society)	• Making explicit the intentions and motivations behind actions, choices and strategies, so that people are aware of underlying assumptions.

One of the key findings from contemporary Western happiness studies is the importance of happiness as a social phenomenon, with a bi-causal correlation between the two variables (Diener & Ryan 2009). This implies that there is a self-reinforcing feedback loop at play with good relationships increasing levels of experienced happiness, as well as happy people having better and more constructive relationships than unhappy people. Thin (2012) further explains the implications of the social construction of happiness as:

> *Social relationships actually constitute a major part of the quality of our lives… [and] human well-being is so intrinsically social that it is wrong to conceive happiness or freedom or a sense of self-worth or any other aspect of well-being in terms of pure, disconnected autonomy* (Thin 2012, p.19).

Although Thin (2012) highlights the importance of the profound connection between social relationships and happiness, he has not included it as a prerequisite of the happiness lens. The happiness lens can only bring empathy, positivity, holism, life-span perspective and transparency if the underlying worldview is based on a view of reality as interdependent and the self in relational responsibility with others and planetary conditions.

Therefore, I am investigating a variety of other frameworks proposed for systems change and transformation to understand the dimensions that facilitate an expanded systems worldview. They are outlined in Part B, Section 3.8. Using this analysis, I propose additional elements that recognise the pervasive relational aspect of a happiness lens that invokes a sense of responsibility beyond the self and others to include the broader planetary conditions of life. It is also this relational quality that links the happiness lens with the ethics of relational responsibility as outlined in Part B, Sections 1.14 and 1.15. Thin (2012) also includes empathy as characteristic that a concern for happiness brings to discussions and decision-making. However, he does not make the crucial distinction between involuntary empathy and deliberate intelligent compassion as described earlier in Part B, Section 1.13, Figure 10. This distinction could be a valuable addition to the 'happiness lens' concept.

2.11 Happiness and wellbeing literature review and synthesis

Drawing on ancient Eastern and contemporary Western schools of thought that have dealt with happiness, wellbeing, quality of life, purpose in life and societal wellbeing, this synthesis maps three key worldviews about how to achieve happiness. They include achieving happiness through self-interest, mutual-interest and relational systems-interest.

Table 12 summarises these three models for achieving happiness. This conceptualisation is a simplification for the purpose of making sense of the plethora of approaches proposed for achieving happiness and a sense of meaning in life. The columns identify three overarching categories of intentions for seeking happiness along the spectrum of self to systems orientation. The rows identify access points or gateways that have been proposed by different philosophies and theories. The rows cover external, internal and relational conditions that have been described as access points for achieving happiness.

Of particular interest to this study are the approaches that consider the practice of self-cultivation and self-discipline of body, mind and wisdom to build emotional and social intelligence with the intention of bringing benefit on a larger societal and planetary level. The horizontal dimension of Table 12 presents a spectrum of worldviews of happiness from self-interest, to other-interest and relational systems interest.

The various approaches to ethics are also included. In particular, the Table 12 includes the ethics of relational responsibility as covered earlier in Section 1.14 and 1.15. Table 12 is another contribution and major finding of this study. It is generated from the exploration of the vast literature on happiness, wellbeing, meaning of life, motivation, values and ethics.

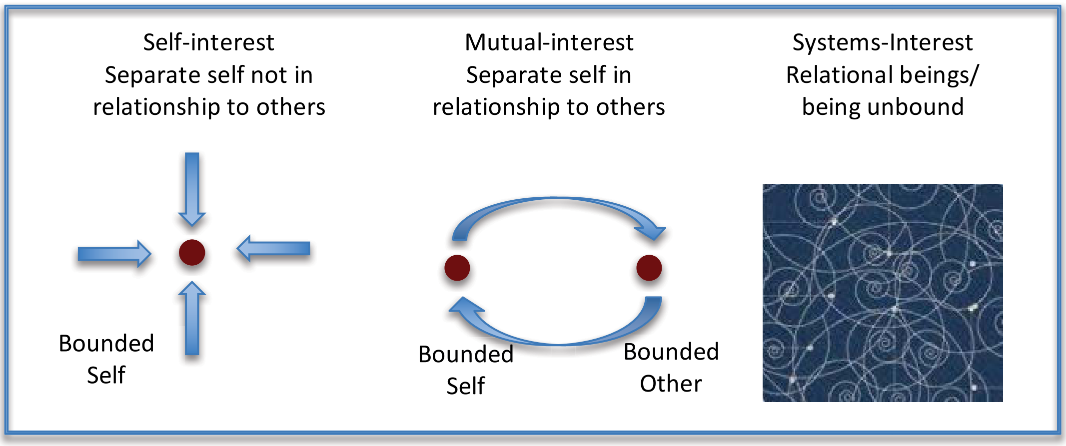
Table 12 - Three archetypes of worldviews for achieving happiness

Worldviews for achieving happiness	**Self-interest** For own benefit Outcome orientation (therapeutic)	**Other-interest** For mutual benefit & process orientation for mutual cooperation and benefit (charitable)	**Systems-interest** Process & outcome orientation Relationships with all life forms are most important (fully conscious)
ONTOLOGY (existence, reality and self)	• Self as a separate entity • Individualism	• Self in relation to others	• Relational being • No separate self • World as living system
CAUSALITY	• Linear view of causality • First cause and final effect	• Linear and/or circular view of causality • Many causes and many effects	• Interdependent causality • No first cause, no final effect • Confluence of conditions
EPISTEMOLOGY (knowledge, beliefs)	• Objectivist or subjectivist	• Constructivist	• Pluralist
AXIOLOGY (values & ethics)	• Ethics of Egoism • Ethics of Duty	• Utilitarian ethics • Golden Rule • Virtue ethics • Situation ethics	• Ethics of relational responsibility • Discourse Ethics • Ethics of care
MOTIVATION	• Seeking self-actualisation • Extrinsic	• Seeking full-potential while serving others (seeking something greater than self) • Intrinsic	• Enlightened leadership • Wellbeing of entire planetary system • Co-action, co-creation
COGNITION Process of forming beliefs	• Rational or emotional • low level of emotional intelligence	• Rational and/or relational • Medium level of emotional intelligence	• Relational and experiential • High level of emotional intelligence
AFFECT Happiness from state of mind, emotions, mood, psychological state	• Involuntary empathy • Self-focused unconscious • Seek positive and avoiding negative emotions • Therapeutic – healing self	• Active empathy • Conscious other-focused empathy in order to create shared benefit • Understand wide range of emotions • Charitable – helping others	• Intelligent compassion • Emotions as tools for transformation • Fully conscious – interconnected awareness
BODY Happiness from physical sensations and feelings, physiological state	• Seeking comfort and convenience • Reducing pain, maximising pleasure	• Balanced life-style • Some practices of self-cultivation, discipline	• Fully realised mind-body connection • Engaged mind-body practice

BEHAVIOUR Happiness from behaviour, action, responsibility	• Self-serving behaviour/ Self-righteous principles • Individualistic happiness • Indulgence, excess • Inflexible • Determinism • Action is mechanistic cause and effect • External factors are to blame for moral decisions	• Self-serving mutually beneficial behaviour (cooperation) • Happiness as social and relative phenomenon • Moderation • Some flexibility • Voluntarism • Free-will and agency • Individual responsibility to choose moral decisions	• Co-creating behaviour through dialogue • Contemplation • Happiness as by-product from systems wellbeing • Adaptable, flexible, emergent • Relationally established tendencies • Responsibility, causality and agency emerge from relationships
EXTERNAL MATERIAL CONDITIONS Happiness from life circumstances and conditions, resources	• Accumulation of wealth and living a materialist lifestyle	• Balancing accumulation with sufficiency	• Simple life, minimalistic, in tune with nature

Another way of representing the content of Table 12 is illustrated in Figure 20 to highlight the concept of self in relation to others when seeking happiness. Figure 20 represents one of the lenses used to analyse the data collected for this study. It also forms one of the building blocks of the theory building process in Part F of the thesis .

Figure 20 - Self in relation to others – seeking happiness



Note: Picture under Relational category sourced from Tumblr (2016)

3 Systems thinking and change theories

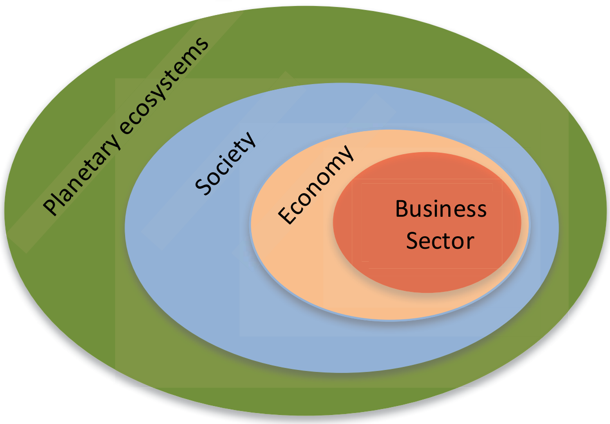
This study investigates how businesses can increase their care and responsibility by moving from conventional approaches to CSR, which are focused on risk management, towards a more sustainable concern for planetary conditions and wellbeing. Together with the transdisciplinary approach of this study, this literature review also explored Eastern and Western philosophies of happiness and various types of business ethics. This final section of the literature review considers systems thinking and systems change theories. The aim is to use these approaches to investigate the topic from a different perspective that allows the discovery of a wider variety of enablers and barriers for increased business care and responsibility.

This section of the literature review explores the complex socio-ecological systems problems of the Anthropocene in the context of systems thinking skills, tools, processes and systems change theories. The purpose of this exploration is to highlight that sustainability issues in the business sector benefit from a systems perspective that requires different thinking, methods and processes which enable businesses to move beyond a conventional CSR approach that is rooted in the business case and instrumental risk management.

Sustainability issues require collaborative approaches from a wide range of disciplines to address the complex and dynamic nature of socio-ecological systems (Holling, 2001). The interconnectedness of aspects of the research problem of this thesis means that it cannot be considered in isolation at the micro, or meso or macro level. In particular, the variety of the paradigms relating to the philosophies of happiness and ethics covered earlier are based on the relationships between individuals, their communities and larger planetary context. They represent the causes, effects and conditions of the emergent behaviour of the socio-ecological system of the planet. Systems thinking and systems change models are therefore of interest as they provide skills and methods that can help us to conceptualise complex problems (Midgley 2000; 2006) for the purpose of addressing them appropriately.

As outlined in the introduction in Part A, and in the business and society section of this literature review (Part B, Section 1) of this thesis, in this study the business sector is considered to be a nested system within the socio-ecological system of the planet. This is illustrated in Figure 21 (adapted from Daly 1996). The business sector comprises enterprises of all shapes and sizes, and it permeates almost every country and society across the globe. It therefore has the potential to be a powerful instrument to influence the socio-ecological conditions of the planetary system. Tapping into the business sector can contribute to fulfilling the 2030 SDGs and it can bring about change to the entire economic system.

Figure 21 - Business sector as a system within a nested socio-ecological system



Source: Adapted from Daly (1996)

This section of the literature review provides a brief overview of the concept of socio-ecological systems and the ancient and contemporary approaches to systems thinking, and highlights some similarities and differences between them.

Like many umbrella concepts, the term 'systems' has attracted a wide variety of definitions and distinctions, some of which are outlined here. The definitions for systems and systems thinking adopted for this study combine insights from Eastern and Western traditions. Firstly, it is important to note that there are different categories of systems. For example, there are simple systems (such as a padlock), complicated systems (such as computers or highly technical machines), complex adaptive systems (such as a living cell, the human nervous system, a business, a society, an economy or an ecosystem) and chaotic systems (such as the weather, climate or traffic in New Delhi). Each category of system requires a different approach to make sense of the systems within it, and to engage with them.

This study is concerned with businesses as entities involved in the economy, and therefore the main focus is on complex adaptive systems. This study understands a complex adaptive system to be a large group of people, entities or parts that co-evolve and interact with each other and their environment. The elements of the system process information, behave according to a set of rules, yet self-organise, are dynamic, fulfil a specific purpose and function, and have the capacity to learn (Cleveland 1994; Merali & Allen 2011). Complex adaptive systems are therefore continually changing, have no central control. They display organised but unpredictable behaviour, which is also called emergent behaviour.

A systems perspective views all phenomena that occur in the human experience as emerging from previous causes and effects that create conditions within a system, leading Werhane (2008, p.278) to conclude that "*almost no phenomenon can be studied in isolation from other relationships with at least some other phenomenon*". This view is echoed in Eastern philosophies in their recognition that all phenomena depend on other phenomena, which in Buddhist philosophy is called dependent origination, dependent co-arising or mutual causality (Macy 1991; Zsolnai 2011; Chadha 2015).

Such systems have also been called complex adaptive systems (CAS) one term among many that emerged in the 1970s (Castelliani & Hafferty 2009). There are many varied interpretations by different researchers of CAS (Gell-Mann 1994) in both the reductionist and holistic streams of scholarship. However the interpretations in both streams are based on system components interacting with each other and with their environments.

Others call these systems living systems (Capra & Luisi 2014), which can be observed at a number of levels. In natural systems this includes molecular, cellular, organism and population or eco-system levels. Holland et al. (1998, p.1) suggests, *"A living thing at any of these levels is a complex adaptive system exhibiting behavior that emerges from the interaction of a large number of elements from the levels below. Understanding life in any depth requires knowledge at all these levels".* Similarly, in social systems these levels relate to individual, institutional, community, country and planetary levels.

Applied systems thinking involves the use of tools that are useful for solving complex problems (Jackson 2007). Different lineages of systems thinking are associated with different tools and therefore require different skills.

As Abson et al. (2017) point out, systems thinking can be approached from an ontological or an epistemological perspective. Adopting a 'being', or ontological view, which is prevalent in Western thinking, might be associated with undertaking to objectively study complex systems as real-world tangible phenomena that can be observed and studied from the outside. On the other hand, adopting an ontological view of 'becoming', an approach more prevalent in Eastern thinking, would be associated with the study of a complex system as a continually changing phenomenon. One can only make sense of its function and behaviour by observing it over time, and what is observed is only a component and never the entire phenomenon.

An epistemological approach to systems thinking as proposed by Ison (2008, p.142) recognises that the identification of a "*system of interest*" is the result of someone identifying a system within a given situation that has relevance to a particular group or individual for exploration. Due to the great variety of their backgrounds, each individual brings different boundary judgements to the system that is to be explored (Ison 2008). Therefore, in this view the boundaries of intangible systems of relationships in social systems are relative to each individual's perspectives and life experience. This is particularly relevant in this study of businesses in relationship to their cultural systems, stakeholders and ecosystems. The reason why I have provided background on my experience and worldview in the methodology Part C, Sections 1, 2.1, and 2.2 of this thesis is in recognition that my worldview delineates the boundaries of the system of interest that I am exploring in this thesis.

Systems thinking is a way of approaching and thinking about challenges, phenomena, situations, and emergent behaviour. It brings a holistic view to a situation and makes sense of the relationships, information flows, feedback loops, non-linear causes and effects, and the interconnectedness of all causes and effects.

3.1 Socio-ecological systems and the Anthropocene

Over the past 100 years, the conceptual divide between disciplines that investigate societal systems and those that investigate natural systems has seen the divergence of perspectives, methods and concepts in the social and natural sciences (Hornborg 2007). Over the last two decades though, there has been a convergence of disciplines fuelled by transdisciplinary research. This convergence has caused the paradigms of 'world systems' and 'earth systems' to intersect. These paradigms were developed by social and natural scientist respectively. This intersection of systems theories has been termed the 'socio-ecological systems approach'. It brings together the interconnected 'world systems' of social science with the 'earth systems' understanding of natural science. The 'earth systems' understanding is related to emergent behaviour and the interconnectedness of all ecosystems (Hornborg 2007).

Crutzen & Stoermer (2000) describe the recent period of human history that has seen fast paced socio-ecological changes as the ‘Anthropocene’. In the words of Brondizio et al. (2016, p.318) this is a geological period of *“unprecedented planetary-scale changes resulting from societal transformations at least since the European industrial revolution”.* The convergence of the systems conceptualisations in the socio-ecological systems approach provides a bridge for social and natural science disciplines to appreciate each other’s strengths and limitations, and to collaborate with each other. The transdisciplinary collaboration and thinking required when addressing the challenges of the *Anthropocene* find a highly compatible approach in complex adaptive systems theories that can facilitate new questions, methods, processes, learning and pathways towards sustainable development.

To provide an overview of the spectrum of approaches to complex adaptive systems thinking as manifested in reductionist and holistic views, Figures 22 and 23 compare how reductionist and systems approaches understand systems. The complex view of systems study searches for universal properties. The conventional view uses reductionism to investigate smaller and smaller parts. Bar-Yam (1997) suggests that reductionist disciplines can eventually converge by taking a holistic complex systems view and discover universal properties.

Figure 22 - Conventional view of disciplines diverging

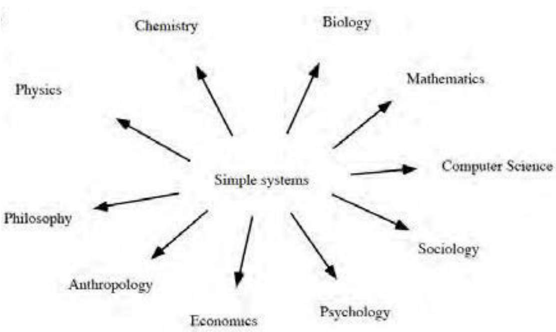
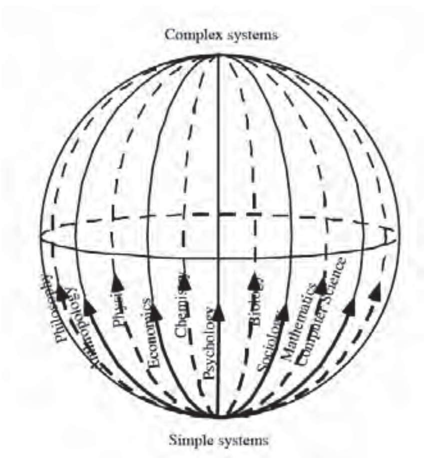


Figure 23 - Complex view of systems with universal properties



Source: Bar-Yam (1997, p.3)

Drawing on Bar-Yam’s (1997) delineation above, and others such as Midgley (2000), Armson (2011) and Stroh (2015), Table 13 provides a summary of the reductionist and holistic complex systems views and their limitations.

Table 13 - Summary of reductions and holistic complex systems view

Reductionist complex systems view	Holistic complex systems view
• Disciplines **diverge** • Knowledge is **specific to each discipline** and increases • Reduces infinite number of **variables** to a few • **Abstractions** to simplify complexity • **Analysis** of parts • Uses mathematical tools i.e. **differential equations** • Outcomes describe smaller and smaller details **independent from the whole** • Models for **prediction & control** (confirmatory models) • **Complexity-reducing** strategies • Trying to **reduce uncertainty** • Explains **deterministic behaviour** (chaotic behaviour)	• Disciplines **converge** • **Common properties** of complex systems across disciplines • Consider the **whole** – as many variables as possible • Specifics can be approached from simple or complex spheres • **Synthesis** of complex problem as part of a larger system – extension • Outcome is **greater than the sum of the parts** • Models for **insight & understanding** (exploratory models for sense-making) • **Complexity-absorbing** strategies • **Trying to increase adaptability** and system agility • Trying to makes sense and **learn from unpredictable emergent behaviour**
Limitations: De-humanisation, objectivisation, alienation, prediction, attempt to control the future, attributing one cause, and predictability requirement – can't linearise a system?	**Limitations**: Impossible, unscientific, unquestioned assumption that systems exist, radical holism (everything matters)

Source: The content of this table was compiled from various sources including Bar-Yam (1997), Midgley (2000), Armson (2011) and Stroh (2015).

Both reductionist and holistic systems views have their limitations and are appropriate for specific types of situations and problems.

The reductionist systems view has been successful in producing scientific knowledge and associated technologies that address a specific class of difficulties, referred to in this study as complicated problems as described in Table 13 above. However, this reductionist view is insufficient *"when we are faced with complex, real-world problems set in social systems*

(Checkland, 1981) – the very problems which we encounter in abundance today and which most threaten our organisations and societies" (Jackson 2007 p.1).

Wilson (1998 p.58) justifies the reductionist view of complexity by arguing that *"[t]he love of complexity without reductionism makes art; the love of complexity with reductionism makes science".* Following on from this statement, a justification for the holistic view might say that the love of complexity without holism fosters solutions-based approaches, and the love of complexity with holism fosters continual learning approaches. It is for this reason that I adopt the holistic view of complex adaptive systems thinking that focuses on relationships and resulting information exchange as the most useful approach for understanding and influencing change in socio-ecological systems.

3.2 *Two examples of ancient approaches to systems thinking*

Systems thinking can be traced back to antiquity and is documented in Phoenician, Egyptian, Mayan, Native American, Greek and Eastern civilisations that existed between 3000 to 400 BCE (Lazanski 2008 & 2010; Krieger 2006). Some argue that systems thinking has evolved over millennia as a way to make sense of human existence (Capra 1996; Merali & Allen 2011) and may even be at the root of language formation, script formation, religious systems and the formation of cultures and civilisations. As mentioned earlier in this literature review, during the *Axial Age* (Jaspers 1949 & 2011) between 800 and 300 BCE many prominent philosophers emerged such as Lao Tzu and Confucius in China, Buddha in India, and Heraclitus in ancient Greece. I am suggesting that these thinkers based their philosophies on forms of systems thinking.

Building on the introduction to the philosophies of happiness literature in Section 2, the following examples focus on two ancient approaches to systems thinking: Buddhist and Heraclitean philosophies. I discuss the similarities between the contemporary conception of systems thinking and these ancient philosophers. Taoist and Confucian philosophies also contain within them strong tenets of holistic systems views as expressed through the concept of *yin yang* outlined earlier. However, in this study only the Buddhist and Heraclitean views are explored further in the following sections.

3.2.1 Buddhist concepts similar to systems thinking

One example of systems thinking from ancient traditions is the theory of *dependent co-arising,* also called *dependent origination* and *mutual causality*, which emerged from the philosophy of Gautama Buddha (563-483 BCE) (Macy 1991; Bajracharya 2010; Shen & Midgley 2007). This concept has great similarities with contemporary systems thinking that focuses on holism.

Lama & Cutler (1999) explains the perspective of dependent origination as an antidote to the habitual human tendency to generalise from isolated aspects of life experiences in order to draw conclusions about the whole reality of a situation. They suggest that this tendency leads to a limited and inadequate perspective of reality. They posit that the Buddhist concept of dependent origination is a useful tool for understanding and becoming aware of the complex phenomena of life. The theory of dependent origination is based on three principles namely:

a) The principle of causes and effects, which are viewed as transitive, meaning both cause and effect can influence each other simultaneously and together create conditions for events and phenomena to arise. This presupposes that no event, thing or being can exist without other factors influencing it.
b) The principle of the interrelationships between parts that form a whole, whereby each part itself is made up of smaller parts that create a whole part, or in other words nested systems within systems.
c) The principle of no-self or the lack of an independent identity for things or events, whereby neither a single characteristic, nor all combined characteristics, can describe the identity of a person, an object or an event.

These principles lead Lama & Cutler (1999, p.46) to conclude, *"we cannot separate out any phenomena from the context of other phenomena. We can only really speak in terms of relationships".*

This view suggests that existence is a process and is based on an ontology of "becoming" which is very distinct from the ontology of "being", which assumes that phenomena can exist independently and can be observed objectively. In the Buddhist ontology and worldview, individual wellbeing and happiness are therefore considered to be dependent on the entire socio-ecological system that we live in.

The first principle of dependent origination is in direct contradiction to a strand of the reductionist complex systems view that considers the dynamic behaviour of a system to depend on the initial conditions of a phenomenon. Whereas the Buddhist theory of dependent co-arising is based on the assumption that it is impossible to establish the initial conditions that caused an event such as a thunderstorm or an economic crash, complexity theory from a reductionist perspective assumes a set of initial conditions to then predict the emergent behaviour of a complex system. However, one of the foremost current scholars of systems dynamics, Bradley (2015, pers. comm. 8 December) acknowledged that *"we will never have enough information [about the initial conditions] to find the right spot to intervene in a cyclone or water flows like the gulf stream to change their direction"*.

It is not surprising then that systems thinking, when used in predictive modelling by systems dynamics scholars, is sensitive to minute differences in the assumed initial conditions, as they can result in extremely different predictions. Therefore, the assumption that there can never be an initial condition in a complex system and phenomenon is an important perspective offered by the Buddhist concept of dependent co-arising.

The second principle regarding the interdependent parts that form a whole is reflected in the contemporary idea of the nested systems approach that understands systems as nested within systems. This approach is outlined in the introduction to this section and in Part A of this thesis.

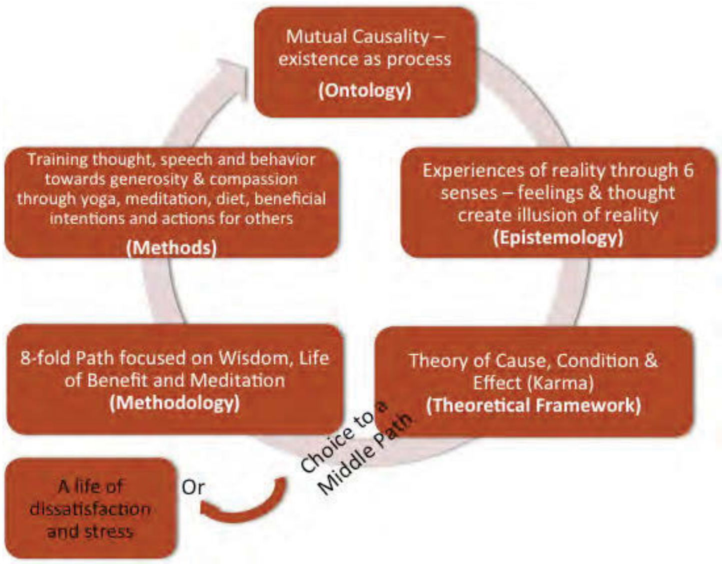
The third principle suggests that no phenomenon, person or object can have an independent identity. This view is supported in part by findings in quantum physics (Lama & Cutler 1999; Kohl 2007; Zajonc et al. 2004). Recent insights from this field have revealed that at the smallest sub-atomic level it is impossible to differentiate between the observer of a phenomenon or object and the object of observation itself *"revealing a basic oneness of the universe"* (Capra 1975, p78).

Therefore, the concept of dependent origination is a central feature of Buddhist ontology. Dependent origination is defined as the process of a state becoming another state by transference of cause (Macy 1991). A similar definition is offered in the field of cybernetics, which proposes that elements within a system influence each other either simultaneously or alternatingly (Maruyama 1963). Therefore, Buddhist ontology is based on the assumption that all beings and phenomena are caused to exist by other beings and phenomena, and therefore no beings or phenomena can exist independently of others, and all existence is relational. This leads to the conclusion in Buddhist philosophy that there is no 'first cause' or initial conditions (Macy 1991), which is a possibility that cosmologists are currently exploring in context with the existence of the universe.

Buddhist epistemology then is based on human experience in relationship to others and the environment, where knowledge is formed by feelings, which trigger thoughts that create constructs to explain the world around us. The six senses and feelings are the means by which we can come to understand that that mental constructs provide limited perceptions of reality. Buddhist practices therefore focus on calming all mental constructs and on recognising that senses and feelings are limited instruments for perceiving reality, yet at the same time they are the instruments that will allow contemplation, reflection and the awakening of insight and wisdom.

Figure 24 summarises Buddhist philosophy and its ontology, epistemology, theoretical framework, methodology and methods. This is an attempt at illustrating the completeness of Buddhist philosophy when interpreted from a Western philosophical perspective.

Figure 24 - Summary of Buddhist philosophical aspects



The skills and tools offered by Buddhist philosophy for gaining an understanding of dependent origination are contained within the Eightfold Path. In Tibetan Buddhism this understanding is acquired under the guidance of a qualified and experienced teacher who is able to experience and perceive reality as fundamentally interconnected. I argue, based on my own limited experience, that ways of perceiving reality, self and thinking as taught in Buddhist practices resemble the ways of thinking that are required in systems thinking. I further argue that both Buddhism and systems thinking have the potential to lead to a more compassionate, caring, aware and humble approach to life.

The purpose of training the mind and gaining insight and wisdom on the Buddhist path is to reach complete clear awareness, which in spiritual terms is called enlightenment. The actual human experience of enlightenment may refer to the ability to perceive and experience the emergence of the interconnectedness of all phenomena, events and people on the planet and in the universe. The result of this view is compassionate conduct that values and respects all life forms.

3.2.2 Heraclitus a process and systems-thinker

One of the ancient Greek philosophers, Heraclitus (535-475 BCE) lived at the same time as Gautama Buddha and proposes remarkably similar ideas on the constantly changing and emerging nature of all phenomena (Gunarante & Gunarante 2017). Heraclitus, in contrast to his contemporary Greek peers, promotes a "becoming" ontology, which was the basis for his Theory of Flux. He proposes that change is a constant recurrence of causes and effects. Heraclitus is considered a process thinker. He declares *"you cannot step into the same river twice, for fresh waters are ever flowing in upon you"* (quoted in Ison 2008, pp. 143-145). He articulates comprehensive insights into the processes and order of nature and introduces the idea in Western thinking that *"the mind is the driving, controlling force of the cosmos"* (Geldard 2000, p. 46).

He also proposed the 'Theory of Opposites' which suggests that reality arises from the unity and tension of opposites. This concept is very similar to the interrelated rising and falling of *yin yang* in Taoist and Confucian thinking. He offered an ontology of "becoming" that is similar to Buddhist ontology. However, his understanding and insight into the interconnected nature of phenomena was not popular and was eclipsed by the philosophies of Aristotle and Plato (Checkland 1999a). Subsequently, the "being" ontology of the Athenian philosophers steered Western thinking toward the path of objective, rational and reductionist thinking, which found its full expression through the Cartesian-Newtonian assumptions about the independent existence of variables and permanent states of phenomena.

3.2.3 Summary of ancient approaches to systems thinking

These ancient systems thinking views represent only two examples of many from ancient cultures and philosophies. They are used here to highlight that the perspective of holism and ontology of 'becoming' and interconnected phenomena is not new and has long been part of paradigms in the East and West. However, it is relevant to note that the prevalence today of these holistic systems views is mostly apparent in Eastern countries and ancient cultures that still exist today such as the cultures of Aboriginal Australians and Native American Indians. The emergence of contemporary approaches to systems thinking is therefore an interesting phenomenon in Western cultures that may provide a useful gateway, and useful tools, to promote responsible and ethical business decision-making.

3.3 Overview of contemporary approaches to systems thinking

Systems theory studies the relationships and behaviours within systems and their environments. Western systems theory evolved from a diverse range of disciplines and Midgley (2006, p.11) highlights that 'systems thinking' is:

> *commonly used as an umbrella term to refer to approaches that seek to be more holistic than those scientific (and other) methodologies that concentrate attention on a relatively narrow set of predefined variables. Although systems thinkers aspire to holism, most nevertheless appreciate that it is impossible for human thought to be all encompassing (e.g. Churchman 1970; Bunge 1977; Ulrich 1983), and they also recognise that narrowly focused studies to answer well-defined questions can still usefully inform systemic analyses (e.g. Checkland 1985)* (Midgley 2006, p.11).

There is some controversy over the origin of the first wave of Western systems thinking theories, with some attributing the earliest articulation of General Systems Theory to Ludwig van Bertanlanffy (1950, 1956, 1968). However, similar ideas had been documented by a Russian philosopher and politician in the early 1900s as the theory of Tectology, which anticipated many principles of cybernetics and general systems theory (Midgley 2006). The first wave of Western systems thinking is considered to have begun in the early 1900s, and to have lasted until the 1960s. It was focused on goal-oriented analysis, hard physical systems, efficiency and operational systemic practice (Midgley 2000 & 2006; Ulrich 1988). One of the major criticisms of the first wave was that human beings were seen as objects to be manipulated as part of larger systems. This was also the criticism of systems modelling which emerged from the first wave (Midgley 2006). Some of the leading authors and their fields during the first wave include:

a) Ludwig von Bertalanffy and Kenneth Boulding who focused on general systems theory
b) Jay Forrester and Donella Meadows who focused on system dynamics
c) Claude Shannon who focused on information theory and first-order cybernetics.

The second wave of systems thinking from the 1970s to 1980s focused on systems as constructs rather than real or hard systems (Midgley 2006). During this time the emphasis of systems thinking was on learning-oriented and appreciative approaches associated with a strategic systems practice (Ulrich 1988). One of the major advances was Checkland's 'soft systems methodology' (Checkland 1999a; Checkland & Poulter 2006). Some of the leading authors and their fields of the second wave include:

a) Charles West Churchman who proposed systems thinking as a self-reflective, interdisciplinary and ethical approach
b) Russell Ackoff who applied systems thinking to interactive planning
c) Stafford Beer who developed a management systems approach
d) Peter Checkland who advanced a 'soft systems methodology'.

The third wave of systems thinking commenced in the early 1980s and continued to the early 2000s. It emphasises social change, and advocates a pluralistic approach and focused on power relations (Midgley 2006). During this time critical systems thinking emerged and the major focus of systems thinking has shifted to ethical outcomes or normative systemic practice (Ulrich 1988). Some of the leading authors and fields of the third wave include:

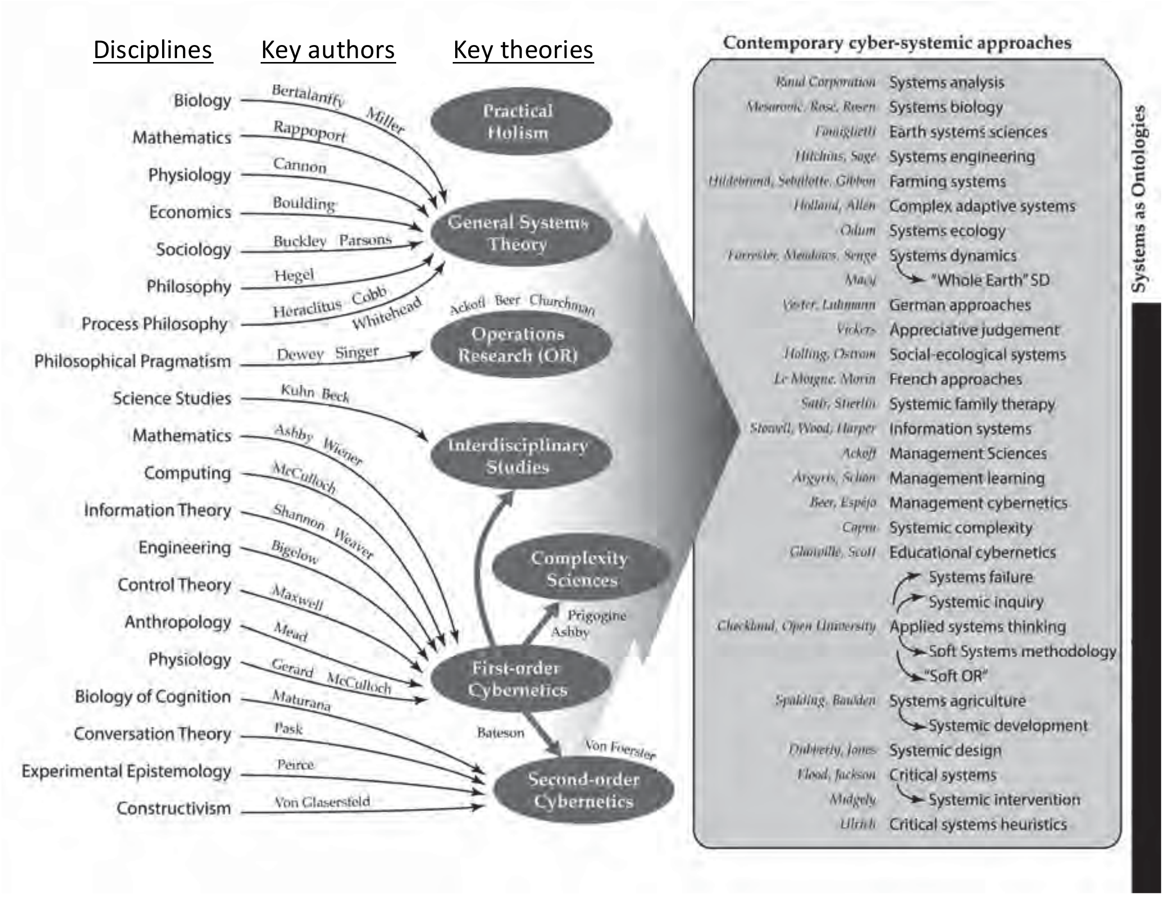
a) Werner Ulrich who develop boundary critique and critical systems heuristics
b) Michael Jackson who developed the five commitments of critical systems thinking
c) Robert Flood and Norma Romm who focused on critical systems thinking
d) Gerald Midgley who focused on systemic intervention and boundary critique
e) Peter Senge who focused on systems dynamics in learning organisations.

According to (Plant, 2016), a fourth wave of systems thinking commenced in the early 2000s and is unfolding at the moment. This is the wave where the reductionist and holistic systems perspectives have developed tools to engage with complex systems problems. Complexity science on the reductionist side has developed computational and mathematical non-linear modelling tools such as network analysis and agent-based modelling (Holland 2006) to anticipate behaviours, patterns and trends of complex systems. At the same time, the holistic systems view is focusing on human beings and their complex interconnected relationships, and on continuous learning, which has become an integral part of dealing with complexity. This holistic view focuses on a process of change and transformation at both the individual and collective levels (Fam et al. 2016). Plant (2016) identifies this fourth wave as adaptive systems practice.

There are various ways that the lineages of the contemporary approach to systems thinking have been illustrated, such as Ray Ison's map of the lineages of systems thinking and practice, adapted below in Figure 25 (Ison 2017, p.60). Ison (2016) recognises these lineages as ontologies that reflect someone's view of existence or reality. Other such illustrations that map the origins of complexity science such as Castellani's (2016) highlight the diverse origins and developments of systems and complexity science in Western thought that started emerging in the early 1940s and 1950s . However, neither of these maps includes the contribution of ancient and particularly Eastern thinking that are based on the principles and characteristics of interconnected phenomena and change as all-pervading conditions (Macy 1991; Capra 1975; Capra & Luisi 2014).

One of the major contributions of contemporary systems theory is that it reveals a radically different view of reality to that propagated by the dominant reductionist view of Western science. Systems theory posits that causality is *"mutual, involving interdependence and reciprocity between causes and effects. Such a notion, which is an anomaly within the linear paradigm that has dominated Western culture, bears striking similarity to the Buddhist teaching of causality"* (Macy 1991, p. 91). Therefore, understanding how people perceive the relationship between causes and effects is a key indicator of what kind of worldview they adhere to. This is why this study uses the definitions and approaches to achieving happiness as indicators of particular views of causality. The three main understandings of causation distilled from the philosophies of happiness literature in Part B, Section 2.11, Table 12, are: self-interest, mutual-interest and systems-interest.

Figure 25 - From Ison (2016, p.60) lineages of systems thinking and practice



Source: Adapted from Ison (2016, p.60).

The application of contemporary Western approaches to systems thinking is of particular interest in a management context. The application of these approaches to management is covered in the next section.

3.4 *Systems thinking in management*

Stacey (2010) argues that the current systems movement in Western science has formed the foundations of today's dominant organisational behaviour and management discourse, which imported the engineer's reductionist concept of control to understanding human activity. Therefore, from a more objectivist epistemological stance, much contemporary management discourse considers change as something that can be imposed from outside onto a system and assumes that the future can be 'controlled'.

Scholars who take a holistic approach to systems theory include Senge et al. (1999), who posits that living systems have integrity and that their characters depend on a whole. Senge (1999) argues that the same is true for organisations. Other approaches to holism in management are proposed by Drucker (1994) who asserts that an enterprise must be a genuine whole that is greater than the sum of its parts, with an output larger than the sum of all inputs.

The following question arises: If every part of a system is connected to everything else, what is the 'whole'? This points towards Checkland's (1981) revelation that by developing research projects which aim to uncover fundamental characteristics of systems, we are making an unquestioned assumption that the world contains such systems. Meadows (2008) hints that there may be no such thing as a defined system, and that the boundaries around a 'system' depend entirely on the questions we want to ask. Weinberg (2001) highlights that *"a system is a way of looking at the world"* and depends on the context that it is viewed in. This echoes the Buddhist view that all conceptualisations are constructs created by the mind, and they are illusory rather than real.

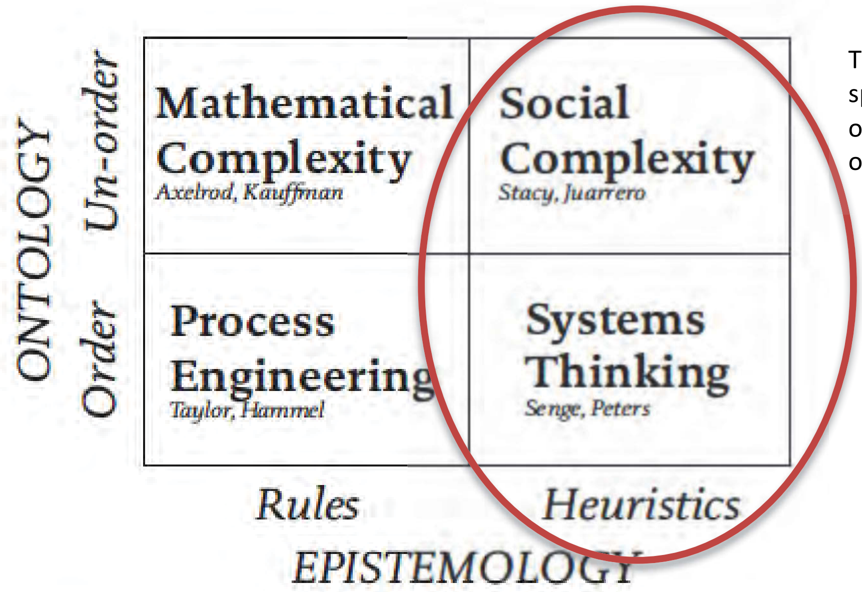
In relation to the organisational behaviour and management context, systems theory morphed into complexity theory (Goldstein 2010). The field of complexity science in human systems now draws on general systems theory (GST), cybernetics, evolutionary biology, dynamic systems theory, social networks, game theory and biological emergence (Goldstein 2010). Maguire (2002) points out that complexity science attracts researchers from a wide range of disciplines and therefore there is no consensus on the definition, measurement and interpretation of "complexity".

Complexity theory is based on the assumption that complex problems require multiple perspectives. It is therefore well aligned with transdisciplinary research. According to Stacey (2010), it is therefore necessary to develop and become comfortable with different notions of evidence, due to the transdisciplinary nature of complexity science. He argues that the objectivist assumption of repetitive events as evidence cannot be applied to complexity science in management.

Checkland (1996) foresaw this observation and concluded that *"the crucial problem, which science faces is its ability to cope with complexity"*. Therefore, the creation and adoption of traditional scientific 'confirmatory' models that predict and control, needs to be augmented with 'exploratory' models that produce insight, understanding and help in sense-making (Phelan 2002). This study draws on an exploratory approach in order to make sense of the motivations and enablers that inspire businesses to broaden their concern, care and responsibility beyond conventional CSR practices.

These diverse ontological and epistemological views of systems thinking have been summarised by Snowden & Stanbridge (2004) in a diagram which is reproduced in Figure 26 below. They organise the approaches along an ontological axis of order and chaos (or un-order) and an epistemological axis of rules and heuristics (learning from experience). This organisation highlights that there can be four ways to engage with complex systems, depending on a person's ontological and epistemological views. This thesis explores the space of heuristics or learning through experience in an ordered and un-ordered ontological context, which is indicated by the red circle in Figure 26.

Figure 26 - Landscape of systems thinking in management (adapted from Snowden & Stanbridge, 2004, p. 144)



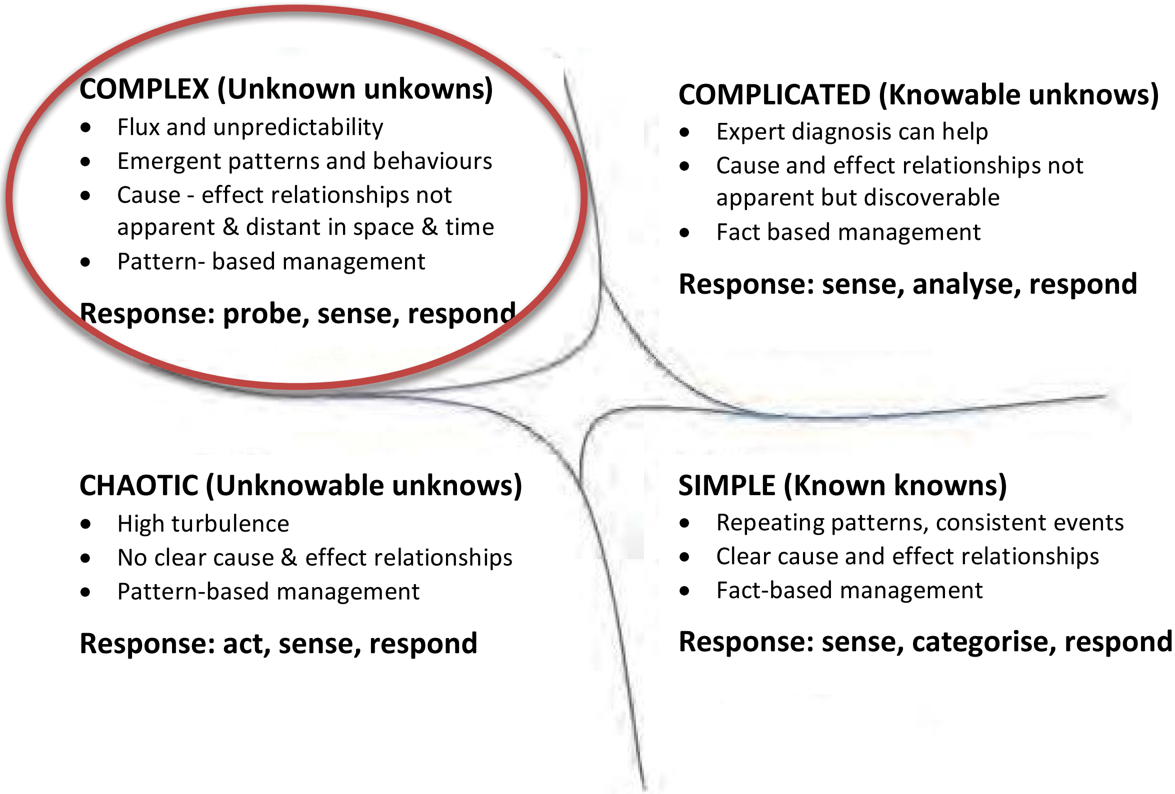
This study explores the space of heuristics of ordered and un-ordered contexts.

Source: Adapted from Snowden & Stanbridge (2004, p.144)

Another valuable concept for dealing with complex systems and situations in management and business is the Cynefin model developed by David Snowden (Snowden 2002; Kurtz & Snowden 2003; Snowden & Boon 2007). The model illustrates how simple, complicated, complex and chaotic situations have different characteristics and therefore need to be addressed in a different way.

Figure 27 is a compilation of various versions of the Cynefin model for decision-making in four different situations centred on uncertain causal relationships. Figure 27 is drawn from Snowden (2002), Kurtz & Snowden (2003) and Snowden & Boone (2007). The research questions of this study are placed within the 'complex' quadrant and therefore the study is mostly interested in responses and decision-making in complex situations indicated by the red circle in Figure 27.

Figure 27 - Cynefin Model for decision-making in four different types of situations (Snowden, 2002; Snowden & Boone, 2007)



Source: Compiled and adapted from Snowden (2002) and Snowden & Boone (2007)

One of the key implications of the Cynefin model for decision-making in complex situations is that the first step requires the ability to differentiate between the four different types of situations or problems. The differentiation between chaotic and simple events or situations seems fairly obvious, with chaotic problems occurring as crisis situations that require emergency responses and immediate action. Simple situations and problems also seem fairly easy to discern, as they are recurring situations that require a standardised response. These types of recurring situations are usually described in standard operating procedures and operational policy documents. However, the differentiation between complex and complicated situations is far more difficult and requires different ways of sense making and responding. Systems thinking to deal with complex problems *"does not seek to break down a complex problem situation into its parts in order to study them and intervene … rather it respects the interconnectedness of the parts and concentrates on the relationships between these … giving rise to emergent properties"* (Jackson 2000, p.2).

As highlighted by Snowden and Boone (2007), complicated situations first require sense-making, followed by analysis that leads to a response. However, complex situations and systems need to be approached in a very different way. According to Snowden & Boone (2007) they require probing or experimenting involving stakeholder participation with different approaches as the first step. Only then is it possible to make sense of the emergent behaviour and characteristics of a complex situation. This approach for dealing with complex problems therefore requires time to explore and experiment before developing a response that inevitably leads to an ongoing learning journey.

In summary, dealing with complex socio-ecological problems includes understanding that:

- They can't be solved or 'fixed' with a single solution or policy.
- They require time for exploration and experimentation involving direct and indirect stakeholders.
- They require commitment to a learning journey.

Through examining these characteristics of complex problems, it becomes apparent that there are specific skills and practices that inform systems thinking and decision-making. Some of these are outlined in the next section with a particular focus on addressing complex systems situations and problems.

3.5 Systems thinking skills and practices

Applied systems thinking requires a range of skills that can be practised and learned. Lopez et al. (2014) acknowledge that although there is no consensus among scholars on which techniques and practices are the most appropriate in any given context, there is consensus that systems thinking can be developed. However, *"there is no agreement on a defined set of systems-thinking skills that need to be promoted"* (Lopez et al. 2014, p.2).

Skills for systems thinking include mental/emotional skills, methodological skills and practical skills. One of the first skills is the ability to differentiate between complicated and complex situations so that the most appropriate processes and responses can be developed. Armson (2011) describes five aspects of differentiating between complicated and complex situations: their scale, level of certainty, level of stability, level of clarity and level of interconnectedness. Table 14 is a summary of characteristics that define complicated versus complex problems.

Table 14 - Differentiating between complicated and complex problems (derived from Armson 2011)

Complicated/difficult problems Usually involve technological & logistical systems	Complex/wicked problems Usually involve human, biological & ecological systems
Scale - simple, linear connections - limited timescale to manage - single routine solution - few people involved - limited negotiation	**Scale** - complex, non-linear connections - longer timescale to manage - requires continuing attention and learning - many people (unknown number) and components involved - seem impossible to negotiate
Certainty - clear what the problem is - knowable solution even if it is unclear how to achieve it - know what to find out - consequences of intervention are limited & well-known	**Uncertainty** - no clear problem, starting point or end point - no obvious and desirable solution - unknown what to find out - consequences of intervention are serious & uncertain
Stability - evolution of problem unlikely - future is fairly certain	**Instability & evolution** - continual evolution of the situation / problem - future is unknown
Clarity - priorities are clear - limited ethical issues involved - agreement on what needs to be done – uncontroversial	**Ambiguity** - no clear priorities - ethical issues and emotions involved - conflicting values and interests, controversial
Boundedness - clear sequence of steps - clear and uncontested boundaries - can disentangle from broader context	**Unboundedness & Interconnectedness** - one step changes the entire situation - unclear and contested boundaries - can't disentangle from broader context.

The characteristics identified in Table 14 highlight that addressing complex situations using a systems thinking approach requires skills that can deal with large-scale problems that have high levels of uncertainty and instability, that evolve continually, that are highly ambiguous and for which it is difficult to define boundaries as they are highly interconnected. Therefore, skills that can help in addressing complex situations with holistic systems thinking include mental and emotional skills, and methodological and practical skills. Table 15 is a brief overview of some of these skills compiled from various sources including Jackson (2000), Lopez et al. (2014); Davidz & Nightingale (2008); Kofman (2008); and Fam et al. (2016).

Table 15 - Skills required for holistic systems thinking and decision-making in complex situations

Mental/Emotional skills	Methodological skills	Practical/inter-personal skills
• Patience • Tolerance and courage for uncertainty • Adaptability, flexibility & agility • High levels of emotional intelligence • Sense of wonder and curiosity • Continual learning attitude • Unlearning a desire to avoid complex problems • Ontological humility – able to admit not knowing or being wrong • Ability to be open-minded and vulnerable to engage with emergent behaviour • Appreciating incompatible paradigms – pluralism.	• Ability to differentiate complicated from complex situations • Familiarity with tools and methods to zoom in and zoom out of a problem • Pluralism – drawing on a variety of ontologies and methodologies • Mind training methodologies from Eastern traditions.	• Facilitation skills • Communication skills • Engagement skills • Actively seeking multiple perspectives • Ability to use systems thinking tools • Questioning all assumptions.

Some of the key concepts worthwhile highlighting from Table 15 are the ability to appreciate and hold opposing paradigms and worldviews without judgment. This ability is described by Jackson (2000) as pluralism in systems thinking. It draws on different ontologies and methodologies for decision-making without having to resolve the differences. Pluralism in this sense encourages flexibility, employs methodologies from different paradigms (ranging from reductionist to holistic) to create innovative emergent solutions and foster paradigm diversity. Systems thinking, therefore, requires pluralists who *"must learn to live with and manage a degree of paradigm incompatibility"* (Jackson 2000, p.384). Another noteworthy concept and skill is ontological humility (Kofman 2008). This refers to the ability to admit a mistake or to admit not knowing, and having the vulnerability to open up to new beliefs, information and insights.

3.6 *Tools for holistic systems thinking*

Skills development is obviously an important part of holistic systems thinking that can be accessed and practised through a wide range of tools and methods. This study is primarily concerned with the holistic systems thinking tools and methods that facilitate learning through insight and understanding of complex situations. It does not incorporate reductionist methods used for prediction and control of complex situations. The reason for this is that my ontological and epistemological choice for this study considers reality as a continually emerging phenomenon due to interdependent causes, effects and conditions that are inseparable, that have no beginning and no end. According to this view there is no one solution that can be applied to 'control' a complex socio-ecological problem. As Stacey (2010, p.61) points out:

> *For systems dynamics thinkers, the aim is to identify leverage points for interventions that will enable them to identify where, when and how to initiate change and so stay in control. However, the ability to do this in a system that is sensitive to tiny changes is called into question. That obviously has serious implications for the human ability to stay 'in control'.*

Some of the skills and tools for holistic systems thinking that are used to initiate the 'probing' phase of complex systems problems as identified by Snowden & Boone (2007) include:

- **Story-telling, metaphors, art, drama, pictures** (Midgley 2004; Boje 2008)
- **The narrative** mode of thinking – focused on human action to connect individual experiences to universal human themes (Freeman 2016)
- **Experiential learning** or learning by doing (Lopez et al. 2014)
- **Embodiment** such as Social Presencing Theatre developed at Massachusetts Institute of Technology's Presencing Institute – using the body as a sense-making tool rather than a *"brain taxi"* (Biehl-Missal & Springborg 2015, p.6)
- **Systems Games** (Snowden & Boone 2007; Sweeney & Meadows 2010; Meadows et al. 2016)
- **Immersion in unfamiliar contexts and environments** (Snowden & Boone, 2007)
- **Eastern methods** that focus on the alignment and successful cultivation of physical and mental capabilities, through structured system of practices and disciplines, including a wide variety of meditation, visualisation, chanting, yoga, breathing, diet and other practices.

There is also a wide range of sense-making tools that are used to explore the unknown areas and relationships of complex systems situations and problems. The following list of sense-making tools is not complete and only illustrates some of the more common sense-making tools used in contemporary holistic systems thinking. They include:

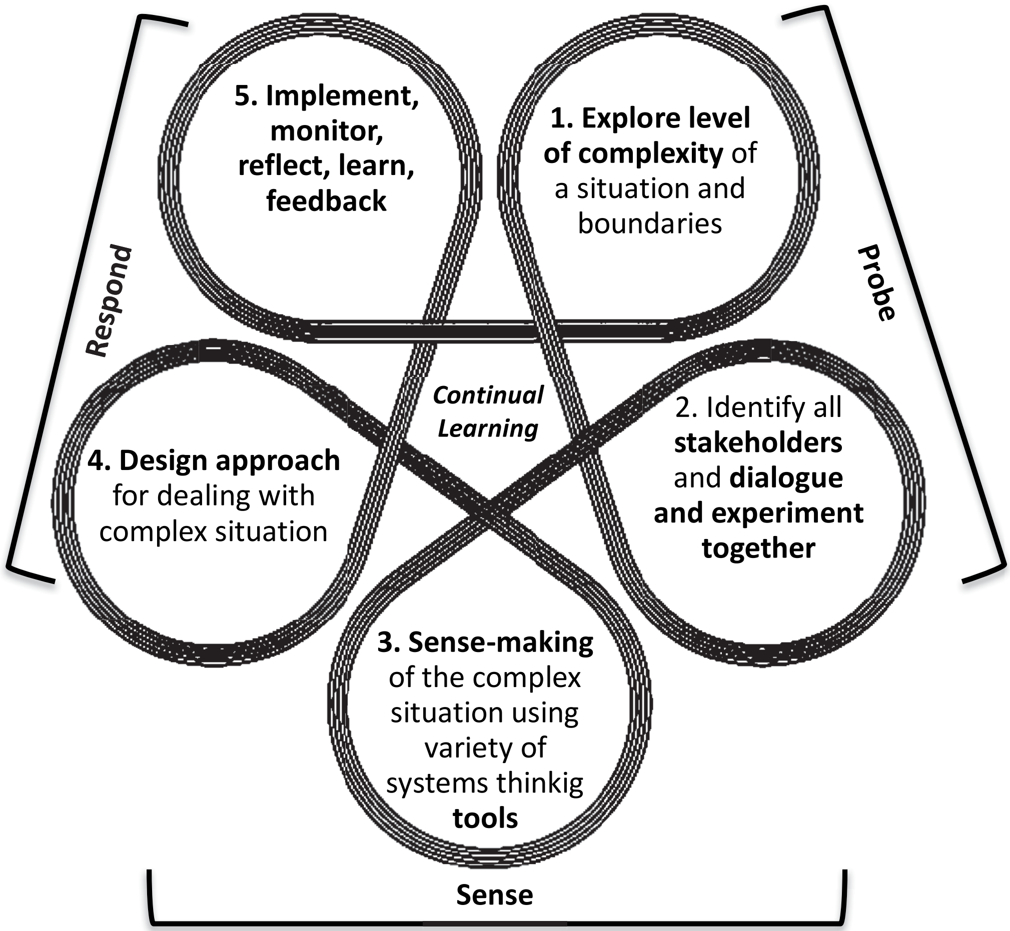
- the rich picture method (Checkland 1999a; Checkland & Poulter 2006)
- causal loop diagrams or influence diagrams (Richardson 1986; Armson 2011)
- the Human Activity System (HAS) diagram (Checkland 1999b; Armson 2011)
- input, transformation, output (ITO) models (Armson 2011)
- the TWO CAGE process (Armson 2011)
- systems games (Sweeny & Meadows, 2010; Meadows et al. 2016)
- the collective impact process (Kania & Kramer, 2011)
- the 12 systems leverage points (Meadows 1999 & 2008)
- the 4-stage change process (Stroh 2015).

The systems thinking skills and sense-making tools are considered important prerequisites for responding to and addressing complex systems problems. The following section outlines a suggested process for engaging in systems thinking.

3.7 *Process for systems thinking*

Holistic systems thinking skills and tools form the basis for a process that can be employed to explore and probe complex systems problems and situations. Figure 28 is an adapted version of the systems thinking process proposed by Armson (2011) and Snowden & Boone (2007). Figure 28 shows that the key to approaching complex systems situations is a cyclical process that centres on continual learning. The process begins with differentiating a complex situation from other types such as complicated or chaotic situations. This is followed by identifying all of the stakeholders that are involved or affected by a complex situation to collaboratively explore and make sense of a situation. These first two steps refer to the probing phase of addressing complex situations (Snowden & Boone, 2007). They are followed by a sense-making phase that draws on a variety of skills and tools for holistic systems thinking. The fourth step in the process focuses on designing an approach for dealing with a complex systems problem that is cognisant of the continual learning approach rather than focusing on developing and implementing one solution. Therefore, the fifth step in the systems-thinking process is really an ongoing step that continues on throughout the entire process from differentiating to implementing complex systems approaches. It requires continual monitoring, reflection and learning by all the stakeholders involved. Only collective learning will facilitate the shifting of the systems conditions of a complex situation.

Figure 28 - Proposed process for systems thinking (adapted from Armson 2011 and Snowden & Boone 2007)



Source: Adapted from Armson (2011, p.202) and Snowden & Boone (2007)

This process illustrates the challenges that systems thinking brings to real-world complex problems. There is an inherent tension that organisations, businesses and societies experience when confronted with complex systems issues. The natural tendency of the Western 'being' ontology of an objectivist and reductionist approach is to develop policies and standard operating procedures that are best suited to dealing with simple recurring situations, or to develop solutions that have a beginning and an end point that are suited to complicated problems. Neither of these approaches is adequate for dealing with complex socio-ecological problems such as those explored in this thesis.

3.8 Systems change models

In addition to systems thinking skills, methods and processes there is also a wide variety of systems change models that can be applied in a business and sustainability context. Of particular interest to this study are models that deal with systems change and levers that can trigger individual, organisational and societal learning and change. Their current popularity in business and management thinking is due to the 'beyond GDP' and 'new economics' debates that call for a 'paradigm shift'. This refers as much to individuals changing their mindsets as it refers to systemic change.

A paradigm is a way of thinking, a pattern or model that makes up the prevailing world-view which a majority of people subscribe to, due to societal conditioning. The Oxford Dictionary defines a paradigm as *"a typical example or pattern of something; a pattern or model; a world view underlying the theories and methodology of a particular scientific subject"* (Oxford Dictionaries 2013).

Kuhn (1970) quotes Copernicus's theory as an example of new paradigm thinking, which during the 16th century caused some of the most revolutionary upheavals of a prevailing paradigm that the world has ever seen. Copernicus proposed that the earth and planets revolve around the sun (the heliocentric model) during a time when the firmly established world view was that the earth was at the centre of the universe and all other planets and the sun revolved around the earth. Kuhn (1970, p.10) argued that it took scientific advances in a *"series of peaceful interludes punctuated by intellectually violent revolutions"* and as a result *"one conceptual world view is replaced by another"*.

Kuhn (1970, p.67) asserts that *"awareness is prerequisite to all acceptable changes of theory"* and therefore paradigm shifts can take a long time. The idea of the heliocentric view of the universe was first proposed by Greek philosopher Philolaus around 400 BCE (Huffman 1993) and it took until the mid-18th century for this idea be accepted, when the Catholic Church took 'heliocentric' books off the 'Index of Forbidden Books' (Heilbron 2005). This paradigm shift took almost 2,100 years to unfold, which is a luxury that we may not be able to afford today, considering the crises we are facing economically, socially and environmentally. Yet the paradigm shift that is required to address the socio-ecological challenges of the Anthropocene requires a shift in thinking of similar magnitude. The current and imminent socio-ecological global changes will require a shift from the anthropocentric paradigm to an earthcentric paradigm within the next 10 years, which may be beyond human capacity and there is already resistance to such a change.

On the other hand, one of the foremost contributors to systems thinking, Donella Meadows (1999), argues that there is *"nothing necessarily physical or expensive or even slow in the process of paradigm change"*. She asserts that a mindset or belief system can change in a millisecond in a single individual. However, she agrees that shifting the paradigms of whole societies is another matter entirely. This suggests that individual worldviews and values can shift relatively quickly, but cultural norms and inherent ontological views of societies and dominant paradigms take much longer to adapt to changing circumstances and new insights. An example of a paradigm shift that can happen in a split second could be Buddha's experience while sitting under a tree meditating. He suddenly had a change of awareness so profound that it is now described as enlightenment. According to Buddhist philosophy, every human being has the capacity to experience this sudden change of mind and awareness.

History shows that societies resist changes to belief systems and the promoters of these changes, more vehemently than anything else. Meadows (1999) quotes crucifixions, burnings at the stake, concentration camps and nuclear arsenals as examples of responses by societies that found themselves unable to cope with challenges to their paradigms. John Maynard Keynes (2016, p.vii) said *"The difficulty lies, not in the new ideas, but in escaping from the old ones, which ramify, for those brought up as most of us have been, into every corner of our minds".* The best way to change a paradigm, according to Meadows (1999), is to step outside the system, observe its patterns and see the whole or bigger picture. However, other systems thinkers argue that it is impossible for an observer to separate themselves from an observed system. Ison (2008) suggests that a 'system of interest', and an understanding that any assigned boundaries arise purely out of a specific interest, are ways to keep the observer within the context of the system.

This study explores the worldviews and paradigms of business leaders in different cultural and economic contexts to understand how these contexts and systems shape their business conduct. One of the assumptions of this study is that for planetary wellbeing to improve, business leaders, as well as entire societies, will need to change their thinking.

There are a number of systems change perspectives and models that I have already mentioned in previous sections of this literature review. They include:

- the five principles of social processes and change (Henderson 1980)
- the Happiness Lens (Thin 2012)
- the principles of worldly ethics (Myers 2013)

- the five core themes of care ethics (Engster & Hamington 2015)
- the principles of transformative change (towards planetary health) (Whitmee et al. 2015).

There are two further systems change models that I want to discuss in more detail, as they provide a comprehensive systems perspective that is applicable to complex situations. These are Meadows (1999) '12 leverage points for systems change' and the 'New Development Paradigm' (NDP 2013).

3.8.1 Meadows' Systems Leverage Points for change

I am considering the '12 leverage points for systems change' model as a sense-making tool for understanding and learning what drives 'conventional CSR' and 'beyond CSR' practices, rather than as a tool to design a particular solution to the complex systems problem of this study.

According to Meadows (2009), creating change in a dynamic system means finding the most effective leverage points to push, as they are the most powerful places to intervene in a system. They are the points where small changes have the potential to lead to large shifts in behaviour and in the dynamics of an entire system (Meadows, 2009). According to Forrester (1971), evidence suggests that the people who are deeply immersed in organisational and structural systems (such as governments or the financial sectors) often intuitively know where to find those points of power, but most of the time they push change in the wrong direction.

Similarly, Meadows (2008, p.146) asserts that world leaders are rightly obsessed with economic growth as the answer to virtually all problems. However, "*they are pushing with all their might in the wrong direction*". As Forrester (1971) found in his studies of systems dynamics, complex systems are often counterintuitive, resulting in their leverage points being not what one would expect. Therefore, these leverage points are often in the wrong way causing an existing problem to be systematically worsened rather than improved (Meadows 2009). The worsening of the current socio-ecological crises of the Anthropocene could be evidence of this systemic worsening due to the direction of change applied to leverage points by policy makers and business leaders over the last 100 years. It could also be an indication that system leverage is being used to control rather than to understand and learn about the complex socio-ecological problems of today's world. Hence, the real systems leverage points can often seem incredibly obscure, frustratingly subtle and ultimately surprising.

Meadows (1999) proposed the 12-point scale as a means of evaluating the effectiveness of leverage points in complex systems. Meadows (1999, p.2) suggests that *"changing measurements and parameters"* is a lower-order leverage point compared to shifting mindsets and being able to let go of outdated perspectives, which she calls *"transcending paradigms".* She proposes that 'transcending paradigms' is the most powerful leverage point for creating learning and a shift in complex systems. Her interpretation of transcending paradigms has great similarities with the concepts of pluralism, ontological humility and some of the Buddhist view outlined earlier in the literature review.

However, she also acknowledges that the most powerful leverage point introduces major uncertainty, complexity and potentially chaos that may be beyond human comprehension, and would require relinquishing some of the control over the system. As Meadows points out, working at the highest level of systems change requires individual transformation and mastery to let go of old paradigms, or in other words ontological humility of the highest order. It requires recognition that every worldview is a limited understanding of the laws of the universe, and that no paradigm reflects the truth, and that this is in itself a paradigm. Her profound conclusion is that *"You have to work at it… throwing yourself into the humility of Not Knowing [and]… In the end, it seems that power has less to do with pushing leverage points than it does with strategically, profoundly, madly letting go!"* (Meadows 1999, p.19). Meadows' sentiment is also echoed in the New Development Paradigm framework, which suggests that *"[t]he inner transformation of our own mindsets and behaviours is as important for happiness as the transformation of the outer conditions of well-being"* (NDP 2013, p.33).

Although Meadows describes the systems leverage points in language that seems to draw heavily from control engineering and system dynamics, her framework presents a pluralistic view that brings together the reductionist with holistic approaches to systems thinking. Table 16 presents a description of each of the leverage points and the effectiveness levels ascribed to them by Meadows (1999, 2008).

Table 16 - Systems leverage points and their effectiveness (adapted from Meadows 1999 & 2008)

Leverage points in a system (1 = most to 12 = least effective)		**Explanation of leverage points**
12	Constants, numbers, parameters, subsidies, taxes, standards Least effective leverage point	• Describes the conditions of a system (such as air quality, company profits, national debt or tax income to government). • Monitors and reports the stocks and flows of a system (i.e. inputs and outputs).
11	Buffers, stabilising stocks	• A system with large stocks relative to its flows is more stable than a system with small stocks. • For example large 'stocks' of higher quality of life (or wealth) in a population will make it more resilient to sudden changes in flows (e.g. loss of income).
10	Stock and flow structures and nodes of intersections	• When the structures are physical (like roads, airports, schools or hospitals) they are slow and expensive to change. • When the structures relate to social, political, organisational or interconnected systems structures like banks, they are complex and linked to belief systems.
9	Awareness of delays in systems change	• Changes to system flows often result in oscillations due to delayed adjustments caused by delayed information. • Delays in feedback as to the system state can therefore frequently result in over capacity or under capacity
8	Balancing feedback loops	• Balancing feedback loops are inherent in complex systems to keep important stocks fairly constant and in safe bounds. • Balancing feedback loops often apply to the information and control parts of a system rather than the physical parts. • Balancing feedback loops need a goal, a monitoring mechanism that signals a variance from the goal and a response mechanism.
7	Reinforcing feedback loops	• Reinforcing feedback loops are self-reinforcing and the more they work, the more they gain power to work some more. • Reinforcing feedback loops are the source of growth, explosion, erosion and collapse in systems and a system with an unchecked reinforcing feedback loop will ultimately destroy itself.
6	Information flows	• Information flows create new loops through delivering information to places where it wasn't going before and they thereby change people's behaviour. • Missing feedback or information flows are the most common causes of system malfunction.
5	Rules	• The rules of a system define its scope, its boundaries and its degrees of freedom. • Many nations' constitutions are strong social rules. Government acts and regulations set out rules of conduct and processes. • Laws, punishments, incentives, constraints, informal social agreements and rules of a game are progressively weaker rules.
4	Self-organisation	• One of the most surprising characteristics of living systems and social systems is their ability to change themselves completely by creating whole new structures and behaviours – also called self-organisation. • When systems self-organise, the aspects of systems as listed

		above from 1–8 change, for example by adding new physical structures, and new feedback loops, and by making new rules.
3	Goals or intentions	• The goal of a system reflects the purpose or function of a system. • System goals can be for example keeping the bathwater at the right level, or keeping the room temperature comfortable or keeping inventories stocked at sufficient levels.
2	Paradigms	• Paradigms are the sources of systems. • Paradigms are the shared ideas in the minds of societies, the mindsets out of which a system – its goals, structure, rules, delays and conditions – arise. • A paradigm is a belief system about how the world works and is made up of unstated assumptions (unstated because everyone grows up with those beliefs).
1	Transcending paradigms Most effective leverage point	• Transcending paradigms involves staying unattached in the arena of paradigms, staying flexible, and realising that *no* paradigm is true, and that this in itself is a paradigm. • Transcending paradigms means recognising that our own worldview is a limited understanding of the laws of the universe that are far beyond human comprehension. • Transcending paradigms means being fully aware that paradigms are constructs of our minds and being able to let go of them with a sense of humour and be comfortable in the humility of not knowing.

Other authors have also drawn on Meadow's framework, combining some of the 12 leverage points into a more condensed framework, particularly for use in business and management thinking. Table 17 summarises the various interpretations of Meadows' original 12 leverage point framework by different authors. These reinterpretations condense the 12 leverage points into four to six groupings and provide meta-level interpretations.

The most recent studies and interpretations of these leverage points (Sebastian 2014; Abson et al. 2017) have focused on business and policy organisations and their preferred leverage points. Sebastian (2014) found that business organisations tend to shy away from the deeper and more effective leverage points that require the ontological humility described by Meadows (1999) as 'transcending paradigms'. In other words, they lacked either the willingness or ability to engage in holistic systems thinking and pluralism. Similarly, Abson et al. (2017) found that sustainability policy has mostly focused on the shallower and less effective leverage points, often adjusting parameters such as setting goals, introducing taxes or incentives, or dealing with physical infrastructure. They also suggest that the dominant reductionist approach of science and policy interventions mutually reinforce each other, which keeps organisations working with the less effective leverage points in a system.

Grotzer (2012) suggests that this self-reinforcing feedback loop between reductionist science and policy is due to a set of 'causal default assumptions' that misunderstand the causes and effects of complex problems as being linear, direct, unidirectional, sequential, obvious, caused by intentional agents, event-based, deterministic, local, immediate and centralised. In fact, managing causality in complex systems and situations requires a focus on the state of a system, with long-term monitoring and attention to changes in systems behaviour and consideration of probabilistic causality, which may have immediate and/or delayed effects with far-reaching impacts (Grotzer 2012). The key to understanding causality from a holistic systems-thinking perspective is therefore the insight that causes and effects can be separate in physical and attentional space and time (Grotzer & Solis 2015). Therefore, holistic systems thinking considers unexpected emergent behaviour in a system as spatially and temporally distant from their causes, and as being potentially linked to causes and conditions that may have occurred long ago and far away. The resulting attention to emergent behaviour in a holistic systems-thinking mode is therefore very different from 'causal default assumptions'. Attention to complex systems situations assumes causality to be non-linear, indirect, bi-directional, simultaneous, not easily apparent, not necessarily resulting from the actions of an agent, process-based, probabilistic, spatially distant, delayed and distributed (Grotzer 2012).

Table 17 - Interpretations of Meadows' systems leverage point framework by different authors

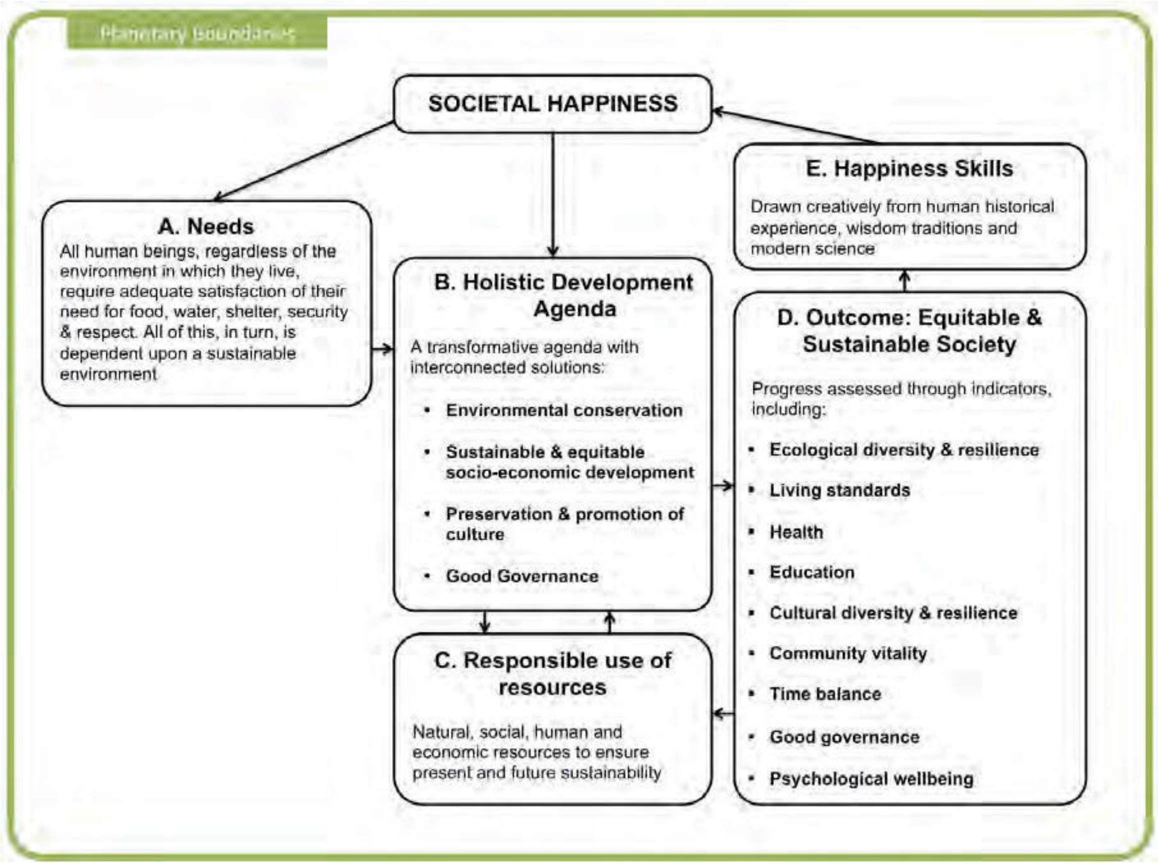
	Meadows (1999 & 2008) 12 Systems leverage points	**Volans (2013)**	**Finidori (2014)**	**Sebastian (2015 a)**	**Abson et al. (2017)**
Weak / less effective	12. Constants, Numbers, Parameters, Subsidies, Taxes, Standards	5. Changing numbers, subsidies, taxes and standards	4. Infrastructure & parameters	6. Changing parameters and measures of success	4. Mechanistic parameters targeted by policy makers
	11. Buffers, stabilising stocks	4. Changing buffers, stocks, flows delays, and feedback loops		5. Adjusting resource stocks, flows, infrastructure, networks, products and services	
	10. Stock and flow structures and nodes of intersections				
	9. Delays in systems change		3. Behaviour & feedback mechanisms	4. Transparency of relationships, behaviours, feedback loops, information flows	3. Feedback within a system of interest that drives internal dynamics
	8. Balancing Feedback Loops				
	7. Reinforcing Feedback Loops				
	6. Information Flows	3. Changing information flows			2. Design of social structures that manage feedback and parameters
	5. Rules	2. Changing system's genetic code	2. Form	3. Setting new rules, goals, intentions and purpose	
	4. Self-Organisation				
Strong / more effective	3. Goals or intentions				1. Intent and underlying values, goals and worldviews influencing emergent behaviour of a system
	2. Paradigms	1. Changing paradigms	1. Culture & psychology	2. Respecting & understanding diverse worldviews	
	1. Transcending Paradigms			1. Willingness and ability to change perspectives and let go of old paradigms (ontological humility)	

Table 17 presents the various ways that Volans (2013), Finidori (2014), Sebastian (2015a) and Abson et al. (2017) have arranged Meadows' (1999; 2008) 12 leverage points into four to six categories. Together, they frame the leverage points as aspects of a systems change framework that resembles the New Development Paradigm (NDP 2013) which is outlined further in Part B, Section 3.9. The groupings of leverage points outlined in Table 17 highlight that policy priorities and business decision-making depend on information flows and feedback, and respond to the design of social structures and norms, which are based on underlying cultural and individual values, goals and paradigms that create the emergent behaviour of a system.

3.8.2 New development paradigm

As a result of a high-level meeting on Wellbeing and Happiness hosted by the Royal Government of Bhutan (RGB) at the United Nations in New York in April 2012, the UN commissioned Bhutan to coordinate an international transdisciplinary working group to develop a framework as input to the consultative process for developing the 2030 Sustainable Development Goals. The working group consisted of some 70 experts spanning all fields of science, including leading academics and thought leaders such as David Suzuki, Martin Seligman, Vandana Shiva and Tim Jackson to mention just a few (NDP 2013). The aim was to develop a New Development Paradigm (NDP) framework that would support global development with the central purpose of promoting societal wellbeing. Figure 29 below is a reproduction of the NDP framework.

Figure 29 - New development paradigm (NDP 2013, p. 20)



Source: Reproduced from *Towards a New Development Paradigm* Report by the Government of Bhutan, (NDP 2013, p.20)

As highlighted in Figure 29, the NDP framework identifies 'Societal Happiness' as the ultimate goal of all development and progress. This goal is based on two fundamental assumptions (NDP 2013):

1. The universal human goal to pursue wellbeing and happiness is not just a private or individual goal but a societal vision; and
2. Planetary boundaries exist and that there are severe ecological realities that require a recalibration of current development activities.

The definition of happiness offered in the NDP report (NDP 2013) is based on the interconnected view of reality as understood in the Buddhist dependent origination concept:

> *The human aspiration for happiness transcends all the dividing contours of society, has the power to unite all of humanity, and generates a deep, abiding sense of harmony and connectedness with nature, with fellow beings, and with ourselves. It*

is happiness that will curb our consumerist impulses and give to us the capacity to find satisfaction and contentment.

Genuine and true happiness is not of the fleeting and frivolous kind but a sustained state of being. It does not deny basic material needs or the importance of productive economic activity, but rather balances the needs of body and mind. It acknowledges that material conditions like a stable climate, adequate resources, clean air and water, good food and health, decent living conditions, literacy, safe communities, and other dimensions of wellbeing are essential preconditions for human beings to realise their full potential. At the same time, our approach does not see these material states as ends in themselves or as the ultimate purpose of human development, but rather as survival requisites and enabling circumstances for human society to flourish and achieve true happiness (NDP 2013, pp.3-4).

The framework combines solutions from across the world into a new framework together with the UN vision and global commitments, and Bhutan's experience of balancing development with the GNH philosophy and instruments. The framework adopts the following well-known principles of sustainable development:

a) balancing economic, social and environmental concerns (box B. in Figure 29),
b) promoting responsible resource use (box C. in Figure 29),
c) multi-dimensional measures of progress and outcomes (box D. in Figure 29).

The NDP model includes three new dimensions previously unseen in sustainable development models, which are also not included in the current Sustainable Development Goals (SDGs) (UN, 2015a). These dimensions propose a new approach to development:

a) Firstly, the distinction between the long-term needs for a satisfying life versus insatiable short-term needs (box A. in Figure 29), provides a window of opportunity to promote the understanding of the different ontological and epistemological views of happiness and wellbeing, in particular the interconnected views of reality and happiness
b) Secondly, the recognition that creating the conditions for sustainability and measuring societal happiness and wellbeing are not by themselves enough when the aim is societal and/or planetary wellbeing. The NDP model proposes that the opportunity for every person to pursue their full human potential requires that they are able to acquire the knowledge, skills and ability for self-actualisation and skillful management of the emotions or emotional intelligence described as

'happiness skills' (box E. in Figure 29). This claim is supported by the research that shows that skills like compassion, happiness and prosocial behaviour can be learned, and that they are essential for a meaningful and satisfying life (Leiberg et al. 2011; Ricard 2006).

d) Thirdly, this framework sets as an overarching goal the purpose of 'Societal Happiness', ensuring that any development improves societal wellbeing across all domains that contribute to quality of life and planetary wellbeing.

The NDP model therefore provides a new perspective, not only on new measures of progress, but more importantly it also highlights the importance of having an overarching purpose and the resulting role each individual person can play in creating systems change and adopting care for planetary wellbeing. However, as Meadows (2008 p.14) points out "*[p]urposes are deduced from behaviour, not from rhetoric or stated goals*" and therein lies the ultimate challenge of any systems change framework that proposes systems change with the intention of 'controlling' or managing change, rather than using such frameworks to facilitate an ongoing learning process.

The NDP framework was submitted to the UN after a consultative process in late 2013 as a contribution to the formulation of a new set of SDGs, which were released in September 2015 at the UN General Assembly. However, the SDGs were presented as a list of goals with specific measures attached to them, with no clear articulation of the overarching purpose or underlying ethical foundation or learning process. While this was initially recognised as a limitation of the SDGs, there has been a proliferation of contextualising frameworks that are emerging from various academic and professional fields. However, the approach to developing an overarching purpose of societal and planetary wellbeing has not been expressed as clearly and comprehensively as in the NDP model.

3.8.3 Connecting the NDP and 12 Leverage points models

Interestingly, the NDP framework displays key components identified by Meadows (1999; 2009) as effective levers for creating systemic change. According to Meadows (2009), creating change in a dynamic system involves finding the most effective leverage points to push, as they are the most effective places to intervene in a system. They are the points where small changes have the potential to lead to large shifts in behaviour and changes to the dynamics of an entire system (Meadows 2009). According to Forrester (1971), evidence suggests that people who are deeply immersed in organisational and structural systems (such as governments or the financial sector) often intuitively know where to find those points of power, but most of the time they push change in the wrong direction. This can cause an existing problem to systematically being worsened rather than being solved (Meadows 2009). There is no doubt that the NDP model has identified an effective leverage point by setting a goal of societal happiness and wellbeing. The question is who should apply pressure on this leverage point and which is the 'right' direction to push.

As introduced in Section 3.8.1 Meadows (1999) suggests that 'changing measurements and parameters' is a lower order leverage point than 'shifting mindsets and being able to let go of out-dated paradigms'. She proposes that 'transcending paradigms' is the most powerful leverage point for creating a shift in complex systems. However, the most powerful leverage point also introduces major uncertainty, complexity and potentially chaos that may be beyond human comprehension and would require relinquishing some of the control over the system. Meadows' (2009, p.14) profound conclusion is that:

> *In the end, it seems that power has less to do with pushing leverage points than it does with strategically, profoundly, madly letting go!*

Meadows' sentiment is also echoed in the NDP framework which highlights that emotional and social intelligence skills of the individual are important conditions for creating happiness and wellbeing:

> *The inner transformation of our own mindsets and behaviours is as important for happiness as the transformation of the outer conditions of wellbeing.* (NDP 2013)

Table 18 is an example of how Meadows' (1999) 12 leverage points have been condensed as six leverage categories and matched with the components of the NDP model by Sebastian (2015b). Table 18 demonstrates how these two models can be considered in combination by using the NDP components to describe **what** can be done and the leverage point categories to describe **how** to do it. This illustrates how these two models could be used as a powerful tool for application in the business sector to bring about systemic change towards a 'beyond CSR' business approach.

Table 18 - Examples of business strategies and activities linking the NDP framework components with the six systems leverage categories

NDP components (what to do) and leverage point categories (how to do it)	**Overarching Goal – Societal Wellbeing**	**Identifying genuine human needs**	**Holistic business strategy**	**Responsible Resource Use**	**Outcome Equitable & Sustainable Society**	**Social & Emotional Intelligence**
6. Changing parameters and measures of success	Adopting KPIs that prioritise stakeholder and societal wellbeing and SDGs	Clearly differentiating between stakeholders' essential needs and the wants that perpetuate the hedonic treadmill	Measuring business success against a set of holistic objectives and targets	Measuring key environmental, social and human indicators	Measuring wellbeing indicators of all stakeholders including happiness equality	Measuring psychological wellbeing across stakeholder groups and share information to inform relational responsibility practices
5. Adjusting resource stocks, flows, infrastructure, networks, products and services	Product & Service innovation that is focussed on enhancing psychological wellbeing, emotional intelligence and a systems view of life	Focussing innovation in the areas that enhance relational responsibility and a systems interest	Investing in infrastructure and networks that offer products and services that support societal and planetary wellbeing in line with the SDGs	Adopting circular, sharing and collaborative resource practices	Transitioning to increase sustainable production and number of products and services that help people fulfil genuine needs and equitable access	Providing opportunities for all stakeholders to acquire skills and experience in managing emotions in a skilful and agile way
4. Transparency of relationships, behaviours, feedback loops, information flows	Co-creating societal wellbeing indicators with stakeholders and reporting on these for all business stakeholders	Engaging with all business stakeholders especially customers to understand their genuine needs across the set of co-created wellbeing indicators	Sharing insights with all stakeholders on societal and planetary wellbeing challenges addressed by the business and outcomes achieved	Leading by example in behaviours and communication that respects natural, human and social resources and enhances them rather than depleting them	Encouraging behaviours and communication that respect resources through marketing and public relations	Dealing with integrity, honesty and patience with all stakeholders in the interest of societal wellbeing through relational responsibility practices
3. Setting new rules, intentions, purpose	Redefining the purpose and vision of a business towards societal and/or planetary wellbeing	Engaging with all business stakeholders to co-create business purpose and	Organising business strategy around financial, social, environmental and wellbeing objectives and targets that	Setting operating procedures and policies that clearly outline the respectful use of natural, human and social	Leading by example by forgoing short-term gains for long-term benefits to the business, its stakeholders and	Empowering all stakeholders to take charge of their psychological wellbeing to build social and emotional

		intentions	contribute to the SDGs	resources in undertaking business activity	society and the planet	intelligence
2. Respecting and understanding diverse needs and worldviews	Promoting industry, national and international dialogue that fosters the exchange of wisdom, insight and intelligent compassion	Fulfilling short-term essential needs of stakeholders first and when adequate standard of living is reached, then engage stakeholders in systems interest and view	Building tolerance, acceptance and inclusiveness of a wide range of world views through business objectives and strategies	Understanding the positive and negative impacts on natural, human and social resources resulting from business activity	Using emotional intelligence to create shared value of business activity for all stakeholders	Facilitating inter-stakeholder group dialogue to foster awareness, understanding and compassion for a wide range of world views and common goals
1. Willingness and ability to change mindsets and to let go of old paradigms	Committing to a new story that measures progress across qualitative and quantitative measures of progress for business and economic activity; recognising GDP growth as a deficient and misleading progress measure	Championing and promoting the sustainable consumption and engage stakeholders in systems-thinking and an interdependent worldview	Exploring and considering ownership structures that divest power to stakeholders or embrace principles of emergent self-organisation	Reinventing the way energy and natural resources are sourced and used, human resources are nurtured and social capital is enhanced through any business activity	Distributing profits, wealth and benefits equitably among stakeholders, solving trade-off conflicts by engaging in processes that generate relational responsibility	Committing to using the power of business with intelligent compassion to facilitate all stakeholders to engage in relational responsibility and an interdependent worldview

Source: Adapted from Sebastian (2015b, pp.32-33)

Note: (Meadows' 12 points are condensed here into six categories, where 6 is the least effective and 1 is the most effective leverage category)

3.9 *The New Development Paradigm and the business sector*

The NDP framework provides an interesting lens through which to understand the implications for the business sector. The NDP context could potentially provide a new context for business to:

a) avoid the perpetuation of the 'hedonic treadmill' of ever-increasing consumption as it has been shown not to improve long-term societal happiness and wellbeing once a comfortable standard of living has been reached
b) ensure that government policy and business strategies work together to provide opportunities, conditions, products and services that empower individuals and societies to learn and practise an interdependent systems worldview
c) adopt policies and strategies, that position improving societal wellbeing as the most important overarching national and international goal, and that are based on the results of measuring across GNH domains
d) be alert to recognising the point in economic development when standard of living has reached the optimal level for the majority of people (the point beyond which a higher standard of living does not significantly contribute to increases in wellbeing) in order to refocus development and business efforts on aspects of life beyond the material. This will entail focusing on awareness and consciousness raising activities that foster a systems interest and interdependent worldview instead of further improving the standard of living.

Particularly in developed countries, where markets are saturated and consumption is stagnant or declining, educating consumers and engaging them in activities that will enhance awareness of overall societal wellbeing is the most important paradigm shift that responsible businesses could lead. On the other hand, most developing countries would most likely choose to focus on improving conditions for health, safety and access to food and shelter – primarily improving the standards of living for their citizens. Therefore, economic development policies and business strategies in developing countries would be vastly different to those in developed countries, as there will be different starting points and pathways to improving societal wellbeing.

It is also important to note that the aim of societal happiness and wellbeing would not be to deny or eliminate the existence of negative emotions. As mentioned in the NDP model the intention of a focus on 'happiness skills' is to empower people with social and emotional intelligence skills to experience the full range of human emotions and to know how to process and deal with them in a constructive, agile and positive way.

3.10 Synthesising systems change frameworks

Some of the theories and frameworks mentioned throughout this literature review have proposed principles and components that address different aspects of transformative systemic learning and change. So far, I have briefly covered Henderson's (1980) five principles of social processes and change, Meadows' (1999) system leverage points, Thin's (2012) happiness lens, the new development paradigm (NDP 2013), Myers' (2013) worldly ethics principles, Engster & Hamington's (2015) five core themes of care ethics and Whitmee et al.'s (2015) principles of transformative change towards planetary health.

When comparing these principles and frameworks it becomes apparent that there are five key dimensions that require attention in complex systems situations. These five dimensions are:

1. worldview, values and ethics
2. relational dynamics
3. temporal outlook
4. structural and resources
5. instrumental measures and tools.

Table 19 provides a comparison of the principles and frameworks grouped into these five dimensions.

Table 19 - Elements from different frameworks and theories that propose a systems view

	Five principles of social processes and change Henderson (1980)	**Happiness Lens Thin (2012)**	**Worldly ethics principles Myers (2013)**	**Five core themes of care ethics Engster & Hamington (2015)**	**Principles of transformative change (towards planetary health) Whitmee et al. (2015)**	**New Development Paradigm components NDP (2013)**	**Leverage points for systems change Meadows (1999 & 2008)** effectiveness of leverage point 1=high, 12=low
Worldview, values and ethics	• Indeterminacy (Uncertainty) • Change	• Empathy • Positivity • Transparency	• Respect for all human and nonhuman beings and things • Making the world a home for all	• Pushing boundaries of conventional ethical theory • Some emotions can be tools to motivate ethical conduct	• Building resilience • Incentivisation of behaviour change	• Developing happiness skills • Overarching goal societal happiness	• Transcending paradigms (1) (ontological humility) • Increasing human consciousness of current paradigms (2) • Redefining purpose, values, goals and intentions (3)
Relational dynamics	• Complementarity • Interconnectedness • Redistribution	• Holism	• Co-existentialism • Providing for basic human needs of all	• Interdependence and dependence • Responsiveness to others • Context-dependent responses		• Holistic development agenda • Adequate satisfaction of basic human needs	• Using balancing feedback loops (8) • Managing reinforcing feedback loops (7) • Managing information flows (6) • Changing rules (5) • Giving room and space for self-organisation (4)
Temporal outlook		• Life-span perspective				• Short & long term when appropriate	• Awareness of delays in systems changes (9)
Structural/ Resources					• Movement towards a circular economy	• Responsible use of resources	• Creating buffers & stabilising stocks (11) • Adjusting infrastructure,

							stocks and flows and network nodes (10)
Instrumen-tal measures and tools					• Monetisation of non-market benefits • Alternative measures of progress • Policies for taxes subsidies that support planetary health	• Measuring outcomes for equitable and sustainable society	• Changing constants, numbers, parameters, Subsidies, Taxes, Standards (12)

When comparing the systems principles and frameworks in Table 19, it becomes apparent that the two systems change frameworks that address all of these five dimensions most comprehensively are Meadows' (1999) Systems Leverage Points and the NDP's (2013) New Development Paradigm. The connections between these two frameworks are explored further in the discussion section in Part F of this thesis in light of the findings from the interviews conducted for this study.

3.11 Conclusion of systems thinking and systems change models

There is a fundamental distinction between reductionist and holistic systems thinking and change models, which draw on different worldviews, skills and methodologies. This study is primarily based on holistic systems thinking approaches, which require specific skills and offer useful tools to make sense of and address the complex socio-ecological problems of the Anthropocene.

Both ancient and contemporary approaches to holistic systems thinking suggest that mental, emotional, methodological, practical and interpersonal skills can be activated and learned through a variety of methods. There are also a wide range of processes, tools and frameworks from diverse disciplines and historical traditions that provide choices for addressing complex adaptive systems problems depending on the stakeholders involved.

It is particularly noteworthy that Buddhist philosophy suggested many of the tenets of contemporary holistic systems thinking more than 2000 years ago. The Buddhist worldview is based on a 'becoming' ontology and a 'heuristic' epistemology, which is identified as the field of 'social complexity' in contemporary systems thinking. This suggests that Bhutan as a Buddhist nation, and the business and government leaders who were interviewed for this study, could potentially display forms of holistic systems thinking that address complex socio-ecological problems in very different ways to the international business leaders interviewed in this study.

The contemporary literature on holistic systems thinking provides many insights into dealing with complex issues such as the topic of this study. The main problem under investigation here is the separation fallacy. This is highlighted by the fact that business sustainability and CSR efforts are no guarantee that businesses will act in responsible and ethical ways that demonstrate a concern for planetary wellbeing. A useful model for responding to such complex problems is the Cynefin model (Snowden 2002; Snowden & Boone, 2007), which highlights that it is necessary to probe and explore a complex problem with stakeholders first, and then make sense of it and design an approach to implement in a response. An important conclusion from this section of the literature review is that complex systems problems cannot be solved with a single strategy. Instead, they require a continual learning process that monitors, reflects and makes sense of the systems behaviour and responds to interventions in a continual effort to increase the levels of awareness of all involved stakeholders.

Two frameworks in particular offer the most comprehensive approaches to complex systems situations; Meadows' (1999, 2008) 12 systems leverage points and the NDP's (2013) New Development Paradigm. Both of these systems change frameworks emphasise the importance of:

a) an interconnected view of reality with a holistic and pluralistic outlook
b) a recognition of relationships as the key to interconnected systems
c) a consideration of the spatial and temporal dimensions of causes and effects
d) measures of progress
e) the role of the individual in the system.

These two systems change models suggest that the most powerful and important lever for changing systems behaviour is individual learning which increases awareness levels and consciousness, or in Buddhist terminology, mindfulness to facilitate complete awakened awareness that shifts individual mindsets and societal paradigms.

4 Connecting the transdisciplinary concepts of this study

Kunsch et al. (2007) argue that 'good' and 'ethical' decisions in 21st century organisations rely on the capacity for systems thinking and are in accordance with Sustainable Development principles. I expand on their proposition and suggest that ethical and responsible decision-making in business 'beyond CSR' is based on three qualities:

a) The individual's worldview, based on an interdependent view of reality (adopting a view of mutual causality) that is represented in how people define and pursue happiness and a meaningful life
b) The individual's capacity to extend care and relational responsibility beyond self and others to a wider planetary concern (as represented in the Sustainable Development Goals (UN, 2015a)
c) The ability to recognise complex problems and apply systems thinking in a continual learning cycle at an organisational level in a way that increases awareness levels, consciousness and intelligent compassion.

The relationship between happiness and sustainability is discussed in a vast literature (Teschauer 2013), although very little of this literature has focused on the difference between Eastern and Western perceptions of happiness. Scott (2012) suggests that there is a disconnect between the concept of sustainable development, which focuses on improvements that benefit society, and the concept of happiness, which focuses on what benefits an individual. As this literature considers happiness as an individual pursuit, it clearly misses an important aspect of happiness as a social phenomenon as proposed by Eastern philosophies and contemporary authors such as Thin (2012) in the context of sustainable development. Some examples of the authors whose work link Western conceptions of happiness with sustainability include Zidanšek, (2007), O'Brien (2008), Stiglitz et al. (2010), Sen (2000 & 2013) and Scott (2012). This literature posits that it is possible to improve individuals' wellbeing and quality of life, across generations and within planetary boundaries.

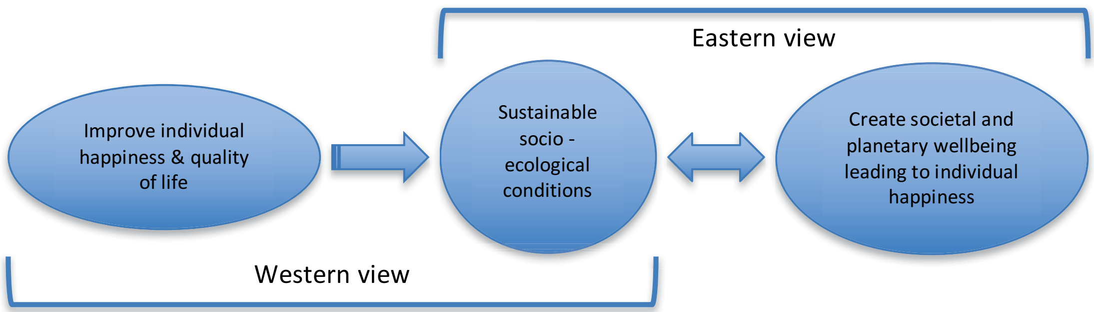
The Eastern conception of happiness as an interdependent phenomenon involving both individual and societal happiness is presented in Bhutan's report to the UN conference on sustainable development in 2012. It highlights that:

> *Sustainability is the essential basis and pre-condition of … a sane economic system. But an economy exists not for mere survival but to provide the enabling conditions for human happiness and the wellbeing of all life forms. The new economy will be an*

economy based on a genuine vision of life's ultimate meaning and purpose — an economy that does not cut us off from nature and community but fosters true human potential, fulfillment, and satisfaction (RGoB 2012b, p.42).

I therefore propose that the conception of happiness as an interdependent phenomenon related to a holistic systems view is well suited to being a foundation for Sustainable Development. From the Western perspective, sustainable development is considered a result of improving individuals' happiness, wellbeing and quality of life. In the Bhutanese and Buddhist view, sustainability of the entire system is necessary as a prerequisite for planetary wellbeing that also leads to individual happiness and wellbeing. These two perspectives are illustrated in Figure 30.

Figure 30 - Eastern and Western perspectives of the relationship between sustainable development and happiness and wellbeing



This in essence demonstrates the opposing paradigms that represent Eastern and Western perspectives of happiness and sustainability.

Both the happiness and systems literatures suggest that relationships between people, and the levels within a system, are the most important dimensions for 'good', 'ethical', 'virtuous' decision-making that supports the viability of the entire system. Evidence from the happiness literature suggests that virtuous conduct, such as doing 'good' for others, results in improved individual happiness. The systems literature suggests that the relationships and information exchanges between people and all life forms in a socio-ecological system determine the health, resilience and dynamism of a system.

PART C – Methodology

This section of the thesis deals with the third component outlined in the research design map in Appendix 1.8, the methodology. It outlines the emergent ontological and constructivist epistemological stance as a background to this study. This is followed by detailed descriptions of:

a) the research design, including the transdisciplinary research strategy
b) its interpretivist theoretical perspective
c) its inductive research approach
d) its qualitative methodology involving a variety of methods to collect primary and secondary data
e) grounded theory and constant comparisons method as my analytical approach
f) a set of continually evolving research questions

The chapter concludes with a discussion of ethics in relation to this study and a brief summary. The excerpt of Appendix 1.8 shows how the methodology links with the literature review and the frameworks that are synthesised to serve as lenses for analysing the data.

Excerpt of Appendix 1.8

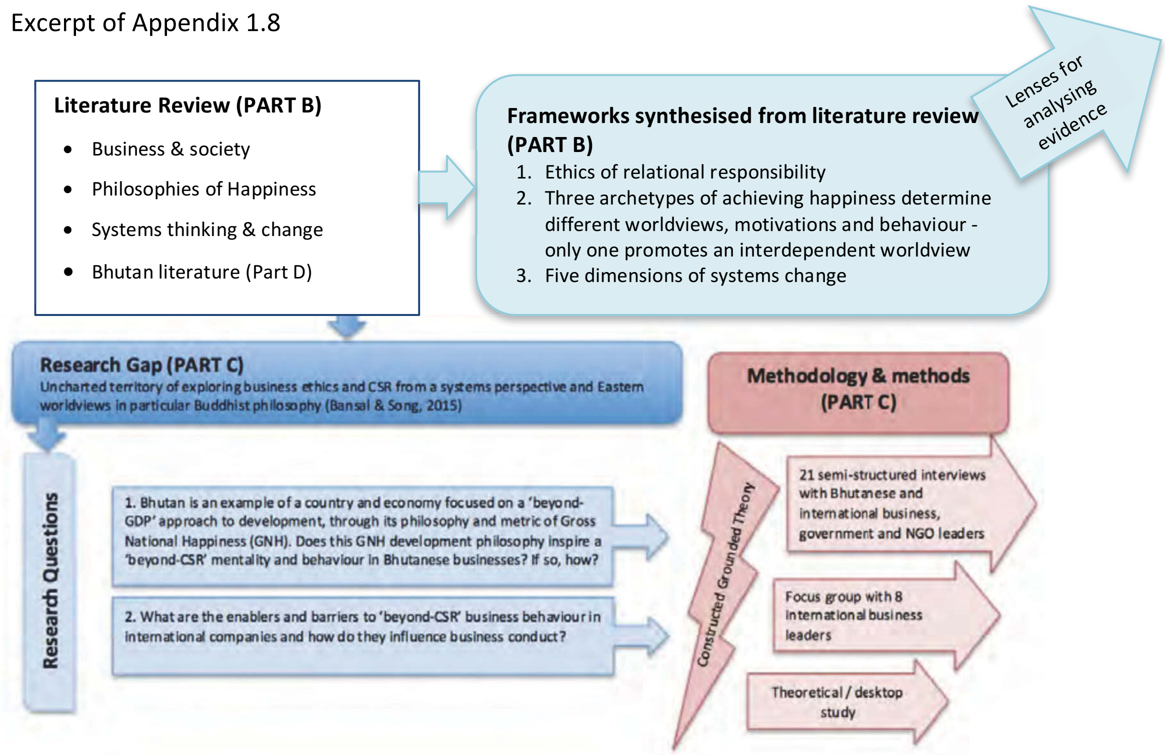
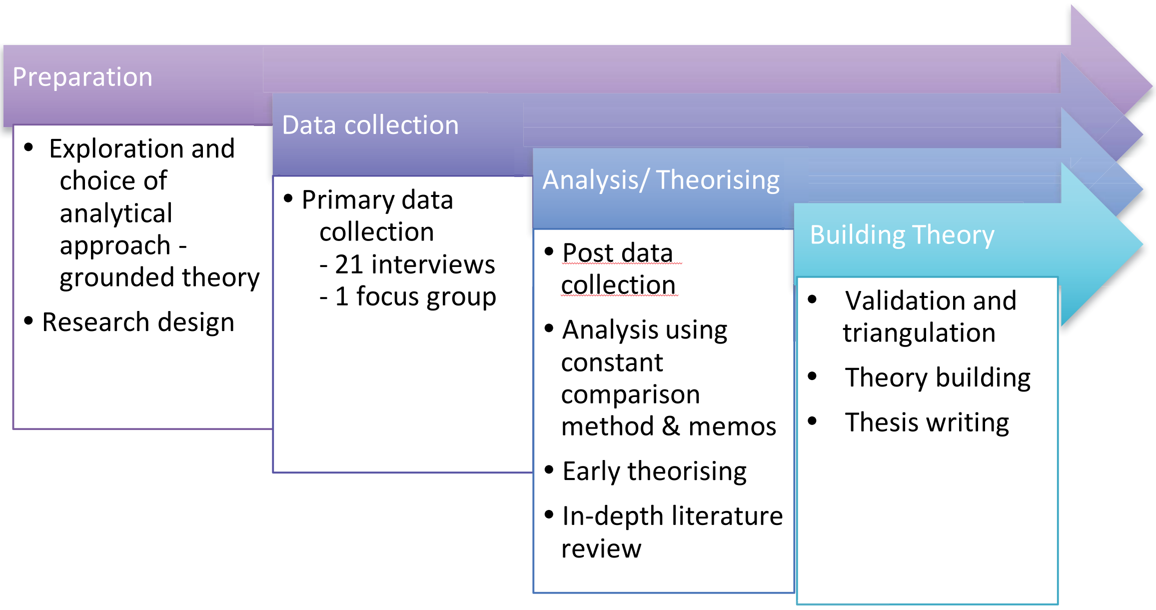
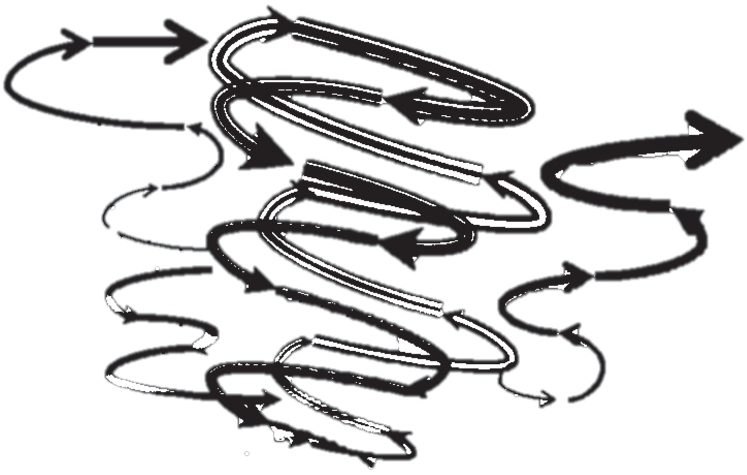


Figure 31 is a summary of the methodology phases in a linear representation. However, the actual process was much more of an iterative journey with many steps forwards and backwards.

Figure 31 - Phases of methodology process





1 Ontological and epistemological stance

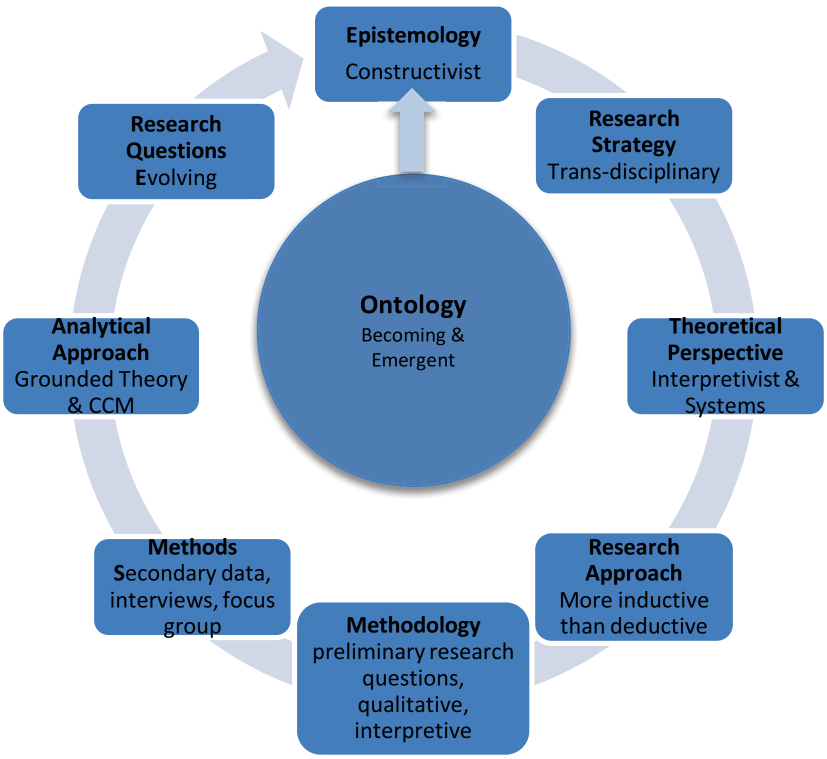
The research questions outlined in Part C, Section 2.11 and the research design have to be seen in the context of my own ontological and epistemological stance as a researcher. This is especially important, as suggested by Crotty (1998), since there is a relationship between the theoretical stance, methodology, methods and the researcher's epistemological view. Also Carcary (2009) points out a researcher's lack of objectivity within an interpretivist paradigm plays an important role in the research process. I am therefore acutely aware of what Walsham (2006) describes as the bias that comes from our own backgrounds, knowledge and prejudices that predispose a researcher to seeing things in certain ways and not others.

Growing up in Europe in a 'Western' philosophical and educational system, I was conditioned by the pervading Parmenidean ontological view of 'being' that held sway in Western philosophy (Gray 2009). Reality in this view is seen as comprising clearly formed and identifiable entities 'out there'. Signs and language are taken to be true representations of the external world (Gray 2009). The Parmenidean ontology assumes that the nature of reality and existence is unique and unchanging, and that change as we experience it in everyday life is therefore an illusion and orients our thinking towards outcomes and end-states rather than processes of change (Gray 2009).

I was intrigued by other ontological views and explored other epistemologies that challenged traditional 'being' ontology with a 'becoming' orientation (Chia 2002). Over a 20-year period I continued training, studying and practising in awareness, mindfulness and appreciative enquiry through modern approaches like Landmark education programs and ancient wisdom traditions like Yogic, Vedic and Buddhist philosophies. From this exposure, and from living and working for a nine-year period in Asia, I have also become accustomed to an ontological stance that sees the nature of existence as emergent and impermanent, and of a constantly changing 'becoming' quality. This 'becoming' ontological view is also aligned with the Heraclitean ontology that emphasises formlessness, chaos, interpretation and absence (Gray 2009).

I am therefore aware of the potential risk that I might be prone to what Burrell & Morgen (1979, p. 266) call 'ontological oscillations' in this study. Weick (1995) calls for giving 'serial ontological oscillators' like me a reprieve, as people cannot be expected to be ontological purists when they have multiple identities and deal with multiple realities. I realise though, that this reprieve is possibly valid if a researcher's ontological and epistemological view changes across different research projects. However, for this PhD study I am aware that I need to be consistent and stay true to a particular theoretical perspective to provide a sound foundation for the research design, process and analysis. Figure 32 outlines my stance as a researcher and the methodology for this research study.

Figure 32 - Researcher's stance and methodology for this PhD Study



The details of each of the elements of this theoretical framework and the resulting research design are explained in the following sections.

2 Theoretical framework and research design

The following section explains the choice of theoretical framework and how it informs the research design for this study.

2.1 Ontological view

The ontological view adopted for this research study is based on the 'becoming' ontology of the Greek philosopher Heraclitus (535 – 475 BCE), which emphasised an impermanent, changing and emergent world. His worldview was based on a number of theories, including his theory of flux, which proposes that the only constant is change, and his seemingly paradoxical claim, *"we step and do not step in the same river"* (Perelman 1971, p.145). His view on human existence puzzled many as he proclaimed that *"we are and we are not"* (Green 2003, p.2). He also introduced the notion to Western philosophy that the mind is the driving, controlling force of the universe and that no theory can claim absolute truth (Vamvacas 2009).

This ontological stance is also aligned with some Eastern philosophies such as Buddhism and some of the Vedic worldviews (Inada 1988). The literature review explored some of the worldviews contained in Western and Eastern philosophies such as Buddhism, Hinduism, Taoism and Confucianism. They are covered in the literature review Section 2.6 and Buddhist ethics is covered in Section 1.16.

2.2 *Epistemological view*

The epistemological stance most closely linked to a 'becoming ontology' is a subjectivist stance. This stance assumes that meaning is imposed by a subject on an object (Gray 2009), and that meaning is created out of nothing (Crotty 1998). However, subjectivism has been criticised for not facilitating the practical application of research, as it considers all perspectives and possible future scenarios as equally valid.

As a potential 'ontological oscillator' I am aware that 'epistemological pluralism' as described by Healy (2003) provides a pragmatic choice between a range of theories that focuses on the practice and means by which knowledge is generated, disseminated and applied. It provides a stance that recognises the value of both objective and subjective epistemological views, and asserts that it is legitimate to choose an epistemological stance anywhere along the spectrum from objectivist to subjectivist, depending on the nature of the problem (Healy 2003). Also, pluralism has been promoted as being highly effective in transdisciplinary studies, particularly those that investigate social-ecological systems. Pluralism has also been seen as generating highly innovative and collaborative research (Miller et al. 2008).

With pluralism as a backdrop, and with a desire to find a middle path between objectivism and subjectivism, a constructivist perspective therefore seems the most appropriate one for this research study. Constructivism posits that truth and meaning do not exist in an external world but are created by the interaction of a subject with the world (Gray 2009). Therefore a constructivist epistemology accommodates the researcher within the context of the study.

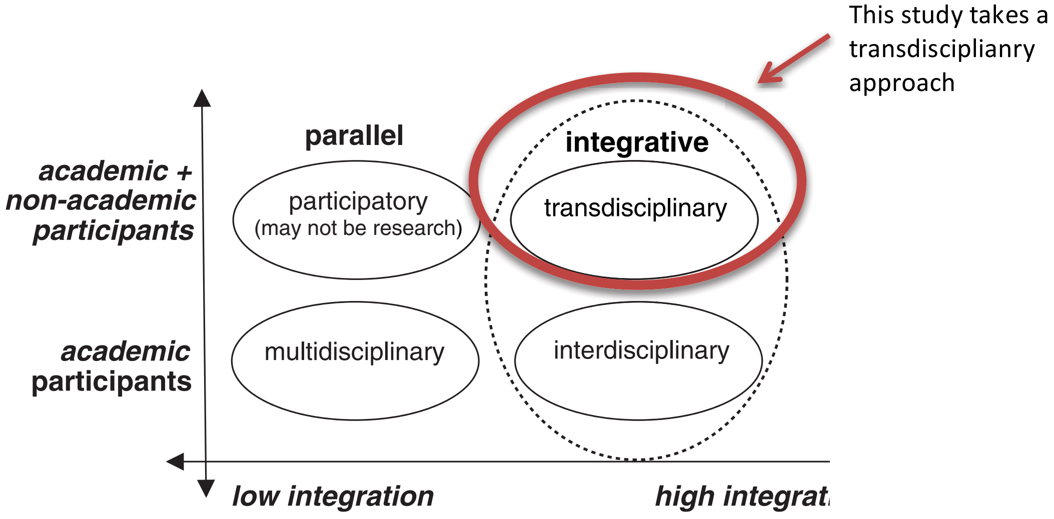
The information provided in Part A on my background and motivation for this study therefore establish my personal values and ontological stance which shape the way I interpret the data in this study.

Even though a constructivist perspective has been linked with an interpretivist theoretical perspective and a 'being' ontology (Chia 2002), it seems most able to facilitate an orientation towards the practical application of knowledge and meaning.

2.3 *Research strategy – a transdisciplinary approach*

The research strategy for this study is a transdisciplinary approach that draws on and integrates diverse and unrelated academic fields and involves non-academic research participants in a participatory way. My approach is based on the definition of transdisciplinarity offered by Tress & Tress (2005): *"We define transdisciplinary research as projects that involve academic researchers from different unrelated disciplines as well as non-academic participants … to create new knowledge and theory and research a common question"* (Tress & Tress 2005, p.487). Figure 33 illustrates this definition, and although it could be questioned whether one researcher in a PhD study can truly undertake transdisciplinary research, I am suggesting that the integration of four distinct areas of literature for this study provides it with a transdisciplinary basis.

Figure 33 - Transdisciplinary research in relation to the degree of integration and stakeholder involvement



Source: Adapted from Tress & Tress 2005, p.484

In the field of sustainability research there is an increasing awareness and acceptance that the global sustainability challenges the world is facing today require a systems lens, collaborations across many disciplines, and consideration of a complex web of interacting causations, conditions and outcomes (Mitchell & Willetts 2009; Gaziulusoy & Boyle 2013, Bammer 2012). Therefore, considering complex problems from a systems perspective, makes it possible to investigate these problems across a range of disciplines, and this makes a transdisciplinary approach valuable (Mitchell et al. 2014).

For example, this thesis investigates the enablers and barriers faced by businesses seeking to expand responsibility from conventional CSR approaches based on risk management and efficiency to a much broader sense of responsibility for planetary wellbeing that is 'beyond CSR'. If I were to investigate this topic purely by reviewing the business and sustainability literature, this would limit the value and potential insights and learning. Therefore, I am taking a transdisciplinary approach to this research study in order to discover new insights into a problem by connecting disciplines that don't normally converge.

I acknowledge a number of challenges that a transdisciplinary approach brings to a PhD researcher. Although transdisciplinarity burst into mainstream academic view when Nicolescu (2002) published his *Manifesto of Transdisciplinarity*, some still consider it an emerging field (Gaziulusoy & Boyle 2013). Others point out that there is now a considerable amount of literature in the field of sustainability science, which mostly focuses on the input or process of conducting transdisciplinary research (Mitchell et al. 2014). However, there is much less literature that recognises the results and outcomes of employing a transdisciplinary research strategy (Mitchell et al. 2014).

One of the challenges with a transdisciplinary PhD study is that a PhD is a one-person research project rather than a team project, and it therefore poses an interesting dilemma and involves some limitations. An individual seems to have to compromise depth of knowledge in one particular discipline for the breadth of knowledge across the chosen disciplines. Research teams have the advantage of being able to acquire both depth and breadth across disciplines. However, in my view, the value of a transdisciplinary approach to a PhD study lies in the actual experience of spanning a wide range of disciplines and considering contradictory, conflicting and paradoxical findings, and trying to recognise patterns and similar or opposing ideas, worldviews, epistemologies and ontologies. I have found that this requires a large amount of patience, and an ability to cope with complexity and uncertainty while never reaching a level of confidence in any particular field and missing out on a full appreciation of the depth of the disciplines covered. I also realise that this approach entails a profound risk of seeking value in exploring breadth at the cost of deep knowledge and investigation.

There are a number of limitations and characteristics of transdisciplinary research that are useful to keep in mind when reading this thesis. Gaziulusoy & Boyle (2013) reviewed the literature and conclude that transdisciplinary research project:

a) Investigates socially relevant and contextual problems, and does not seek to reveal any generic facts.
b) Works best with continually evolving methodologies throughout the project.
c) Requires coordination of different disciplines, which can lead to the blurring of boundaries.
d) Is open to and benefits from participation of non-scientific stakeholders.
e) Aims to have an impact by transforming the problem and offering normative solutions.

The disciplines and research fields this study touches on are listed in Table 20 below.

Table 20 - Disciplines and research fields included in this transdisciplinary study

Social Science				**Humanities**
Psychology	**Sociology**	**Professions**	**Area Studies**	**Philosophy**
Positive Psychology	Social Change	Business	East Asian / Bhutan studies	Ancient Greeks
Happiness & Wellbeing	Social Psychology	Business Sustainability	Buddhist ethics	Eastern philosophies
Motivation		Business Ethics	Gross National Happiness	Ethics
Ethics of relational responsibility		Organisational Studies /Change	Business and sustainability in Bhutan	Ethics of Care
		Systems		Values
Natural/Formal/Social science - Systems theories				
Social systems change, systems frameworks, complexity theory				

2.4 *Theoretical perspective – interpretivism and systems theory*

The theoretical perspective most aligned with constructivism is interpretivism which seeks to understand the meaning behind a situation through how it is experienced in the real world (Habermans 1971; Foucault 1972; Gray 2009; O'Donoghue 2006). Interpretivism seems very appropriate to this study, as a large part of the research involves an examination of the ways in which different groups within the business sector construct systems of meaning (Crotty, 1998). From this perspective, subjects interpret the world through the classification systems of the mind (Williams & May, 1996). Its focus in social science seems particularly well aligned with this study's intended investigation, which seeks to understand how business leaders, through their businesses, expand their awareness of, and responsibility for, the relationships that affect social, environmental and planetary wellbeing.

A further theoretical perspective that is relevant in this study is systems theory. The study uses a number of frameworks that identify stages and characteristics for influencing systems change. These frameworks outlined earlier in Part B, Section 3. include Meadows' (1999 & 2008) Systems Leverage Points framework, the New Development Paradigm (NDP, 2013) and Withmee et al.'s (2015) principles of transformative change towards planetary health, which are discussed in more detail in the literature review Sections 3.8 and 3.9. I am adopting a systems-thinking perspective for this study and acknowledge the problem explored by this research:

a) is on a non-linear and multi-stakeholder scale
b) involves high level of uncertainty,
c) has an unstable and continually evolving nature
d) involves a high level of ethical and emotional ambiguity
e) is of an unbounded and highly interconnected nature.

2.5 Research approach – more inductive than deductive

In line with the interpretivist view, which sees the world as too complex to be reduced to a set of observable laws (Gray 2009), this research study places less importance on 'generalisability' and more importance on making sense of the workings behind the 'reality' of 'beyond CSR' businesses and their relational responsibility for planetary wellbeing. Therefore, this study takes a mostly inductive approach, though some deductive elements are also included.

Glaser (2007) positions grounded theory as an inductive methodology as it draws codes, categories and themes directly from the data. His proposition that 'all is data' (Glaser 1998) allows grounded theory to be flexible and conducive to an inductive approach that builds a theory as an outcome of the research process. An inductive approach is particularly useful when prior knowledge of a situation is not well defined and limited (Elo & Kyngäs 2008). Therefore, the inductive approach is well aligned with the grounded theory and interpretivist approach of this study.

2.6 *Qualitative methods and sampling*

In the context of a transdisciplinary approach and the preliminary research questions, this study seeks to answer 'why' and 'how' questions as well as explore individuals' experiences and their views. This will require an explanatory and interpretive approach. The study uses qualitative methods, including 21 interviews, one focus group with eight participants, and secondary data from a literature review of academic, government and business sources as well as an informal ethnographic approach. The use of a variety of methods allows for data triangulation, and the collection of data at different times and from different sources (Easterby-Smith et al. 2002). Since each method has its own strengths and weaknesses, data triangulation will also help to balance the weaknesses of each of the data collection methods (Gray 2009).

The study deals with pre-existing businesses and organisational settings that have been selected for their apparent 'beyond CSR' business approaches and to represent a divergent view. Therefore, the possibility of randomly selecting the research participants from an overall population of businesses was not possible.

This study used a theoretical sampling strategy, which is in line with the theoretical approach of constructed grounded theory. Theoretical sampling considers divergent and extreme cases as important for enabling a constant comparison method for analysing qualitative data (Covan 2007). The Bhutanese and international businesses were from diverse geographic global regions and represent such extremes for comparison. The samples of international interviewees and focus group participants were included in this study to provide a juxtaposition to the Bhutan case and to facilitate the constant comparison method used with grounded theory.

The types of businesses ranged from small to medium-sized businesses with 25 employees to large multinational companies with more than two million employees at the other end of the spectrum. This added even more diversity. Glaser & Strauss (1967) emphasise that the insights from analysing extreme cases reveals new categories or variables that can be used for classification in the analysis of qualitative data. Theoretical sampling does not intend to be representative of a population but is intended to generate theoretical data (Dudovskiy, 2016)

I selected interviewees in Bhutan based on whether they fulfilled any of the following criteria:

- They were businesses that engaged in GNH practices either explicitly or implicitly.
- They represented diverse industry sectors and different sized businesses.
- They were recommended by other interviewees (snowball sampling).
- They were in government or NGO leadership positions and had an interest in business development in Bhutan.

I selected international businesses leaders for interviews if they fulfilled any of the following criteria:

- They were engaged in 'beyond conventional CSR' approaches that demonstrated an expanded relational responsibility.
- They were recommended by other interviewees (snowball sampling).
- They provided a contrast, for example by having a very conventional approach to CSR.

Furthermore, international business leaders self-selected to participate in the focus group which was offered as one among many concurrent workshop sessions at the World Forum for a Responsible Economy in October 2014 in Lille, France. Therefore, it was not known prior to the focus group session how many people would attend and whether the participants would represent a conventional or beyond CSR approach. While focus groups are usually very particular about selection criteria to identify participants, this focus group session could also be described as a stakeholder consultation session.

The total sample for the primary data collection included 29 participants (21 interviews and 8 as part of the focus group), which is well within the range of typical grounded theory studies which usually report sample sizes between 10 and 60 persons (Starks et al. 2007).

2.7 Data collection

The methods used to collect data for this research study have been aligned with the research methodology and questions that are to be explored. I used a combination of practitioner knowledge, peer conversations, a review of the literature, 21 semi-structured interviews and one focus group as sources of data for this study. Apart from my 25 years of professional experience in business management and sustainability, I also attended a number of practitioner and academic conferences and meetings, and conducted conversations with peers in Bhutan, Europe and Australia that contributed valuable ideas and questions. Table 21 summarises the data sources and when they occurred. The primary data was collected between July 2014 and March 2015.

Table 21 - Informal/professional interactions and primary data that contributed to developing this research study

Events/ Conversations	**Date**	**Conversation**	**Presentation**	**Publication**	**Attendance**
Meetings, conversations, practitioner and academic conferences, publications					
Meetings in the UK to explore research topic with five ***business executives of multinational companies***	Jan/Feb 2013	✓			
Meetings in Australia to explore research with five academics and international experts at the ***"Economics of Happiness" conference*** in Byron Bay	March 2013	✓			
Presentation to the ***Global GNH Lab,*** co-hosted by the Presencing Institute and the GNH Centre in Bhutan on "GNH in Business"	April 2013		✓		
Meetings in Bhutan with three ***international thought leaders*** on new-paradigm thinking	April & June 2013	✓			
Presentation and panel discussion coordination at ***World Forum for a Responsible Economy***, Lille, France	October 2013, 2014, 2015 & 2016		✓		
Roundtable presentations at ISF	March 2013 June, July 2014		✓		
Presented a conference paper at the ***Business Systems Laboratory Conference in Rome***	Jan 2014		✓	✓	
Presented a roundtable discussion at the office of ***'Business for Social Responsibility'*** in New York,	Feb 2014		✓		
Attended the ***Global Presencing Forum*** in Boston, "From Ego to Ecosystem Economies"	Feb 2014				✓
Attended two days of ***New Development Paradigm workshops*** in Thimphu, Bhutan on 'Economy' and 'Sustainable Consumption'	Mar 2014				✓
Participated in '***Better Business Conference'*** in Thimphu, Bhutan, assisted Dr Tho with preparations and facilitation of ***'GNH in Business' session***.	March 2014		✓		✓
Presented ISF as a case study at the ***International Creative Universities Conference*** in Thimphu, Bhutan	April 2014		✓		
Participated in the ***International Association for Business & Society (IABS) conference***, Sydney,	June 2014				✓
Attended the launch of the ***UK's policy recommendations for Wellbeing Economics***, House of Lords, London	Oct 2014				✓
Presentation at the ***Environment and Sustainability Institute***, Exeter University, Penryn Campus, Cornwall, on the progress of my research	Dec 2014		✓		
Attended and presented a paper at ***IABS conference***	March 2015				

on Business & Society, Costa Rica			✓	✓	
Guest lecture at Exeter University, Business School	Feb 2015		✓		
Published a paper, 'Doing business in a well-being economy', in ***Building Sustainable Legacies:*** *The New Frontier Of Societal Value Co-Creation*, vol. 2015, no. 5, pp. 17-41.	April 2015			✓	
Co-facilitated a 1-week ***'GNH in Business'*** international program in collaboration with the GNH Centre in Bhutan	June 2015		✓		
Contributed to the ***World Resources Forum***, Sydney: assisted with Sustainable Business Australia session on the Circular Economy	June 2015				✓
Attended a 1-day workshop at the European Commission on ***The role of the private sector in addressing social challenges and inclusion***, Brussels	Nov 2015				✓
Attended 1-day event held at the European Parliament, ***World Forum for Ethics in Business,*** Brussels	Nov 2015				✓
Attended 2-week ***Complex Systems Winter School*** in India hosted by the Santa Fe Institute Complexity	Dec 2015				✓
Attended ***Sustainable Brands Conference***, Sydney	June 2016				✓
Attended ***Sustainable Development Goals Australia Conference***, Sydney	Nov 2016				✓
Primary data collection					
Pre-arranged semi-structured Interviews – in Bhutan (15)	Jul, Aug, Sep 2014	✓			
Self-selected focus group (stakeholder consultation) at World Forum for a Responsible Economy, Lille, France (8 participants)	Oct 2014	✓			
Pre-arranged (2) and opportune (2) semi-structured interviews – in France at the World Forum for a Responsible Economy (total 4)	Oct 2014	✓			
Pre-arranged semi-structured Interviews – in Europe (2)	Feb, Mar 2015	✓			

The units of analysis for this study are individuals representing their organisations. The type of data that I collected include:

a) qualitative accounts from research diary notes, semi-structured interviews, audio recordings, questionnaires and verbatim notes
b) qualitative descriptions of behaviours and events through reflection notes and research diary notes.

I developed a script of preliminary questions for semi-structured interviews specifically for Bhutan and a separate set of questions for the international interviews, which I continually adapted in line with emerging themes that I wanted to explore further.

2.7.1 Data collection: semi-structured interviews

The Bhutan interviews took place from August 2014 to September 2014 and the international interviews were conducted between October 2014 and March 2015. In total, I conducted 21 interviews, 15 of them in Bhutan and six in Europe.

I conducted semi-structured interviews with all participants in English without translators in Bhutan due to the high standard of English of the interviewees in Bhutan. Four of the interviews with international business leaders took place at the World Forum for a Responsible Economy (WFRE) in October 2014 in Lille, France. I had pre-arranged all interviews in Bhutan and at the WFRE, except for two, which presented themselves as opportunities during the WFRE.

Table 22 below shows the types of organisations and types of business and government leaders I interviewed. To protect the interviewees' privacy and identity, the following information about their companies and organisations is given separately from the interviewees' gender and age, in an effort to keep the identities of the interviewees protected and de-identified. These interviews inform the two research questions of this study.

Table 22 - Interviewee organisations and some organisational characteristics

	Sector	Level/ Position	Year estbld.	Country of origin of organisation	Number of staff
Bhutan (business sector - privately owned)					
1	Tourism, construction (& separate NGO)	Owner & operator	2006	Bhutan	25
2	Hotel sector	Senior Manager	2006	Bhutan	90
3	Education sector	Founder & Owner	2009	Bhutan	145
4	Mining sector	Owner & operator	1990	Bhutan	300
5	Hotel sector	Senior Manager	2008	Bhutan	62
6	Multi-sector, tourism, education, media	Founder & operator	1991	Bhutan	122

7	Media/ Newspaper	Founder & operator	2006	Bhutan	57
Bhutan (government sector)					
8	State-owned commercial business	Senior Civil Servant	2007	Bhutan	9155
9	Government Department	Senior Civil Servant	2012	Bhutan	10
10	Government Department	Middle level Civil Servant	2012	Bhutan	10
11	Government Department	Former Senior Member of Parliament	N/A	Bhutan	N/A
12	Government Ministry	Senior Civil Servant	2003	Bhutan	42
13	Government	Senior Member of Parliament	2013	Bhutan	73
14	Government Ministry	Senior Member of Parliament	2013	Bhutan	Estimated 45
Bhutan (NGO sector)					
15	NGO	Senior Manager Level	2012	Bhutan	9
International (business sector, privately and publicly-owned)					
16	Hospitality & multi-sector	Founder & operator	2007	Canada	268
17	Business Network	Leadership Level (NGO)	2001	USA	35,000 member businesses (reaching 1 million staff)
18	Insurance	Leadership Level (majority family-owned)	1980	South Africa	2,275
19	Retail	Senior Manager Level (public company)	1998 in Brazil	US (Multi-national)	78,881 in Brazil (2.2 million globally, 245 million customers worldwide)
20	Multi-sector business - Facilities Management	Senior Manager Level (majority family-owned)	1966	France (multi-national operating in 80 countries)	428,000 (75 million customer interactions per day)
21	Retail	Former Leadership level (formerly family-owned now public company) Current MP	1884	UK (multi-national)	85,800

Figure 34 below shows age groups, and Figures 35 and 36 show the gender balance of the interviewees. The interviewees were not selected by gender or age group for population representativeness but they were selected in a manner which ensured a wide divergence in line with theoretical sampling to enable the constant comparison method used in Grounded Theory as outlined in Section 2.8. Despite this there appears to be a gender balance and intergenerational spread. Fifty-seven per cent of the interviewees were male and 43% were female showing a slight imbalance, which is to be expected from among leadership positions in business. The largest proportion of the interviewees, 14 out of 21 (or 67%), was between 31 and 50 years of age. There were also outliers, with one interviewee in the 21–30 age group and one in the 70+ age group.

Figure 34 - Number of Bhutanese and international interviewees by age-group, n = 21

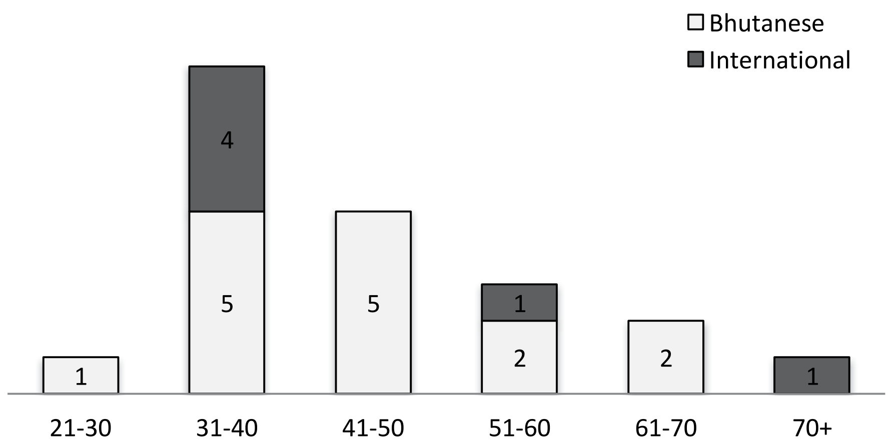


Figure 35 - Male and female interviewees across age groups in this study, n = 21

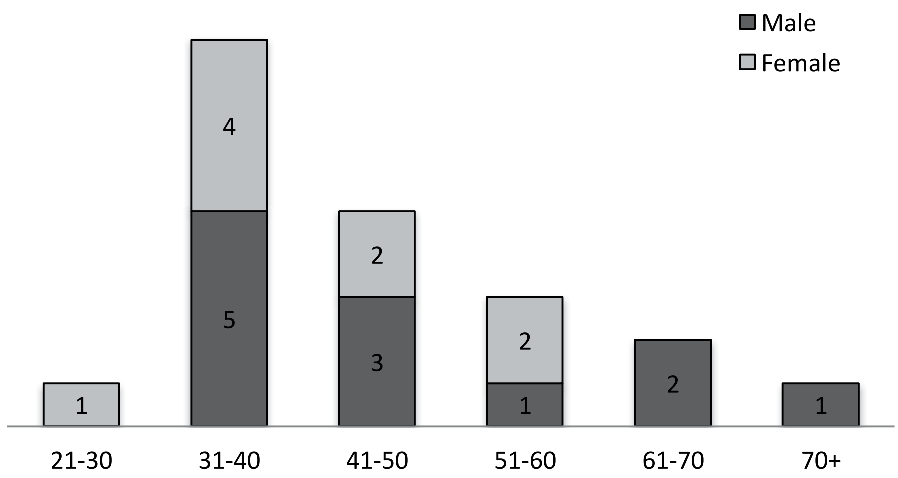
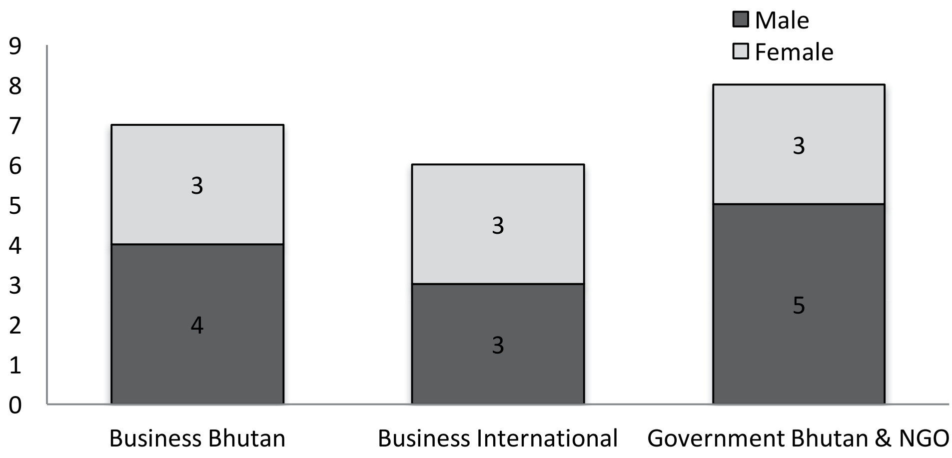


Figure 36 - Male and female interviewees across business and government interviewees n = 21



2.7.2 Data collection: focus group

I conducted a focus group which could also be described as stakeholder consultation during the World Forum for a Responsible Economy in Lille, France in October 2014. The focus group discussed the relevance of the New Development Paradigm to international business leaders who are engaged in CSR and sustainability practices.

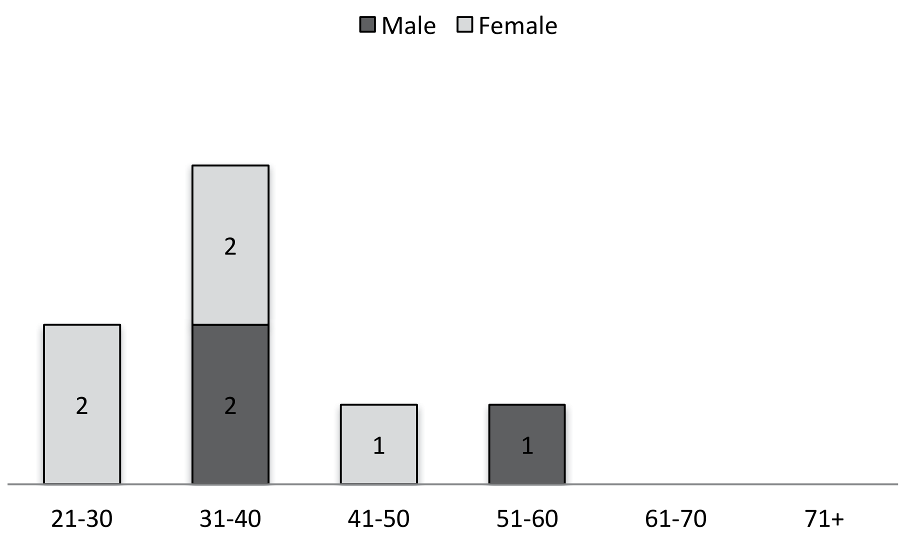
The participants in the focus group were CSR business audience members at the World Forum for a Responsible Economy 2014 (WFRE14). They self-selected to participate in the focus group session, which was advertised in the conference program as one of many concurrent conference sessions. Some of them had participated in a panel discussion session on the previous day, which I coordinated with speakers on the NDP. Therefore, some of the participants in the focus group had prior knowledge, perceptions and interest in the topic. The session provided a valuable opportunity to test perceptions in relation to the NDP framework. This approach also fits with the theoretical sampling process of grounded theory to provide divergent cases to enable to constant comparison method.

The eight participants in the focus group came from SMEs and large multinational companies from Europe and South America. Table 23 provides a brief overview of their industry sectors, the countries of origin of their organisations, and the number of employees in each company. There were five female and three male participants. Six of the participants were in the 21–40 age group and the other two were above 40 years of age. This number of women is not surprising since the CSR profession is dominated by women in their 20s to 40s. The gender and age group distribution is shown in Figure 37.

Table 23 - Participants in the focus group held in October 2014 at the World Forum for a Responsible Economy in Lille, France

	Sector	Level/ Position	Year org. established	Country of origin of org.	No. of staff
1	Marketing/ Communications	Managing Director	2012	France	1
2	Consulting	Consultant	2012	France	4
3	Real Estate	Director	1990	Belgium	6
4	CSR Business Association	CSR Manager	1991	France	16
5	Consulting/ Auditing	Senior Consultant Strategy	1991	France/ US	2,500
6	Agro – Industry	VP Reliability and Sustainable Development	1936	France	8,000
7	Tourism/ Travel	Operational Team leader – Retention Project owner	2004	Netherlands/ Global	9,700
8	Retail	Sustainability Manager (Brazil)	1998 in Brazil	US	78,881 Brazil (2.2 million globally)

Figure 37 - Focus group participants by gender and age group



2.7.3 Geographic origin of research participants

The origin of the participants is further demonstrated by the map in Figure 38, which shows the geographic distribution of the interviewees who participated in the semi-structured interviews and in the focus group. It is this rich diversity of interviewees and their organisations that provides the insights and findings from the constant comparison method.

Figure 38 - Geographic distribution of research participants

Map sourced from http://geotheory.co.uk/blog/wpcontent/uploads/2013/05/world_old.png

2.8 *Analytical approach*

I considered four different analytical approaches at the beginning of my research: phenomenology, discourse analysis, ethnography and grounded theory. I considered each of these approaches in the context of my intended research questions and my own ontological and epistemological stance. I decided that the most useful and appropriate of these analytical approaches was grounded theory because it seemed best suited to the business context and management decision-making. The reasons for this choice included that grounded theory aims at developing an explanatory model of a social process, rather than an understanding of how language is used (discourse analysis) or of how the meaning of a lived experience of a phenomenon can be described (phenomenology) (Starks & Trinidad 2007).

I did not consider ethnography relevant at the early stages of my research, as I did not think my study was concerned with the nature, construction and maintenance of culture (Goulding 2005). However, in hindsight, I realise that ethnography could have also been an appropriate analytical approach as I was looking beyond what people were saying to understand shared meanings of culture, particularly in the Bhutan section of this study. If I had intended to assess the relationship between institutional culture and local culture where multinational businesses operate in diverse cultural contexts ethnography and phenomenology would have been appropriate. This could be a topic for future research.

2.8.1 Constructed Grounded Theory

The main reason for choosing grounded theory was that the intended audience for this research is researchers and practitioners in business who can use the findings and recommendations from this study to design interventions. Other than grounded theory none of the approaches is oriented towards pragmatism. Furthermore, I am basing this study on constructed grounded theory (Charmaz 2014), which neither begins with prior assumptions, nor with a hypothesis or set of research questions. This study examines, what Strauss and Corbin (1998) call the "six Cs" of causes, contexts, contingencies, consequences, covariance, and conditions as a way to understand the patterns and relationships between GNH, conventional and beyond CSR.

Grounded theory emerged as a distinctive qualitative analytical approach from the field of sociology and was first articulated by Glaser & Strauss (1967). Strauss and Corbin (1998) later developed the concept and defined grounded theory as a theory that is firstly discovered and then developed, and through data collection and analysis a recurring cycle of new theoretical positions may emerge. Unlike other methods of scientific inquiry, grounded theory does not start with a hypothesis or theory but proposes a theory as the end result of an emergent and iterative process.

By its very nature then, grounded theory allows for new lines of enquiry to emerge during the research process (Gray 2009). This promotes an open-ended approach. It is therefore expected that the research questions undergo continual adaptation and reformulation as the study progresses. Therefore, the research questions outlined in Section 2.11 emerged as a result of the research process. An important question in this process has been, when is grounded theory research actually complete? Glaser and Strauss (1967) define the point of completion as the point of 'theoretical saturation' or the point when no more new properties, categories or relationships emerge from the data. I am not sure whether I reached this saturation point, however the data that I collected from the interviews, the focus group and the other sources provided me with a large amount of material that made the inductive process almost overwhelming.

Locke (2001) suggests that grounded theory has much in common with action research, as both develop theoretical concepts that are practical and useful in the research setting. Grounded theory is therefore well suited to the transdisciplinary approach and qualitative methodology used in this study, which seeks to develop an explanatory theoretical framework.

Charmaz (2014) summarises the key characteristics of grounded theory, as described by the originators of this methodology, Glaser & Strauss (1967), Glaser (1978) and Strauss (1987) as:

a) Data collection and analysis occur simultaneously.
b) Analytic codes and categories are constructed from data by an inductive process rather than deductive logic.
c) The constant comparison method (CCM) is a defining technique of grounded theory. It requires comparisons during each stage of analysis.
d) Theory development continues throughout each stage of data collection and analysis.
e) The art of memo writing is used to expand on categories of findings, their relationships, connections and disconnections.
f) Grounded theory uses a theoretical sampling strategy that is intended for constructing theory, rather than for population representativeness.
g) An in-depth literature review, which usually occurs after theory development, is undertaken, and it then informs the theorising process further.

Although Glaser & Strauss (1967) advocated conducting the literature review after the data collection and analysis to avoid looking at data with preconceived ideas, it seemed impossible for me to approach the data from this study without any prior knowledge due to my professional experience of working in CSR and business sustainability for 25 years, and living in Bhutan for nine years. I am therefore aware that my approach to grounded theory is more aligned with Charmaz's (2014) constructed grounded theory rather than with a purist approach as advocated by Glaser & Strauss (1967).

Constructed grounded theory evolved due to a constructivist turn beginning in the 1990s caused by a number of criticisms of the early versions of grounded theory (Charmaz 2014). Constructed grounded theory directly addresses the criticism that grounded theory assumed that collected data reflects reality and may be independent of, and not influenced by, the subjective interpretations of the researchers (Hall & Callery 2001). In light of this criticism it is recommended that the researcher adopt a reflexive stance to allow critical reflection on the researcher's influence on the research process (Hall & Callery 2001). For this reason, I kept a research diary and journal where I have kept a record of such reflections throughout the research process.

Another way to counteract the criticism that grounded theory fails to recognise the subjective interpretations of the research is to check the accuracy of the data and the truthfulness of interpretations made in the analysis with the research participants themselves, thereby increasing the internal validity of the results (Gray 2009). In line with this recommendation, I sent the research participants the full transcript of their interviews and offered them the opportunity to review and revise, in case there were statements in the interviews that they were not comfortable with or wanted to refine. I also sent the de-identified quotes I used in a conference paper to the relevant participants, so they could have another chance to provide feedback on the way I was using their quotes. This created a process of co-constructing the interpretations of some of the key conclusions in this thesis.

Triangulation, which is the process of using two or more independent measurement processes to reduce uncertainties in interpreting data (Seale, 1999), was also employed in this study. Apart from including the focus group as a triangulation method, I also used 'between-methods' triangulation, which involves checking qualitative findings from literature, interviews and surveys against each other. Denzin (1978) suggests that 'between-methods' triangulation is potentially the most powerful form of triangulation, as it has the potential to counterbalance the bias and weaknesses of one method with another.

Of the total 21 interviews, I transcribed 13 myself, including those with five high-profile interviewees. The remaining eight interviews were transcribed by a professional transcription service in the UK. Once the interviews had been transcribed, I them to the relevant participant for revision and feedback. I received comments and revisions from eight of the participants.

2.8.2 Constant Comparison Method

As Wagner, Lukassen and Mahlendorf (2010) suggest, the constant comparative analysis employed in Grounded Theory occurs as an iterative process during the data collection phase. This involves concurrent coding at the same time as the development of new categories and properties and analysis until a saturation point is reached.

At the beginning, I used 'open coding' as an inductive process to identify the substance of the data and coded the first few interviews line-by-line in NVivo, which decontextualized the data and gave a micro-level view. After the first few interviews in Bhutan, this process allowed me to prepare a large coding structure as shown in Appendix 1.2, which was much to detailed.

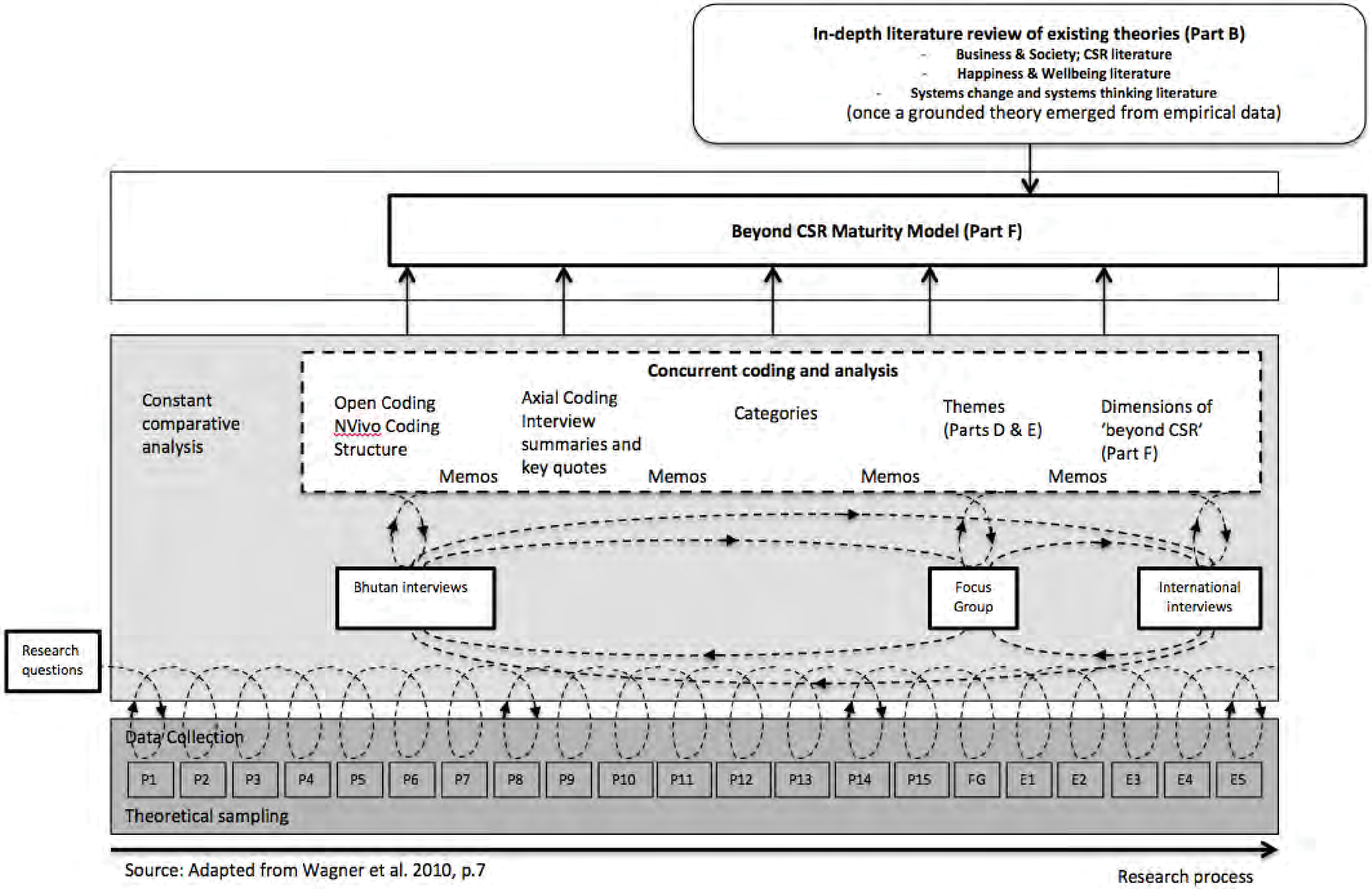
As I conducted more interviews, I then moved into the 'axial coding' process (Strauss and Corbin 1998) and started preparing summaries of each interview including key quotes from each interviewee. As I engaged in this process, the codes changed as I compared the Bhutan interviews with each other and then the Bhutan and International interviews and the focus group. This process meant that I was making connections across codes and categories that were then combined into broader categories and then themes. A sample of the themes that emerged from the Bhutan interviews in relation to research question 1 about the perceptions of GNH is shown in Appendix 1.3. The perceptions were organised into positive and negative perceptions of GNH showing the differences between the business leaders and government/NGO leaders interviews.

After this process, I then focussed on particular concepts that emerged from the international interviews such as shown in Appendix 1.4, the characteristics of 'beyond CSR' organisations and leaders and revisited the Bhutan data that pertained to this concept. All throughout the analysis process I used memos to record observations and insights about ideas and relationships between codes and emergent concepts. A sample of some of these memos is shown in Appendix 1.5.

The themes that emerged from the Bhutan interviews are outlined in detail in Part D, section 3 and those from the international interviews are detailed in Part E in Sections 1 and 2. These themes formed the basis of the grounded theory that emerged from the data which were subsequently informed by an in-depth literature review of existing theories. The themes that emerged from the data and the existing theories from the literature then contributed to the development of the five dimensions of systems leverage to move 'beyond CSR' and the Beyond CSR Maturity Model, which are presented in Part F, section 1.

Figure 39 (based on Wagner et al. 2010, p 7) illustrates the constant comparative analysis process and the building of the theory for this study.

Figure 39 - Process of the Grounded Theory approach used in this study



Source: Adapted from Wagner et al. 2010, p.7

2.8.3 Reflections on the process

As I initially analysed the qualitative data through text analysis, using NVivo software I set up a coding structure in NVivo for the interviews conducted in Bhutan. After coding a small number of the interview transcripts, while this was a useful process to draw out themes, I had three realisations:

a) Developing a coding structure upfront and expanding it during the coding process made the coding structure too expansive and detailed, and therefore not useful for analysis.
b) I needed to get to know the data before I could develop themes and coding structures.
c) The coding process could not replace the work of deep analysis and theorising.

Furthermore, the frequency counts of particular coded sections and themes was not of major importance as I was using constructed grounded theory, which does not aggregate quantitative representative evidence to prove or disprove a hypothesis. Instead, I attempted to connect emerging themes as a way to co-construct a theory.

The most valuable features of NVivo were that it enabled me to:

a) organise and keep the data and transcripts all in one place, together with corresponding notes, summaries and my research journal
b) search for relevant quotes to support the story I was constructing
c) keep memos of insights and ideas that occurred throughout the research process, aiding in the theorising process.

I subsequently, wrote summaries of each interview and used a table format in a Word document to collate the emerging themes and key quotes by participant from the Bhutan interviews (see Appendix 1.3 for a sample of one of these tables). I then used this table to write up and interpret the results for the Bhutan chapter of this study.

For the analysis of the international interviews, I decided to use a different approach that allowed for a more tactile and interactive way to work with the data. I wanted to experiment with a different technique so that I would be able to compare my experience of the qualitative data analysis options and their respective outcomes. For this second technique I used post-it notes to draw out key ideas from each interview. For each interviewee I then clustered them into emerging themes on flip chart paper. I then combined clusters of themes from each of the international interviews and did another iteration of the process of classification. I documented each of these stages in a number of Word documents in table format (see Appendix 1.4 for a sample of one of these tables). I used these documents for writing up the results of the international interviews in Part E, and for the theorising process.

2.9 Research gaps

As outlined in the literature review, this study addresses a number of gaps in the literatures of a) business, society, sustainability and ethics b) philosophies of happiness, drawing on ancient, contemporary, Eastern and Western philosophies, c) systems-thinking and change literature and d) Bhutan. These diverse fields of literature have not previously been explored together.

The business sustainability and CSR literature focuses mostly on the organisational level. It rarely considers the micro level, which includes, for example, individuals within organisations or the macro-level, which includes, for example, the impacts of business conduct and sustainability efforts on planetary wellbeing. The seminal review of the CSR literature conducted by Aguinis & Glavas (2012) in relation to predictors, mediators, moderators and outcomes of CSR initiatives identifies a number of knowledge gaps. This study seeks to address the two of the gaps that they identify. The first gap is *"the need to produce multilevel research that is capable of integrating these separate conceptual streams [at the individual, organizational and macro levels]"* Aguinis & Glavas (2012, p. 953). This is such a multilevel study as it spans the micro, meso and macro levels, and considers what predictors, mediators and moderators lead to business leaders stretching their level of relational responsibility beyond the conventional CSR outcomes identified in the literature. The second gap Aguinis & Glavas (2012) identify is that *"more qualitative studies are needed to improve our understanding of the underlying mechanisms of CSR"* (Aguinis & Glavas, 2012, p. 954). The study methodology for this thesis takes a qualitative approach for exactly this reason in order to explore underlying processes, values and worldviews that facilitate outcomes that go beyond conventional CSR.

The main research gap that this thesis addresses relates to a recommendation by Bansal & Song (2015) for future research to focus on normative ethical theories of business and CSR approaches viewed from a systems theory perspective and Eastern philosophies. In particular, Bansal & Song (2015) suggest that future research should expand into *"unexplored territory"* such as *"systems science and Buddhist philosophy"* as they challenge *"the egocentric, reductive and mechanical worldview prevalent in modern science without taking a normative stance (Macy 1991)"* (Bansal & Song, 2015, p.47).

This thesis is based mostly on the responsibility stream of the literature, and to a lesser extent on business sustainability literature. It recognises that these two streams are intertwined and complementary, and specifically takes a systems perspective. This study attempts to create a bridge between normative theory and systems theory, resulting in a tool that may assist the business community to recognise a path for contributing to human flourishing (Ehrenfeld 2008). This study therefore attempts to address one of the challenges identified by Bansal & Song (2015, p. 50):

> *When business and society issues are framed with existing theories, then the issues are treated as just any business issue or societal context. The unique insight that is at the interface of business and society, such as the moral questions and systems issues, are being missed.*

The most recent contribution to broadening relational responsibility so that it embraces a worldly care concept rather than just individual relationships comes from Myers' (2013) worldly ethics, which she applies in the context of political theory and democracy. The concept of worldly ethics has not previously been applied to business as far as I am aware. Therefore, this study draws together different conceptions of happiness and wellbeing from Eastern and Western thought, with an ethics of expanded care through relational responsibility and applies it to CSR and sustainability in a business context.

The literature on ancient Eastern and Western philosophies is substantial and presents a vast range of understandings of what happiness means. It also includes a wide range of views on whether it is truly the motivator for all human endeavour, and how it can be achieved for the individual, society, humanity, the planet and beyond. This literature is used to paint the background of the canvas for this thesis.

Contemporary research into happiness has mostly emerged from a wide range of Western disciplines including psychology, philosophy, economics and quantitative sociology which have mostly focused at the individual (micro) level or at the aggregated national (macro) level (Thin, 2014). It is interesting to note that qualitative sociology has made very little contribution to the happiness debate at the meso level of society (Schuessler & Fisher 1985; Haller & Hadler 2006; Thin 2012; Thin 2014). The philosophies of the happiness literature are synthesised into three distinct motivations that people draw on for achieving happiness or a fulfilled life: a) self-interest b) interest in the welfare of self and others for mutual benefit and c) systems interest for the benefit of planetary wellbeing. This study explores the similarities and differences between Buddhist philosophy, systems thinking and ethical theories of Eastern and Western philosophies, and how these inform values systems and worldviews.

Lastly, in the context of Bhutan, much of the academic research has focused on the application of GNH in a policy context (Metz 2014), the GNH Index as an alternative development measurement tool (Ura et al. 2012b) and the GNH philosophy as a sustainable development framework (Brooks 2013). However, very little research so far has incorporated the views and experiences of the business sector in Bhutan with the philosophy of GNH. Some recent studies have paved the way for the development of understanding of the role of private businesses in Bhutan's GNH economy (Martin 2012; Hyden 2015) and their relationship to CSR (Wangdi 2004; Lhaden 2010).

2.10 Research objectives

Due to the number of research gaps that appear as a result of bringing together four distinct fields of literature, there are two main research objectives. They are:

a) to explore the 'beyond CSR' mindsets and behaviours of business leaders, and how these translate into socially and environmentally committed business conduct with an expanded view of relational responsibility for planetary wellbeing.

b) to explore what happens at the threshold when shifting from 'conventional CSR' to 'beyond CSR' in relation to worldviews, values and behaviours.

This research studies these objectives from three angles. One is an investigation into how Bhutan's Gross National Happiness (GNH) approach impacts on business conduct and sustainability efforts. The study explores Bhutanese business and government leaders' perceptions of the concept of GNH in relation to sustainable business practices expressed through concepts such as CSR. The second angle is to examine international businesses that embody beyond CSR business conduct, and take responsibility for relationships with stakeholders and the planet by serving societal and planetary wellbeing. The third and final angle is to investigate how insights gained from these explorations can contribute to the development of a sense-making tool to understand what contributes to mature 'beyond CSR' business approaches.

The research topic of this thesis is therefore summarised as:

> ***Looking beyond corporate social responsibility through a holistic systems lens – an Eastern and Western focus***

The research topic and objectives are used to formulate three research questions, with a number of 'in-between' questions as outlined below.

2.11 Research questions

The following research questions are based on the research objectives outlined above:

Research Question 1

Bhutan is an example of a country and economy focused on a 'beyond-GDP' approach to development, through its philosophy and metric of Gross National Happiness (GNH). Does this GNH development philosophy inspire a 'beyond-CSR' outlook and behaviour in Bhutanese businesses? If so, how?

This research question is explored through the following sub-questions:

a) What are the perceptions of GNH and the New Development Paradigm (NDP), and how do they influence Bhutanese leaders?
b) What are the perceptions of Bhutanese leaders of CSR compared to GNH, and how do they manifest in local Bhutanese businesses?
c) Does the GNH setting in Bhutan foster a 'beyond-CSR' approach in local Bhutanese businesses and business leaders? If so how?

Research Question 2

What are the enablers and barriers to 'beyond-CSR' business behaviour in international companies and how do they influence business conduct?

These research questions were organised into a set of questions for the semi-structured interviews. A sample of the questions for the Bhutan interviews is included in Appendix 1.6. Research process and reflections.

This section summarises the actual research process that I undertook between January 2013 and June 2017. There were seven stages, which are summarised in Table 24 in Section 4 and outlined in more detail in the following section.

a) **Exploration of different analytical approaches – chose grounded theory**

I began with an exploration of four different analytical approaches: phenomenology, discourse analysis, ethnography and grounded theory. I selected constructed grounded theory as the most appropriate for the purposes of this study.

b) **Research design phase**

I chose to complement the constructed grounded theory approach with a transdisciplinary research strategy, and this influenced the research design. The research design was based on the expectation of an evolving methodology, a reflexive and iterative approach to the research questions and the expectation that data would come from a wide range of primary and secondary sources. At this stage I developed a script of preliminary questions for semi-structured interviews in Bhutan and a separate set of questions for the international interviews. I continually adapted these questions in line with emerging themes that I wanted to explore further.

In addition, I conducted a broad literature review in the fields of corporate social responsibility, business sustainability, Bhutan studies, and systems sciences. I also reviewed grey literature, including business and government reports, and practitioners' conference proceedings and materials produced by industry groups and NGOs.

c) Primary data collection phase

I tested the interview questions by interviewing a friend who works in an international business association that is focused on CSR activities and the monitoring of its business members. I used this test interview to gain experience with the flow of questioning in a semi-structured format and asked him for feedback. This was a valuable experience as it helped me to feel confident about the interview process, and to make some changes to the interview questions and flow. It also made me aware of the fact that the questions would need to be adapted to each interviewee and their specific business or organisational backgrounds due to the wide diversity of organisations that I had selected to interview. Subsequently, the interview questions evolved throughout the research process as indicated in Figure 39. A sample of the Bhutan interview questions is included in Appendix 1.6.

I invited 24 potential interviewees in Bhutan to participate, and conducted 15 interviews. Seven of them were with government representatives, one was with an NGO leader and the remaining seven were with business owners and leaders. I also invited eight potential interviewees who were international business leaders to participate and interviewed six of them. I sent invitations via email, with an information sheet and an official UTS letter and in some cases the consent form. I began all interviews with an explanation of the information outlined in the information sheet and a brief summary of the objectives of this research. In most cases I had the consent form with me to have signed at the beginning of the interview if I had not received it prior to the interview. On some occasions, I asked for verbal consent without asking for a signature. The reason for this is explained in the ethics consideration section of the methodology.

In total, I conducted 21 semi-structured interviews of which six were with high-profile people, described in the literature as elite interviewees (Harvey 2011). Many of the challenges identified in this literature, like gaining trust, were not an issue with the elite interviewees, as I already knew them from previous professional events and through referrals.

The interviews in Bhutan took between 1 and 1.5 hours each, while some of the international interviews were shorter – between 30 minutes to 1 hour. I recorded all interviews with two recorders. Immediately after each interview, I recorded reflections on what worked and what didn't work, and also any additional information that interviewees shared after the recorders had been turned off. I also used these reflections to summarise the key insights from each interview, and to adapt the interview questions for the next interviewee in line with the theoretical sampling and constant comparison method.

As a way of triangulating the data from the interviews, I also conducted a focus group during the World Forum for a Responsible Economy in Lille, France in October 2014. I used the focus-group session to test an adapted version of the NDP model with international business leaders to gauge how useful this tool may be for assessing levels of care within businesses.

Eight business representatives participated in the focus group. They came from SMEs and large multinational companies in Europe and South America. Before starting the session I explained the information contained in the information sheet outlining the privacy procedures, and asked for verbal consent to be able to record and use the data in a manner which prevented the identification of participants.

d) **Post data collection**

I started transcribing the interviews verbatim while I was still in the process of conducting interviews in Bhutan and internationally. Once the interviews were transcribed, I emailed the transcripts to the interviewees, giving them three weeks to review and provide me with feedback and any changes they wanted to make. I transcribed 13 of the interviews, including six elite interviews myself and had the remaining eight interviews transcribed by a professional transcription service in the UK.

I kept a record of all correspondence in an Excel spreadsheet to keep track of the communication process with all interviewees. The data I kept included correspondence dates, actions taken, whether written or verbal consent was received, and if any feedback was received on the transcripts. I did not transcribe the focus-group session but recorded the key points and quotes in a spreadsheet.

During this phase I also wrote three papers, two of which were conference papers and one was published in a special edition of the *Building Sustainable Legacies* journal. The edition was called 'Reframing the game: the transition to a new sustainable economy'. The full details of the papers are listed at the beginning of this thesis.

e) Analysis

The analysis of all the data collected for this study has been an iterative process using the constant comparative method (CCM), which is the signature approach to analysis of qualitative data in grounded theory. I used a number of types of comparison for the analysis of the data guided by Boeje (2002). These included:

- comparisons within each interview, coding each passage of the interview transcript with an appropriate code or label
- comparison between interviews within the same group, such as the Bhutan interviews
- comparison between interviews from the Bhutan and international interviewees
- comparison between focus group participants
- comparison between focus group participants and interviewees.

Drawing on these comparisons and using the process of axial coding (Spiggle 1994) by identifying linking concepts, I started building the theory that there is a threshold beyond which business approaches to sustainability and relational responsibility for the world change from 'conventional' CSR approaches to 'beyond' CSR approaches. This was followed by an in-depth literature review, which revealed the three archetypes of happiness and 'circles of relational responsibility' concepts. These core concepts and the early theorising provided the tools to pull together all the other concepts discovered through the research process in this thesis (Goulding 2005). The aim of this theorising process is to develop an explanation for why there seems to be a threshold beyond which businesses move from risk-management and compliance to a 'beyond CSR' approach and operate in an expanded circle of relational responsibility.

f) **Validation, triangulation and reliability**

Throughout the research process I used presentations at academic and professional conferences to test emerging ideas and theories and gain feedback from peers. In addition, whenever I had the chance I presented to peers at various universities, including the UTS Business School, Exeter University's Business School and also their Environment and Sustainability Institute.

I used triangulation of literature, interview data and focus group data as a way to validate the findings from this study. I also provided interviewees the opportunity to review the interview transcripts and make changes in case they wanted to clarify a meaning or amend what they had said. In addition, I also sent any de-identified quotes that I wanted to use to the relevant interviewees to gain their approval for using them in papers published from the research.

In some of the interviewee quotes presented in Parts D and E of this thesis, I augmented or changed words indicated in brackets […] to clarify the meaning of a quote without changing its intent. This mostly occurred with interviewees who speak English as a second language and where their expression may have distracted from the actual meaning of the quote.

g) **Thesis writing**

Originally, I intended to use the three papers that I had written in relation to my research topic as the basis for my thesis. However, when I tried to stich them together, I realised that my thinking and theorising had evolved a great deal over the first three-year period of my research. I therefore decided to start writing a new monograph from the very beginning to reflect my most recent and up-to-date insights.

It seems that I have consistently chosen the most time-consuming ways to approach this study. These choices have included: selecting constructed grounded theory and a transdisciplinary and inductive approach, experimenting with various ways of coding and analysis, writing papers and then writing a monograph. In making these choices, I realise I have made it more difficult for myself, however my intention for the PhD was not to finish it in the most efficient manner and in the shortest period of time, but rather to engage in a continual learning journey as a researcher. I therefore allowed myself the time to experiment and explore widely. On reflection, I feel that I have made considerable progress as a researcher, and at the same time this journey has also sparked my interest in a wide variety of other research methodologies. For now though, I hope that the research outcomes as presented in this thesis make a valuable contribution to academic research and business practitioners alike.

3 Ethical considerations

The ethical considerations for this research study were outlined in detail in an ethics proposal prepared in line with the UTS Human Research Ethics Committee (HREC) Guidelines for consideration by the UTS Ethics Committee. The application for ethics approval was submitted on 17 June 2014 and approval was granted on 26 July 2014.

The ethical considerations in this research project related primarily to negotiating access to the research participants and maintaining an ethical stance. In particular the following ethical issues and principles were addressed in this study:

a) **Negotiating access to organisations and individuals**

I spent the first year of this study developing relationships with the organisations and individuals that I approached for interviews. The great majority of the research participants were aware of my preliminary research aims and objectives. Through continued updates and communications these research participants already knew that I intended approaching them more formally to request their participation. In the process of developing personal relationships with the research participants it was hoped that the development of a balanced researcher–participant relationship would limit the potential for abuse of power, influence and authority. At the same time I needed to remain aware of the potential bias that these relationships can create.

b) Promise of confidentiality and consent

All research participants received a written promise of confidentiality which was included in an information sheet and/or written consent form to reassure them that any information that was confidential or of a sensitive nature, including their names and organisations, would not be revealed unless prior express permission was given. In cases where the procedure of signing a consent form was culturally inappropriate, or circumstances did not allow for signing of the form interviewees were asked for verbal consent prior to commencing an interview.

c) Right to withdraw

All research participants were made aware prior to any research activity that they had the right to withdraw from the research at any time without any consequences to them.

d) **Communication and updates**

I continued to communicate and update the research participants throughout the research process to keep them engaged, and to encourage suggestions and participation.

e) Transparency and opportunities for review and feedback

All interviewees had the opportunity to review the interview transcripts and to provide feedback and amendments to the transcripts. Also, prior to the publication of the three research papers, I let interviewees know which quotations of theirs I intended using.

f) Data storage and privacy

In the information sheets that all interviewees and focus group participants received, they were provided with information about the storage and confidentiality of their details in line with best practice privacy laws. In accordance with the UTS HREC guidelines, the data will be stored for a minimum of five years at the Institute for Sustainable Futures, University of Technology Sydney.

As part of the data collection phase, all participants and their organisations were treated confidentially and their privacy was ensured through a number of measures. I assigned every interviewee a code number such as P1 or E2 and only used these code numbers in the write-up of papers and of this thesis. All records of the actual interviewees and the codes assigned to them are kept in a confidential file, held on a UTS computer.

4 Summary of research process

The research process as described above may give the impression of a fairly organised, sequential and premeditated process. However, the entire journey was messy and punctuated with much uncertainty, which led to many valuable lessons being learned along the way.

In conclusion, when viewed from a meta-perspective, the methodology applied in this study involved seven stages and some key steps. Table 24 provides the summary of the research stages and processes described in this chapter.

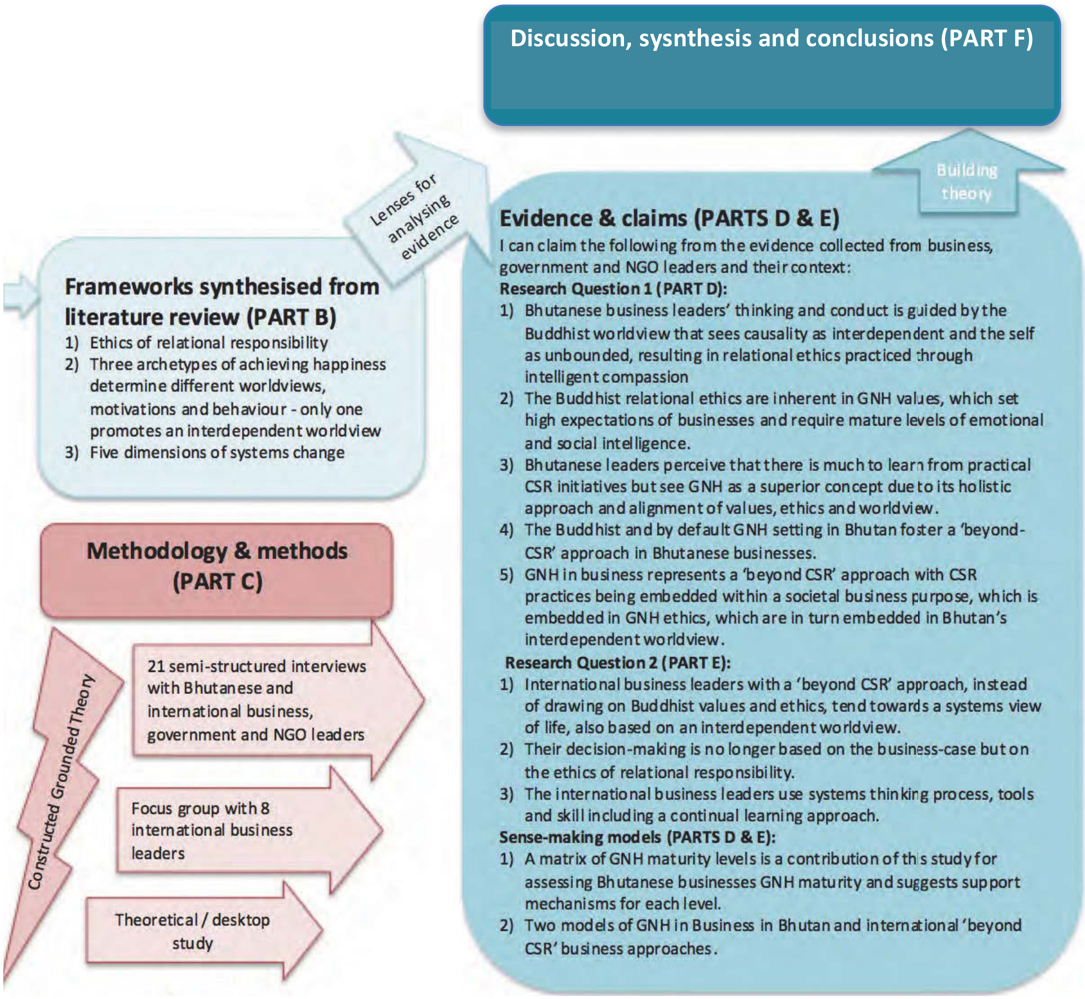
Table 24 - Seven stages of the research process

Stages	Key steps
1) Exploration and choice of analytical approach	• Compared four analytical approaches (phenomenology, discourse analysis, ethnography and grounded theory) • Chose constructed grounded theory as the most appropriate option
2) Research design phase	• Transdisciplinary approach • Evolving methodology, reflexive and iterative • Preliminary set of research questions • Data drawn from wide range of primary and secondary sources • Broad literature review • Theoretical and divergent sampling • Developed a script for semi-structured interviews • Developed a presentation, small survey and discussion questions for the focus group
3) Primary data collection phase	• Conducted a test interview using the semi-structured script • Invited 24 potential participants to be interviewees in Bhutan – 15 agreed to be interviewed (August and September 2014) • Invited eight potential international interviewees to participate – six agreed to be interviewed (October 2014 to March 2015) • In total I conducted 21 semi-structured interviews of which six were elite interviews • Conducted a focus group with eight participants at the World Forum for a Responsible Economy, Oct 2014
4) Post data collection phase	• Transcribed all interviews and sent them to interviewees for review • Data management and organisation • Wrote and published three academic papers
5) Analysis	• Constant comparative method • Axial coding to identify linking concepts • Emerging core concepts and theorising • In-depth literature review
6) Validation and triangulation	• Tested emerging themes and ideas with peers through presentations at professional and academic conferences • Triangulation through data from literature, 21 interviews and one focus group • Built a theory around the circles of maturity as a tool to analyse the data
7) Thesis writing	• Chose a monograph approach (instead of thesis by publication).

PART D – Bhutan research

This part of the thesis deals with the fourth component of the research design map outlined in Appendix 1.8, the Bhutan research. Part D represents the first of two chapters that present the evidence of this study and answers research question 1 relating to Bhutan. The second part, Part E answers research question 2 in relation to international business perspectives. The constant comparison method of grounded theory was used to analyse the data which leads to claims that will inform the discussion, synthesis and conclusions of this study in Part F.

Excerpt of Appendix 1.8



Part D of this thesis covers the rationale for selecting Bhutan as a research case and reiterates the research questions and methods of data collection. The chapter also outlines key milestones in the history of Bhutan and its development over the past 50 years. This is followed by a detailed outline of the Gross National Happiness (GNH) philosophy and its applications in Bhutan, including the GNH index. Consideration is also given to Bhutan's GNH philosophy in the international context of happiness rankings, how the GNH is operationalised in Bhutan today, and some of the main criticisms from domestic and international sources. Then, a brief overview of the current state of the business sector, CSR, sustainability and business ethics is outlined before the findings from the 15 in-depth interviews with Bhutanese business and government leaders are presented.

This part investigates the differences and similarities between CSR and GNH and if the GNH development philosophy inspires a 'beyond-CSR' view and behaviour in Bhutanese businesses. I propose that a GNH philosophy and framework has the potential to promote business models that prioritise social and environmental outcomes, and to promote decision-making based on an ethics of relational responsibility. Furthermore, I argue that Bhutanese businesses and their leaders that engage with a Buddhist or GNH approach take a 'beyond CSR' approach. They have a worldview that recognises the interdependent nature of causes and effects that requires systems thinking and a continual learning approach.

The Kingdom of Bhutan was selected as one of the research sites in this study for a number of reasons. Firstly, the current debate around better measures of progress and going 'beyond-Gross Domestic Product (GDP)' is rarely considered in relation to the implications for businesses and their sustainability efforts. Bhutan, with its GNH development approach, provides a useful place for investigating business sustainability in an economy focused on improving wellbeing and happiness in a society where increasing the GDP is only one of many aims. This part of the thesis explores if and how the GNH context influences business conduct and sustainability efforts in Bhutan, and whether businesses and their leaders display 'beyond CSR' characteristics.

Secondly, Bhutan provides a unique opportunity as a research site because much of the academic research on GNH has focused on its application in a policy context (Metz 2014), on the GNH Index as an alternative development measurement tool (Ura et al. 2012a, Alkire 2015, Biswas-Diener et al. 2015) and on the GNH philosophy as a sustainable development framework (Brooks 2013). Very little research so far has incorporated the views and experiences of the business sector in Bhutan in relation to the philosophy of GNH. Some recent studies have paved the way by examining the role of private businesses in Bhutan's GNH economy (Martin 2012; Hayden 2015) and the relationship between GNH and CSR (Wangdi 2004; Lhaden 2010). This section of the thesis seeks to build on their findings and examines how Bhutan's GNH philosophy and policies have influenced business conduct, ethics and values, and business sustainability efforts. It seeks to answer the first research question of this thesis, which is reiterated here:

Research Question 1

Bhutan is an example of a country and economy focused on a 'beyond-GDP' approach to development, through its philosophy and metric of Gross National Happiness (GNH). Does this GNH development philosophy inspire a 'beyond-CSR' outlook and behaviour in Bhutanese businesses? If so, how?

This research question is explored through the following sub-questions:

a) What are the perceptions of GNH and the New Development Paradigm (NDP), and how do they influence Bhutanese leaders?
b) What are the perceptions of Bhutanese leaders of CSR compared to GNH, and how do they manifest in local Bhutanese businesses?
c) Does the GNH setting in Bhutan foster a 'beyond-CSR' approach in local Bhutanese businesses and business leaders? If so how?

The data collection for this section of the thesis involved an in-depth review of available government publications, business and industry reports, and relevant academic literature on Bhutan and the field of business and society. The primary research for this study included 15 in-depth, semi-structured interviews with eight Bhutanese business leaders and six government leaders and one civil society leader. The interviews were conducted in August and September 2014. The industry sectors represented among the private business interviewees included small and medium-sized enterprises (SMEs) in hospitality, tour operations, tertiary education, media and mining. Each of these businesses had between 50 and 300 employees. In addition, one interview was also conducted with a senior leader of a state-owned commercial entity with more than 9000 employees. In an effort to keep the identity of the interviewees confidential, the interviewees are not identified by name but are referred to by codes such as P1 and P2.

1 Bhutan's history, culture and development

History, culture and development provide an insight into the setting that Bhutan's businesses and business leaders operate in. This section provides an overview of the key milestones in Bhutan's history and outlines the cultural values and ethics that are grounded in its 1200-year Buddhist heritage. Further, Bhutan's development since the 1960s and the GNH philosophy are explored in more detail, including criticisms of the GNH concept and its applications. These provide the context for the next section, which provides an overview of the current state of business, ethics and sustainability in the Bhutanese business sector.

1.1 Key milestones in Bhutan's history

The historic milestones in Bhutan's development provide the necessary foundation for making sense of the interview findings that are outlined here in brief and described in detail later in this chapter.

As a landlocked nation between the world's two most populous countries, China and India, Bhutan can seem small and insignificant economically and politically. However, this geographic location places the country in a dynamic geopolitical environment that positions it as an important pivot in the stability of Asia. Its perspective on economic development and growth have set this constitutional monarchy apart from its giant neighbours and the rest of the world as a living experiment. Bhutan today is shrouded in many layers of myth (Last Shangri-La), admiration (for example because it prioritises societal wellbeing over economic growth) and controversy (for example due to issues related to Nepali refugees). Most of these are beyond the scope of this study. The focus here is on the value of Bhutan's unique development philosophy, which prioritises GNH above GDP as an outcome for society.

Some background history can be helpful in understanding the emergence of this development philosophy over many centuries. Bhutan's history as a nation is marked by a number of key events over the past 1300 years. The first major event that still shapes the Bhutanese worldview, society, culture, traditions and religious practices is the visit by the famous Buddhist teacher, Padmasambhava (also called Guru Rinpoche) who travelled from India to Bhutan in the middle of the eighth century CE (Phuntsho 2013). He is said to have spread Tibetan Buddhism in the region that is now known as Bhutan. Today numerous sites, including caves and temples where he meditated and taught, are still recognised. *"He holds a central place in Bhutan's religion and history"* and is the most revered of all historical and religious figures in Bhutan to this day. He is considered by many Bhutanese to be a 'second Buddha' (Phunstho 2013, p. 84). The importance of Padmasambhava to Bhutanese culture stems from the belief that he is the teacher who can guide Buddhist practitioners on the path to enlightenment. This is considered the ultimate purpose of life from the traditional Bhutanese perspective even today (Phuntsho 2013). As discussed in the literature review in Section 2.6.3 the Buddhist interpretation of enlightenment relates to reaching a complete and pure state of awareness and peace of mind that is experienced as the highest and ultimate form of joy or happiness.

The next major milestone in Bhutan's history was the arrival of the Tibetan Lama, Zhabdrung Ngawang Namgyal (1593–1651) in Bhutan in 1616 (Phuntsho 2013). Zhabdrung, as a highly educated and accomplished Buddhist Lama of the Drukpa lineage of Tibetan Buddhism, fled from escalating religious dispute in Tibet. His arrival in Bhutan was *"a historical and political milestone"* (Phuntsho 2013, p. 218) because of his success in unifying warring factions, bringing law and order and eventually founding the state of Bhutan. One of the Zhabdrung's legacies is the legal code he introduced. Although it is uncertain when it was promulgated, the oldest existing version was found in a document from 1729 (Ardussi 2004). This legal code is the earliest documented reference to the responsibility of governments in Bhutan to create the conditions for its citizens' happiness. It specifies that "*if the government cannot create happiness (dekidk) for its people, there is no purpose for the government to exist"* (quoted in Ura et al. 2012a, p.6)

The stability established during the Zhabdrung's era fell apart quickly once his death was revealed 58 years after occurred. His death had been kept secret to maintain peace within the country, (Phuntsho 2013). A period of internal conflict, and numerous invasions by Tibet, caused instability up until the mid-1850s (Ura 2002). Towards the end of the 19th century, further negotiations with internal and external challengers saw the governor of Trongsa (central Bhutan), Ugyen Wangchuck (1862–1926) emerge as a skilful leader who ushered in a new era of stability as the ruler of Bhutan in the late 1800s. He is portrayed as being kind and compassionate towards subjects and enemies alike (Phuntsho 2013). Due to his skilful negotiations and diplomacy he gained the support of the British, and he was crowned as the first King of Bhutan in 1907. This, established the Wangchuck dynasty as a hereditary monarchy that exists to this day (Rose, 1977; Phuntsho 2013).

A brief border conflict with British India in 1864-65 saw Bhutan surrender land in the south, but in return it secured a treaty to ensure its independence and sovereignty as a country (Ferraro 2012). This meant that Bhutan was never colonised by the British or any other nation, which was unusual during this era in the central, South and East Asian region. Shortly after the treaty negotiations, a program supported by the British brought Nepali labourers to clear the forests in Bhutan's south in the early 1900s in an effort to secure the border region (Phuntsho 2013; Hutt 2003). Many of those labourers settled with their families in the fertile lands of southern Bhutan, and became known as the *Lhotshampas.* A second wave of Nepali immigrants followed in the mid-1900s (Basu, 1996) increasing the *Lhotshampa* proportion to some 20% of Bhutan's total population (Phuntsho 2013).

Internal fighting between the Western Bhutanese *Ngalopas* and *Lhotsampas* in the south raised concerns about instability similar to that witnessed in Sikkim, which led to the kingdom of Sikkim being annexed by India in 1975 (Whitecross 2009). Unsettled by the events in Sikkim, Bhutanese authorities evicted or encouraged some 100,000 Nepali-origin *Lhotsampas* who did not have the paperwork needed to prove their Bhutanese citizenship, to leave southern Bhutan in the late 1980s and early 1990s (Hutt 1996 & 2003; Whitecross 2009). While some *Lhotsampas* chose to stay in Bhutan, the great majority of them ended up in refugee camps in southern Nepal, unable to obtain either Nepalese or Bhutanese citizenship (Ferraro 2012).

Although a small number of the refugees have been repatriated to Bhutan, the United Nations Refugee Agency (UNHCR) reports the resettlement of over 100,000 Bhutanese refugees in third countries since 2007, with 85% resettled in the USA (UNHCR 2015). The issue continues to scar Bhutan's reputation as a peaceful nation (Phuntsho 2013) and causes some to question the integrity of Bhutan's concern for the happiness and wellbeing of all its citizens, which the GNH philosophy promotes.

This controversy is the cause of a rift between Bhutan scholars who criticise the validity of the GNH philosophy due to Bhutan's refugee issue (Hutt 1996 & 2003; Whitecross 2009; Ferraro 2012; Munro 2016) and those who consider the GNH philosophy and tools a valuable and valid approach to the nation's development (Morris 2012, McDonald 2010, Hayden 2015). My position aligns with the latter group of scholars, in that I simultaneously share concern for the treatment of the refugees whilst recognising that making sense of such a complex historical, cultural and geopolitical situation cannot be addressed with a reductionist view. I consider the GNH philosophy a worthwhile model of development and an important framework for research. Furthermore, I do not see Bhutan's role in the refugee issue as a reason for rejecting its GNH philosophy. Complex situations often produce paradoxes that cannot be resolved using linear logic. The main criticisms of the GNH philosophy from within and outside of Bhutan are covered in more detail in Section 1.5. My position echoes that of Morris (2012) on this issue of displacement, which does open Bhutan to criticism but:

> *there seems no legitimate reason for not assessing other policies of the Bhutanese government on their own merits. In light of this, it seems reasonable to conclude*

> *that while not all of the Bhutanese government's recent policies are laudable, there is much to be said in favour of its emphasis on the GNH, which appears to have dramatically improved the overall quality of life in Bhutan* (Morris 2012, p. 436).

The next major event in Bhutan's history as a nation came in 2006, when the fourth King of Bhutan, Jigme Singye Wangchuck, abdicated and handed the monarchy to his son, the fifth king, Jigme Khesar Namgyel Wangchuck. In the lead-up to the coronation in 2008, preparations were also initiated by the fourth king to change Bhutan's political system from a monarchy to a democratic constitutional monarchy. The first democratic elections were held in 2008. The Wangchuck dynasty is revered as a linage of benevolent leaders within Bhutan, with each of the its kings making major contributions to building and strengthening Bhutan as a nation, and to the strengthening of its relationships with the international community.

It was the fourth king who coined the term GNH in an interview in the late 1970s when he proclaimed that in Bhutan 'GNH is more important than GDP' (GNH Centre, 2013). While this may have been a passing comment, it reflected the fourth king's concerns about development in Western nations and the growing crises of environment, culture, people and their values (Ura, n.d.). His statement has attracted much attention from the Western world, particularly in the last decade. The capitalist world has started waking up to the fact that material wealth is only one component of a good quality of life and successful societies. Consequently, the search began for alternative measures of progress, which led many academics and thinkers to explore Bhutan's GNH philosophy and history.

GNH is often cited as a good example of a national approach to following different societal development goals that go beyond GDP: *"The GNH concept is now well established in academia, particularly in economics, psychology, and sociology, and scholars have even discussed its potential as a new direction for the world's future development"* (Morris 2012, p.436).

Through this development philosophy, Bhutan's government takes a multi-dimensional view of what matters in life beyond material wealth. It puts the wellbeing and happiness of its people as the ultimate goal, which is now enshrined in its constitution Article 9.2 which stipulates that *"The State shall strive to promote those conditions that will enable the pursuit of Gross National Happiness"* (RGoB 2008, p.18). The constitution, while maintaining its focus on societal happiness and wellbeing, was also developed to facilitate the shift from a pure monarchy to a constitutional monarchy.

This brief summary of key milestones in Bhutan's history sets the scene for the following discussions. The other purpose of this section was to bring a sense of reality to the sometimes romanticised discussions on GNH. The history of Bhutan is shaped by many struggles with internal and external forces, but also by the consistent influence of Buddhism since the middle of the eighth century. Buddhism is recognised in Article 3.1 of the Constitution of Bhutan (RGoB 2008, p.9) as *"the spiritual heritage of Bhutan, which promotes the principles and values of peace, non-violence, compassion and tolerance".*

1.2 Bhutan's cultural values and ethics

This section provides a brief overview of Buddhist ethics, how they inform the Bhutanese values and ethical systems, and how they relate to what are now often called GNH values. It also outlines the cultural codes of etiquette and conduct known as *tha damshig* and *driglam namzha.*

While the fourth king coined the phrase *'GNH is more important than GDP'* (GNH Centre 2015) it was the fifth king, Jigme Khesar Namgyel Wangchuck who said in 2009:

> *Today, GNH has come to mean so many things to so many people but to me it signifies simply – Development with Values … development guided by human values… Thus, for my nation, today GNH is the bridge between the fundamental values of kindness, equality and humanity and the necessary pursuit of economic growth. GNH acts as our national conscience guiding us towards making wise decisions for a better future. It ensures that no matter what our nation may seek to achieve, the human dimension, the individual's place in the nation, is never forgotten. It is a constant reminder that we must strive for a caring leadership so that as the world and country changes, as our nation's goals change, our foremost priority will always remain the happiness and wellbeing of our people – including the generations to come after us* (Bhutan Research 2015).

The Bhutanese perception of human values is first and foremost shaped by Buddhist teachings and philosophy, which are covered briefly here. The discussion includes how those human values are also referred to as GNH values.

1.2.1 Bhutanese values, ethics and worldview

This section builds on the Buddhist ethics covered earlier in the literature review in Section 1.16. The Bhutanese values, ethics and worldview are deeply steeped in Vajrayana Buddhism which has been the dominant philosophy in the country since the eighth century. Specific expressions of Bhutan's traditional cultural values system are found in *tha damshig* and *driglam namzha,* which are outlined below. This section also investigates some surveys of contemporary cultural values such as Barrett (2015) and Hofstede (2001), which were applied to Bhutan. In addition, there is a brief summary of the various ways that GNH values are described in government documents and speeches by Bhutanese leaders.

Tha Damshig and Driglam Namzha

Today, Bhutan's cultural values and ethics are embodied in the concepts of *tha damshig* and *driglam namzha*. The term *tha damshig* refers to conduct in relationship with other people to encourage a harmonious society, while *driglam namzha* relates to conduct between individuals, particularly in public life (RGoB 2014). *Driglam namzha* is translated as 'the Way of Harmony' and outlines expected behaviour in consumption, dress and movement in formal situations (Ura et al. 2012a). Both concepts convey the message of *"morality, justice, egalitarianism, sense of duty to the nation and others in the society"* that promote *"the commitment and obligation of love, trust, reciprocity, compassion, respect and loyalty in relationship with other people"* (RGoB 2013a, p.26). Others interpret *driglam namzha* as a code of practice for fostering care for the collective wellbeing of the nation through traits like honesty, fidelity, moral integrity, trustworthiness and coherence, reciprocal affection, gratitude and respect (Phuntsho 2004).

While *driglam namzha* is often interpreted as a code of discipline and etiquette (Whitecross 2017) the most visible manifestations in day-to-day life in Bhutan are the requirement to wear the national dress (Gho and Kira) during working hours, the conduct and protocol in official encounters, and the architectural guidelines for building and construction. Others interpret *driglam namzha* as less of the *"moral and ethical do's and don'ts"* but more as a concept of conformity to *"orderly good manners and uniform behaviour"* (Phuntsho 2004, p.572).

The concept of *driglam* appeared for the first time in the Royal Government's sixth five-year plan (1987 – 1992) (RGOB, 1989) and was formalised and announced as a royal decree in 1989 under the reign of the fourth king (Whitecross 2017). For the next 20 years, up until the period of the ninth five-year plan (FYP) (2003–2008) the government continued to provide training and education at all levels in the education system on the code of etiquette *driglam namzha* that promotes Buddhist values of peace, compassion and harmony among all sentient beings (RGoB 2003). After not appearing at all in the tenth FYP (2008–2013) and disappearing from the official curriculum, the concept reappears in the current eleventh FYP (2013 – 2018). *Driglam namzha* is described as the intangible heritage of Bhutan that includes the national dress, language, arts and crafts, food, and traditional games and festivals (RGoB 2013b). This description seems to emphasise the cultural activities and traditions more than the values and behavioural aspects that were implied in the earlier descriptions. One of the interviewees in Bhutan, P1, reported that *Driglam namzha* is now taught in more informal settings such as social clubs and extracurricular activities.

Some critics raise the point that *driglam namzha* was a deliberately invented code of identity during the Nepali immigration crisis in the early 1990s to allow for the definition of Bhutanese identity (Munro 2016). However, Bhutan's authorities and scholars claim that the concept of *driglam* first appeared during the time of the Zhabdrung, the historic figure who was credited with being the unifier of the nation during the 17th century (RGoB 2003).

Furthermore, Phuntsho (2004) points out that the concept of *driglam* existed in Bhutan even before the time of the Zhabdrung and dates back to the Buddhist disciplinary code of self-training for nuns and monks developed by the Buddha in approximately 500 BC. This code of practice and ethics arrived in Bhutan in the eighth century with the teachings of the Padmasambhava (RGoB 2003). The critics discount the historic link and suggest that these linkages are now being explained as a way of justifying the introduction of the *driglam namzha* in the 1990s. Having lived in Bhutan for nine years, my understanding is that the heritage of *driglam* goes back to Buddhist roots and may well have been reinvigorated during the time when Bhutan's engagement with globalisation and modernisation, and the confrontation over immigration, triggered the fear of losing national identity and stability. Therefore, I posit that the code of conduct and identity were both historic practices that were reinvigorated during the 1990s.

Barrett and Hofstede value surveys

Some Western values assessments have also been undertaken in Bhutan. They include Barrett's and Hofstede's values surveys. A national values assessment was undertaken in Bhutan in 2008 (Evans 2008) using the "Barrett seven values levels" of personal and national consciousness. This study found an extremely strong alignment between participants' personal values, perceived current national values and the desired national values (Barrett

2015). This high level of alignment and low levels of cultural entropy suggest that values inherent in *driglam namzha* are deeply infused across Bhutanese society.

The other well-known framework for assessing cultural values used in Bhutan is Hofstede's values survey method (2001), which investigates the influence of cultural values on values in the workplace. The estimates published for Bhutan on the Hofstede Centre's website were derived from data from similar countries rather than from actual data collected in Bhutan. Interestingly, these estimates contradict the findings of a study conducted with Bhutanese civil servants using Hofstede's values survey method (Ugyel 2013). Therefore, the results from these studies do not provide much insight but point at a research gap that would be useful to investigate on a national level across Bhutan.

GNH values

Since the rise of GNH as a framework for development and a philosophy of values and ethics, many scholars, politicians, NGOs and the general public now use the term 'GNH values' to refer to a wide range of positive human values. Dorji (2012) highlights that these GNH values are drawn from Buddhist teachings and are based on:

> *a strong mutual understanding and enjoyment of an interdependent existence as members of small rural communities... Bhutan drew values from Buddhist teachings, from the experience and wisdom of our ancestors, and from the very practical needs of a subsistence farming lifestyle to inculcate a reverence for an interdependent existence with all life forms, or all sentient beings* (Dorji 2012).

The recognition of the interdependence of all life forms is mentioned as one of the key values that clearly differentiates GNH from other value systems and worldviews. This closely reflects the interconnected systems view described in the literature review section. A range of descriptions of what the term 'GNH values' includes can be found in various government reports and statements. For example, Bhutan's 'Educating for GNH' initiative, which aims to create GNH-minded teachers and a GNH-infused learning environment in schools and the entire education system, describes GNH values as:

> *GNH values and practices, include critical and creative thinking, ecological literacy, practice of the country's profound traditional wisdom and culture, contemplative learning, a holistic understanding of the world, genuine care for nature and for others, competency to deal effectively with the modern world, preparation for the right livelihood, and informed civic engagement* (RGoB 2012b, p. 17).

Another perspective is offered in the 2013 State of the Nation address by the former Prime Minister Lyonchhen Jigmi Thinley, who outlined the GNH values in the context of what outcomes they create when they are taught as part of the school curriculum:

> *Personal attributes like volunteerism, dignity of labour, leadership, teamwork, extra-curricular activities and proficiency in life-skills will be inculcated and promoted. Subjects like social ethics and civic responsibility will be introduced beyond mere formality to ensure responsible, law abiding, honest and intelligently patriotic citizens* (RGoB 2013c).

The GNH values in the education system were also mentioned in the 11th FYP (2013–2018) (RGoB 2013b, p.226):

> *A GNH values and holistic education modules and critical pedagogy & contemplative education modules will be instituted across the colleges as a foundation of all programmes. Such an approach is expected to make learning more consistent with GNH values and principles. Spiritual development activities, mindfulness practices, community services and related activities will be encouraged and supported all across colleges for personal growth and development, and to inculcate sense of responsibility to the society and the environment. Ideas and activities leading to the development of green campuses will be promoted.*

The GNH values in Bhutan's education system therefore resemble programs on social and emotional learning as they are now being introduced in school systems in some parts of Australia and the USA. However, there is also a uniquely Bhutanese perspective reflected in GNH values that emphasises a relational ethics perspective. This perspective was expressed by former Prime Minister Lyonchhen Jigmi Thinley at the Educating for GNH Conference in 2009:

> *What we want to see is nothing less than transformative — graduates who are genuine human beings, realizing their full and true potential, caring for others—including other species—, ecologically literate, contemplative as well as analytical in their understanding of the world, free of greed and without excessive desires; knowing, understanding, and appreciating completely that they are not separate from the natural world and from others; — in sum manifesting their humanity fully.... In the end, a GNH-educated graduate will have no doubt that his or her happiness derives only from contributing to the happiness of others"* (quoted in Thinley 2012, p.98).

The Anti-Corruption Commission of Bhutan (ACC), as the foremost agency of social accountability in Bhutan promotes the values that underpin happiness as *"justice, equity, security, interdependence, harmony, wisdom"* (ACC 2015b, p.50). The ACC also works with schools in Bhutan and focuses on *"infusing integrity and fundamental human values of trust, honesty, justice, fairness, sharing"* as GNH values (ACC, 2015, p.69).

Summarising the Bhutanese values system

In summary, there are multiple sources that describe the value system in Bhutan drawn primarily from four perspectives. They include Buddhist ethics, the GNH philosophy, official codes of etiquette and contemporary institutions such as the Ministry of Education or the ACC as shown in Table 25.

Table 25 - Summary of values sources in Bhutan, related behaviours and outcomes

	Buddhist philosophy (Since 8th century in Bhutan)	***Driglam namzha*** Official code of etiquette and conduct (since 17th century in Bhutan)	**GNH philosophy** (since 1970s in Bhutan)	**Contemporary Institutions** such as Ministry of Education or ACC (Since 1950s in Bhutan)
Values	• **Interdependence** • **Equality**: reverence for all life forms • Reciprocity • Refraining from: - harming others - stealing - lying • Moderation of sense pleasures and intoxication • Love • **Compassion** • Sympathetic joy • Equanimity • Generosity • Morality • Patience • Vigour/ perseverance	• Moral integrity • Justice • **Egalitarianism** • Sense of duty to the nation • Sense of duty to others in society • Love • Trust • Reciprocity • **Compassion** • Respect and loyalty in relationship to others • Honesty • Fidelity • Trustworthiness • Coherence • Gratitude • Avoid harmful actions	• **Interdependence** • **Equality**: reverence for all life forms • Equitable distribution • Kindness • **Compassion** • Tolerance • Respect • Generosity • Sense of responsibility to society and environment • Efficiency • Accountability • Transparency • Sufficiency • Protection and conservation of nature	• Justice • **Equity** • **Interdependence** • Trust • Honesty • Fairness • Sharing • Civic responsibility • Care for nature and for others
Behavioural norms or practices	• Mental development • Skilful means • Right understanding • Right intention • Right speech	• Self-cultivated practice of good qualities through body, speech and mind • Fostering care for wellbeing of	• Spiritual development • Mindfulness • Community service • Personal growth and development	• Volunteerism • Leadership • Teamwork • Traditional wisdom and culture • Responsible

	• Right action • Right livelihood • Right effort • Right mindfulness • Right concentration	nation • Orderly good manners • Uniform behaviour	• Practices of traditional languages, arts, crafts and sports • Right livelihood	• Law-abiding • Right livelihood • Critical & creative thinking • Ecological literacy • Informed civic engagement
Expected outcomes	• Discernment • Insight • Wisdom • Enlightenment	• Harmonious society • Preservation and promotion of national identity	• Human approach to development • Interdependence of Individual and societal happiness and wellbeing	• Proficiency in life-skills • Holistic understanding of the world • Competence to deal with modern world • Responsible, law-abiding, intelligently patriotic citizens

Source: Compiled from various documents including Bhutan Research (2015), Keown (2005), Prebish (2000), Saisuta (2012), Phuntsho (2004), RGoB, (2014), RGoB (2013b, 2013c), RGoB (2012b), RGoB (2009), RGoB (2004), ACC (2015), Ura et al. (2012a), Dorji (2012), Tashi (2004), Hayden (2015), Whitecross (2017).

It is apparent from this compilation of various documented sources of Bhutan's values system that Buddhist philosophy provides the backbone of values, practices and expected behaviours even today. In Buddhist and Bhutanese values, the emphasis is not only on virtuous conduct but also on how self-cultivation as a process will lead to personal development and growth to enable happiness for the individual and society. The values system therefore is not only a list of do's and don'ts but functions as a source of social and emotional learning within Bhutan. The values most consistently emphasised across the four sources that shape the values system in Bhutan are the interdependent view of life, equality and compassion.

1.3 Bhutan's development since the 1960s

This section outlines Bhutan's development over the last 55 years as a brief background to the later discussions on the business sector in Bhutan and how the GNH philosophy influences business conduct and practices.

Bhutan emerged after centuries of seclusion in the 1960s and became a member state of the United Nations (UN) in 1971 (UN 2015c) under the leadership of the third king Jigme Dorji Wangchuck. Since then the country has undergone rapid change, with the government's first

FYP from 1961–66 setting the course for Bhutan's planned development. In the early 1960s, the population was estimated at 225,000 (UN 2015c), there was no formal road network, estimated life expectancy was to be 35 years of age, only 500 children attended primary schools, the economy consisted of subsistence farming and there was virtually no private business sector (RGoB 1999).

In 2016, Bhutan's population was 768,577 (RGoB 2015d) and was spread across the mostly mountainous Himalayan kingdom, with almost 65% of Bhutanese living in rural or remote areas and 35% in urban areas (RGoB 2011). Rural-urban migration is one of the highest in South Asia, and it is a major issue facing Bhutan, with an expected growth rate in urban areas of 6% p.a. (RGoB 2011). In addition, annual population growth is decreasing rapidly. In 2000 it was 2.9 % p.a. and in 2015 it was 1.3% (RGoB 2015d). These trends combined may have a devastating impact on the rural areas of Bhutan, with a large proportion of young people leaving for employment in urban areas and the elderly population being left to continue agricultural activities.

The challenge for rural areas to attract or keep younger generations is increased by the topography of the country. With a land area of 38,394 square kilometres (RGoB 2015d) it is similar in size to Switzerland. Elevations range from 160 meters above sea level at its southern border with India up to 7,314 meters at the highest peak of Mount Jhomo Lhari near the northwestern borders with Tibet and China (RGoB 2015d). The wide range of topography covers subtropical, temperate and alpine climatic zones and only 2.6% of the land area is suitable for growing crops (World Bank Database 2016b). Bhutan's terrain is difficult to access, with the drive from the easternmost town to the most westernmost town taking more than 24 hours by road, although the distance in a straight line is a mere 300 kilometres (RGoB 2015d). Many villages in the more remote areas of Bhutan don't have road access yet, and can only be reached after days of walking. Accessibility and connectivity are therefore major challenges that have kept Bhutan on a slow development path, although road construction since the mid-2000s has provided many more remote communities with access.

Bhutan has an annual GDP of US $1.9 billion and a GDP growth rate of 7.6% in 2015. Per capita GDP has increased from US $580 in 1990 to US $2,843 in 2015. Bhutan is considered one of the smallest economies in the world, and is ranked at 170 out of 195 countries (World Bank 2015a & 2016c; Economy Watch 2016). Bhutan is also classified by the United Nations as one of the 48 'Least Developed Countries' in the world (UN 2016b), but it has made significant progress in reducing poverty. In 2000 36% of the population lived below the poverty line. In 2012 the figure was 12% (World Bank 2013). Income poverty remains predominantly a rural phenomenon, with nearly all the poor (95 per cent) residing in rural areas (RGoB 2012c).

In 2014, the highest contributions to Bhutan's GDP came from agriculture (16.2%), followed by construction (15.5%), hydroelectricity sold to India (14.3%), and tourism (3.57%) (RGoB 2015a). Fifty-six per cent of the total workforce of 339,569 is employed in agriculture, 2% is employed in construction and 0.9% in the electricity sector (RGoB 2015d) and approximately 6.5% in tourism (Teoh 2015; RGoB 2015d). The electricity and construction sectors draw heavily on migrant workers from India, with over 43,000 of them providing most of the manual labour in Bhutan (Bhutan Ministry of Labour statistics from 2011, quoted in UN 2011).

The current unemployment rate is at 2.6 % but unemployment in the 20–24 age group has increased from 4% in 2004 to 9.6% in 2015 (RGoB 2015d). Most of the unemployed (68%) are based in urban areas and this figure is likely increase as an increasing number of young Bhutanese complete tertiary studies in the coming years and seek professional jobs (RGoB 2005; RGoB 2015d).

Other social indicators have significantly improved. Infant mortality has decreased from 13% in 1990 to 3.6% of live births, and life expectancy increased to 68 years in 2014 (World Bank 2015d).

The rapid socio-economic development of Bhutan over the last 50 years is attributed to the vision of the fourth king:

> *King Wangchuck has been able to bring about extraordinary changes to the lives of Bhutan's Buddhist citizens. For example, by improving both access to and the quality of healthcare, King Wangchuck was able to reduce infant mortality drastically and to increase average life expectancy in his country by some 20 years* (Morris 2012, p.436).

The five-year planning efforts and the development of hydropower stations have resulted in the export of electricity to India and the development of a 'high value, low impact' tourism policy (Teoh 2015). These improvements in socio-economic indicators have been praised by donor agencies and the great majority of Bhutan's Millennium Development Goal targets were achieved by the end of 2015 (UNDP 2015).

It is important to note that Bhutan has been monitoring GDP since the 1980s, long before the concept of GNH was formally articulated. The first GDP estimates were prepared in 1981 by Bhutan's Planning Commission and they were presented in the fifth FYP (1981 – 1986) (RGoB 1981). In 1987 Bhutan started preparing annual national accounts and monitoring GDP growth and composition (RGoB 2004). This is most likely due to the fact that in addition to the Government of India, donor agencies have started to provide support for Bhutan. The Government of India has been funding the great majority of Bhutan's five-year planning processes and government budgets since 1961. GDP is most likely the main performance indicator that these agencies have used to evaluate the success of the country's development.

1.4 Bhutan's development approach – Gross National Happiness

As concluded in the literature review Section 2.11 on happiness, there is much evidence that there are individual and societal advantages to improving happiness and conditions for wellbeing (Biswas-Diener et al. 2015). Some of the individual benefits of higher levels of experienced and evaluative wellbeing include:

a) higher levels of prosperity, enjoyment and improved productivity at work (Diener et al. 2013)
b) higher incomes (DeNeve et al. 2013)
c) improved physical and mental health, such as reduced psychological stress (Hooker & Pressman 2015) and increased longevity (DeNeve et al. 2013).

At a societal level there are also psychosocial benefits to wellbeing (Biswas-Diener et al. 2015) such as:

a) increased social capital and cooperation
b) higher frequency of prosocial behaviour, larger social networks and more successful social relationships (DeNeve et al. 2013; Lyubomirksy et al. 2005)
c) higher levels of altruism and trust (Keltner et al. 2014).

In Bhutan's case, the motivation for promoting societal happiness and wellbeing is focused on the psychosocial benefits of creating a harmonious society that is able to balance material progress with spiritual development (or in secular language with increasing awareness and consciousness). This focus is underpinned by an understanding of the interdependent nature of life, which is engrained in the guiding worldview and paradigm of Bhutanese society. The following section provides a brief introduction to GNH, an outline of the GNH Index and some of the results from the 2010 and 2015 GNH surveys conducted by the Bhutanese government. This is followed by a discussion of international metrics of happiness, the 'beyond-GDP' debate and insights that can be gained from inter-country comparisons.

1.4.1 Brief introduction to GNH

The above outline of Bhutan's history and development seeks to demonstrate that the country's overarching aim of societal wellbeing and happiness is a guide for all government activities. This view had been percolating for many centuries before it found expression in the now famous phrase by the fourth King of Bhutan that *'Gross National Happiness is more important than Gross National Product'.* According to Dorji (2012), the fourth king explained that *"GNH was meant to be a higher goal for human development"*. Due to this origin of the GNH concept there was no equivalent term in the Bhutanese national language Dzongkha and therefore a new term was created only in the year 2000, *Gyalyong Gakyi Pelzom* (Phutnsho 2013, p. 596), or in Tibetan *rgyal yongs dga' skyid dpal 'dzoms* (Halkias 2013, p. 504). The Bhutanese term has since been further developed based on the Buddhist philosophy and Tang Rinpoche, a respected Lama in Bhutan, richly illuminates the concept in the Bhutanese context in a conversation with the GNH Centre. He outlined his understanding of GNH based on the analysis of the four syllables of ga'a, kyid, pal, and dzoms or National Happiness.

> ***Ga:*** *represents the five elements: earth, water, air, fire and space, they need to be in balance and we need to be in balance with them; when the elements are in balance in us and around us, then our state of mind is also balanced, this creates wellbeing, and happiness. The loss of balance is a cause of unhappiness, balancing the elements is a source of happiness and health*
>
> ***Kyid:*** *We have come out of balance with other beings; we are exploiting them, there is a growing awareness of this and there is a need for harmony between us and other beings. There is a right to peace and harmony for all beings: plants, animals, human and other beings*
>
> ***Pal:*** *inner transformation, education; there are now many governments, institutions concerned with this, they each have different philosophies, understandings of*

reality but there is a fundamental need to train the mind if we want to implement GNH. Transformation has to happen at all levels: world, nations, organizations, families, individuals. Inner transformation is at the heart of GNH

***Dzom**: coming together, bringing together – countries, governments, levels of society; in this context diversity can be a good thing; differences are welcome as long as there is a common goal of happiness and wellbeing for all* (Havinh 2014, p.1)

This explanation illustrates that GNH draws attention to balance of external and internal conditions and that respect for other beings is a core ingredient. This respect allows for diversity when pursuing a common goal of wellbeing for all. There is also a system perspective incorporated in the GNH concept that requires transformation at many levels within all levels of the system, from individuals to institutions and governance structures that starts with personal inner transformation to an expanded view and consciousness.

The GNH Centre of Bhutan (GNH 2016) interprets GNH as a multi-dimensional concept with two main applications:

1) GNH as an overarching development philosophy operationalised through:
   - the GNH Index as an alternative progress measurement tool
   - the GNH policy screening tools to guide balanced and holistic policy decisions
   - GNH initiatives applied in the education system
2) GNH as a shift in consciousness, living GNH values in action (the work of the GNH Centre Bhutan).

Former Secretary of the Ministry of Information and Communications in Bhutan, Dorji (2012, p.7) sees *"GNH as a value system that has had an impact on Bhutanese society at four different levels of perception".* He explains these perceptions as:

a) Intuitive GNH values handed down from generation to generation based on Buddhist teachings, the wisdom of ancestors and practical needs of subsistence farming lifestyle that valued the interdependent existence of all life forms
b) Academic construction of the GNH concept, defined via the four pillars and nine domains and operationalised as a measurement tool.
c) GNH as a government responsibility – basis of mainstream policy thinking and way of focusing national priorities
d) Internationalisation of GNH as a framework for global sustainable development resulting in the New Development Paradigm initiative and report (NDP 2013).

Initially, during the 1970s and 1980s, the fourth king's statement provided an intuitive guiding principle for the government. However, over the past 10 years two tools for operationalising GNH have been developed: the GNH Index (Ura et al. 2012a) and a GNH policy-screening tool (Hayden 2015). In the GNH policy-screening tool a set of 33 subjective and objective indicators provides a deep insight into the state of the nation through Bhutanese perceptions and satisfaction across the nine domains of GNH. These include education, environmental conservation, standard of living, time-use, good governance, health, psychological wellbeing, community vitality and cultural preservation. The Bhutanese government uses the policy-screening tools to ensure that only policies, which enhance, or at least do not weaken, the GNH Index are implemented. The difference between Bhutan and other countries that are now measuring or promoting the use of wellbeing indicators is that in Bhutan both GNH tools are actively being used by the government as a compass for decision-making on policies, budget allocations and programs.

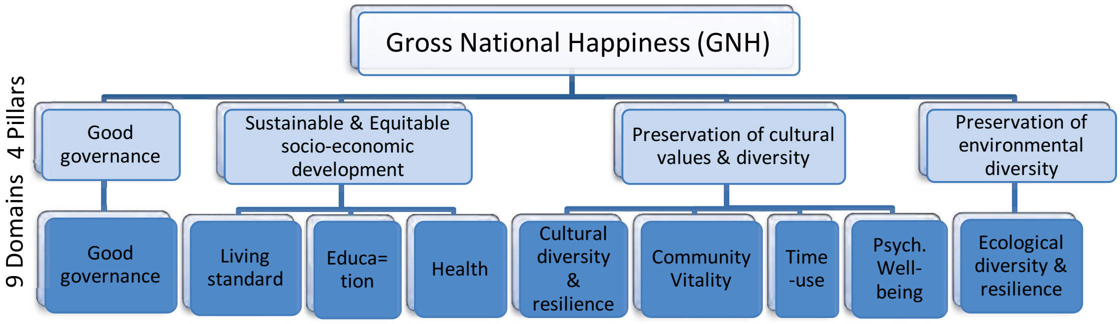
Economic growth is recognised as one of many criteria for achieving happiness for Bhutanese citizens. The following statement from one of Bhutan's National Human Development Reports (RGoB 2005) describes the government's approach as deliberate and balanced, recognising economic growth as one means among many rather than a goal in itself:

> *Economic growth has never been regarded in the Bhutanese development philosophy as an end in itself nor viewed as a panacea to the holistic socio-economic progress of the country and well-being of its people. It is nevertheless deemed essential for furthering human development progress and for attaining GNH, the ultimate goal of the development process* (RGoB 2005, p.22).

Even with this balanced approach of GNH philosophy as a backdrop, economic development in Bhutan has been rapid since the country opened up to the outside world in the 1960s. Its far-reaching development strategies have been guided by the implementation of a sequence of five-year plans (FYPs), with the eleventh FYP being implemented from 2013 to 2018.

At first, GNH was adopted as an intuitive guiding principle for Bhutan's government, but due to increasing international interest in the concept (Fahsi 2014) it became formalised in the late 1990s. Interestingly, the word 'happiness' appears for the first time in the sixth FYP (1987 – 1992) (RGoB 1989). It was not until the eighth FYP in 1998 that GNH was explained as a development approach in one paragraph which highlighted the fact that there is no *"automatic link between economic growth and human development"* (RGoB 1998, p.13). This was followed in the ninth FYP (2003-2008) with an entire chapter dedicated to Bhutan's development philosophy. This chapter includes the first formal description of the four pillars of GNH (RGoB 2003). The four GNH pillars, as shown in Figure 40, illustrate how government policy is attempting to balance socio-economic development, environmental conservation, cultural preservation and good governance. This signalled a new phase of operationalising the GNH concept, which began in earnest in 2004 (Ura & Galay 2004).

Figure 40 -   Four pillars and Nine Domains of GNH



Source: Figure adapted from Ura et al. (2012a)

In early 2008, the Planning Commission was renamed the GNH Commission with the mandate to firmly embed GNH in government policies and to coordinate the implementation of plans and programs (GNHC 2015). The nine domains of GNH and the GNH Index appear for the first time in the tenth FYP (2008–2013), outlining the intention to create a development measure that captures the essence of GNH as a tool to evaluate the success of the country's planning efforts (RGoB 2009). This means that although the concept of GNH appeared over 40 years ago in Bhutan, it is only since 2008 that the concept has been formalised and operationalised.

There are currently four institutions in Bhutan that specifically engage with GNH:

1. GNH Commission (former Planning Commission, a government organisation)
2. The Centre for Bhutan Studies and GNH Research (a government think-tank and research agency)
3. The Institute for GNH Studies, Royal University of Bhutan (an academic research institution)
4. The GNH Centre Bhutan (a Bhutanese civil society organisation, NGO)

Having briefly introduced the emergence of the GNH philosophy and its operationalisation in Bhutan, the next section outlines the GNH index as an alternative measurement of societal progress.

1.4.2 The GNH Index

The development of the GNH Index began in 2005 when the government of Bhutan decided to operationalise the concept of GNH (Ura at al. 2012b). The Centre for Bhutan Studies conducted extensive consultation in Bhutan and also sought input from international academics. A small pilot survey was conducted in 2006 and an adapted version of the Oxford University's multidimensional poverty measure by Alkire & Foster (2007, 2011) was used in the first GNH survey in 2008 (Ura at al. 2012b). The survey at that time included 640 indicators drawn from the results of a range of objective and subjective questions, including self-reports of 'evaluative' as well as 'experienced' aspects of happiness and wellbeing. These two aspects of happiness and wellbeing were described in the literature review in Section 2.8.2, Figure 13. The nine domains as outlined in Figure 40 formed the basis for the GNH Index, which measures 33 indicators across the nine domains. The results of the most recent survey were released in 2015.

The GNH Index was never intended to provide a universal method of comparison with other nations. Rather, it serves as a compass for the government of Bhutan to allocate funds and implement initiatives where they are most needed. Other international studies like the World Happiness Reports (WHR) (Helliwell et al. 2012, 2013, 2015, 2016) and the Gallup Healthways Wellbeing Index (Gallup 2014) provide a country-by-country comparison using a different set of parameters to the GNH Index. They are valuable in their own right but a full discussion of these is beyond the scope of this thesis. One particular finding from the 2016 WHR is covered in the next section in relation to happiness inequality – the difference between the highest and lowest happiness scores within a country.

With the development of the GNH Index as a multidimensional tool, the definition of GNH started focusing on an alternative approach to measuring progress in contrast to GNP/GDP, drawing the connection to the fourth king's statement that positioned GNH in contrast to GDP. This definition of the GNH Index emphasises collective wellbeing that can be achieved through a combination of material and spiritual development:

> *Gross National Happiness (GNH) measures the quality of a country in a more holistic way [than GNP] and believes that the beneficial development of human society takes*

place when material and spiritual development occur side by side to complement and reinforce each other (Ura et al. 2012a, pp.6-7).

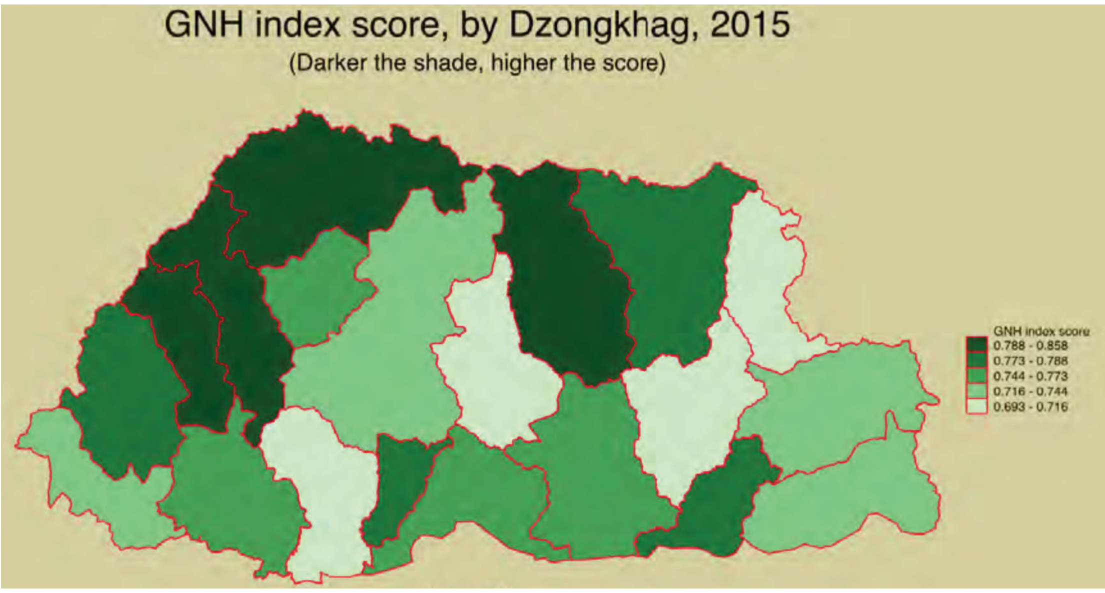
In the international context GNH started being described as a:

> *Buddhist equivalent to Gross National Product (GNP) … the next evolution in indicators for sustainable development, going beyond measuring merely material values such as production and consumption, but instead incorporating all values relevant to life on this planet, including the most subtle and profound: happiness* (Tideman 2004, p.222).

Lonely Planet guides (Baxter 2011), Trip Advisor reviews (Trip Advisor 2010), tour companies in Bhutan and worldwide, and other travel publications often promote the myth that Bhutan is the last Shangri-La, or the happiest nation on earth. This is most profoundly demonstrated in the Tourism Council of Bhutan's slogan *"Happiness is a place"* (TCB 2016). On the other hand, media stories have appeared more recently that question this image of Bhutan due to its economically less developed status, some of the government's policy decisions and its socio-economic challenges (Goldsmith 2012; Voogt, 2016). Within Bhutan there is also acknowledgement among government and civil service leaders that *"GNH has given Bhutan a wonderful identity but I'm not saying we have achieved it; we have a lot more work to do"* (Dasho Kinley Dorji, quoted in Pelden 2013).

How happy Bhutanese people really are, is revealed in the 2010 and 2015 GNH survey results published by Ura et al. (2012b) and the Centre for Bhutan Studies and GNH Research (2015). According to these documents, the aggregate index figure has increased marginally from 0.743 in 2010 to 0.756 in 2015 over the five-year period. More interesting than the aggregate though, are the detailed results for each of the nine domains broken down by district (*Dzongkhag*) and a more manageable 33 indicators. This data provides deep insight into the needs of the various population areas of the country. The map in Figure 41 below shows the highest aggregate GNH index scores in dark green and the lowest in light green. The survey results allow policy makers at the GNH Commission to drill down and investigate which of the 33 indicators in each of the districts requires attention and programs for improvement.

Figure 41 - Aggregate GNH index score for 2015

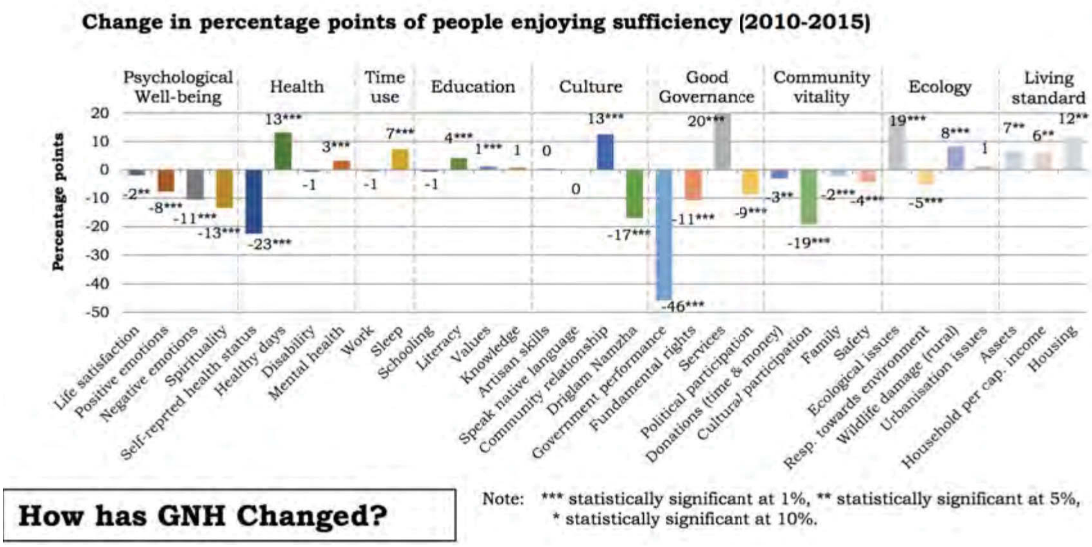


Source: Centre for Bhutan Studies & GNH Research (2015, p.5)

The four districts (Dzongkhags) in dark green with the highest GNH index scores in 2015 (from left to right) are: Paro, Thimphu, Gasa and Bumthang. The four districts in light green with the lowest GNH index scores (from left to right) are Dagana, Trongsa, Mongar and Trashi Yangtse. Compared to the 2010 survey, Bumthang increased its GNH index score to the highest category while Dagana and Mongar dropped in GNH scores to the lowest category. Detailed analysis and interpretation of the 2015 data is still in progress and will be able to shed light on the possible causes for these changes.

The 33 indicators and their percentage-point changes from 2010 to 2015 are shown in Figure 42 below. There are substantial changes in some of the indicators from 2010 to 2015 that may seem contradictory, such a 23 percentage-point drop in self-reported health status against a 13 percentage-point increase in healthy days experienced. Similarly, there appears to be a 46 percentage-point drop in perceptions of government performance at the same time as a 20 percentage-point increase in satisfaction with government service delivery.

Figure 42 - Scores for the 33 indicators under the 9 domains measured in the GNH surveys



Source: Centre for Bhutan Studies & GNH Research (2015, p.6)

The extensive analysis of the 2015 survey data will no doubt provide more fine-grained insights into these indicators and their relationships. Perhaps the most defining factor of Bhutan's GNH index compared to other countries is that it is used to inform the government's and the GNH Commission's policies and actions.

The 2010 GNH Index analysis (Ura et al. 2012b) shows that per capita income was highest in the capital city of Thimphu, yet Thimphu did not have the highest GNH Index scores. The 2010 indicators for Thimphu show that there is more satisfaction with health and education services and living standards than in other districts, but less satisfaction with community vitality, governance and cultural diversity and resilience. The highest community vitality and psychological wellbeing recorded in 2010 was in Tashigang, one of the easternmost districts in the country. Tashigang also recorded the lowest scores for living standards. These results provide a rich tapestry of interwoven indicators that can help to debunk the Western assumption that material wealth is the only measure of a satisfying and fulfilling life. A good standard of living is recognised in Bhutan as only one of a wide range of factors that contribute to relative and ultimate happiness.

The next evolution in the operationalisation of the GNH concept appeared in the eleventh FYP (2013–2018) with the integration of a number of key performance indicators of government performance that are linked to the GNH indicators. For example, one of those indicators includes the goal of having less than 5% of the population experiencing severe mental distress. This indicates that the results from the GNH Index not only inform the government about where and how to channel attention and budgets, but it is now also being used as a monitoring mechanism for government performance.

While Bhutan has invested much time and effort over the last 10 years in the development of GNH as a defined, measurable and quantifiable development model, it is also important to note that Bhutan is only in the early stages of operationalisation, and does not claim to have achieved a state of GNH. Bhutanese leaders such as HRH Princess Kezang Choden Wangchuck, President of the GNH Centre Bhutan point out that although the concept of GNH has served the country well so far: *"We do not claim that it is the best option. It has its limitations. We see it as a dynamic design that must be constantly enriched and improved"* (GNH Centre 2015).

This section has briefly outlined the development of the GNH Index, its four pillars, nine domains and 33 indicators, and it has presented some of the results from the 2010 and 2015 surveys. It highlights the fact that while the GNH Index process is recognised as being a work in progress and also stands out as a day-to-day government tool. This differentiates Bhutan's approach to alternative measures of progress from other nations that might measure similar societal wellbeing indicators. For example, the United Kingdom has developed a similar set of wellbeing indicators, which are being measured by the Office of National Statistics (ONS) but they are not currently used to guide policy or development decisions.

1.4.3 Bhutan's happiness in context with the international community

Since the GNH Index is a tool specific to Bhutan, some studies have attempted to understand Bhutan's performance on wellbeing and happiness scales in comparison to other nations. Studies such as White (2007) ranked Bhutan in eighth place out of 178 countries, and Diener & Tay (2015) ranked it 26th out of 164 countries, showing Bhutan ahead of its neighbouring countries and the South and East Asian regions (Biswas-Diener et al. 2015).

The myth that Bhutan is the happiest nation in the world caused further debate in the media (Rosten 2016; Subba 2016) when the 2016 World Happiness Report (WHR) (Helliwell et al. 2016) ranked Bhutan just behind China in 84th place out of 157 countries, with a Cantril ladder score of 5.196. In comparison, Denmark ranked number one with a score of 7.526. These variations in rankings highlight that the emphasis on different variables can produce vastly different results.

The 2016 WHR however provides a new measure to assess how evenly happiness is spread throughout a society, or in other words the level of happiness inequality within a country. This is distinct from income inequality, which is known to create societal problems of reduced health and reduced psychological wellbeing, not only for the poor but also for entire societies (Wilkinson & Pickett 2009, Wilkinson & Pickett 2014). The inclusion of happiness inequality in the 2016 WHR was based on a recent study arguing that happiness inequality has been found to have an even stronger negative impact on life evaluations of happiness and wellbeing than income inequality (Goff et al. 2016). The results from the analysis of 105 countries against the new measure of happiness equality in the 2016 WHR produced a surprising result. Bhutan is ranked in first place with a score of 1.294, indicating that there is a high level of happiness equality within Bhutanese society. In other words, happiness ratings don't vary much across Bhutanese society, leading to only a very small gap between the highest and lowest happiness evaluations of individuals in Bhutan. Lower happiness equality, indicating larger gaps in happiness evaluations, was found in developed nations like Denmark, which was ranked in 22nd place (score of 1.674). Australia was in 30th place (1.756) and the US was in 85th place (2.066). Bhutan's result is even more significant in the context of global trends which show that happiness inequality has increased significantly in most countries, across almost all global regions and for the world population as a whole when comparing data from 2005-2011 with data for the 2012-2015 period (Helliwell et al. 2016).

Bhutan's classification by the UN as one of a small group of economically least developed countries (LDCs) defies the assumption that poverty creates unhappiness. In fact, Bhutan's high happiness equality compared to the rest of the world is the strongest indication yet, that the quality of Bhutan's culture, values and/or its philosophy are more important for social cohesion and a sense of equality than economic and income growth alone. I suggest that this is potentially the result of Bhutan's unique view of the world as an interconnected system and reality is perceived in the context of others. It is a view that recognises happiness as a social and interdependent phenomenon whereby individuals evaluate their personal levels of happiness as a reflection of societal happiness and wellbeing.

The 2016 WHR therefore both debunked and confirmed the Bhutan myth as the world's happiest country, and at the same time highlighted one of the major shortcomings of country rankings. The WHR measures each country's performance against a set of variables, and then ranks countries according to those measurements. This does not provide much useful insight into the underlying conditions in particular countries. The rankings would be more informative if the variables included income equality, and more importantly, happiness equality.

Further perspective on the myth of Bhutan as the happiest nation in the world was offered in a recent paper by leading researchers in the happiness studies field, Ed Diener and his son Robert Biswas-Diener. Their paper 'Wellbeing in Bhutan' (Biswas-Diener et al. 2015) examines Bhutan's happiness standing in the international context by comparing Bhutan's Gallup World Poll (GWP) data with GWP data from 11 other nations across four dimensions of wellbeing. They compared scores for over 200 items that assess psychological, social, environmental and income/material wellbeing and found a number of noteworthy results:

a) **Psychological wellbeing**: Bhutan ranks above neighbouring and regional countries in overall life evaluation but below Western and more economically developed nations.
b) **Societal wellbeing**: Bhutan scored very high in respecting children compared to the other 11 nations in this study. It scored similar to China in relation to freedom to make life choices and similar to Vietnam in being able to count on others in time of need, and in both cases lower than Western nations.
c) **Environmental wellbeing**: Bhutan scored highest among the 12 countries in this study in environmental protection; it also scored as high as Denmark in air quality. In water quality, it was in the middle of the field which meant it was lower than Western countries.
d) **Income and material wellbeing:** Bhutan ranked eighth in this measure, indicating that its standard of living is still at the lower end of the spectrum, with 76% of the population having TV sets and 6% going hungry. However, Bhutan suffers from less hunger than neighbouring and regional countries and countries with similar income levels.

Overall, the Biswas-Diener et al. (2015) study concludes that Bhutanese scored adequately in psychological wellbeing, they scored highest in environmental wellbeing and surpassed the other nations on social wellbeing except for Denmark and the Netherlands. While the study found problems in Bhutan such as hunger, it argued that social and environmental wellbeing could act as a buffer for some of the material deprivation:

> *In the end, Bhutan may not be the Shangri La the popular media sometimes hold it out to be … That said, it is also clear that Bhutan might offer an instructive lesson on ways that social and environmental policy can buffer citizens from certain material deprivations* (Biswas-Diener et al. 2015, p.11).

Bhutan therefore plays a unique role in the international rankings. Its 'beyond-GDP' approach to development and progress, based on Vajrayana Buddhist philosophy, provides a different perspective than other nations, which mostly focus on economic development as the mechanism for improving societal and individual wellbeing.

1.4.4 GNH as a shift in consciousness

The proposition put forward by most of the champions of the 'beyond- GDP' debate is based on the premise that if we change what we measure we will change the economic system and outcomes for society. Admittedly, changing the measures of success of an economy could be a game-changer, somewhat like changing the rules of a Monopoly game so that the winner, rather than being the player who owns the most property, is the one who establishes the most communities with optimal wellbeing and life satisfaction. However, changing the rules of a game requires the willingness and interest of the players, just like changing the measures of progress requires politicians, business leaders and societies to want to see the world through a different lens. Most importantly though, it requires that the players change their priorities and their minds. It is to be expected that in a Monopoly game, those with the most property will resist a change to the rules, because of their position of power and sense of achievement. Changing the goal of the game, even if it is a better goal, requires the cooperation of all the players, because in a complex world, it is unlikely that any one person could decide what is best for everyone.

Stiglitz et al. (2010, p. p.xviii) suggest *"in an increasingly performance-oriented society, metrics matter. What we measure affects what we do. If we have the wrong metrics, we will strive for the wrong things".* The authors suggest that this 'performance-oriented' mindset is the only force that can change behaviours and they conclude that to convince change people's minds requires another set of metrics. However, as long as the new metric appeals to the competitive nature of a performance-oriented society, it is unlikely to shift mindsets, underlying values or worldviews. This will be the case even if the new measure is one that measures wellbeing or happiness, and values relational responsibility.

It has long been argued that human evolution relies as much on cooperation for survival as it does on competition for power and resources (Ridley 2003; Wilson 2015). In this context, important recent findings from neuroscience have shown that the capacity for attitudes and behaviours such as compassion and collaboration can be taught and learned through specific practices and narratives (Klimecki et al. 2014; Leiberg et al. 2011), just as competitive behaviour is learned and fostered through measuring performance-focused outcomes. Research findings from neuroplasticity in adult brains provide some of the most promising insights into how behaviours and mindsets are influenced by values and worldviews. Therefore, replacing one measure with a more relationship-oriented measure that prioritises happiness and wellbeing is clearly an advantage. However, I argue that this change will not be enough to stimulate the required shift of underlying values and worldviews to bring about a durable change.

The alternative view offered by other leading thinkers in the field of the 'beyond-GDP' debate, is based on the assumption that it is the narrative and the defining story of a society at large, or its prevailing paradigm, that determine the direction it is moving in. David Korten (2015) proposes that instead of metrics, it is the story that counts: *"When we get our story wrong, we get our future wrong. We are in terminal crisis because we have our defining story badly wrong"* (Korten 2015, p.1).

This is where GNH provides a valuable dimension. With its foundations in Buddhist principles and values, GNH is based on a set of human values like compassion, generosity and wisdom, which are grounded in an interdependent worldview. These values are shaped and strengthened by practices that cultivate the mind. They include meditation training, building compassionate relationships and communities, and engaging in meaningful work. These and other methods outlined in the literature review earlier, combined with Bhutanese values and an ethics of reciprocity, relational responsibility and cooperation, aim at unveiling awareness and motivating actions that are beyond the daily human experience of relative happiness. In fact, they offer the possibility of a shift in consciousness. In essence, GNH proposes that a successful society requires the voluntary and intentional engagement of its people in shifting their consciousness so that they engage in cooperative, altruistic and generous actions. Tideman (2004, p.240) refers to this as the:

> *collective evolution of consciousness, with lasting happiness as the end-result. According to Buddhism, this evolution is brought about by gradually transforming our selfish traits into a sustained altruistic volition. From concern about our own physical well-being, we develop a mindset which derives meaning from serving the whole.*

One of Bhutan's foremost scholars, Dasho Karma Ura, describes how the ancient Bhutanese tradition of a joker disrupting the masked dance performances provides the opportunity for shifting consciousness. Ura likens this to what GNH is attempting to achieve:

> *If we are always stuck with the tremendous forces of the mainstream, we cannot make any progress and this is the point of the jokers. They are able to make a small revolution in the perceptions of people. In the openings of a hilarious moment people can feel a tiny shift in their attitude and thought. GNH is similar: it tries to force creative thinking about the heavy structures in the contemporary world that need changing … Unorthodox and unconventional ideas are very important to create a positive shift in society. 'A joke is a small revolution,' is a quote from Milan Kundera. People are mired deeply in the mundane existence of consumption and building security around their life. When we ask them to live according to GNH, they might suspect it as a joke. The idea of restoring balance in life is, they might conclude, impossible in the runaway consumerist world of today, but it is an authentic option. Once an individual recognises the potential of GNH to lead us to well-being and happiness, the joke becomes a reality. The boundary between a joke and a fact becomes blurred. Just as a joke is a small revolution—a minor, but effective act of rebellion—GNH is, in its own way, a small revolution* (Ura, n.d., p.27).

This shift in consciousness, described as a 'small revolution', is at the core of the New Development Paradigm (NDP) model, which the UN commissioned Bhutan's government to coordinate in 2012/13. The resulting NDP framework was discussed in the literature review in Section 3.9. As mentioned earlier in Part B, Section 3.8.2, one of the most important components of the NDP model is the role ascribed to 'happiness skills'. These are the skills that develop emotional and social intelligence to mature the consciousness of individuals and society.

1.5 Criticism of GNH

Concepts, whether proposed by a king or promoted by a grassroots public movement will always attract a wide variety of comments and opinions, and debate about their merits, validity and shortcomings. This is also the case with GNH, which attracts its share of criticism from within and outside of Bhutan. The issues of concern and criticism mostly fall into five categories:

1. The treatment of **refugees of Nepali origin** is at odds with the GNH philosophy.
2. **The measurement of GNH and its indicators could be misused** to serve the government's agenda rather than the wellbeing of Bhutanese people.
3. The GNH index uses **subjective opinions on wellbeing and happiness** as data, which is considered unscientific by some due to the relativity of the concept of happiness

4. **Promoting GNH internationally versus solving problems in Bhutan**: Some have criticised Bhutan's government for promoting GNH abroad. However, more recently, the new government's shift from promoting GNH internationally towards solving problems in Bhutan for the wellbeing of its citizens has been considered by some as **abandoning the concept of GNH**.
5. **GNH is holding back economic development** in Bhutan

Table 26 identifies whether these criticisms originate from within or outside of Bhutan, or both.

Table 26 - Origin of most of the GNH criticisms

Criticisms of GNH	Criticism within Bhutan	Criticism outside of Bhutan
1. Incongruence of treatment of Nepali-origin refugees and GNH philosophy		✔
2. GNH measurement could be misused to serve government agenda		✔
3. GNH Index is based on subjective opinions of happiness and not a reliable measure	✔	✔
4. Promoting GNH internationally versus solving problems in Bhutan, abandoning GNH	✔	✔
5. GNH is holding back economic development in Bhutan.	✔	

Most of the criticism that has been voiced within Bhutan appears in the media, newspapers and online forums. Among the many local newspapers in Bhutan, the most critical have been *The Bhutan Observer* and *The Bhutanese*, particularly in the lead-up to the second democratic elections in 2013. These newspapers published many articles and cartoons that questioned why, in 2008, Bhutan's first democratically elected government was spending time and effort promoting GNH to the rest of the world instead of better addressing social and economic issues such as rural-urban migration, poverty, foreign exchange crisis, rising crime, youth unemployment and corruption at home (Khazan 2013; Bhutan Observer 2012; Bhutan Observer 2011; Lamsang 2013; The Bhutanese 2012).

Incongruence of the treatment of Nepali-origin refugees and GNH philosophy

International criticism of GNH is mostly found in the academic literature and relates to the Nepali-origin refugees who left Bhutan in the late 1980s and early 1990s (Hutt 1996 & 2003; Whitecross 2009; Ferraro 2012). They mostly question how a nation that promotes the happiness and wellbeing of its citizens can at the same time delineate between human beings based on ethnicity and origin. The refugee issue also appears in UN literature

(UNHRC 2015; UNNC 2007), international media like *The Economist* (2004) and *The New York Times* (Mishra 2013) as well as activist social media sites and blogs (Beattie 2014; Bhutan News Network 2016; Bhutan Peoples' Party 2016).

The fear of losing sovereignty and the imposition of protectionist measures to safeguard a country's identity have been familiar phenomena throughout history, and they are particularly pertinent today. Recent developments in Europe, triggered by the unprecedented numbers of Syrian refugees migrating to EU countries, have triggered fears of instability and identity across EU nations. A recent speech by Theresa May, Prime Minister of the UK to the Conservative Conference in October 2016, epitomises the recurring struggle of nations and their sense of self-determination and the identity crisis in the face of immigration: *"we have voted to leave the European Union and become a fully-independent, sovereign country. We will do what independent, sovereign countries do. We will decide for ourselves how we control immigration"* (May 2016). Similarly, the issue of immigration is being 'handled' with renewed vigour by many governments including the US and Australia.

The challenges faced by societies when they become more heterogeneous particularly in an increasingly globalised world, can trigger fear and ideological confusion within nations. This fear by no means justifies the resulting actions by countries that revert to delineating between 'in-groups' and 'out-groups'. However, this struggle to overcome fear of the other, and of losing national identity, seems to be common to human societies across the world and is not unique to Bhutan.

GNH measurement could be misused to serve the government agenda

In Bhutan, the struggle for sovereignty and identity does not seem to be considered to be inconsistent with the GNH philosophy. In fact, they are considered complementary. This is why some academics argue that the GNH philosophy was deliberately elevated to become the guiding ethos of Bhutan in the 1990s in an effort to strengthen the country's identity, legitimacy and stability as an independent nation, which led to the expulsion of the *Lhotsampa* Nepali-origin immigrants (Munro 2016). As a result, the view that GNH is being misused by the government is mostly voiced outside the country. The former Prime Minister of Bhutan, Jigmi Thinley (2005), points out that *"as happiness is the most common yearning of the electorate both individually and collectively and as it transcends ideological or contentious values, public policies based on GNH will be far less arbitrary than those based on standard economic tools".* While this is a politician's view and some may not accept it, it is an argument which is strongly pursued in the 'beyond GDP' debate and is gaining global support.

More detailed explorations of the academic literature on Bhutan's refugee issue in relation to the Bhutanese authorities, cultural identity and geopolitics are provided by Hutt (1994, 1996, 2003), Rose (1977, 1994), Whitecross (2009), Thinley (1994) and Teoh (2015). Further discussion of this topic is beyond the scope of this study but provides important background to understanding the dynamics that have shaped Bhutan's politics, people and culture, particularly in the recent past.

GNH Index based on subjective opinions of happiness and not a reliable measure

The criticism that measurement of subjective wellbeing such as in the GNH Index as unscientific or inferior to objective indicators has been most prominently voiced by economist McCloskey (2012). Her criticism is based on an understanding of happiness that is based on a self-interested worldview. The discussion in Section 2.11 of the literature review highlights that a focus on self-interested happiness of the individual misses the nuanced understanding of the ways people evaluate and experience their lives beyond short-lived positive and negative emotions. The OECD's *Guidelines on Measuring Subjective Well-being* (OECD 2013) have argued against this criticism with a comprehensive discussion of the issues and clear guidelines on how subjective wellbeing can be measured with validity and reliability. The OCED (2013, p.32) draws on a wide range of experts in the field and bases its understanding of wellbeing on a broader definition in the 'eudemonic' or 'flourishing' sense. This definition draws on the psychology and humanist literature.

The criticism that the GNH index is based on subjective assessments has also been raised in Bhutan and was mentioned by some of the Bhutanese interviewees in this study who expressed their concern with measuring individual happiness and whether this is a useful indicator for societal happiness. Interviewee P7 asked:

> *What are we trying to measure when we say societal [happiness]? Because society is not happy, people are happy, individuals, right? ... You are trying to aggregate something, which … can't be aggregated? … Because, happiness it is individual, it is not transferrable, it cannot be aggregated, it cannot be divided also. So I don't know whether that approach even makes sense* (P7).

Furthermore, interviewee P3 highlighted:

> *I've also been in a way a critic of [measuring GNH] … in terms of a real survey, I don't think it meets global survey standards and requirements and all that. Professional surveyors would say, 'hey, this is too subjective, too raw, too loose', I mean, interviewing people for two days, or interviewing people for two hours, not practical, face to face, you know all those faults. Ok, accepting all those, I think … it has been useful. And when it's presented, for example the GNH Commission doing the [policy screening tool] … it's very difficult, very broad … [and the] possibility of a lot of mistakes. But it has given the general direction though, you can see. So we are doing it in a way intuitively* (P3).

Promoting GNH internationally versus solving problems in Bhutan, abandoning GNH

Within Bhutan, some critics have argued that more effort should be spent by the Bhutanese government on solving social and economic problems in Bhutan before promoting the concept of GNH internationally. This criticism has subsided since a new government was elected in 2013. The newly elected Prime Minster Tshering Tobgay directly addressed this criticism after his election by stating *"I'm sceptical on how it [GNH] has been overused by some people and how they have been distracted from the real business at hand"* (The Telegraph, 2013). Some interpreted this as a turning away from the GNH philosophy (BBC 2013). However, Tobgay has since been quoted on numerous occasions making statements such as "*we must remove the obstacles to GNH and be true to it within the country*" (Confino 2014), and *"Gross national happiness is critical for Bhutan. Otherwise, we will undo all our success so far"* (Elliot 2015).

The 2014 State of the Nation address by the current Prime Minister Tshering Tobgay included many references to GNH and highlighted its strategic importance for Bhutan. He also emphasised again the priority of addressing socio-economic challenges in Bhutan, while delegating the international debate and discourse on GNH to experts and academic scholars. He said that:

> *GNH is Bhutan's soft power and our experts and scholars must engage with the world in promoting the discourse on GNH and sharing of our experiences. But we must also remember to implement the true essence of GNH at home. The government's development policies and programs continue to be guided by GNH as propounded by His Majesty the Fourth Druk Gyalpo [Fourth King of Bhutan]* (RGoB, 2014b, p.13).

Furthermore, another sign of continued commitment to GNH in Bhutan is the structure of the State of the Nation address, which follows the GNH's four pillars. This structure was introduced by the previous government and reflects some level of consistency in the commitment to the GNH philosophy by the current government.

Further commitment by the current government to GNH as the guiding philosophy for decision-making in Bhutan was recently cemented with the 2016 State of the Nation address (RGoB 2016). The entire address was dedicated to presenting the state of the nation as it has been documented in the results of the most recent GNH Survey conducted in Bhutan in 2015. The prime minister outlined in detail the findings and announced comprehensive government initiatives in the areas that require attention and support.

This indicates that what sets Bhutan apart in measuring GNH is that it directly informs policy and decision-making on a day-to-day basis. So far, no other country has demonstrated this level of commitment and practical application to working on improving societal wellbeing and quality of life.

GNH is holding back economic development in Bhutan

Lastly, the criticism that the GNH philosophy is holding back economic development in Bhutan has particularly emerged within Bhutan since the GNH Commission began using the policy-screening tool to make decisions about controversial polices and development proposals such as the mining policy and a golf course development. This criticism is mostly voiced within Bhutan's business community and was highlighted in an article in *The Bhutanese* newspaper titled 'Failure of Bhutan's GNH economy: *"There are … considerable questions on the negative impact of the government's GNH initiatives on the growth of the economy by the private sector"* (Lamsang 2013). This concern also emerged in the interviews conducted for this study, which will be covered in Section 3.2.7 of this chapter.

In summary, these criticisms indicate that there is an ongoing debate at a national and international level about GNH and its implications, which is a healthy sign. Some of the findings from the interviews with business and government leaders suggest that there is a call for an even more engaged debate within Bhutan.

2 Business, ethics, sustainability and GNH in Bhutan

This section outlines the state of the business sector in Bhutan and the uptake of CSR practices and it compares CSR with GNH frameworks to demonstrate the differences and similarities between these concepts.

Long-time scholar of Bhutan McDonald (2010, p. ix) points out that GNH is grounded in the connections between virtuous conduct and happiness, which he sees as a contradiction to the values of a market economy. He suggests that GNH thinking requires mature ethics and is in contrast to modern consumerist societies that have separated doing 'good' from being well and happy:

> *There is at the heart of Gross National Happiness an essential perception that sees deep ethics and deep happiness are co- existent states … In the immature ethics of the modern marketplace considerate values and self-restraint confer weakness. Yet this separation of feeling good and doing good comes at a heavy price… In GNH thinking we live as beings with a profound potential for maturity. If conditions are right we can grow into a full humanness – and become wise, compassionate, appreciative and self-restrained. Or if conditions are not right we can find ourselves stuck in immature patterns of delusion, conflict and insatiable craving. It is the latter conditions that economic values drive us towards* (McDonald, 2010, p. ix).

This recognition of the struggle between economic values and GNH values has caused industrialists and business operators in Bhutan to be concerned about the progress of Bhutan's economy compared to other developing countries (Lamsang 2013). McDonald (2010) highlights that economic values compromise human flourishing and the values as they are traditionally found in Buddhist traditions and Bhutanese culture:

> *Equally, the imperative of economic ordering also sacrifices genuine happiness to its ends so that we come to cut ourselves off not only from nature and from others but also from our own deeper selves. To maximize GDP people must be encouraged to live in a constant state of desire for more… All of these disorders combine to force a collapse of the practical ethics that lie at the heart of any decent and sustainable society. The greedy, careless and self-absorbed type most functional for achieving market growth is in fact the opposite of that required for genuine development "* (McDonald, 2010, p. viii).

Yet this is the endeavour of the Bhutanese government and people aims to balance economic development with societal, cultural and human development and so enable the people to become mature, aware humans at their best. The human capacity for pluralism and the interdependent worldview of Bhutanese culture may provide the necessary ability for this balancing act of economic and GNH values.

2.1 State of the business sector in Bhutan

The private business sector in Bhutan has been developing gradually over the last 25 years. The trigger was the privatisation of many state-owned corporations in an effort to diversify the economy and to enhance self-reliance during the period of the seventh FYP from 1992 to 1997(ADB, 2014). Subsequent FYPs emphasised private sector development as a way of growing employment opportunities and establishing a vibrant, diverse economy. Also the Economic Development Plan (RGoB 2010) guiding Bhutan's economic development, the current eleventh FYP (2013–2018) and the Prime Minister's 2015 State of the Nation address (RGoB 2015a), emphasise that private sector development is considered to be vitally important to building a strong economy. There is a focus on green growth in a number of industries including tourism, mining, agriculture, small and medium enterprises and the hydropower sector (RGoB 2015a).

By 2013, the private sector in Bhutan had grown to nearly 62,282 business establishments that employed nearly 79,000 Bhutanese, or 23.5% of the total Bhutanese workforce (RGoB 2014). In comparison, the agriculture sector today still employs 56% of the total workforce. More than 96% of businesses in Bhutan are classified as either cottage industries (1–4 employees) or small enterprises (5–19 employees) employing an estimated 41,763 people in 2014 (RGoB 2015c). Only 1.15% of the enterprises are incorporated companies and almost 98% have sole proprietors. Bhutan currently has a small number of foreign investment companies that operate within Bhutan, such as some of the luxury boutique hotel companies. However there are no large multinational corporations operating in Bhutan.

The global 'Ease of doing Business' ranking has seen Bhutan slip from 122nd place in 2014 to 125th in 2015 (World Bank 2015b). Setting up a business however has become much easier. The number of days needed decreased from 62 in 2005 to 17 in 2014 (World Bank 2015b). Despite the focus on developing the private sector in Bhutan there are many hurdles that impede entrepreneurialism and the business sector. These include a lack of access to credit, foreign exchange shortages (particularly the rupee crisis), regulatory inefficiencies, bureaucratic burdens, levels of risk that are perceived to be unacceptable, lack of skills and knowledge, and lack of infrastructure and transport (Valliere 2014; ADB, 2014). A detailed discussion of these hurdles is beyond the scope of this thesis. However, it is important to note that many regulatory systems and mechanisms that could provide an enabling environment for private sector development are currently under consideration but have not been implemented yet.

Prime Minister Tshering Tobgay acknowledges that government has to take responsibility for assisting the development of the business sector in Bhutan and rejects claims that the GNH philosophy has been holding back the economic development of the country:

> *Don't blame GNH for bad governance … Don't blame GNH for bad policy, or lack of vision. GNH is a platform to achieve and to excel. It's a platform to dream differently and to articulate a vision that is sustainable for Bhutan and maybe for the world. If businesses are not taking off, if the private sector is not taking off, if we are getting the wrong types of businesses in Bhutan, that's bad governance* (quoted in Confino, 2014b).

It is also important to acknowledge that building a business sector in Bhutan in the context of Bhutan as a small market economy, with a sparse population, spread across difficult terrain, limited accessibility and squeezed between the two industrial giants of China and India, is an enormous challenge.

2.2 *State of CSR and GNH in business in Bhutan*

The sections above have outlined Bhutan's development over the past 50 years and the state of the private sector. This section explores the state of corporate social responsibility (CSR) and application of GNH in Bhutanese businesses.

One of the earliest studies that investigated the relationship between the concepts of CSR and the GNH four-pillars framework was a master's thesis by the former Minster for Labour, Dorji Wangdi (Wangdi 2004). He found that three of the GNH pillars correlated with the CSR concepts of 'people, plant, profits' (Elkington 2004) and concluded that the GNH pillar that differentiated GNH from CSR was the pillar of cultural values and ethics.

While the preservation of cultural values and ethics was beyond the scope of Wangdi's (2004) study, it was covered in another master's thesis which investigated CSR in public sector entities in Bhutan (Lhaden 2010). This study found that in the ten surveyed public sector commercial entities, 64% of respondents felt that unethical practices existed, with unfair treatment of employees, unfair recruitment practices and giving gifts, gratuities and briberies being the most common (Lhaden 2010). Of those companies that implemented practices to improve business ethics, the most common methods included having a code of ethics and frequent messages from the CEOs on business ethics. Lhaden's (2010) study also found that 91% of perceived unethical practices that respondents had experienced were not reported due to uncertainty of how regulations defined unethical conduct. Employee engagement and sharing benefits with local communities were also found by the majority of respondents to be lacking. Interestingly, 74% of respondents thought that their companies did not initiate enough training on Bhutan's traditional etiquette and code of ethics *driglam namzha,* although 76% agreed that their companies stressed the importance of the national dress code during working hours. The findings from Lhaden's (2010) study suggest that:

a) There is a perceived lack of engagement with staff in the public sector commercial entities.
b) Uncertainty around clear boundaries and ethics of duty, rights and justice resulted in high perceptions of unethical conduct.
c) The traditional cultural values system is potentially being reduced to a dress code within the commercial sector while the values and behavioural components of the Bhutanese code of ethics are possibly being neglected.

The Anti-corruption Commission of Bhutan (ACC) is currently the only watchdog that is concerned with unethical and corrupt corporate conduct. It has the power to suspend business operations. Since 2009 the ACC has revoked or suspended 14 contract licences and/or business operations for corrupt conduct, mostly in the construction sector (ACC, 2015). This needs to be considered in the context of the Transparency International global rankings of corruption control where Bhutan was placed in 30th position out of 175 countries, ahead of countries like Botswana, Cyprus and Portugal and just behind St Vincent, Qatar and France (ACC 2015). The ACC deals specifically with compliance issues, as their mandate does not extend to the corporate sustainability activities of companies and businesses in Bhutan.

The first legal CSR requirement appears in the Companies Bill of Bhutan, 2015 (RGoB 2015b), adopted in May 2016 (NAB 2016), which requires incorporated companies to embed CSR practices. The Bill includes clause 244.(e) which features a mandatory annual reporting mechanism requiring incorporated companies to outline their *"policy on corporate governance and corporate social responsibility"* (RGoB 2015b p.53).

Another initiative in 2010/11 by a privately owned Bhutanese company attempted to incorporate principles of GNH into a corporate sustainability strategy and developed a framework aligned with the four pillars of GNH. The focus areas for this 'GNH in Business' project included a) greening the business, b) driving community vitality, c) evolving individuals and d) doing business, ethically and viably. In its first year the project focused on 'greening the business' strategies and involved the implementation of environmental monitoring and reporting systems in a five-star hotel and a tour company. A three-year program was developed to include engagement with community and implementing GNH principles throughout the organisations. The monitoring results from the 2010/2011 efforts were published in a project report (Sebastian 2012), which was the first CSR report of its kind published by a private Bhutanese company. Further updates are yet to be published.

A study on the perceptions of CSR undertaken in 2013 by the Bhutan Chamber of Commerce and Industry (BCCI), found that most businesses in Bhutan do not have CSR Strategies in place and engage with their stakeholders on an ad hoc basis (BCCI 2013). Interestingly, the businesses surveyed as part of the BCCI study did not see it as part of the private sector's role to generate employment or to tackle corruption. However, business saw it as one of the private sector's roles to ensure environmental protection. Other findings were that labour conditions were strained and there was a lack of enforcement of environmental and labour regulations. Lastly, the BCCI study found that CSR was mostly perceived as philanthropy by the business community in Bhutan, involving donations to education, sporting and monastic causes. These results, while providing some insights from the larger industrial type companies in Bhutan, may be limited due to the small sample size. However, the BCCI study provides an important baseline to pave the way for future such research.

All of the internal drivers for CSR identified by Visser (2008) that can occur within a developing country are present in Bhutan. They include cultural traditions, political reform, socio-economic priorities, governance gaps, crisis response and market access. However, most of the external pressures, such as international standardisation, investment incentives, stakeholder activism and supply chain demands by multinational companies are not experienced by businesses in Bhutan. This is because the country has largely resisted globalisation pressures so far due to its GNH philosophy, the GNH screening tool and the Foreign Direct Investment Policy. As a result, there is a distinct absence of large multinational companies, with only a small number of foreign investment companies being present and a small fledgling manufacturing industry. This means that the pressures on

Bhutan's business sector to be responsible and ethical are currently still dominated by internal drivers.

Therefore, operationalising GNH for the business sector in Bhutan will require a more deliberate way for business operators to become involved with government and industry associations to contribute to the overarching goal of societal wellbeing. Bhutan's efforts to increase its engagement in the global economy could, however, increase the external pressures. At the same time, Bhutan's Foreign Direct Investment policy is aligned with the GNH values and therefore may assist in limiting the external pressures identified in other developing countries.

Bhutan seems to share similar characteristics with other developing countries throughout Asia and the rest of the world, as in studies that examined CSR application in developing countries. However, the major differentiating factor between Bhutan and other developing nations is that Bhutan has a strong culture and values system as expressed in the concepts of *tha damshig* and *driglam namzah,* combined with the applied development approach of GNH that prioritises the wellbeing of the Bhutanese people as the ultimate goal of development.

In addition, the concept of GNH and its measureable indicators are now starting to be embedded in the business sector with the recently launched 'GNH of Business certification tool' (Zangmo, Wangdi and Phuntsho 2017), which is presented in the next section.

2.3 GNH of Business certification tool

In November 2017, the Centre for Bhutan Studies & GNH launched a proposed 'GNH of Business' certification tool that is being trialled and tested for implementation in Bhutan. The certification tool is based on an assessment framework that focuses on two objectives that assess: a) worker happiness and b) organisational conditions for happiness. As shown in Table 27, the tool is based on the nine GNH domains and collects data on 49 indicators. The analysis process uses the same methodology as the GNH Index with a) identifying & applying sufficiency thresholds, b) applying weightings and c) aggregating and scoring against each indicator (Zangmo et al. 2017). The main way that this GNH of Business certification differs from other business social or environmental certification programs is its proportionately large focus on worker happiness.

Table 27 - 49 Indicators across 9 domains of the GNH of Business certification tool

Worker Happiness	**Organisational conditions for happiness**
Psychological Wellbeing 1. Job satisfaction 2. Trust 3. Workplace environment 4. Workplace engagement 5. Workplace discrimination 6. Workplace harassment 7. Negative emotions 8. Positive emotions	Good governance 1. Local employment 2. Workplace issues 3. Compliance with law 4. Audit 5. Attrition 6. Salary gap
Health 1. Work stress 2. Nature of work 3. Workplace common space 4. Safety 5. Disability 6. Injury 7. Illness	Cultural diversity 1. Cultural volunteerism 2. Cultural donations 3. Cultural promotion
Time use 1. Work-life balance 2. Work's implication on social life 3. Sleeping time 4. Rest and break at workplace 5. Work schedule 6. Working time	Community vitality 1. Community volunteerism 2. Community donation 3. Damages to infrastructure 4. Affect on community health 5. Raw material sourcing 6. Community feedback
Education 1. Professional development 2. Skills development 3. Scholarships	Ecological diversity 1. Emission assessment 2. Solid waste assessment 3. Environmental volunteerism 4. Environmental donation 5. Eco-products and services
Living standards 1. Pay and allowances 2. Satisfaction with pay 3. Satisfaction with retirement benefits 4. Satisfaction with leave systems 5. Satisfaction with fringe benefits	

Source: Zangmo et al. 2017, pp 48 - 49

Some of the limitations of the GNH certification tool include that it was designed for registered companies, which as mentioned earlier only comprise approximately 1.15% of all businesses in Bhutan. This means that the great majority of businesses in Bhutan would not be included or eligible to participate in the GNH certification. Furthermore, the business sector was not involved in the development of the indicators until a pilot survey was conducted with 41 businesses representing 540 workers. The results from the pilot survey revealed that none of the surveyed businesses scored enough to earn GNH certification (Zangmo et al. p.79). This is an indication of the high expectations and sufficiency thresholds that have been set by the certification.

The tool is currently being reviewed and refined with another version due to be released in April 2018. It is beyond the scope of this study to undertake a full review of the GNH of Business certification however there are some recommendations included in Section 4.2 in the context of the findings from this section of the study.

In summary, it is important to note that the concept of CSR is not very well understood in Bhutan, although some ad hoc efforts to introduce are being undertaken by some businesses. The recently introduced Companies Act includes the first regulatory introduction of CSR reporting for incorporated companies. However, since there are only a small number of companies incorporated in Bhutan, this requirement will only reach 1.5% of all businesses. The benefit of such legislation is that the incorporated companies represent some of the larger industrial companies that are most likely to have impacts on Bhutan's communities and environment.

Requiring incorporated companies to have a CSR policy in place through regulatory mechanisms encourages compliance, which has been classified as a 'second wave' approach that is concerned with risk management as illustrated in Benn et al.'s (2014) phase model of sustainability (see Part B, Section 1.6). Enabling business stewardship that focuses on transformational 'third wave' values and behaviours will require a completely different set of conditions to ensure implementation of GNH principles and CSR practices.

GNH, with and its focus on cultural and ethical values with a particular interdependent worldview therefore offers an opportunity for the Bhutanese business sector to model a 'beyond CSR' approach. This is possible because GNH is based on Buddhist values and ethics, which emphasise relational responsibility for the entire socio-ecological system and are well understood, widely practised and revered in Bhutan.

The intersection between GNH and CSR is explored in section 3.3 through the comparison of conventional CSR frameworks with the GNH framework. I undertake this comparison in order to assess whether CSR as a concept is relevant at all in Bhutan, or whether the GNH framework offers a more holistic and ethical approach for application in business.

3 In conversation with Bhutanese leaders

The previous sections of this chapter have covered some of Bhutan's history and how the idea of GNH grew over many centuries from a spiritual and governance aspiration into an operationalised policy tool in everyday use by the government. The state of the business sector and the current level of CSR and sustainability practices in Bhutan were outlined as developments which have occurred over the past 20 years. Since private businesses are in early development, it is not surprising that CSR and sustainability in business are even more recent phenomena that have emerged in Bhutan during the last 10 years.

This section presents and discusses the findings from the interviews conducted with business and government leaders in Bhutan in relation to the first research question and its first three sub-questions. The interview data illuminates the first research question of this study, which frames Bhutan as an example of a country and economy focused on a 'beyond-GDP' approach to development, through its GNH philosophy and metrics. The ultimate purpose of this section is to investigate whether the 'beyond-GDP' development philosophy and Bhutan's interdependent systems worldview inspire a 'beyond-CSR' mindset and behaviour in Bhutanese businesses, and if so, how this happens.

Before considering Bhutanese leaders' perspectives on GNH and the NDP it is useful to understand their perceptions of 'happiness'. The next section summarises some definitions of GNH and happiness from a Bhutanese perspective.

3.1 Definitions and perceptions of happiness in Bhutan

Definitions of GNH and happiness are often intermingled in the literature and it is therefore useful to draw out some definitions and perceptions found in academic and grey literature about Bhutan, and some that were provided by the Bhutanese interviewees in this study.

While there are a wide variety of perspectives on what happiness means in Bhutan, all of them differ from most of the Western interpretations in that they don't focus solely on the pursuit of individual happiness. They are profoundly based on the interconnectedness of 'the self' in context with 'the other', recognising the interdependent nature of life and all phenomena.

Happiness as an interconnected phenomenon

One example of seeing happiness as an interconnected phenomenon is the definition offered by the former Prime Minister of Bhutan, Jigmi Y. Thinley at the 'Educating for GNH' conference in 2009. He frames individual happiness in relationship to others and nature, and thereby brings into the foreground the connection between emotional and social intelligence and collective wellbeing:

> *[W]e have now clearly distinguished the 'happiness' component in GNH from the fleeting, pleasurable 'feel good' moods so often associated with that term. We know that true abiding happiness cannot exist while others suffer, and comes only from serving others, living in harmony with nature, and realizing our innate wisdom and the true and brilliant nature of our own minds* (Former Prime Minister of Bhutan, J.Y. Thinley in Hayward & Coleman 2010, p.14).

One of the interviewees in Bhutan (P4) considered the interconnected nature of happiness as a condition that can be created among families, and believed it could become the source for peace and contentment within a community:

> *On the other hand there is every possibility that if you as an individual are able to find peace, that you will be able to share this and build the cause for your family to be happy. And if you are happy, if your family is happy, if your family and you are at peace with each other and as a family there is every possibility that you will be able to spread this peace within the community and so on it goes on … your happiness comes from the happiness of other beings around you… in this interconnected world. You cannot be happy if the world around you isn't happy, you cannot be at peace if your family is unhappy"* (P4).

Another Bhutanese interviewee (P13) demonstrated an awareness of the implications of the contagiousness of happy or sad moods and hence how each individual member of society has a responsibility for their conduct and state of mind:

> *I think one of the core values, out of which this GNH has come about is … the Buddhist value [of] interconnectedness. And I think that is the core, one of the core principles of GNH. And therefore the happiness would be contagious, the sorrow would be contagious and the actions of one section of the society would have implications, ramifications to the rest of the society. I think it is really founded on those beliefs and those ideas and therefore yes, if your happiness could make somebody else happy, just as your sorrow would make somebody else sad as well* (P13).

This understanding of the interconnectedness of happiness and life was mentioned by most of the Bhutanese interviewees and provides the basis for the perception that happiness is something to share rather than something for an individual to receive and keep. Furthermore, the term contentment is often used in Bhutan to describe what happiness means in a Bhutanese worldview:

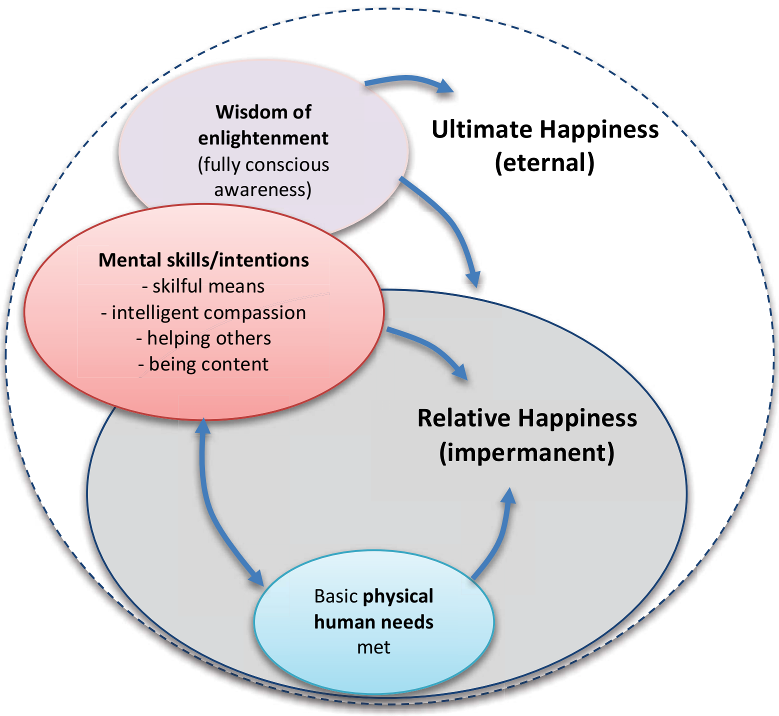
> *Happiness, in the context of GNH, has nothing to do with the fleeting senses like fun, pleasure, excitement, and the thrills for which millions of people now go to Disneyland, nor with the temporarily "happy" mood we feel when we get something we want. It is the deep and enduring sense of contentment. This contentment lies within the self, so we look inside ourselves to find this happiness. Beyond the satisfaction of basic needs, external sources, particularly material sources, will not enhance happiness... And it is also important to understand that seeking happiness within ourselves does not mean that we only care about our own happiness. It is a selfless pursuit, acknowledging that we cannot be happy if those around us are unhappy* (Dorji 2012).

Happiness in Buddhist philosophy

As Tashi (2004), a Bhutanese scholar, monk and museum director emphasises, the Buddhist philosophy is based on the conviction that looking outward and relying on external circumstances and support to achieve happiness is the cause of much suffering and unhappiness. According to Tashi *"Buddhist philosophy states that relying on such external factors as the source of happiness will only lead to unhappiness. The Buddha advised his followers that if they desired true happiness, they should concentrate on cultivating inner contentment."* (Tashi 2004, p.484).

He also differentiates between two levels of happiness that are described in Buddhist teachings as ultimate and relative happiness, which can be achieved through different paths. As illustrated in Figure 43, relative happiness can be achieved by meeting basic human needs and being able to exercise mental attitudes such as skillful means, intelligent compassion, helping others and being content. This kind of happiness is considered impermanent as it influences, and is influenced by, emotional capacity and intelligence. Underlying relative happiness is the lasting and deep sense of contentment described as ultimate happiness. This happiness of ultimate peace of mind is achievable through the practice of mental skills and intentions such as skillful means and intelligent compassion, which reveal a state of wisdom that is accessible to every human being. The mental skills and training therefore form the link between relative and ultimate happiness.

Figure 43 - Ultimate and relative happiness as explained by Tashi (2004)



Source: This is a visual interpretation of Tashi's (2004) description of the two levels of happiness

The interviewees for this section of the study confirmed their understanding of happiness based on Buddhist philosophy as the main source of the Bhutanese conception of happiness: *GNH for Bhutan is based on our culture and our understanding of happiness, which is again from Buddhist principles* (P1).

Interviewee P7 draws on Buddhist philosophy in deliberating about happiness and suffering to conclude that only struggle, rather than the pursuit of individual happiness, gives a sense of meaning to life. P7 implies that happiness is perceived as favourable life circumstances that bring comfort but not necessarily contentment. This response demonstrates that the English term 'happiness', and the Western view that it is an individual pursuit, does not necessarily align with the Buddhist and Bhutanese worldview of contentment and happiness existing in relationship to others:

> *If you take ownership of your life and you believe that you are the creator of your own happiness … it really comes down to your outlook on life and how you approach*

life… I think really it comes down to Buddhism, because Buddha didn't teach happiness, he taught suffering, right? … [if] you have whatever you want, then what's the point of living. So in some ways, life is characterised by struggle. Without that, there is no meaning, but if happiness means no struggle, then I don't know what it means… what does happiness mean and is struggle an essential part of us as humans… and may be Buddha was really wise to not talk about happiness but talk about suffering. So how not to suffer and if you can remove suffering, then… you are more likely to be happy and contented… maybe it's the wrong question… it shouldn't be about happiness but it should be about suffering and maybe 2,500 years ago he saw that. And that is his wisdom (P7).

Interviewee P7 expressed an insight about Buddhist teachings and the recognition that a Buddhist approach to a fulfilling life may be wiser than the pursuit of purely individual happiness. This illustrates a position that contrasts with the Western notion of happiness, which is based on seeking pleasure and avoiding pain. Interviewee P4 also connects Buddhism and its meditation practices and values to the path for achieving contentment: *"as a Buddhist you know, mindfulness, I think is very important, compassion, meditation … the acceptance of the truth"* (P4).

There is no doubt that the Buddhist tradition and philosophy that came to Bhutan in the eighth century CE is the worldview that shapes Bhutanese perceptions of happiness, which is differentiated from Western perceptions of happiness. It is based on a sense of interdependence with others' happiness, and with society and nature, and does not emphasise the seeking of pleasure and material wealth. It is focused on inner development through contemplation, compassion for developing an interdependent worldview.

Societal wellbeing and individual happiness

Interviewee P1 pointed to the core difficulty that Bhutanese society has with the term 'happiness' as it is perceived in Western culture. It is seen to be implying a focus on personal or individual happiness rather than societal concerns. P1 points out that the context for 'happiness' in GNH is used as a vision for development in Bhutan. There is also a hint of concern that the 'happiness' in GNH is being misinterpreted as the pursuit of individual happiness as it is viewed in consumerist societies:

happiness again even the definition we have to be careful with that. I think that's partly why in Bhutan we've not moved forward also, people are getting stuck on what happiness is and this whole personal thing. I think we have to understand that

> *for the NDP [New Development Paradigm] and for GNH we are talking about [a] vision for development because that's the context* (P1).

Also, an interesting notion was proposed by P1, who suggested that what people perceive as happiness now, might change over time as societies evolve and mature. This suggests happiness is better perceived as an emergent phenomenon that changes in meaning with the conditions of the socio-ecological system. The literature review illustrated the point that different cultures and societies interpret 'happiness' in vastly different ways, and ascribe varying levels of value to individual and/or societal happiness. The following comment by P1 posits that over time, definitions of happiness will change as societies change, which adds time as a variable in the quest for defining happiness:

> *[A]s you … advance … then [needs] will keep changing and the idea is that people once [their] needs are fulfilled, and maybe people have applied whatever happiness skills, whatever transformations have taken place individually, or as a community or as a society, then maybe even the idea of happiness might change so that's why we are not really defining [it], we've given some broad guidelines. It could change* (P1).

Interviewee P4 describes the development frameworks of the NDP and GNH as the mechanisms for creating favourable conditions within the country for individuals to pursue happiness. The focus on the conditions of the socio-ecological system in Bhutan indicates a profound awareness of the complexity of life. It is an awareness that distinguishes between the responsibility for individual happiness and the government's responsibility for creating enabling conditions for happiness:

> *[I]n the end happiness is a subjective state of being. And whether you are happy or not depends on how you feel about it. You know, what it is that you are looking for in life, what it is that gives you satisfaction and contentment and reasons to be happy. And this model basically the new development paradigm, the GNH model what these propose are basically the establishment, improvement, creation of enabling conditions … for one to be able to pursue happiness* (P4).

Interviewee P4's awareness of happiness as a subjective state suggests that there is a level of control that anyone can have over their own mind and subjective experience. This is a highly evolved attitude towards human nature and capabilities that seems a natural and underlying assumption in Bhutan.

Interviewee P3 also highlights wellbeing as describing the conditions or the path to the goal of happiness and therefore draws a clear distinction between wellbeing and happiness. This reflects the Buddhist distinction between ultimate and relative happiness, where wellbeing describes relative happiness in relation to the goal of ultimate happiness (as shown in Figure 43):

> *So what I saw was, what came into perspective really was 'wellbeing' you know all the emotional, physical, societal wellbeing, is a condition needed, right, for happiness…So happiness is a goal, and wellbeing almost the path [or] the strategy* (P3).

Interviewees P6 and P10 also expressed similar sentiments about individual and societal happiness as being interdependent phenomena that are inseparable:

> *[H]appiness of the individual can be achieved via the happiness of others in that sense of the word … But the focus is definitely on community* (P10).
>
> *[I]f you don't know how to take care of our own wellbeing, or we're not happy ourselves, then you will not actually be able to give or create happiness in the society. So I think that is very crucial here* (P6).

These quotes suggest that the interviewees see happiness as multi-directional, going from self to others and from society to the individual. There also seems to be a pronounced sense of responsibility for the individual's happiness as it is understood to influence others and the entire socio-ecological system. The Bhutanese worldview therefore is a demonstration of the principles of the ethics of relational responsibility.

Happiness as a skill

When asked about the New Development Paradigm (NDP) framework, many of the interviewees agreed that happiness is a skill as well as a state of mind. The NDP framework suggests that 'happiness skills' are an essential part of a new way of thinking about development and progress. In the context of happiness as a social phenomenon Bhutan adds another dimension. Seen as a skill that can be cultivated, trained and learned, happiness becomes something that is within the reach of every human being:

> *But even if a community, a society, a nation is able to provide the best and the most ideal conditions, in the end it's your state of mind. So you have to be able to I guess appreciate, access and take advantage of these enabling conditions, so that you can actually enjoy them and find the causes and the means … to use these to make you*

happy. So you have to have the skills…the skills are very important and of course it also conveys very clearly that there can be no model for happiness as such, there can only be models to create these enabling conditions (P4).

Interviewee P4 also makes the connection between happiness skills and Buddhist spiritual practice suggesting that these practices cultivate a sense of sufficiency, which favours obtaining enough material wealth rather than an excess of wealth":

And it is very possible given the kind of skills, if you are reasonably well skilled, let us say a person who is able to balance his material and spiritual needs, you know spiritually trained I'd say as a Buddhist, you know I think he or she will be able to find happiness and enjoy wellbeing with minimum conditions, material conditions (P4).

Interviewee P3 refers to scientific research by Richard Davidson (Davidson & Jackson 2000), which presented evidence that happiness can be taught and learned as a skill that goes beyond the short-term emotional states of happiness and unhappiness. This refers to the crossover between relative and ultimate happiness as described by Tashi (2004) earlier:

[W]hat was also very interesting here what was very important which we included here was the skills, that you may have the right conditions but it doesn't give you automatic happiness. Based on that you actually need to develop the skills… happiness is a skill that can be taught …Richard Davidson has been presenting that, you know, happiness is a skill, so it's not that esoteric, feel-good concept anymore, right. It's okay, that contentment (P3).

In summary, the definitions and perceptions of happiness in Bhutan suggest it is as an interconnected phenomenon which links individuals, society and all life forms. These perceptions are rooted in the Buddhist philosophy that differentiates between the conditions for relative happiness and the state of complete enlightenment or contentment as ultimate happiness. They also consider that societal wellbeing and individual happiness are mutually dependent, and that happiness is a skill that can be taught, practised and learned.

3.2 Bhutanese leaders' perspectives on GNH and the NDP

This section summarises the perceptions by Bhutanese business, government and NGO leaders relating to the concepts of GNH and the NDP framework. The perceptions were analysed by comparing business leaders' and government and NGO leaders' perspectives.

The perceptions that emerged from the Bhutanese leaders are organised here according to seven themes:

1. GNH values and purpose
2. GNH discourse and debate in Bhutan
3. International engagement by Bhutan in debate on GNH, beyond-GDP and the NDP model
4. GNH concepts and instruments (4 pillars, 9 domains, GNH Index, GNH policy screening tool, NDP framework)
5. GNH implementation in Bhutan
6. Education and skills for GNH
7. Bhutan's development.

3.2.1 GNH values and purpose

Interviewees discussed the GNH values and purpose in a positive light but also in relation to tensions or challenges that the concept of GNH and the NDP framework presented to them. Hence, this section presents supportive as well as challenging perspectives of GNH.

Most of the Bhutanese interviewees in this study referred to the values systems of *tha damshig* and *driglam namzha* unprompted. They referred to it, not by name but by sentiment, which demonstrates how infused they are with the worldviews and decision-making processes of business and government leaders. Many of the interviewees believed that the values system was part of culture and tradition long before the formulation of GNH, its four pillars, nine domains and GNH Index.

The intention to contribute to the country and nation building seemed to be an important part of the reason for some of the interviewees to start a business:

> *We were brought up with this sort of ethic of gratefulness for the position that we were in … but I think that [idea] has always been there, to serve and make a difference. And that's part of what drove me also to look for something that I could now on my own perhaps contribute* (P7).

There is some evidence in most of the interviews that suggests the values of generosity, care, contribution and a sense of duty to the country and society are deeply embedded in daily life and in the mindsets of the business and government leaders. Those values are present in the importance ascribed to philanthropy once a business operator is successful and is able to meet their own family's needs.

There were a number of business leaders who gave examples of how they are implementing GNH principles and values in their businesses. Out of the eight Bhutanese business operators interviewed in this study, five (P2, P6, P7, P9, P12) quoted specific examples of how they implemented GNH in their businesses. One of the five business operators (P2) had even developed a specific project to incorporate a GNH and CSR approach. Examples of how Bhutanese businesses interpret and implement GNH are outlined in more detail in the GNH implementation in business in Section 3.3.

Supportive perspectives

Government, NGO and business leaders drew the connection between Bhutan's cultural value system and Buddhist philosophy, which they saw as ingrained in Bhutanese society. These values were primarily recognised as Buddhist values rather than GNH values (P9, P13, P14, P15). This is a significant distinction often misunderstood by a Western audience, who question how many people in Bhutan actually support the monarch's idea for the country to focus on societal happiness and wellbeing and not only on economic performance. The underlying values and principles of GNH are represented in the Buddhist philosophy that has shaped Bhutanese culture for the past 1200 years. One of the government leaders, P13 explained that what is called GNH today has always been a natural part of Bhutanese life:

> *In fact, GNH was almost a natural way of being, a natural way of doing things for Bhutan for centuries. Because as I said, it comes from this deep-seated spiritual belief of interconnectedness, the respect to society, the respect to the nature around us, the environment around us. So it was almost natural for the Bhutanese society to aspire for harmony within the society, and also harmony with … nature* (P13).

In some sense, GNH can be seen as a secular interpretation of Buddhist values offering a set of universal human values that could potentially appeal to any nation and nationality in the world. From what is known about how GNH emerged, the GNH concept was not developed with the purpose of promoting it to other nations or cultures. However, since the Fourth King of Bhutan coined the term GNH in answer to a question by a foreign journalist, the term was obviously meant to relate to a non-Bhutanese and English language context, specifically to contrast with the concept of Gross National Product. The concept of GNH may face hurdles of implementation in Bhutan due to English terminology and the implications of a Western concept of happiness that comes with it. As outlined earlier in the literature review, Western conceptualisations of happiness tend towards a self-interested prioritisation of the individual pursuit of happiness that contrasts with the Bhutanese concept of individual and collective happiness being inextricably interconnected. The Bhutanese view of happiness demonstrates an interdependent worldview that is based on the principles of mutual causality. In this view the concept of self or the individual is not bounded or separate but part of an emergent reality.

One of the NGO leaders (P14) noted that people are attracted to the concept of GNH because *"it taps on what people are already feeling right now because of the financial crisis and the environmental crisis, which is a sense of the deeper purpose and meaning behind our lives, and that's on an individual level and on a planetary level".* This indicates that international audiences may recognise that the Western perception of the individual pursuit of happiness may not be the path to a fulfilled life.

In addition, government leader P5 referred to the NDP model as being based on GNH and suggested that it is important to remember that societal happiness needs to be achieved within planetary boundaries. This focus positions GNH and the NDP in the context of socio-ecological conditions and limitations that function in an interconnected manner.

In general, a number of leaders across business and government said that GNH to them was a way of finding a balance between competing priorities in life (P4, P7, P10, P11, P12 and P13). One of the business leaders described it as finding the middle path (P11). Two other interviewees (P7 and P10) offered the following summaries of what GNH meant to them:

> *If I had to draw one single conclusion from my side it would be about balance. It's about tradition and about modernity. So, about development and about preservation. It's about opportunity, yet it's also about preserving things as they are* (P7).
>
> *A balance between material growth, that is prosperity levels in the traditional sense that we must pursue, that we can't avoid. And yet, balancing that with other elements of life that are crucial for wholesome living. So whether it's spirituality, whether it's culture, and environment, that balance is important. So that's ultimately what GNH is* (P10).

These sentiments seem to display a strong capacity by the Bhutanese leaders to be able to make trade-off decisions and deal with contrasting dimensions of life in a considered way. It did not appear to be causing stress for the interviewees to be juggling paradoxes and concepts at the extremes of a spectrum. This reflects what Jackson (2000) describes as the capacity for pluralism, and what Meadows (1999 & 2008) describes as transcending paradigms. It also supports McNamee & Gergen's (1999) concept of ethics requiring relational responsibility.

Some of the values that interviewees mentioned in relation to GNH included honesty, generosity, caring for others' wellbeing, taking time to deliberate, selflessness, interconnectedness, reciprocity and giving something up voluntarily (P1, P5, P7, P8, P13, P15). One business leader even described the purpose of GNH as being about giving something up (P8) or in other words non-attachment to material things. Two other interviewees also suggested that GNH means willingly making a personal sacrifice for others (P5, P7). This sentiment was also reflected in the comments by two of the business leaders (P6, P9) who described GNH as a sufficiency mindset, reflected in their sense of knowing what is enough in terms of material possessions:

> *For me personally it means... having my basic necessities, like I have enough. I have … enough to eat. I have … a good shelter over my head. Not in terms of having a luxurious life, but having my basic necessities met. I think that's enough* (P6).

This perspective was also reflected by one of the business leaders (P15) who suggested that reciprocity and support are all pervading throughout Bhutanese society, not necessarily at a conscious level but as implicit societal and cultural norms:

> *The whole society is [based on that] you have to help each other in the things that you do… it's just a philosophy in the whole Bhutanese society system, from the villages where we grow up, …. you have to share with other people … who are not doing so well… [while] it's not strictly written saying that the happiness of somebody else is your own happiness, … it's understood because of the Bhutanese philosophy and the way we live and help each other* (P15).

There are many positive perspectives that the interviewees shared about GNH values, which they acknowledged as lived Buddhist values that manifested in balancing basic needs and material wealth to prioritise societal reciprocity and interdependent happiness.

Challenging perspectives

One of the major challenges and tensions that emerged in discussing the GNH purpose and values with the interviewees related to the role of the individual in the context of GNH. While ascribing responsibility to the individual for learning the happiness skills or emotional intelligence skills to draw on the conditions for wellbeing, the interviewees also wrestled with the idea that too much focus on individual happiness was a distraction from the purpose of GNH.

Interviewee P8 highlighted the challenge of following a GNH life, similar to a Buddhist life, which in P8's view requires a very selfless mind, conduct, tremendous effort, dedicated commitment, strong values and strong ethics. P8 also thought that very few people know how to lead a Buddhist life and therefore find it challenging to lead a GNH life. Two of the government leaders (P1, P4) also mentioned that GNH requires much individual responsibility and therefore presumes responsible citizens with high levels of emotional intelligence. P4 explained:

> *But even if a community, a society, a nation is able to provide the best and the most ideal conditions in the end it's your state of mind. So you have to be able to I guess appreciate, access and take advantage of these enabling conditions, so that you can actually enjoy them and find the causes and the means … to use these to make you happy. So you have to have the skills. And as a Buddhist you know, mindfulness, I think is very important, compassion, meditation, … the acceptance of the truth* (P4).

On the other hand, P8 pointed out that too much focus on individual happiness leads to selfish behaviour that sabotages the intention of GNH:

> *So when we cherish ourselves too much we forget others. Then the whole purpose of GNH is lost somewhere … It's a beautiful philosophy, principles, thoughts, views. That's the big fortunate part. The unfortunate part is the people who want … to follow [it as] a spiritual path or as a way of life, need tremendous, intense dedication* (P8).

Some of the interviewees also referred to the idea that individual happiness depends on the happiness of the world around us and emphasised that individual and societal happiness are two inextricably interconnected phenomena in Bhutan:

> *[Y]our happiness comes from the happiness of other beings around you, you know in this interconnected world. You cannot be happy if the world around you isn't happy, you cannot be at peace if your family is unhappy* (P4).

One business leader (P8) and one government leader (P10) commented that GNH is not only about the individual pursuing happiness. They said that GNH also highlights the importance of the common or collective happiness of society. Interviewee P10 said:

So when you talk of cultural diversity and resilience, community vitality is about community, social security. [GNH] shouldn't be about the individual alone it should be about community also. So in that sense yes community, yes happiness of the individual can be achieved via the happiness of others in that sense of the word… but the focus is definitely on community (P10).

Gross National Happiness, when you involve 'national' it's the public we are talking about our collective happiness or common happiness and that involves a very selfless mind, speech and dedication (P8).

In summary, the values and purpose of GNH in Bhutan were described as harmony within society and with nature, understanding of interconnectedness of all phenomena and a sense of balancing competing priorities that require trade-off decisions in favour of societal wellbeing. The interviewees mentioned a set of interpersonal values and characteristics relating to GNH, which include honesty, generosity, care for others, taking time to contemplate and make decisions, selflessness, reciprocity, non-attachment to material items and knowing what is enough. Interviewees seemed uncomfortable with the concept of the pursuit of individual happiness as part of GNH, which they saw inherent in the English word 'happiness'. Some of them perceived the pursuit of individual happiness as a distraction that leads to selfish behaviour. Others thought it to be an individual responsibility to make the best of the conditions the government provides for wellbeing, which requires the skills and awareness to understand and manage one's own state of mind. This approach was expressed by some of the interviewees, implying that individual and collective happiness are inextricably interconnected.

This illustrates the interdependent systems view of happiness as described in the literature review Part B, Section 2.11. This worldview forms the basis of the Bhutanese paradigm, which is fundamentally different to the Western worldview of happiness, based as it is on the individual pursuit of happiness.

3.2.2 GNH discourse and debate in Bhutan

In relation to the GNH discourse in Bhutan, the business leaders offered much constructive criticism. Some of these reflected the criticisms of GNH that appeared in the Bhutanese media and were covered in Section 1.5 earlier. For example, business leader P8 thought that GNH was surrounded by a lot of politics and was used by government officials and by foreigners to justify travel to and from Bhutan. Similarly, government leader P3 suggested that GNH had been politicised: "I *think it has been politicised and criticised as people going out giving speeches on GNH… Ok, and it came into the political debate also"* (P3).

Another business leader (P12) acknowledged the original idea of GNH as being about prioritising people's wellbeing. However, interviewee P12 also questioned whether the current interpretation of GNH by the first and second democratically elected governments is supportive enough of business, and equated it with hard-core environmentalism:

> *If you talk to the environmental hard-core, GNH hard-core types they say 'oh, these guys are bad, you just got to shut them down'… if you talk to the hard-core [industrial] guys they are like 'ah, forget it, no matter what we do, whether we do anything or not, we are their enemy and that's it'… but the original GNH philosophy is … pro-people the interpretation of that original philosophy* (P12).

This particular business leader (P12) also suggested that the current interpretation of GNH is at risk of becoming a socialist approach that tries to make everybody equally poor. However, interviewee P12 acknowledged that the capitalist system has also been unsuccessful in trying to make everybody equally rich. This shows once again a leader's ability to remain undisturbed in the presence of two opposing concepts, and to be able to see both views as detached observations rather than emotional arguments. This demonstrates a capacity for pluralism that characterises the Bhutanese worldview.

Another concern raised by the business leaders was that GNH should not be sacrosanct and there should be more rigorous and open debate on GNH in Bhutan (P7). The lack of open and honest discussion was considered a key weakness of GNH in Bhutan, not only by the business leaders, but also with an equal sense of urgency by the government and NGO leaders.

Government leaders P3, P5 and P10 mentioned that there has been a lack of in-depth discourse and applied thinking on GNH. They also pointed out that this dialogue is required to build understanding and bring GNH values and principles to conscious awareness within Bhutan, rather than continuing international outreach. Interviewees P3 expressed this sentiment as follows: *"Because what … Bhutan land of GNH is missing, I think we are missing the intellectual input, the real in-depth discourse… We have screening tools but not enough discourse"* (P3).

Government leader P1 talked about a disparity in Bhutan between how people talk about GNH and how they actually behave.

> *I think these real disparities are there and [the] danger of the rhetorical GNH hiding all that… So everyone is nice about it, we say 'Yes, yes GNH', but then we go and do something else. So in a way at that practical level GNH is not getting in the way. People are fine, you know, we are still doing our business* (P1).

The danger of GNH becoming a rhetorical tool to hide real problems that Bhutan is experiencing was also noted by the current Prime Minister Tshering Tobgay who was quoted by Confino (2014b) as saying: *"Unless we are honest in Bhutan and stop hiding dirt under the carpet, we cannot improve and cannot put the wonder of GNH into use. We say the Bhutanese extended family is the basis of GNH yet we are in a phase where there are unprecedented divorce rates, domestic violence, drug abuse and suicide."*

While there seemed to be agreement among the interviewees from business, government and NGOs that there is a need for more dialogue on GNH in Bhutan, there appeared to be different views on who should be responsible for engaging Bhutanese society in this dialogue. Interviewee P14 suggested that civil society organisations in Bhutan should be the drivers to embed GNH as a way of life throughout society, while government leader P1 referred to the government's responsibility for creating the conditions for GNH. Government leader P10 suggested that the government's think-tank, the Centre for Bhutan Studies and GNH Research (CBS), should be the agency to encourage international debate.

While there are a number of organisations in Bhutan that specifically deal with GNH, as mentioned in Section 1.4.2, they all have a different focus and therefore all of them seem to have a place in contributing to the GNH dialogue in Bhutan. Part B, Section 3.8.2 outlines the NDP model, including the various GNH organisations and how they currently contribute to creating the conditions for GNH in Bhutan. It seems that there is a role for all of the organisations mentioned. Engagement among all of these organisations would also contribute to a participatory approach, which government leader P3 observed was missing in Bhutan.

In summary, the discourse and debate on GNH in Bhutan was perceived as having become politicised during the second democratic elections in 2013. However, this politicisation seems to have receded now. Both Bhutanese business and government leaders expressed the need for more rigorous and in-depth discourse within Bhutan about GNH. The concerns voiced by government leaders included the danger of GNH becoming rhetorical, with a discrepancy emerging between how people in Bhutan talk about GNH and how they behave. Another concern was that GNH might have been used in the past to hide the actual socio-economic challenges the country is facing. Also, business leader P12 expressed concern that the original philosophy of GNH is in danger of becoming too much like a socialist agenda, hampering business because of the 'hard-core environmentalist' interpretation of the GNH philosophy. Further discussion revolved around which organisation should lead the debate on GNH in Bhutan and it seems that all of the existing government, NGO and academic institutions engaged with GNH have a vital role to play in furthering this discourse.

3.2.3 Bhutan's engagement in international context

Government and NGO leaders in this study made the majority of the comments relating to Bhutan's engagement in the international debate on sustainable development (P1, P3, P4, P5, P10, P14). However, one of the business leaders (P7) commented that GNH is a useful concept that fuels the international 'beyond-GDP' debate, as it provides a balancing mechanism to GDP as a measure of progress.

Bhutan's contribution to the international debate has mostly focused on outlining GNH in the context of the beyond-GDP debate and the development of the NDP framework and resulting report (NDP 2013). The engagement with an international working group in the preparation of the NDP framework, which was commissioned by the UN in 2012, provided a unique opportunity for Bhutanese government officials to learn from the expertise of international scholars and institutions. Government leader P3 acknowledged this was a significant benefit of the NDP process in Bhutan:

> *What was also important … in this process… listening to people, talking to people, … discussing GNH, we found out… that there is a lot of good work being done… on sustainability, sustainable development, climate change, global warming, there is so much work done there which can give us more depth… And the idea was that we were going out to learn, much more than going out to preach. I think the whole premise is that we are not in a position to change the world, we are not here to tell you what to do, but we are learning from all these, really good work done* (P3).

The second democratically elected government of Bhutan, which came to power in 2013, was thought to have turned away from GNH. However, the current Prime Minister Tshering Tobgay has always maintained that his priority is to implement GNH principles, values and policies at home rather than to promote the concept internationally. Harris (2013) quotes

Tobgay after his election as Prime Minister as saying: *"Rather than talking about happiness, we want to work on reducing the obstacles to happiness".*

One of the government leaders (P3) further explained that the ongoing desire of international leaders and agencies to learn from Bhutan about GNH as a development philosophy is continuing to put pressure on Bhutan to engage in the international 'beyond-GDP' discourse:

> *The government has come back into GNH, and this is very interesting, like GNH, the story of GNH itself, I think the world is not allowing Bhutan to drop it... everyone who comes to see me wants to know about GNH* (P3).

One of the senior government leaders from the current government (P10) emphasised continued engagement and international discourse is important, said that responsibility for the international discourse lay with scholars and experts rather than government officials:

> *[D]iscourse on GNH particularly at the international level must be encouraged. But those who lead and participate in the discourse, must be experts and scholars. Not government officials. Our job is to implement programs… that are consistent with the principles of GNH that will help achieve some of the ideas of GNH. That's our job* (P10).

This is a clear delineation of roles as seen by the current government. It confirms the government's intention of operationalising GNH in Bhutan and opens the space for experts and scholars to contribute to the international debate.

Another key point raised by one of the government leaders (P3) was that a key component that is lacking in the international discussions on sustainable development:

> *[W]hat was missing in all this international discourse, is culture. Nobody even now, is looking at culture, the importance of culture… if this goes in to the new thinking, it will be Bhutan's contribution, because we were emphasising that. Not just going there in our Ghos and Kiras [traditional Bhutanese dress]… but reminding people… And a lot of people said, 'Oh yeah, culture is the basis of identity, culture is the basis of human, not just identity, values! Yes, so that was something I really found missing everywhere* (P3).

This point is one of the core contributions of Bhutan's sustainable development model as represented by the GNH and the four pillars. These features differentiate it from most other sustainable development models. The inclusion of human and cultural values, and therefore ethics, as core components of sustainable development, may provide a critical missing lever to create a different milieu for businesses and their role in society.

Bhutan's challenge is that the formalised concept of GNH as an index and policy-screening tool seems to be more of interest to an international audience than it is to the Bhutanese population, who base their values and way of life primarily on Buddhist principles that have been handed down for generations.

In summary, the perceptions about Bhutan's engagement in the international sustainable development debate were mostly commented on by government and NGO leaders rather than by business leaders in Bhutan. One of the government leaders suggested that the opportunity for Bhutan to learn from the expertise of international scholars and institutions through the NDP project in the lead-up to the UN's 2030 SDGs was one of the main benefits of Bhutan's engagement in the international sustainable development debate. Another government leader noted that Bhutan's main contribution to the international sustainable development discourse has been the focus on culture, value systems and ethics as key components in pursuing sustainable development. Bhutan's current government has been focusing mostly on implementing GNH principles and policies in Bhutan to improve the conditions for wellbeing at home. However, government leaders are finding there is continued demand from international leaders and organisations wanting to learn about GNH and its implementation. This indicates that GNH continues to attract attention and interest from an international audience. Current government leaders believe that the international discourse needs to be led by scholars and academics and not the government itself.

3.2.4 GNH frameworks and tools

There are a number of frameworks and tools that have been developed for measuring and applying GNH in a policy context. These frameworks and tools include the four pillars and nine domains of GNH, the GNH Index and policy screening tool, and the NDP framework. As for the previous topic, most of the comments on GNH tools were contributed by government and NGO leaders interviewed. The only comment from business leaders was contributed by P7 who questioned the value of the GNH survey results and wondered what story they really tell, since they are based purely on peoples' subjective perceptions and past reflections. This issue was also raised by one of the NGO leaders (P5) who suggested that measuring happiness at one point in time is not useful in larger-scale policy making as it can be misleading for policy makers. Interviewee P5 suggested that objective measures needed to be separated from subjective measures, but both should be used to progress the GNH tools and the NDP framework.

Government leader P3 thought that the GNH Index results were helpful for policy makers who wanted to understand the situation in Bhutan better and for decision-making. However, P3 also suggested that both the GNH Index survey methods and the GNH policy-screening tool require refinement and improvement. This indicates a willingness to improve and adapt the GNH tools to serve their purpose better.

One of the most interesting comments was made by NGO leader P14 about the NDP framework. It related to the 'happiness skills' that are presented in the framework as an essential part of achieving societal happiness. The 'happiness skills' in the NDP framework can also be interpreted as emotional and social intelligence skills which draw on human historical experience, wisdom traditions and modern science:

> *I think happiness skills … that's part of the most radical thing that's new on this [NDP] chart… If you have happiness skills then that leads to social happiness. And the Nine Domains, that if those are flourishing and well, then they contribute to the happiness skills leading to social happiness* (P14).

Like the fourth pillar of the GNH framework, cultural and human values and ethics, which are new elements which GNH brings to sustainable development models, the NDP model offers another concept that seems to push the boundaries of sustainable development frameworks by including emotional intelligence skills as an essential lever for successful sustainable development.

In summary, the GNH and NDP framework and tools were considered to be partly problematic due to the methodology used. They were therefore seen as being in need of refinement. However, there was acknowledgement by government leaders that the results from the GNH Index survey are useful for policy making. The points of view shared by the interviewees indicate that business and government leaders do engage with the GNH survey results, and that they believe the survey, tools and frameworks for sustainable decision-making can be improved. Furthermore, the importance of emotional intelligence skills or 'happiness skills' in the NDP framework was mentioned by interviewees as unique among sustainable development approaches. This NDP is the first sustainable development framework that suggests the development of mental, emotional and social skills are a key component of sustainable development.

3.2.5 GNH implementation in Bhutan

The topic of GNH implementation in Bhutan attracted much concern and comment from business, government and NGO leaders alike. Some of the key messages, particularly from business leader P8, related to appreciation for the original idea of GNH whilst also acknowledging the challenges faced by people who want to apply GNH in their life:

> *I think now even back home here, most of the people they don't fantasise [about] GNH anymore, because it's a beautiful philosophy. It's like Buddhist people getting enlightenment, which nobody pursues. Most of the people think that it is something that is impossible to do… The people who know a little bit about GNH they feel the same like 'yeah, yeah it's a beautiful… concept, philosophy, but who can really achieve it?* (P8).

This sentiment seems to represent the greatest challenge for implementing GNH, as it requires intense personal effort, intention and commitment to engage in an ongoing process of individual transformation. Interviewee P8 found that GNH inspires a lot of people but highlighted that:

> *whenever I travel all the people like sigh after [my talks] like 'wow that's amazing, but how can we really do it?', so it's just like someone really trying [to turn a] frog … into a Prince Charming* (P8).

Business leader P8 also said that another challenge for implementing GNH in Bhutan is engaging young people who increasingly find it challenging to find their way as they compare themselves to people who live Western lifestyles and have Western values. Business leader P9 also mentioned that the challenge for young Bhutanese comes from exposure to TV and print media. According to P9 this has led to young people admiring international celebrities, whom P9 perceives to be the wrong role models. Interviewee P9 suggested that young people in Bhutan need Bhutanese role models to be able to see how it is possible to juggle a modern lifestyle with a way of life based on GNH values. The absence of appropriate role models who demonstrate how to live a 'GNH life' seems to be one of the greatest barriers to understanding GNH as an extension of Buddhist principles.

Government leader P3 also suggested that there is a lot of pressure on Bhutan to lead by example, and voiced the concern that if Bhutan can't demonstrate the application of the GNH concept in real life, then no other country will be able to. This suggests that P3 believes the Buddhist cultural and philosophical value system and worldview provide an ideal platform for implementing GNH.

Concern was also expressed by government leader P4 who commented on the different value systems that are finding their way into Bhutanese society through globalisation and suggested that it is important to instil the values of interconnectedness, and respect for society and nature.

Business leader P8 also commented on the need to move beyond the conceptualisation of GNH and NDP frameworks, and instead implement GNH through training and education:

> *So this is the main problem I see seriously. Too many people still thinking about the model, the model is fine. Now what we need to do is to implement it. It's the time for GNH, this is a big time for GNH to train* (P8).

Business leader P8 also suggested that Bhutanese people have nowhere to turn to, that there are no individuals or organisations who can help people develop the emotional intelligence needed for living GNH in everyday life. This comment indicates that although the GNH Centre Bhutan was specifically established for this purpose in 2012, the outreach and connection with the broader community may not be recognised as yet.

Another business leader, P12, commented on a concern that the implementation as it is currently being carried out by the government is too far removed from the original intention of the GNH philosophy:

> *[S]o, the vision and its implementation, two different things. It went from a philosophy that was trying to motivate people to a philosophy that is trying to … I don't know what it's trying to do… I honestly believe it's going to create more chaos* (P12).

In summary, points of view about the implementation of GNH in Bhutan highlighted the high expectations that the GNH philosophy placed on people in general. Some of the business operators perceived that these high ideals are difficult to achieve and live up to, and require exceptional dedication and commitment. In particular, it was mentioned that for young Bhutanese it is especially challenging to juggle a modern lifestyle with GNH values. Some of the business leaders suggested that Bhutan needs credible and respected Bhutanese role models who demonstrate how living a GNH lifestyle in a modern age can be achieved. They suggested that training, education and institutions that support the development of GNH values and way of life would be of great assistance.

3.2.6 Education and skills for GNH

The issue of education and developing the skills needed to follow a GNH philosophy caused concern across the business, government and NGO leaders in this study. Some of the interviewees suggested that education is the biggest challenge of the nine GNH domains as it was seen as the foundation and binding factor for the rest of the GNH concept to come to fruition (P1, P7, P8, P9, P14):

> *'[T]ransformative education' … we should … really make it clear that it is crosscutting that education, in the end it's education that's going to underlie everything* (P1).
>
> *I personally think a country like Bhutan, if you wanted to continue this GNH, we need to do something with the education domain* (P8).

These comments partly relate to the modern education system introduced in Bhutan in the 1960s, which was criticised for teaching in English instead of the official Bhutanese language Dzongkha:

> *[A]lso what I have realised, it's a bad thing that we are from the primary [school] up to the high school we are teaching in English. Recently, I thought, [the] GNH [Commission] should really work on this, up to 10th standard, no English alphabet, nothing. All science everything translated in Dzongkha. [Then] everybody is fluent in Dzongkha writing and reading. After 10, 11, 12 and high school a strong dosage of English language… most of the world if you look at it, nobody really teaches in English, all the countries, they emphasise on their own language* (P8).

Some of the business leaders stressed the need for strengthening values, as well as Buddhist and Bhutanese cultural education across the school system (P7, P8). This was particularly proposed as an antidote to the influence of Western lifestyles and worldviews in order to help young Bhutanese make their lives meaningful (P8):

> *[W]hen his Majesty visited here … one thing that I got from his talk was this issue of values. He says education shouldn't be completely divorced from values. That we shouldn't be afraid of talking to our students about values … and I thought about that and I was thinking 'yes I think that's part of our responsibility'… We can't make it so black and white, scientific technical, that we don't kind of relate it to [real life] … so one of the things I have been pushing the faculty to do is to relate some of what they are teaching to issues that we are facing, whether it's the environment, whether it's income inequality, whether it's tobacco or alcohol whatever, and how that comes back and relates to their own lives the foundation* (P7).

In particular, the ability to experience the interconnectedness of human activity was a skill that NGO leader P5 suggested was an essential improvement that is required in modern education systems:

> *[P]eople should understand that whole interrelatedness, that interlinked… that they understand the world in a more holistic manner than I think we do as a normal individual coming out of the regular education system… I think our view of our place in our societies is very limited most of the time… And I think it's just not here in Bhutan, everywhere in the world we get educated or we get introduced to the world from a very narrow viewpoint* (P5).

This suggests that the modern education system, taught mostly in English in Bhutan, is based on a reductionist paradigm which sees self-interest as the highest value and therefore presents to Bhutanese a paradigm which conflicts with the Buddhist interdependent view of life. One of Bhutan's foremost historians and scholars, Dr Karma Phunthso (Phuntsho, 2000) outlines the challenges that a modern education system poses to the survival of the traditional Vajrayana Buddhist education system and purpose of education. He suggests that:

> *Modern education is generally aimed at human development and improving living conditions in this world. Very often, it is for the purpose of obtaining happiness and material comfort for oneself. Unlike the traditionists, who view learning as spiritual training which can culminate in the omniscient wisdom of the Buddha, modernists consider education as a means of acquiring knowledge and skills which in turn can contribute towards the development of individual or communal standards of life. Hence, it is strongly influenced by materialism, and spiritual endeavours, if any, are marginal. A student is encouraged even at an early stage of learning to opt for subjects through which he or she can develop skills to earn a better living or choose professions that are financially lucrative and socially beneficial* (Phuntsho 2000, pp. 100-101).

This indicates that there is a tension between the values and worldviews of the modern and traditional education system in Bhutan. It is important that this tension is acknowledged and addressed to ensure that the young generation of Bhutanese are capable of functioning in the global context of the world but also learn to value and practice the Buddhist and GNH values that provide an interdependent worldview.

Interviewees also suggested that the GNH and NDP approach requires not just the external conditions for wellbeing but also a substantial commitment to individual inner transformation and awareness of actions, their purpose, and an understanding of interconnectedness (P1, P3, P4, P5, P8, P14). These skills are very closely related to the skills identified in the contemporary systems thinking literature covered in Part B, Section 3.5.

The NGO leader (P14) suggested that the GNH Centre Bhutan offers a methodology to enhance these skills through mindfulness, awareness, questioning, and an ability to understand and conduct oneself in relation to others and society:

> *I think education would be important. We talked about that earlier, that the graduates are coming out not to just fit into a civil service job. Or … if they are particularly good at school, get recruited to Australia or Bangkok or something like that, but actually you can keep them in the country and that they are really committed to doing something here, so the education system is aligned with this kind of a job market, so that they feel that they actually have a chance here. So I think those kinds of sectors would be the place to start* (P14).

Government leaders also emphasised that they considered it the government's responsibility to ensure that conditions for wellbeing are in place (P1, P3, P10). However, P4 also stressed that conditions for wellbeing are not enough, and that to achieve happiness, individuals need to know how to use their minds, or have happiness skills. Government leader P13 also emphasised that GNH is about meeting the multi-faceted needs of a person holistically.

In summary, education and skills specific to GNH values and lifestyle seem to be a key lever identified by the interviewees. Although the interconnected worldview seems integrated into the Bhutanese worldview and thinking, the modern education system based on English content and language textbooks seems to undermine the skills and learning that would continue to foster an interconnected systems view of life.

3.2.7 Bhutan's economic development and GNH

The business and government leaders in this study raised concerns about Bhutan's socio-economic development. Some of them noted that Bhutan is in a transition, with an increased focus on economic growth. They felt that the country is in danger of losing its balance unless decisions are made very deliberately based on GNH principles and processes (P4, P7, P8, P10, P13).

Government leader P13 suggested that *"our GDP could rise at 10%, double-digit … that would be perfectly all right with me, as long as the core principles and values of GNH are all along taken on-board as well"* (P13).

Government leaders interviewed in this study were very clear in their conviction that Bhutan's development has prioritised GNH over GDP so far. As senior government leader P10 pointed out:

> *Well if GDP was more important you'd cut down our forests and sell off all the trees. If GDP was more important you would invite all and sundry to develop our hydropower, we'd be damming our rivers, we'd be climbing our mountains, scaling our virgin peaks, we'd have backpackers in Bhutan and earn more money from it by the way, in the immediate term. If GDP was more important, you'd have many more multi-millionaires in Bhutan. If GDP was more important, you'd have much more intrusive mining and many more of it… and you'd have a lot more pesticides and chemicals, we'd have a lot more polluting industries. You'd have policies that are not as strict* (P10).

Government leaders P13 and P10 also cautioned that Bhutan always needs to be aware of balancing the four pillars of GNH. Otherwise the country may lose the integrity of its GNH values:

> *[T]hat is a risk and that is a concern that Bhutanese society as a nation must always be mindful of… the four conducive elements [four pillars] that provide the eco-system to GNH. One could really be overly lop-sided such as the GDP growth … and therefore the material aspect is so much emphasised at the cost of this other aspect of GNH. Then we would have problems with the wellbeing and happiness as a society. So in all our policies and legislations in all our development models and framework that we may craft, I think that we must ensure that there is this harmonious coexistence or may be synergy of these four aspect, four pillars of GNH, so that we are not materially oriented towards the economy only at the expense of culture and environment and governance. So all of these must be … harmoniously coexisting and supporting each other* (P13).

These perspectives may appear to be contradictory, and they emphasise the necessity of balancing competing interests and priorities through the GNH philosophy and framework. This illustrates the government leaders' understanding of the complexity of this challenge, and that it requires an awareness of when economic growth and increases in living standards start jeopardising the other dimensions of GNH. Senior government leader (P10) explains this challenge:

> *[T]he government is placing a lot more emphasis on economic growth. We are catching it by the horn, addressing it, but within the GNH framework. Not economic growth in and of itself but as a part of the overall philosophy and framework of development that is GNH. We've enjoyed tremendous social development. Our environment is still pristine, our culture is vibrant. We have democracy in place. The missing element we have to admit is our economic growth and until we can fix this part of the puzzle, which is very important, properly, we could end up in trouble… But right now as we expand the economy, as we deepen the economy, we have to be very conscious and very careful that the sustainable economy, the viable economy is consistent with the other principles of our social economic development. And we could potentially have the economy take off in one direction and social development take off in another direction and that is not good* (P10).

In summary, in these comments the Bhutanese government leaders indicate an acute awareness that economic development is needed to improve the standard of living of Bhutan's people, and at the same time they are clear that economic growth is only one element among the four pillars and nine domains of GNH. While the private sector is still developing and globalisation has not interfered too much in Bhutan's economy, this approach seems to require a mindful and balanced approach by the government. As the business sector in Bhutan develops and gains in strength and power, it will be vital for government to engage with business leaders who already operate from the same GNH conviction. It will also be important for the government to constructively engage with those businesses that pursue a more self-oriented approach.

3.2.8 Discussion of perspectives on GNH philosophy

The findings of this section illuminate Bhutanese leaders' perspectives on the GNH philosophy and how it influences government, business and NGO leaders' worldviews, thinking and behaviours. The findings are summarised in Table 28, which is organised along the seven themes that emerged from conversations with the 15 leaders in Bhutan.

Table 28 - Key themes and perceptions by Bhutanese leaders of the GNH philosophy

Themes	Key points made by business and government leaders
GNH values and purpose	• Bhutanese concept of individual and collective happiness is inextricably interconnected, indicating an interdependent worldview • GNH is considered requiring harmony within society and with nature, an understanding of interdependent nature of life and a sense of balancing competing priorities that require trade-off decisions in favour of societal wellbeing. • Specific interpersonal GNH values and characteristics were identified as honesty, generosity, care for others, taking time to contemplate and make decisions, selflessness, reciprocity, non-attachment to material items and knowing what is enough. • There was concern that the English term 'happiness' in GNH may be misunderstood as referring to the pursuit of individual happiness.
GNH discourse and debate in Bhutan	• The discourse and debate on GNH in Bhutan was perceived as having become politicised during the second democratic elections in 2013, however this politicisation seems to have decreased since then. • Bhutanese business and government leaders expressed the need for more rigorous and in-depth discourse within Bhutan about GNH. • Concerns included the emergence of a 'rhetorical GNH' and GNH being used to hide actual socio-economic challenges. • There were differing opinions as to which organisations should lead the debate on GNH in Bhutan.
Engagement by Bhutan in international debate on sustainable development	• One of the benefits of Bhutan's engagement in the international sustainable development debate was that Bhutan learned from the expertise of international scholars and institutions through the NDP project in 2012/13 in the lead-up to the UN's 2030 SDGs. • Bhutan's main contribution to the international sustainable development discourse was the inclusion of culture, value systems and ethics as key component of the GNH four pillars in pursuing sustainable development. • There is continued desire on the part of international leaders and organisations to learn about GNH and its implementation. GNH continues to attract international attention and interest.
GNH intellectual frameworks and tools (4 pillars, 9 domains)	• The GNH and NDP framework and tools were considered in need of refinement but were acknowledged as providing useful guidance for policy making. • Business and government leaders engaged with the GNH survey results, and while they critiqued them they also suggested ways for improving them. • The emphasis on emotional and social intelligence skills or 'happiness skills' in the NDP framework was acknowledged as a radical innovation in sustainable development approaches.
GNH implementation in Bhutan	• Implementing the GNH philosophy and values in Bhutan was considered as placing high expectations on people in general. • Some business operators perceived that these high ideals were

	difficult to achieve and live up to, and required exceptional dedication and commitment. • It was acknowledged that it is especially challenging for young Bhutanese to juggle a modern lifestyle with GNH values and a GNH way of life. • Support could be drawn from credible and respected Bhutanese role models and through training, education and institutions that support the GNH values development and way of life.
Education and skills for GNH	• Education and skills specific to GNH values and lifestyle were understood as learnable and able to provide key levers for strengthening the commitment to living a Buddhist and GNH way of life. • Although the interconnected view of life seems integrated into the Bhutanese worldview and thinking, the modern education system based on English content and language text books was thought to undermine the skills and education that would foster the interdependent view of life.
Bhutan's economic development and GNH	• An acute awareness of economic development as a necessity for the country to improve the standard of living of its people was seen as only one element among the four pillars and nine domains of GNH.

The findings in this section reveal that the GNH philosophy profoundly influenced the leaders' worldviews, thinking and conduct. Although there was a recognition that GNH values are in fact Buddhist values, some of the leaders saw them primarily as Buddhist values. However, most of them talked about GNH and Buddhist values interchangeably, which demonstrates the acceptance that GNH values are considered equivalent to Buddhist values. The Bhutanese leaders described GNH as the way of balancing competing priorities in life and understanding that individual and collective happiness are inextricably interconnected. This perception demonstrates a fundamentally different worldview from Western perspectives of reality and causality. The Bhutanese worldview recognises the interdependent nature of reality, in which causes, effects and conditions are all interrelated and influence each other. I argue that this view of the interdependence of phenomena is also found in systems thinking based on systems theory, a link that was first investigated and established by Macy (1991).

The success of other countries or cultures wanting to implement a GNH approach will therefore requires an interdependent worldview that sees everything and everyone as interconnected. Critics may suggest that this kind of view could be used as a pretext for pursuing political agendas, or as a religious ideology to enforce conformity. However, as contemporary systems theory and systems thinking demonstrate, an understanding of interdependence can be developed, practised and generated independently of political or religious contexts.

Another noteworthy point that emerged from the Bhutanese leaders' perspectives on GNH was that the implementation of GNH in Bhutan was seen as requiring high ethical standards, and as setting high expectations about what it means to lead a Buddhist or GNH life. These high ideals were seen as difficult to achieve, especially for young Bhutanese who are juggling a modern lifestyle with GNH values and intentions. However, there was also a sense of commitment and optimism among Bhutanese leaders in this study. They recognised that those values and skills can be learned. In particular, they felt that support could be obtained from credible and respected Bhutanese role models, and from training and education programs and institutions that support the development of GNH values and a GNH way of life.

One of the observations by a Bhutanese leader about the education system in Bhutan suggests that the modern education system, which is mostly based on English language curricula and textbooks, hinders the interdependent worldview being embedded in the younger generation. To engage young Bhutanese in this worldview and way of life while they are exposed to an alternative view through their own education system and global media may represent one of the greatest challenges for Bhutan.

3.3 *Bhutanese leaders' perceptions of GNH and CSR in business*

This section presents the reflections of Bhutanese business leaders on the influence of concepts such as GNH, NDP and CSR on their day-to-day business operations and sustainability efforts. The similarities and differences between the concepts of GNH and CSR are also explored. Some of the government and NGO leaders' perceptions of GNH and CSR for businesses in Bhutan are also included in this section. The diverse views are useful to provide comparisons in line with the constant comparison method of the grounded theory approach that is used in this study.

The perceptions of GNH and CSR are presented across eight themes, which emerged from the interviews. They include:

1. perceptions about the relevance of GNH/NDP to business in Bhutan
2. examples and outcomes of the influence of GNH on decision-making and business
3. time to deliberate and take a participatory approach
4. balancing profits and stakeholder needs
5. differences and similarities between GNH and CSR for business in Bhutan

6. GNH in the context of competition and cooperation
7. skills and leadership development needs in Bhutanese businesses
8. the role of government, NGO and business in creating societal wellbeing.

3.3.1 Perceptions of the relevance of GNH/NDP to business in Bhutan

Bhutanese business leaders said that the GNH philosophy and/or the NDP model was relevant to their businesses in two key ways:

a) Bhutanese, Buddhist and GNH values need to be present in decisions and actions taken by business, not just in intentions and words (P2, P11, P15).
b) Bhutanese, Buddhist and GNH values provide a lens for ethical conduct that requires a business model based on longer-term decisions that may require forgoing immediate profits or advantages to create societal and environmental benefit (P7, P8, P9, P15).

The first point is an indication that actions are considered the real test of the adherence to GNH values. This reflects an earlier quote by Meadows (2008) which argues that the purpose of a system is deduced from its emergent behaviour rather than from rhetoric.

An interesting distinction was made by business leader P9, who mentioned their company values are based on Buddhist values but did not necessarily consider them GNH values. On the other hand, some of the business leaders considered specific domains of GNH to be relevant for businesses to consider in their operations. These domains included standard of living, education, environmental conservation, and the health and psychological wellbeing of their stakeholders (P6, P8). These business leaders believed that these domains influenced business decision-making and that these were the domains in which businesses had the most impact on their staff and customers.

Most importantly though, business leaders thought that there had been enough time spent on debating and designing models, and that it was now time to focus on practical applications of GNH in the business sector (P6, P8, P9).

A few of the Bhutanese government leaders suggested that Bhutanese business leaders generally have an intuitive understanding of the principle of interdependence and are spiritually inclined, regardless of the size of their businesses (P3, P4). This observation also implies that business leaders have an underlying tendency towards ethical conduct. However, another government leader (P1) whose relatives are business operators in Bhutan thought that the concepts of GNH and the NDP do not make sense to them because they may impact business profitability.

In addition, government leader P5 considered that GNH could potentially be perceived as a threat to business, as it challenges the current global economic development model. Business leader P12 shared this sentiment, and suggested that the original "pro-people" GNH philosophy is currently being used in Bhutan to slow economic growth and is therefore not supporting business development. Also, business leader P9 perceived GNH as a theoretical and academic concept in Bhutan, implying that the work on developing the GNH Index and the policy-screening tool are removed from Bhutanese life and society, and have not involved the business community.

The NGO leader P14, suggested that implementing GNH and fulfilling a social purpose through business is a lot to expect, especially from young Bhutanese entrepreneurs on their own. Interviewee P14 proposed that young entrepreneurs require support through incentives such as loans and mentorships to enable them to juggle the trade-offs and risks that come with taking a GNH approach to business.

In summary, business leaders perceive that Buddhist values and some of the GNH nine domains such as standard of living, education, environmental conservation, and the health and psychological wellbeing of their stakeholders guide their decision-making. There is also a recognition that the intuitive understanding of the principle of interdependence, together with their spiritual inclinations, predispose Bhutanese business leaders to ethical conduct. However, leaders expressed concern about the challenge GNH creates for business development, especially if they are operating in a competitive international market. In addition, there was recognition that implementing a GNH approach is especially challenging for young Bhutanese entrepreneurs. One interviewee suggested that the risks for young Bhutanese entrepreneurs face in establishing a new business on their own, and in having the burden of implementing GNH and a social purpose, means that they need to be supported with mentorships and other programs.

3.3.2 Influence of GNH on decision-making and business

The Bhutanese business leaders interviewed in this study gave many examples of how GNH influences their decision-making and sustainability outcomes in their day-to-day operations and at the overall business level. However, some interviewees expressed doubts about whether Bhutanese business leaders in general appreciated and applied the concept of GNH and sufficiency thinking in their business conduct. There was also scepticism about whether the efforts of the private sector and business community to apply GNH principles and values in their day-to-day activities were genuine. Although Bhutan's cultural value system and Buddhist ethics seems to provide a strong foundation, some interviewees said that this does not necessarily mean all business operators will adhere to those values and cultural norms. Business leader P15 acknowledged that *"not everybody would"* take a GNH approach in their business:

> *[W]hile you would expect them [private businesses] to try and balance their objectives also and many do it quite successfully, but … I think the general view of people in Bhutan is still that if you are a business you are out there only for profit, and to maximise profit as much as possible (*P11).

Interviewee P2 describes how the GNH principles and a CSR approach were integrated in a specific project in their business:

> *Well, there were two main aspects of the project. The first one was to take care of the environment in a broad term, so that's managing your waste, managing your waste water, managing your efficiencies through energy and so on… The second one which is something that just came about through a casual conversation one day was, why don't we take it a step further and bring the concept of Gross National Happiness into business and I think someone coined a phrase "GNH in Business" … it seemed to dovetail, because there was no template, we didn't want to do it [like] anyone else… So the two strings to the bow so to speak were to take a parallel course not only for sustainability in the environment but sustainability in business… one can't be true to the other without each other… And we decided that to create a better work environment we had to use some of the basic principles of Buddhism, which are incidentally some of the basic principles of GNH and try and become a more compassionate and intelligent work place* (P2).

This reflects a deliberate approach to using Buddhist and GNH values in a business model that integrated CSR activities with the principles of ethical and caring business conduct in the work place.

Interviewee P2 emphasised that the project focused on education, training and capacity building of staff, senior management and owners as the first priority through workshops, to engage all stakeholders on the journey of designing the 'GNH in Business' project. P2 identified the awareness raising and education initiatives as the foundation for creating a template for change towards sustainable business operations and a new business model.

One of the results quoted by P2 for implementing a GNH approach in business was a more compassionate and intelligent workplace. Business leader P2 acknowledged that a GNH approach does not guarantee business success. However, P2 suggested that:

> *the things that we had learned in the early stages in the sustainability and GNH project... had an effect right to the top and it also became the way of doing business… The business all of a sudden became solvent through other initiatives also but you could always link it back to the way we were doing business. It was how we were doing it, not so much what we were doing.*

This indicates that although the intention behind combining CSR and GNH was not to increase profits but primarily to conduct business sustainably and ethically with the highest level of awareness and compassion, one of the results was improved business profitability.

Business leader P6 gave a wide range of examples of how GNH influenced the way their business took care of their staff members in specific ways, such as assisting them with managing their health and psychological wellbeing. Examples included provision of time off, financial assistance with medicines, transport between home and the business, and independent counselling if required. Interviewee P6 also outlined that the management team engaged in a meditation and contemplation practice at the beginning of each day, and that any change processes are undertaken through a participatory approach. Also, environmental initiatives such as waste and wastewater management are key considerations for P6's business in the future. P6 also suggested the challenge of implementing GNH is that the idea of GNH has become too complicated, and that the term GNH has been overused. Business leader P9 thinks that only experts can talk about GNH, which implies the concept has become too lofty for many people to consider that what they are doing on a daily basis to have anything to do with GNH. Hence, most of the business leaders referred primarily to Buddhist values as their guiding principles rather than GNH. Business leader P9 however used the nine GNH domains as a way to structure their business service and as a way to engage and educate their Bhutanese customers.

Another example of the GNH philosophy applied in business was presented by interviewee P7, who freely shared with competitors the intellectual property of a software program developed by P7's business, with the intention of improving the entire industry sector. Interviewee P7 linked a GNH approach in business to a higher business purpose.

This indicates that the collective progress of an industry sector was considered more important than individual advantage. This principle is also emerging in developed economies, for example with some car manufacturers sharing patent technology on battery storage to accelerate the shift from fossil fuel vehicles towards electric car development. These principles of collaboration and the sharing of intellectual property are an indicator of a different mindset that recognises competition as an impediment to disrupting the reinforcing feedback loops that keep a system from evolving and improving.

Business leader P11 suggested that Bhutan's business model is based on a reputation for premium priced products and services that are internationally recognised as 'Brand Bhutan'. Bhutan has followed this brand concept most famously through its 'high value, low impact' tourism policy. P11's organisation also uses the inspiration of GNH to create a good work environment that supports work-life balance and is supporting government policy to increase maternity leave from three to six or even nine months. The concern for an appropriate work-life balance relates to the GNH domain of 'time-use, which focuses on the ideal split of time spent in a day being one third each on work, social time and sleep.

Business leader P12 provided examples of community support that their business provided, such as a water system and maintenance of a water line to a village near its business operations. P12 considered compliance with labour regulations as an example of GNH in everyday business operations. However, P12 also considered GNH in business as being able to see the interconnectedness of decisions and activities within the larger context, suggesting a systems approach that considers the unintended consequences of decision-making.

In summary, these examples given by the Bhutanese business leaders indicate that a GNH approach in business reflects social and environmental initiatives like many CSR or sustainability programs in the international context. However, GNH most importantly is considered as an approach to conducting business with values and ethics of relational responsibility. Although business leaders would mostly consider this approach as a Buddhist or Bhutanese approach rather than a GNH approach, it appears to result in a more participatory environment, involving deliberate collaboration and sharing for the common good of an industry sector, and in general business activity that benefits society or addresses a specific social or environmental need.

3.3.3 Taking time to deliberate and allow emergence

Interviewees acknowledged that using the principles and philosophy of GNH in their businesses made them deliberate and reflect on making decisions that strike a balance between competing priorities. Interviewees described how GNH influences their decision-making processes by involving *"more stakeholders and making decisions after you've assessed the impacts on a wide range of things … you look at the big picture"* (P2).

P2 also noted that two key aspects of the GNH approach that were essential were that time and patience were required due to the emergent nature of the project. It called for an exploratory attitude without following a particular formula or prescribed process.

This need for time and patience may, as business leader P7 explained, be due to the tension of balancing Buddhist and GNH values with the business operations on a daily basis:

> *[T]hat issue of balance to me is something that we are struggling with all the time … So sort of trying to find the balance of where we would like them to be yet the society has rooted us, expectations of [our] … stakeholders. And this plays out every day. Every day, we have … some tough decisions there may be other descending thoughts which haven't grown, which haven't had time to evolve and sort of come up* (P7).

Business leader P11 discussed new opportunities that were presented to Bhutan by experts from developed countries as potential commercial opportunities for Bhutanese entrepreneurs. There was a sense that it takes time for ideas to ripen before they are taken up in Bhutan:

> *Maybe [the entrepreneurs] didn't see an opportunity where the developed world sees the opportunity we see opportunities in other areas, because the environment is different, the experiences are different, the expectations are different… we'd like to get to where we are going, but it looks like it's going to take some time* (P11).

From my own experience of living and working in Bhutan I have seen many times that for events or ideas to progress takes a very organic process and time for the conditions to ripen so a new initiative can be implemented. This reflects the quality of emergent behaviour in complex system that only appears through the right conditions and causes being in place.

3.3.4 Balancing profits and stakeholder needs

Some of the business leaders extended the concept of balance to include the idea that company profits beyond those needed to secure business survival and immediate family needs were considered as excess that could be shared with other stakeholders in society (P12). One business leader even went so far as to say that their approach was focused on *"people before profits"* (P2), indicating a high level of relational responsibility for the wellbeing of staff, customers and other stakeholders. Business leader P11 outlined the need to balance financial and social requirements by considering the balance between environmental impacts, job creation, revenue and profits:

> *In the organisation also I feel it's a balance of various mandates that you have. Of course, you have to be commercially-minded, that a company should be financially viable, but at the same time you also have to balance the requirements of society, expectations of people and all those sorts of things* (P11).

Business leader P8 suggested that many would like to practise GNH in their businesses but very few can afford it. This highlights once again the perception that GNH is considered to require a business model with high levels of commitment and a focus on social contribution. For most of the business leaders there was an understanding that this will impact them financially, but it was not considered as a sacrifice. Instead, it was perceived as a natural part of business operations that successful and well-established businesses contribute to society and the nation. This sentiment was echoed by business leader P9 who invested large amounts of private funds in order to keep the spirit of the business vision and GNH values alive, and to keep the business running.

Business leader P7 suggests reversing the common business logic of the financial and social balancing-act and asserts: "*if we do the right thing, we will make money … I always say we weren't set up to make money, we were set up to effect positive change and contribute to [society] and it's there now in our mission."*

Business leader P12 juggles the balance between achieving a return on investment in the business and being a responsible citizen. However, P12 also finds that the demands of P12's industry sector are so high that they can never hope to meet the expectations of the "GNH environmentalist" policy makers.

Another balancing act is described by business leader P15 who suggests that financial success in business should not be prioritised over happiness: "*what's the point of doing business and making a lot of money if you cannot be happy?".* Also, business leader P9 suggests that pursuing financial success through business distracts from the real purpose of being in business *"in the course of doing business, we forget ourselves, totally forget what is the real purpose of doing that business, what is the real purpose of trying to make money is to be happy".*

These comments indicate that some of the business leaders interviewed in this study perceived the purpose of business as contributing to the greater good while making enough profit to survive and continue the business. This indicates that, at least among the interviewees in this study, business models were based primarily on creating positive impacts for society and the environment, and being satisfied with enough profits to survive. However, government leader P1 quotes comments from relatives who are in business and suggests that their attitude can be paraphrased as *"if profit is not first priority then this [GNH/NDP] is not for business".*

Also, government leader P3 compared a GNH approach to business with business in the global economy and said that *"it seems like the people, are a means to an end. The end is the profit of the company and the people were being stripped. People were used to achieve that. It should be the other way around … if the people are the goal and the business to benefit people, I mean that would be a GNH approach."* P3

From the above quotes it becomes apparent that a GNH-approach applied in business suggests a people-first focus is prioritised above financial success. Therein seems to rest the most challenging aspect of GNH and its application in a business context. In Bhutan, like anywhere else in the world, there are business leaders who are only interested in profit, and there are those interested in making a contribution. However, I posit that there is probably a higher proportion of business leaders in Bhutan who care for societal wellbeing than in other countries due to the GNH philosophy and Buddhist values.

3.3.5 Similarities and differences between GNH and CSR

There were a number of similarities and differences identified by the business and government leaders that provide a useful distinction between the two concepts of GNH and CSR as perceived in Bhutan. They are presented in the seven subsections that follow.

CSR contained within GNH

The perceptions about the similarities and differences between the concepts of GNH, NDP and CSR among Bhutanese business and government leaders varied widely. However, there seemed to be a general perception that GNH is a superior concept to CSR as it integrates a sustainability focus on society and environment with a foundation for ethical conduct based on the understanding of the interdependent nature of life that is not demonstrated in many of the conventional CSR approaches (P1, P5, P6, P9):

> *The GNH vision already is a bigger vision. Can we just think about applying the GNH values to business and then we don't have to have that separate thing called CSR, which maybe came from some other context* (P1).

Bhutanese business and government leaders perceived that CSR is contained within GNH through GNH's concerns for taking care of staff, other stakeholders and the environment. Business leader P7 emphasised that CSR cannot be treated as separate activity since it is already infused throughout the business mission, vision and behaviour. The key difference that some of the business leaders perceived was that CSR is more limited and based on profit maximisation first, and is only secondarily about giving back to society and repairing damage done to the environment (P9, P12). Business leaders thought that GNH implies taking care of the environment and society in the process of doing business by respecting interdependence of life (P6, P7, P9); *"But in GNH philosophy … it is regarding everything, all that interdependence ... So I feel like GNH is a more wholesome philosophy than Corporate Social Responsibility"* (P7).

GNH in business as an exploratory, emergent and transformative approach

The understanding of interdependence was also seen as making a GNH approach more exploratory and emergent compared to a planned approach that only has measurable results (P2). Business leader P2 also explained that he underwent an inner transformation on the journey of implementing the 'GNH in Business' initiative:

> *It's been an interesting journey, one that's been a mind-opening journey and you can't quantify it by ticking boxes and saying it has been this and it was that... It was something that's absorbs into you and it changes you in a way that you can't quantify it ... it's sometimes hard to explain to people the benefits and the tangible results* (P2).

This highlights a key difference between conventional CSR, which rarely considers the transformation of the individuals within the business as a necessary process for a successful CSR strategy. It demonstrates that a GNH approach includes a continuous learning journey on the part of all stakeholders and learning through experience, which results in higher levels of awareness, compassion and systems thinking. These are characteristics described earlier in the literature review.

Reporting results

In regards to tangible results and reporting the outcomes of CSR and GNH approaches, two business leaders (P2, P12) acknowledged that there is no culture of CSR reporting in Bhutan, due to the lack of documentation of sustainability activities and the absence of formal regulations in the past. Also, the GNH tools such as the nine domains have never been used by businesses to assess their performance. However, government leader P10 suggested that it would be easy to use the existing GNH tools to apply to businesses for reporting purposes. NGO leader P14 also suggested using the GNH screening tool as a way to rate, incentivise and reward businesses:

> *We already have a GNH screening tool that is used quite honestly and basically I can almost see that screening tool applied to businesses. And in applying that screening tool, you just turn it from screening to reporting and self-reporting on a voluntary basis. That could be a first step* (P10).

CSR efficiency and GNH sufficiency

Business leader P7 concluded that the more commercially minded an organisation is, the more important CSR becomes as a separate deliberate activity. This suggests that some types of businesses may be less amenable to taking a GNH approach, especially those operating with commercial orientation in a highly competitive industry:

> *I think the word Corporate Social Responsibility doesn't come into our discussion. It's just … what we should be doing if we want to be exemplary if we want to be inspiring. So to me, I think I've been lucky enough, I'm associated with an organisation like this where we can do these kinds of things. May be if I were in an overtly commercial organisation then you might have to say 'ok as part of Corporate Social Responsibility, let us do this'. But here luckily it's so well gelled it makes sense as part of what we are trying to do* (P7).

Some of the business leaders interpreted CSR as bringing more efficiency to business practices (*"this is just business"* (P12)), whereas others highlighted the fact that GNH offers a completely different outlook through its promotion of sufficiency, or knowing what is enough (P9). The idea of knowing what is 'enough' and 'sufficiency' came up in the interviews a number of times with interviewees P6, P11, P15 and P9, suggesting that:

[E]ven the role of the media has to change consciously I think not always about consuming more, but consuming less. That I think would really help change the mindset of the people, like have role models. And also, the leaders also need to really set an example" (P9).

GNH domains arranged for business

One of the business leaders, P8, suggested that the NDP model may be too complicated and could be restructured using the nine domains to make it easier for businesses to use. P8 suggested structuring the nine domains across three categories and adding a tenth domain of equal respect and rights for all beings as illustrated in Table 29.

Table 29 - Suggested categorisation of GNH domains for business suggested by P8

Basic Needs	Individual Happiness	Collective Happiness
• Living Standard	• Time-use • Psychological wellbeing	• Good Governance • Health • Education • Ecological preservation • Community vitality • Culture • Equal respect and rights

This could provide a useful way for business operators in Bhutan to consider how their products and services contribution to their stakeholders lives in these domains.

Expectations of GNH businesses

This structure could be a useful framing of the GNH domains as the basis for developing a specific screening tool for Bhutanese businesses. The additional tenth domain would also align it with the ethics of respect and rights that is considered important in the international reporting culture of CSR performance.

One of the business leaders, P12, shared the experience of a CSR initiative being misunderstood and creating false expectations. P12's company provided a water supply to a village but not to the individual houses and the community leaders complained as they wanted the business to provide services that are government responsibilities. This suggests that there may also be a lack of awareness within the community about the expectations and extent to which businesses provides benefits to communities rather than to individuals.

Government leader P13 acknowledged that social responsibility has always been part of the Bhutanese values system and suggests that it is the role of businesses in a GNH country to be ethical, responsible and purposeful in taking on board GNH and sustainability values:

> *I think the real challenge for our corporations now is to invoke this real Bhutanese value system of social responsibility and integrate this into the very purpose of the business, not make it an external addition of the business, but really embed it into the strategy, the plan, the aspiration of the business itself. So that we don't have to talk of it as CSR but something that is a part and parcel of the business that we are doing. That is embedded in the service that we produce, the goods that we produce* (P13).

Operationalising GNH in business – collective and national approach

Government leader P10 also highlighted that talking about 'GNH in Business' requires a collaborative approach and a national collective effort. The emphasis here is once again on considering the bigger context and the interconnectedness between the different elements in the entire system that shapes Bhutan's economy and society:

> *For business and for the private sector, to look at it in isolation it's difficult also. It has to be a national journey … So you start with education, free education and education of the highest quality. To free health care and then to our collective commitment to preserving the environment not just preserving it but nurturing it, promoting our culture. These are not just goals for … the government, they are goals for the country. And so every business should also be aware and try to contribute in all these areas. And our job should be to collectively, not the government's job, collective job to make it more easy to identify what has to be done. And then to nurture the work and then to measure what you have done. So in the private sector in private businesses, that should be the job*" (P10).

Government leader P13 believed that operationalising GNH will cause some discomfort for businesses as they incorporate sustainable development principles and GNH values into their day-to-day business operations. This again suggests a GNH approach sets a higher expectation than CSR for businesses in Bhutan as it requires business conduct in line to GNH values and ethics. The problem of the separation between CSR activities and ethical business conduct in conventional CSR makes it apparent that 'beyond CSR' requires the following additional commitments:

- higher expectations and standards

- more responsibility and care for relationships
- higher levels of awareness, mindfulness and emotional and social intelligence in business leaders and their stakeholders.

A GNH approach is therefore an example of a 'beyond CSR' approach that requires businesses to go beyond a risk-management and compliance mindset to reshape the purpose of a business as a higher purpose that cares for societal and planetary wellbeing and operates with an understanding of interconnectedness.

NGO leader P14 also suggested that operationalising GNH in Bhutanese businesses will require getting beyond the rhetoric and understanding GNH as a lived experience. Interviewee P14 points out that GNH and 'happiness skills' are already being used in businesses through mindfulness meditation and concern for the wellbeing of staff, but considers this is a shallow interpretation. This suggests using GNH values and 'happiness skills' in order to improve productivity in business does not represent a true GNH approach. Furthermore, this could lead to the conclusion that the business case for CSR or GNH actually hinders the opportunity for expanding care and responsibility, and for elevating businesses to a 'beyond CSR' approach. Rather, P14 highlights the connection between GNH and its impact on the business purpose and reason for existence:

> *I think there's a lot more interesting possibilities as part of the Global Wellbeing and GNH lab or GNH business group, which is really asking what is the purpose, the underlying purpose of business in the context of contributing to the overall happiness and wellbeing? So that's a much deeper question, and it's going beyond the, sort of, survivalist approach to businesses, which is, you know, whether people need my product or not, let's get it out there and sell as much of it as possible* (P14).

When comparing the concepts of GNH and CSR, some of the government leaders thought there were a lot of similarities between the two (P3, P5). Government leader P5 also suggested that bringing a GNH/NDP approach into business in Bhutan will require two layers. Firstly, according to P5, business leaders need to understand the concept of interdependence at a deeper level, and also government needs to incentivise right behaviour. In this context, government leader P10 suggested that a voluntary 'Better Business standard' be introduced in Bhutan, in order to encourage and nurture businesses to achieve the standard. P10 also thought that enforcement of a standard would no longer make it CSR, implying that the act of businesses willingly taking responsibility for their impacts and contribution to society is a necessary element of the philosophy of CSR:

> *You encourage, you don't force CSR you shouldn't, it is no longer CSR. So even with the Better Business standard, it is standard and you encourage, allow, nurture companies to achieve that standard and to celebrate it"* (P10).

This highlights a specific aspect of the deliberate act of taking responsibility in CSR requiring voluntary engagement and care, which goes beyond compliance with laws but relies on a risk-management mindset. This is still different to a GNH care and responsibility mindset that relies on a set of higher values and an interdependent worldview.

GNH challenge in a market economy

One of the business leaders (P11) thought that 'big industrialists' in Bhutan know what to do to implement CSR and sustainability initiatives, especially regarding environmental pollution prevention. However, according to P11 they do not implement measures as their only concern is short-term profitability and staying competitive with their rivals in neighbouring countries. This implies that the values of GNH may be jeopardised in competitive environments and can appear to be a 'luxury' in a market economy. Business leader P9 also mentioned that it is difficult to bring GNH values into purely profit-oriented businesses: *"[O]nce people get into that really profit-making venture probably they get stuck there. But it's so challenging … to bring them back from there because somehow that greed [has] already taken over so it will be very difficult"* (P9).

Summary of similarities and differences between GNH and CSR

The first, and one of the major, insights from this section is that GNH is perceived by most interviewees as a superior concept to CSR. GNH in business is understood to integrate a sustainability focus on society and the environment with a foundation for ethical conduct based on the understanding of the interdependent nature of life that is not demonstrated in conventional CSR approaches. The business leaders also thought CSR is more limited than GNH as it is based primarily on profit maximisation and only subsequently turns to philanthropy and repairing environmental damage. A GNH approach to business was thought to be more exploratory and emergent, and to require individual transformation of the stakeholders in a business, which does not feature in conventional CSR approaches. GNH was also considered to facilitate a continuous learning journey by all stakeholders that fosters higher levels of awareness and compassion, and an interdependent worldview.

There is no culture of sustainability reporting in Bhutan and no history of CSR or GNH reporting for businesses. However, there was a recognition that some of the GNH tools such as the nine domains and the GNH screening tool could easily be used as reporting tools. There was a suggestion to organise the GNH domains into three categories for the business sector and to include a tenth domain equal respect and rights for all beings. Interviewees also identified CSR as being about business efficiency, while GNH was considered to be about business sufficiency. Apart from the differences there was also a recognition of the similarities between the two concepts, especially in relation to taking care of social and environmental stakeholders. Also, it was pointed out that communities and the government have very high expectations of business operators being responsible and ethical. However, there was also a recognition that operationalising GNH in businesses in Bhutan needs to be a collaborative and national effort. Government leaders thought that bringing GNH into Bhutanese businesses would be uncomfortable for some business operators due to the higher standards expected of these businesses. I therefore suggest that GNH in business is an example of a 'beyond CSR' approach that requires additional commitments from business. These commitments include: a commitment to achieving higher ethical and operational standards; a commitment to taking an expanded view of their responsibility and care; a commitment to practising higher levels of awareness, intelligent compassion, emotional intelligence; and a commitment to an interdependent worldview. One of the interviewees also implied that a business case justification for CSR actually destroys the opportunity to elevate a business beyond conventional CSR. Also in the context of the international market economy, business leaders recognised that in a competitive environment GNH business values might be compromised.

3.3.6 GNH in the context of competition

Some of the business and government leaders focused on the tension that GNH values and expectations create for businesses operating in a competitive market economy. Government leader P5 pointed out that even government procurement in Bhutan is driven by the lowest price approach, which encourages price wars among suppliers and puts pressure on producers to cut corners and compromise social and environmental standards. This suggests that within Bhutan's government policies there are opportunities to support businesses to adopt GNH values by including criteria for sustainable and ethical procurement.

Government leader P13 acknowledged that:

> *businesses want to be competitive, and the way to be competitive is sometimes at the expense of the wellbeing of the greater society and posing environmental dangers. So that is a challenge that we are facing* (P13).

Business leader P6 also described a situation that demonstrates the clash in mentalities between Bhutanese and neighbouring countries in business conduct. This highlighted the fact that if GNH and Bhutanese values are practised, then Bhutanese businesses may be taken advantage of:

> *Being Bhutanese, I think we are not very competitive. But it's been challenging to have an Indian competitor, because they have that in their blood. So it's a little challenging for us in that way, yes … it happened to us several times also. We've already gotten business and our Indian competitor took it. We didn't say anything. Confirmed business for us, and then they contacted their board member, because that person gave us business related to the board member, so then the board member convinced their person to give the business there… But we didn't react to it. We're, like, 'Okay, fine. That's how they want to function'* (P6).

Business leader P12 pointed out that when a company has to compete in the international market such as with India or Bangladesh, the GNH values and principles may get compromised at times to stay competitive (P12). On the other hand, five of the businesses in service industries (P2, P6, P7, P9 and P15), which are also exposed to domestic and/or international competition, managed to take a committed GNH orientation. This potentially indicates that GNH operationlisation in non-service industries may require more support and structure in Bhutan for them to successfully participate in international competitive conditions while honouring the GNH approach.

An obvious conclusion here may be that in an increasingly globalised world with Bhutan's increasing reliance on trade with other countries, the GNH orientation of businesses in Bhutan will inevitably disappear. This would be a conclusion based on the short-term, linear Western worldview of causes and effects that assumes that ethics, values and what's 'good' for society and the environment cannot be justified by a business case. However, the culturally embedded worldview and paradigm of the interdependent nature of causes, effects and conditions in Bhutan, could provide the source for different modes of logic, decision-making and behaviour, and a different type of purpose for Bhutanese businesses. While this paradigm will clash with the self-interested logic and behaviour of a free market economy, GNH businesses in Bhutan represent one island among more and more local economies across the globe that are focusing on the common good and a wider concern for people and the planet.

In summary, competition in a free market economy context creates pressure for Bhutanese businesses to compromise their GNH approach. However, some of the business leaders, particularly from service industries, were able to maintain a strong GNH commitment and worldview in their business operations. There seems to be an opportunity to support non-service industries with structures, technical knowledge and incentives to strengthen their GNH orientation, even in highly competitive environments. There is also an opportunity to connect GNH business as a community of practice with other local economies that focus on 'the common good' or 'living economies' and other such initiatives across the world for mutual learning and support.

3.3.7 Skills and leadership development needs in Bhutanese businesses

Some of the interviewees suggested that businesses in Bhutan are in need of practical guidance and training on how to implement more structured and deliberate approaches to GNH and/or CSR activities. Government leaders thought that *"we don't need to reinvent everything"* (P3) and that there is "*a lot to learn especially at the practical level, like CSR what are the practical things that companies are doing"* (P1).

Business leader P6 explained the continual learning approach they are taking towards training their managers, and the cascade approach they are using to spread new learning and innovation through their business. P6 also indicated that some form of regulation and guidance may help more companies to implement CSR and GNH practices:

> *I feel if the government makes it mandatory to have … step-by-step, certain aspects of GNH and certain aspects of corporate social responsibility, make it mandatory, then I think it will give me a free hand to do it, because me and my team, we really want to do more* (P6).

This is contrary to some of the government leaders who proposed that CSR has to be voluntary for it to be effective. This may be a reflection of the business sector in Bhutan still being very young and relying on the government for guidance in many ways.

Business leader P8 believes that there has been enough thought and talk about GNH and NDP models and that it is now time to provide training in GNH awareness to empower businesses to follow a GNH path.

The business leaders P2, P8 and P9 suggested that there is a need for role models in Bhutan that showcase how companies can implement GNH in business and how leaders can lead by example. Interviewee P9 suggested that:

> *More role models would really help… to have role models who are practicing it [GNH] rather than preaching. Most of the time what happens is in most cases they preach, even from the leaders it's always preaching long lectures. It doesn't make any sense. They would talk about the philosophy of GNH and not practice it. (P9)*

Business leader P11 also pointed out that it will take a long time for businesses to develop and to change their mindsets, and that there is a need to have the basic foundations in place first. Similarly, business leader P12 suggested that the real problem is education of young people as there is a mismatch of expectations, attitudes and skills among the young Bhutanese who don't seem to have the right mindsets and capabilities for skilled work that can be obtained through vocational training. Business leader P12 highlighted:

> *In fact the real problem they haven't addressed. Why are we having that 9% [unemployment rate among Bhutanese youth], the real problem is because those kids don't have the right skills. And somebody within the education process did not convince these kids that, 'if you do not fulfil certain academic requirements, you have no choice but to become an office assistant, an accountant, a plumber, a vocational guy. Nobody ever told them that. They were always told that they are going to be a Dasho [recognised leader in Bhutanese community], so eventually when they didn't fulfil the academic requirement, they come along and then they finally find out when they come to the market they find there is plenty of jobs for the people to do with carpentry, plumber, like that kind of work, skilled work and they don't want to do that. Why does Bhutan have 50,000 Indians working in Bhutan? That 50,000 does this, if our 8,000 unemployed youth was taking up this challenge, we would find that we would only need 40,000 Indians, not 50,000. And our so-called youth unemployment problem of 9% would come down to 2%. But it's a) they were never prepared mentally to take up that kind of job and b) they are not interested and they are not even skilled in that area. (P12)*

NGO leader P14 suggests that networked learning could be a useful way for business leaders in Bhutan to support each other to be able to meet the high expectations of a GNH business approach. P14 also suggested that examples and stories of such approaches to learning would be useful to share among business leaders in Bhutan. As P14 points out:

> *I think that kind of networked learning and experience is really important. So when you have groups like The Presencing Institute or Peter Senge's group or… You know, you are starting to see these different networks are now finding each other*

> *and working together…. I think when you tap into that you start finding the examples and the stories [of a GNH business approach] that are coming out. P14*

In summary, Bhutanese business leaders in this study were looking for more practical guidance and training in how to implement a structured approach to sustainable and GNH business practices. This is an area where Bhutan could draw on lessons learned from CSR applied in other countries. However, more importantly it was also mentioned that Bhutanese role models of business leaders who sincerely and consistently demonstrate a GNH approach in business could offer motivation and inspiration for business operators in Bhutan. This could be supported by a networked learning approach that connects business leaders within Bhutan who are committed to progressing a GNH way of doing business. This networked learning approach could eventually be extended to connect the Bhutanese network with other such business networks globally for mutual learning and exchange.

3.3.8 Role of government and business in operationalising GNH in business

The role of government and businesses in creating societal wellbeing was discussed by both business and government leaders, who generally supported a collaborative approach by business and government (P2, P3, P6, P10).

Business leader P2 believed that all partners need to work with sincerity towards the common goal of societal happiness and wellbeing. P2 also suggested that although government should take a significant role for putting policies in place for private and public sector to achieve the common goal, all partners are responsible. In P2's words:

> *Everyone has to have a contribution, but I think no we are all responsible…. ultimately government have to have policies in place for the private and public sector to achieve some of the goals that we had said, and if it doesn't become … part of business policy, if Chamber of Commerce doesn't buy into it then it's going to be very challenging to make continual progress and to be sincere about it. (P2)*

Government leader P3 recommended that government needed to have a clear vision and coherence before engaging business leaders in the GNH agenda. Government leader P13 highlighted that tax incentives for the business sector are a new concept in Bhutan that could help provide a favourable environment for business operators to embed social, environmental and ethical priorities into their business purpose. Government leader P13 suggests:

> *So this would be a paradigm shift for the role of the government as well. The role of the government would be if it's really serious about GNH values and sustainability, we must go into that direction, where we incentivise the private businesses that are able to conform to this GNH-values. Government must then be creative, innovative and go out of the box to think of how do we incentivise whether in terms of tax breaks, whether in terms of tax holidays, some subsidies and unless we do this, the private businesses would be at the risk of falling back to the normal business. (P13)*

One government leader P1 cautioned that if Bhutan's government is really serious about operationalising GNH principles in the business sector, it will create conflict, as there is potentially a disconnect between business and government in relation to the GNH agenda. P1 explains:

> *Realistically speaking, because even in Bhutan the NDP [New Development Paradigm] hasn't really made big waves, people are slowing hearing about it… But just from the way people talk, and I think the way a lot of Bhutanese businesses, not the small entrepreneurship types, but the more sort of settled bigger businesses are going. It looks pretty much like, this [GNH and NDP] wouldn't be on top of their agenda. If it's going to compromise on their profits then they wouldn't want it. I think we are already seeing evidence of this … we talk about Bhutan being very strict with environmental laws and everything, but when it comes to the interest of businesses then we still face the same difficulties. So I think just like anywhere else it's going to be difficult here if it really comes to that… So everyone is nice about it, we say "Yes yes GNH", but then we go and do something else. So in a way at that practical level GNH is not getting in the way. People are fine, you know, we are still doing our business. We talk about GNH so there is no problem, but now if policy makers or the rest of society also want to get really serious about GNH and say ok, according to the principles of GNH this is what it means for your business, and all of that, if you're really to take it seriously I think it's going to come head on… A disconnect is there. (P1)*

This situation suggests there may be a power struggle between government and business, with the expectation that business should cooperate to support any government agenda. This may be a legacy of the government being in charge of all aspects of economic and social life in Bhutan until fairly recently. Business, as a growing institutional force in Bhutan's economy, may therefore be perceived as being increasingly beyond government control.

However, the business leaders talked about GNH in collaboration with government in a more participatory sense, rather than a command and control sense. This presents an opportunity for the government to engage more with the emerging private sector in Bhutan to collaboratively shape the business sector's contribution towards a GNH economy.

Government leader P13 also explained that a 'Better Business Council' was being developed at the time of the interviews to foster and promote a conducive environment for the private sector in Bhutan, including identifying incentives for green construction, green energy and green materials industries. Although P13 emphasised the greening of industries, government leader P10 advised that the Better Business Council would develop business standards based on the entire breadth of GNH principles and domains. P10 highlights:

> *We have established the Better Business Council…. Through that hopefully we will be able to develop a business standard. Once we have that standard, we encourage local businesses to aspire for that standard that will be based on the principles of GNH. A business standard… and you encourage, allow, nurture companies to achieve that standard and to celebrate it. (P10)*

As the literature points out, voluntary standards appeal to companies that want to establish a competitive advantage and are mostly concerned with innovation and improving customer loyalty. However, this may not be the best approach to foster a transformation in business ethics and operations towards a GNH approach across all business activities.

Business leader P12 criticised the government mentality of treating the business sector like donor agencies that provide funding without requiring equal input from government. According to P12 this mentality is the reason for the lack of successful 'public–private partnerships' in Bhutan as the government considers its contribution to joint projects as in-kind rather than equal financial contributions to joint projects. P12 describes the situation as:

> *… this is the failure of our success. We have been so successful in raising grant and aid from the international community, that now a bureaucrat thinks even when it comes to its local population, they think it is your duty to do my work. I am the government, but you are working in that business, your community, so you should do the electricity, you should do the water, you should do the road. They are basically offloading their responsibility. (P12)*

Business leader P11 also pointed out that there was a level of distrust towards the private sector by government and that businesses need to earn the trust of government through showing concern and consideration for a wider range of stakeholders.

Power struggles and trust are common themes in relationships between governments and business sectors across the world and throughout history. However, Bhutan has the advantage that it can draw on the most effective lever in systems change, which is a common worldview and paradigm that emphasises interdependence and mutual causality based on Buddhist and GNH values.

Government leader P13 concedes that government must make a paradigm shift itself to be able to provide incentives for the business sector to embed GNH values. In the meantime, the government takes a three-pronged approach by:

1. promoting good businesses
2. heavily regulating average businesses
3. putting pressure on business, which is not in line with GNH and Bhutan's expectations.

In P13's words:

> *I guess that's how it would be, there could be the bad, the ugly and the good [businesses]. So we just need to promote the good ones, and really regulate mediocre ones, and put pressure on the ugly ones to shape up… or may be close down also. So I guess this would be an ongoing effort on the governments side as well* (P13).

In summary, business and government leaders both emphasised a collaborative approach to bringing a GNH focus into the Bhutanese business sector. The government is exploring new concepts of incentives for 'green' production and better business standards, and recently introduced legislation that requires incorporated companies to report on their corporate social responsibility efforts. Government is taking a three-pronged approach by promoting good businesses, regulating average businesses and penalising unscrupulous businesses. On the other hand, business leaders are looking for more participatory and collaborative approaches such as public-private partnerships and consultative processes. Some government leaders recognise the need for government thinking to shift to provide better support and incentives to embed GNH values and practices in Bhutanese businesses. Bhutan has an advantage over other countries because it is able to draw on the most effective lever in systems change, which is a common worldview and paradigm that emphasises interdependence and mutual causality based on Buddhist and GNH values.

3.3.9 Discussion of Bhutanese leaders' perceptions on CSR and GNH

This section summarises and discusses the key findings in regards to Bhutanese leaders' perceptions of CSR compared to GNH and how these concepts manifest in local Bhutanese businesses. Table 30 below summarises the findings across the eight themes that emerged from the conversations with the Bhutanese leaders.

Table 30 - Key themes and perceptions of Bhutanese leaders on CSR compared to GNH in business

Themes	Key points made by business and government leaders
Perceptions of relevance of GNH and the NDP framework to business	• Buddhist values and some of the GNH nine domains such as standard of living, education, environmental conservation, health and psychological wellbeing of business stakeholders guide business decision-making. • Intuitive understanding of the principle of interdependence and a spiritual inclination predispose Bhutanese business leaders to ethical conduct. • Implementation of GNH approach in business is challenging in international competitive market and for young Bhutanese entrepreneurs, who require extra support.
GNH influence on decision-making and business	• GNH in business incorporates social and environmental initiatives similar to conventional CSR or sustainability programs known from the international context. • In addition, GNH considered as an approach to conducting business with values and ethics which are mostly understood as Buddhist or Bhutanese. • GNH approach to business appears to result in the selection of appropriate businesses, a more participatory approach, deliberate collaboration and sharing for the common good of an industry sector, and in general business activity that benefits society or addresses a specific need.
Taking time to deliberate and allow emergence	• GNH-inspired business decisions take time as the process relies on causes, effects and conditions to ripen to make the best decisions.
Balancing profits and stakeholder needs	• GNH-approach applied in business suggests a people focus that is prioritised above financial success.
Similarities and differences between GNH and CSR	• GNH is perceived as a superior concept to CSR. • GNH approach is based on interdependent worldview which is a different basis for ethical conduct than in Western worldview. • GNH approach is more exploratory and emergent, and requires individual transformation. • GNH approach facilitates a continuous learning journey that

	fosters higher levels of awareness, intelligent compassion and interdependent worldview. • CSR is limited due to its primary concern being profit maximisation. • There is no culture of CSR or GNH reporting among businesses in Bhutan. • GNH tools like the nine domains and GNH screening tool could easily be developed into a reporting tool for business. • An additional 10th domain was suggested to include in GNH for business: equal respect and rights for all. • CSR is about efficiency and GNH in business is about sufficiency. • GNH sets high standards and expectations for ethical and responsible conduct by businesses and therefore may be uncomfortable for some business operators. • Operationalising GNH in business in Bhutan requires a national collaborative effort. • GNH in business is a 'beyond CSR' approach that requires additional commitments from business. • The international market economy and competitive environment may see Bhutanese businesses compromise GNH values.
GNH in the context of competition	• A free market economy context creates pressure for Bhutanese businesses to compromise their GNH approach. • Service industry businesses seemed to be able to maintain a strong GNH commitment and worldview despite competition. • Non-service industries in Bhutan may require additional support to stay on course with a GNH orientation in highly competitive contexts.
Skills and leadership development needs in Bhutanese businesses	• Bhutanese business leaders are looking for more practical guidance and training to implement a structured approach to sustainable and GNH business practices. • There are opportunities to learn from CSR practices applied in other countries. • More importantly, business leaders are looking for Bhutanese role models who demonstrate a sincere and consistent GNH approach. • Networked learning could support GNH businesses by connecting business leaders within Bhutan who are committed to progressing on a GNH way of doing business.
Role of government and business in operationalising GNH in Business	• A collaborative approach is required to foster GNH approaches in Bhutanese businesses between government and business community. • Government is considering incentives and standards, and recently introduced legislation for CSR reporting by incorporated companies. • Government works with business at three levels by promoting good businesses, regulating average businesses and penalising unscrupulous businesses. • Government leaders recognise they need to shift their paradigm to better support businesses at different levels. • Business leaders are looking for participatory approaches including fair public-private partnerships.

Overall, business leaders in this study indicated that Bhutan's Buddhist values as expressed in the GNH approach had a strong influence on setting up businesses with a societal or environmental purpose and their ethical values, worldviews and business conduct.

The Bhutanese leaders consider Buddhist values in their business decision-making, not necessarily consciously but as the underlying way of being and seeing that they grew up with. One of them suggested that this gives business leaders an intuitive understanding of the principles of interdependence, which predisposes them to ethical conduct in their businesses. The GNH nine domains were considered relevant to business owners as they can contribute to specific aspects of life in Bhutan through consideration for their staff members, the families of their staff members, and community stakeholders in general. However, Bhutanese businesses competing in international markets found it challenging to maintain strong GNH values and business conduct. This may indicate that Bhutanese businesses competing in an international context may require additional support from government to be able to maintain a GNH in business approach. Also, young Bhutanese entrepreneurs were identified as needing mentoring and business support to maintain a GNH mindset and processes in their enterprises.

Bhutanese leaders outlined the role of GNH in business projects that involve social and environmental initiatives similar to conventional CSR or sustainability programs. However, a GNH approach also manifests in decision-making based on Buddhist or GNH values and ethics. In particular, a key insight shared by the interviewees in this study was that a GNH approach in business requires time for contemplation and for letting the conditions of a situation ripen before making decisions. This reflects in essence the understanding of what is called emergent behaviour in complex systems that appears through the constant flux of conditions, causes and effects interacting with each other. This is a distinctive phenomenon that occurs in a GNH way of doing business that seems counterintuitive to Western approaches to business decision-making.

A GNH approach as described by the Bhutanese business leaders in this study manifests in general business activity that benefits society or addresses a specific societal or national need. More specifically, a GNH approach to business appears to result in the selection of appropriate businesses that contribute to Bhutan's societal wellbeing. They also take a more participatory approach to management and deliberately collaborate and share expertise, including intellectual property for the common good of an industry sector and society. Another phenomenon that occurs in businesses in Bhutan that take a GNH approach is that they prioritise their impact on the issue they are trying to address in society or the country above financial performance. This includes prioritising people, managing relationships, and environmental considerations. Once again, this may seem counterintuitive to Western notions of business management and thinking. However, this is another defining characteristic of a GNH business, which prioritises the impact of actions on the broader socio-ecological context over immediate financial returns.

Therefore, it is possible that there is a higher proportion of business leaders in Bhutan who care for societal wellbeing as a primary business purpose than there is in other countries due to the GNH philosophy and Buddhist values.

When comparing the concepts of CSR and GNH, the Bhutanese leaders thought that while Bhutanese business operators can learn much from conventional CSR practices and initiatives, GNH represents a superior concept to CSR. A CSR approach was thought to be driven by the goals of profit maximisation and efficiency, and they therefore believed CSR was driven by motives that were inferior to those that motivated a GNH approach. This is one of the key distinctions which emerged from this study that is also reflected in the general admiration of the international community for the GNH concept. There seems to be an intuitive recognition that the intention and motivation behind the GNH approach to development stands for a more holistic and comprehensive approach as it has a concern for the happiness of people, society and nature. The Bhutanese leaders also indicated that a GNH approach is more exploratory and emergent, and requires individual transformation and a continuous learning journey that increases levels of awareness, leading to an interdependent worldview. They also felt that a GNH approach expands the capacity for intelligent compassion and relational responsibility.

In addition, the Bhutanese leaders in this study recognised that GNH sets implicit high expectations and standards for ethical and responsible conduct by businesses, and that these standards are challenging for businesses which reject the view that they should take responsibility for their impacts and conduct. Both government and business leaders promoted a collaborative approach to operationalising GNH in business, which indicates a willingness to engage and move forward.

While the private sector is still developing, and globalisation has not interfered too much in Bhutan's economy, GNH in business seems to require a mindful and balanced approach by the government. However, as the business sector in Bhutan develops and gains in strength and power, it will be vital for government to engage with business leaders who already operate from a GNH conviction, and to constructively engage with those businesses that may pursue a more self-oriented approach and those engaged in international competitive markets. In particular, businesses in the service industries in Bhutan may be able to provide some good examples and role models for others to experience how a GNH approach can be implemented.

Bhutanese business leaders expressed the need for practical and structured guidance on implementing CSR and GNH business practices. This presents a great opportunity for Bhutan's government to engage with the business community in developing programs that will support this learning process. In particular, a networked learning approach could support GNH businesses by connecting business leaders across Bhutan who are committed to progressing the GNH way of doing business.

3.4 Does GNH foster a 'beyond CSR' approach in business?

This section draws on the literature review, the background on Bhutan and the evidence from the interviews in Bhutan to assess whether GNH applied in business does in fact induce a 'beyond CSR' approach. The first step in this endeavour is to compare the concepts of CSR and GNH to identify their similarities and differences. I argue in this section that GNH does in fact represent a 'beyond CSR' approach for business due to its combination of three components:

a) an interdependent view of reality, which results in
b) ethics that emphasise intelligent compassion and relational responsibility in action and
c) conventional CSR practices focused on environmental and social considerations.

Based on these findings and insights, I conclude that GNH in business at its most advanced represents a 'beyond CSR' approach. The following comparison, conclusion and resulting GNH business model represent one of the major contributions of this research study.

3.4.1 A comparison between CSR and GNH

Table 31 presents a comparison of the concepts of CSR as a cluster concept and the GNH philosophy to highlight some of the key differences and similarities between the two. The comparison considers the following six aspects of the two concepts:

a) areas of responsibility for business

b) values and the resulting business ethics stance

c) stakeholder consideration

d) motivations, behaviours and skills required

e) timescale and outlook

f) indicators, measurement tools for performance.

Table 31 - Synthesis and comparison of the concepts of CSR and GNH

Corporate Social Responsibility as cluster concept (Matten & Moon 2007) (Conventional CSR)	**Gross National Happiness (applied in Business) (Beyond CSR)**
Areas of responsibility	
According to Matten & Moon (2007) • Economic responsibility • Legal responsibility • Ethical responsibility • Philanthropic responsibility • Corporate citizenship • Environmental responsibility • Business ethics • Stakeholder responsibility.	Modelled on the four pillars of GNH (Ura et al. 2012b): • Equitable socio-economic development (fair profitability) • Good governance (good management) • **Preservation of culture (values & ethics)** • Environmental preservation (net-positive environmental impacts).
Values and business ethics (Worldview)	
According to Crane & Matten (2016) • **Consequentialist ethics** of Egoism (pursuing self-interest) or Utilitarianism (greatest good for greatest number) • **CSR commitment often relies on leaders' virtue ethics** • **Non-consequentialist ethics** of Duty (following rules) and Rights (respect for others) • **Worldview**: linear nature of cause and effect, reductionist.	• **Ethics of relational responsibility:** relationships at the core of life • **Relational ethics/Buddhist ethics:** intelligent compassion • **Bhutanese/GNH values** as summarised in Table 25 • **Respect, loyalty** • Justice, equality, transparency • Generosity, altruism, **reciprocity** • **Compassion, love, trust, relatedness** • **Sense of responsibility** to society, environment and all life forms • **Worldview:** interdependent nature of cause, effect and conditions, holistic.
Stakeholders and relationships (relational)	
• Stakeholders who effect or are effected by a business • Concern for stakeholders wellbeing as a means for reputation and risk management	• Engage with a wide range of stakeholders and value good relationships more than outcomes • Concern for **all life forms** as part of an interconnected system
Motivations, behaviours and skills (Behavioural)	
• Most actions are **motivated and justified by the business case** (based on consequentialist ethics). • **Efficiency** ensures profitability. • **Compliance** to adhere to law & regulations • Decisions that are just, fair and good • Conditional generosity - giving time, money and support if it aids reputation and/or profitability • Risk assessment and management • Decision-making to timelines • Skills include rational and strategic thinking,	• **Most actions are motivated by intelligent compassion** arising from an interdependent view of reality • **Sufficiency and balance:** knowing what is enough for oneself and being prepared to give something up – **non-attachment** • Mindful action • **Unconditional generosity - sharing success**, giving and celebrating others' success • **Taking time for deliberation** and contemplation in

negotiation and communication skills	decision-making • **Personal growth and development of mental capacity** for the purpose of gaining greater consciousness, awareness and insight • **Skills include emotional intelligence**, patience, pluralism, humility, continual learning
Timescale and outlook (temporal)	
• **Short-term outlook** • **Acting quickly**	• **Long-term outlook** • **Letting conditions in a complex situation ripen** and taking action when the time is appropriate
Indicators/ Measurement for business (structural /metrics)	
• **Mostly objective measures** • **Financial performance** • Number of legal or ethical disputes • Amount of donations made per year to social initiatives Examples from Global Reporting Initiative (2013) criteria: • Organisational profile incl. strategy & analysis • Material aspects and boundaries • Stakeholder engagement • Governance • Ethics and integrity • Economic performance • Environmental impacts, resource use, compliance • Social impacts – labour practices and decent work, human rights, product responsibility	• **Objective and subjective** measures • Financial performance • Motivation and intention • Good constructive relationships • Environmental impacts, resource use and compliance over long-term • Social impacts and compliance over long-term Examples from GNH Index **comprised of 33 indicators across 9 domains**: 1. Psychological wellbeing 2. Health 3. Time use 4. Education **5. Cultural diversity & resilience** 6. Good governance 7. Community vitality 8. Ecological diversity &resilience 9. Living standard

Source: Adapted from Sebastian (2015b)

The comparison of these two approaches reveals some key insights. Firstly, the conventional CSR approach as defined by Matten & Moon (2007) as a cluster concept, identifies very similar areas of responsibility to the GNH model. These include responsibility for the economic, social and environmental aspects of a business as well as ethical responsibility for business conduct. However, the values and ethical stance underlying these two approaches are fundamentally different. The values and business ethics in the conventional CSR approach are based on modernist ethical approaches that can include consequentialist and non-consequentialist ethics and often rely on the virtue ethics of individual leaders. The business case argument often precedes conventional CSR commitments and is based on consequentialist ethics, which are steeped in a linear view of reality in which causes and effects are seen as unidirectional. In comparison, the GNH approach for business is based on Buddhist values and ethics that cultivate intelligent compassion as a key skill, which is the result of a worldview that sees all causes, effects and conditions as interrelated and simultaneously influencing each other. Therefore, the conventional CSR approach is related to a reductionist way of thinking, whereas the GNH approach promotes a holistic and systems-thinking approach.

Secondly, the motivations and behaviours that emerge from these two approaches are by definition fundamentally different. Actions informed by the conventional CSR approach are justified by the business case and lead to behaviour that favours efficiency and compliance. Decisions are made and actions taken to ensure profitability, and compliance with laws and regulations, and they may also take into consideration the requirement of being just, fair and 'good'. In the conventional CSR approach, giving of time, money and support in philanthropic or charitable activities is motivated by a risk management mindset and it is conditional on reputational and profit outcomes.

In comparison, most of the decisions and actions emerging from a GNH approach are motivated by intelligent compassion, which arises from the broader interdependent view of reality which sees businesses located within a web of relationships. It leads to decisions and actions that balance competing values and prioritises sufficiency over efficiency in the interest of the broader socio-ecological context. The GNH approach sees sufficiency not as a sacrifice but as an opportunity to train the mind and develop intelligent compassion that leads to mindful action. Sharing and giving arise, not from a sense of obligation or duty, but as natural responses to interdependence and ways to practise compassion as a skilful deliberate behaviour. The development of cognitive and emotional intelligence is therefore a vitally important part of a GNH approach. Its goal is greater awareness and consciousness which enables people to behave in a way that promotes longer-term benefit for all life forms. In the NDP model these are called 'Happiness Skills' and they represent one of the key differences between a conventional CSR and a GNH approach to business. It is noteworthy that these skills also reflect the skills required for systems thinking as identified in the contemporary systems theories section in the literature review.

Thirdly, timescales are perceived very differently in 'conventional CSR' and GNH approaches. The former favours a short-term outlook and quick actions, while the latter favours a long-term outlook. Due its interdependent worldview, a GNH approach allows conditions to 'ripen' before action is taken. This acknowledges the fact that it is impossible to control the behaviour of a system or complex situation, and it respects the interplay between causes and effects that create sometimes favourable and other times unfavourable conditions. Patience is therefore a key skill required in applying a GNH approach to business.

The fourth insight from this comparison is that the stakeholders are considered very differently in the two approaches. The conventional CSR approach considers stakeholders that affect or are affected by a business in relation to reputation and risk management. A GNH approach, on the other hand, considers all life forms as part of the interconnected system of life and therefore any life form could potentially be a stakeholder of a business. This may be considered 'impractical' from a linear and reductionist worldview but is a consideration that GNH businesses in Bhutan engage with on a daily basis. In this view good relationships are valued more highly than achieving a specific outcome or result.

Lastly, business outcomes and success are mostly measured by objective indicators in the conventional CSR approach, whereas the GNH approach relies on objective and subjective evaluation. Most notably, the consideration of a business's underlying motivation and intention is a key indicator of a successful business in Bhutan. While this could be fraught with difficulty, biases and politics, there seems to be a very clear expectation from a Buddhist perspective about what constitutes good motivation and intention as they are reliably reflected in behaviour. With the recent development of a GNH of Business certification tool for Bhutan (Zangmo et al. 2017) future research could involve investigating how the matrix outlined in Table 33 complements or dovetails with the new certification tool.

3.4.2 Discussion of comparison between CSR and GNH

The findings from the comparison of the CSR and GNH concepts suggest that the GNH setting in Bhutan does in fact foster a 'beyond-CSR' approach in Bhutanese businesses and their leaders. Therefore, a GNH approach has the potential to promote business sustainability that goes beyond conventional CSR. The GNH setting in Bhutan fosters a more holistic approach to sustainable business development than conventional CSR could provide on its own. This is due to the fact that GNH is based on relational values and ethics and is grounded in an interdependent worldview that considers all components in a socio-ecological system to be connected. In the Western language of systems science, GNH requires a systems thinking ability combined with a specific ethical stance that prioritises intelligent compassion and concern for the larger system over the individual. The observation that GNH has more to offer than conventional CSR was also made by Confino (2014a, p.1) who pointed out that *"[i]t is a shame, for example, that the [Bhutan] Chamber of Commerce focuses on talking about the Western concept of corporate social responsibility, when it has something much more powerful that is home grown".*

However, the GNH philosophy and its values present a conundrum in relation to the phase models of business sustainability, which suggest that there is a incremental and linear progression from the rejection of the responsibility to society, to the adoption of risk management and compliance thinking that eventually leads to a transformed mindset that manifests in ethical conduct and values-based business with a societal and planetary purpose. This is in direct contrast to a GNH approach, where the values, worldview and ethics form the basis for the purpose of business. This suggests that there is potentially a more valuable entry point into the phase models where businesses are guided by an interdependent worldview that emphasises a systems-thinking approach to life and business.

In recognition that there are a wide range of businesses with different levels of commitment to and engagement with a GNH approach in Bhutan, it seems an opportune time to develop a collaborative approach with government to enable Bhutanese businesses at different stages to engage practically with GNH.

4 Conclusion and recommendations – Bhutan research

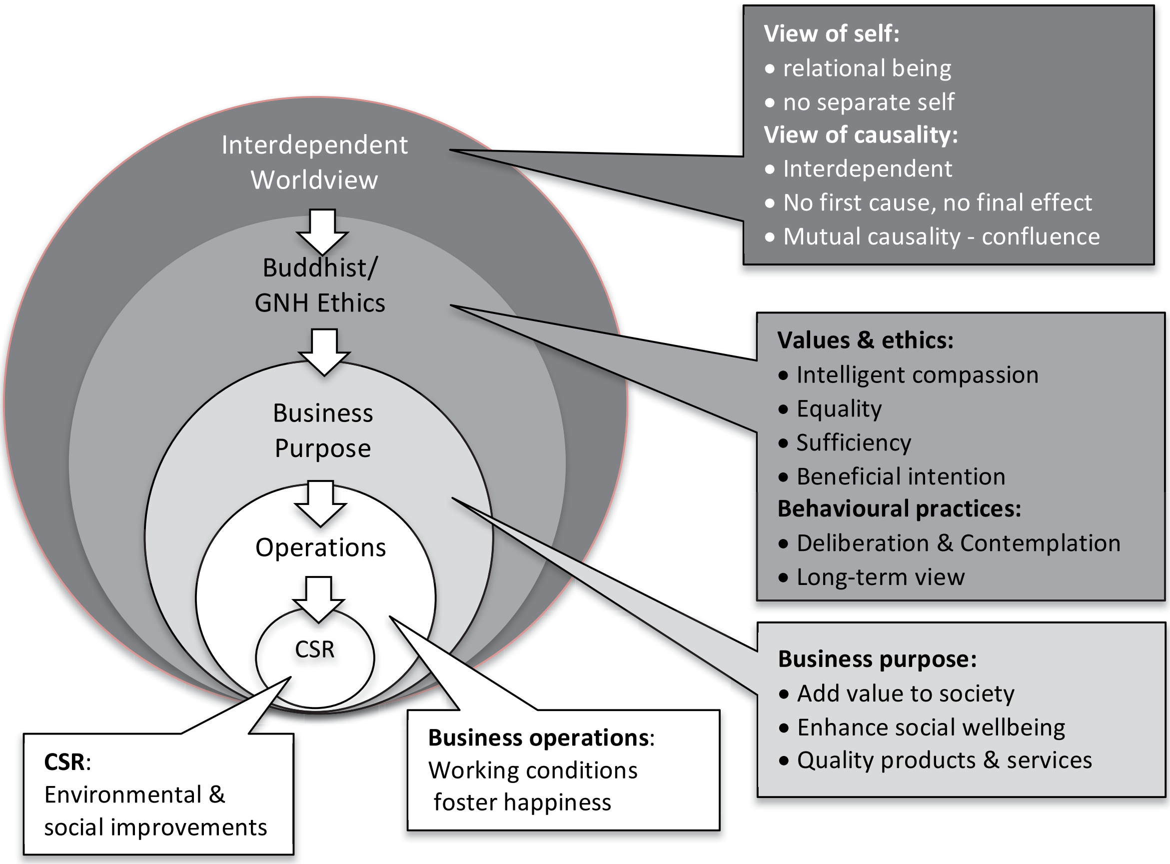
Part D of this thesis considers findings from 15 interviews with Bhutanese government, business and NGO leaders in the context of Bhutan's history, culture, values system and development philosophy of GNH. The aim is to examine if and how GNH inspires a 'beyond-CSR' mentality and 'beyond-CSR' behaviours in Bhutanese businesses.

4.1 GNH in business is a 'beyond CSR' approach

Based on analysis of the findings, I argue that the GNH setting in Bhutan does foster a 'beyond-CSR' approach in Bhutanese businesses. The study findings support the premise that GNH represents a 'beyond CSR' approach to responsible business conduct that is summarised in Figure 44. CSR practices are embedded within GNH ethics, and prioritise relational responsibility through intelligent compassion. While GNH ethics influence the implementation of CSR initiatives, the CSR initiatives themselves do not have the power or capacity to bring about the adoption of GNH values and ethics.

I am suggesting that GNH values and ethics can only be influenced and activated through the interdependent worldview that in Bhutan's case is culturally embedded through the Buddhist philosophy. Therefore, GNH values and ethics are themselves embedded in an interdependent view of reality that sees all life forms and phenomena as interconnected as illustrate in Figure 44.

Figure 44 - GNH in business as a 'beyond CSR' approach



Another way of expressing the GNH in Business approach is as a formula or recipe of ingredients.

GNH in Business =

Interdependent worldview

+ GNH values & ethics (intelligent compassion)

+ Business purpose

+ Business operations (working conditions that foster happiness)

+CSR practices

While GNH had not necessarily been adopted consciously by all of the businesses in this study, they all acknowledged that their conduct and approach to business were based on Buddhist values and ethics. The Bhutanese business leaders in this study appeared at various stages of maturity on the path of implementing GNH and /or CSR in their business and they all had different needs. Therefore, different approaches and support will be required to assist them in their progression towards operationalising GNH in their businesses.

The challenge for the Bhutanese government and business community is to be able to identify the stage of maturity of business operators in Bhutan in regards to implementing a GNH approach in their businesses. Table 33 below presents a matrix that outlines indicators that can be used to determine the level of maturity of a business on their path to operationalising GNH. It also suggests some ways in which government, NGOs and business associations can support businesses at various stages to assist their progress and engagement with implementing GNH as a 'beyond CSR' approach to business.

The matrix suggests mandatory and regulatory measures for low-level maturity businesses and progresses to voluntary engagement and eventually support to engage in a continual learning and sharing loop to help businesses on their journey to becoming GNH role model organisations. As the maturity level increases in the matrix, the approaches to support businesses shift from extrinsic motivators such as taxes and incentives to intrinsic motivators such as opportunity to empower others and support for a continual learning approach. Businesses at the higher levels of GNH maturity are those that Tideman (2016b, p. 8) describes as *"instruments for positive societal change".* At this level the business leaders display distinct qualities that are aligned with the mindsets and skills identified earlier in the systems thinking section.

Some of the mechanisms and institutions that could be involved in contributing to the operationalisation of GNH in business in Bhutan are listed in Table 32.

Table 32 - Suggested mechanisms and institutions for operationlising GNH

Programs/Mechanisms	Institutions
GNH values and ethics training	Centre for Bhutan Studies RUB, Institute for GNH Studies GNH Centre of Bhutan Other NGOs Media Education sector
Mandatory Better Business Standards **Voluntary Better Business Standards** **Better Business Awards**	Ministry of Economic Affairs Bhutan Chamber of Commerce and Industry GNH business members network
Regulations and laws for tax levies and incentives to reduce environmental and social negative impacts	Government

GNH business members network	Bhutan Chamber of Commerce and Industry NGO and donor organisations
GNH business grants program	Donor organisations and NGOs

4.2 Implications and recommendations

The implications from this section of the study are that the model of GNH in business and levels of maturity matrix have the potential to assist Bhutan in developing a tailored approach to engaging business operators at various levels of maturity in a 'beyond CSR' and GNH approach. In addition, the insights from these findings will provide the basis for analysing the international interviews which follow in Part E of this thesis. This will allow a comparison between the 'beyond CSR' approach in Bhutan and those of international companies.

With the recent launch of the 'GNH of Business Certification' program in November 2017, Bhutan's government intends to evaluate businesses against 49 indicators across the nine domains of GNH. The indicators focus on 'worker happiness' and 'organisational conditions for happiness' (Zangmo et al. pp 48 – 49). In the context of the findings from this study as illustrated in Figure 44 above, these indicators focus on the two innermost circles of CSR and business operational practices only. The GNH of Business program at this stage of development does not seem to engage businesses in the aspects of business purpose, ethics and worldview. Therefore, there is an opportunity to expand the current GNH of Business Certification program to also address the outer layers of Figure 44 as they provide higher leverage points for change than the measurement of CSR activities and worker happiness alone. One possible approach to achieving this is outlined in the matrix in Table 33 that suggests indicators and ways to support across the six areas of:

1. Business areas of responsibility
2. Values, business ethics and worldviews
3. Behavioural and motivational skills
4. Stakeholder relationship management
5. Temporal outlook
6. Structural mechanisms and measurements

At the same time, in its current form the GNH certification tool for Bhutanese businesses has the potential to strengthen the internal pressures within Bhutan for incorporated companies to at least meet higher standards of responsibility for their workers' happiness and their environmental, social and cultural impacts. There is currently a debate regarding whether this new tool should be mandatory or voluntary program for Bhutanese businesses. It is the recommendation of this study to take a stepped approach with making it voluntary for the companies with high levels of GNH maturity and only mandatory for business at the lowest levels of maturity.

Bhutan's 'GNH of Business' certification tool joins the long list of examples of business certifications available globally that intend to increase the levels of responsibility taken by business for planetary conditions. In its current state 'GNH of Business' certification tool has not reached its full potential yet and for it to capture the essence of GNH at a deeper level will require for it to deal with ethics, worldviews, motivation, intention and stakeholder engagement on a much more fundamental level.

The matrix presented in Table 33 may provide food for thought on how to achieve this deeper level and lays out suggested indicators and support or engagement for business at different levels of GNH maturity in Bhutan. This matrix is one of the major contributions of this research study. It is based on introducing relational responsibility by engaging all business stakeholders in a system of relationships where every interaction matters. The next chapter will interrogate whether this approach can also apply in an international context.

Table 33 - Suggested matrix to identify Bhutanese business maturity levels in operationalising GNH and ways to support their development

Levels of business maturity	Business areas of responsibility	Values, Business Ethics, worldview (Axiology)	Motivations, behaviour, skills (Behavioural)	Stakeholders, relationships (Relational)	Timescale, outlook (Temporal)	Mechanisms, measurement (Structural & metrics)
Survival: Not actively engaged in GNH or CSR						
Indicator	• No or narrow understanding of business responsibility • Unwilling to take responsibility	• Self-interest (Egoism) • Disregard rules and regulations • Linear worldview • Separate self	• Motivated by security and survival • Business case driven • Profit maximisation • Highly competitive, non-collaborative	• Centralised power, ownership and/or management structure • No community or stakeholder engagement	• Short-term thinking and decision-making	• Only respond to regulation, financial incentives and punishment
Support	• Connect with an advanced GNH level business as mentor • Engage in compulsory government program on GNH/CSR activities	• GNH values and ethics education that supports interdependent worldview • Compulsory membership of GNH business network	• Set mandatory GNH and CSR performance standards • Mandatory training program on implementing GNH Standards for leadership and management level	• Engage in mandatory collaboration projects within industry and stakeholders such as through Chamber of Commerce or GNH business members association	• Incentives that increase outlook • Mandatory contribution (human resources and financial) to long-term social and environmental projects in Bhutan	• Tax levies and/or fines for environmental pollution and adverse impacts on society • Environmental protection, human rights and labour legislation and enforcement • Annual compulsory CSR/GNH audits and reporting
Conventional CSR: CSR Compliance & Risk-management						
Indicator	• Some understanding of responsibility for stakeholders, society and environment • Some ability and resources to implement initiatives	• Self-interest and mutual interest if it reduces business risk • May be aware of rules and respect others' rights when it reduces business risk • Linear worldview	• Motivated by competition and achievement • Business case driven • Profit maximisation • Efficiency • Highly competitive, some collaboration if it serves the business	• Centralised power, ownership and/or management structure • Community and stakeholder engagement as needed	• Short- to medium-term thinking and decision-making • Voluntary contribution (human resources and financial) to long-term social and environmental projects in Bhutan	• Respond to standards and voluntary schemes
Support	• Connect with a GNH engaged or leading business as mentor • Engage in voluntary government or program on GNH/CSR activities	• GNH values and ethics education that supports interdependent worldview • Voluntary membership of GNH business network	• Set mandatory GNH and CSR performance standards • Free training on advanced GNH and CSR initiatives for leadership, management and relevant staff	• Engage in voluntary collaborative projects within industry and with stakeholders such as industry-led programs	• Incentives that increase outlook	• Tax incentives and/or fines for environmental pollution & adverse impacts on society • Environmental protection, human rights and labour legislation and enforcement • Mandatory reporting of CSR/GNH initiatives & impact

GNH interest: Willingness and commitment to GNH but lack of skills, resources, guidance						
Indicator	• Clear understanding of responsibility for stakeholders, society and environment • Business established to contribute to Bhutanese society, nature or nation • Lack of skills, resources or guidance	• Mutual interest • Reciprocity • Interdependent worldview	• Motivated by stimulation • GNH-driven business purpose • Impact on society and/or environment or nation • Sufficiency • Balance competitive and collaborative approaches	• Some sharing power, ownership and/or management structure • Occasional community and stakeholder engagement	• Medium-term outlook and decision-making • Voluntary contribution (human resources and/or financial) to long-term social and environmental projects in Bhutan	• Respond to regulations and structured guidance and capacity building • Voluntary reporting or sharing of CSR/GNH initiatives and impact
Support	• Introduce to a GNH leading company • Assist with capacity building and resources to participate in free voluntary training on GNH/CSR activities	• Acknowledge importance of interdependent worldview	• Acknowledge importance of motivation, actions and skills • Assist with developing a continuous learning journey for GNH operationalisation	• Acknowledge participatory stakeholder and community events • Engage in voluntary collaborative projects within industry and stakeholders such as industry-led programs	• Incentives that increase outlook • Recognition for voluntary contribution to long-term social and environmental projects	• Tax incentives • Eligible to participate in collaborative industry initiatives • Assist with goal setting and objectives • Support with capacity building
GNH engaged: Demonstrated application of GNH approach in business						
Indicator	• Responsibility for stakeholders, society and environment part of business purpose • Business established to contribute to Bhutanese society, nature or nation and beyond • Adequate skills and resources to implement comprehensive GNH/CSR initiatives	• Systems interest • Reciprocity • Interdependent worldview • Intelligent compassion	• Motivated by self-direction and learning • GNH-driven business purpose • Impact on society and or environment • Sufficiency • Collaborative approach • Technical CSR and emotional intelligence skills	• Prefer collaboration if possible • Some sharing of power and/or ownership • Participatory management • Regular community and stakeholder engagement • Share knowledge, tools, and intellectual property with industry sectors for common improvement	• Long-term outlook and decision-making • Develop some business products and services that contribute to long-term social and environmental projects in Bhutan and beyond	• Respond to learning opportunities • Initiate and lead collaborative industry initiatives to improve societal wellbeing • Voluntary reporting or sharing of CSR/GNH initiatives and impact
Support	• Provide resources for mentoring of non-engaged and compliance focussed businesses • Contribute to capacity building and resources to participate in free voluntary training in GNH/CSR activities	• Provide resources to demonstrate how interdependent worldview leads to benefits for the business and Bhutan (i.e. through case studies, sharing of experience)	• Acknowledge importance of motivation, actions and skills • Assistance with developing a continuous learning journey for GNH operationalisation and sharing results	• Provide resources to demonstrate stakeholder engagement benefits to business and Bhutan • Provide resources to develop voluntary collaboration projects industry and stakeholders	• In ways that demonstrate long-term outlook • Recognition for products and services that contribute to long-term social and environmental projects beyond Bhutan	• Provide innovation support for them to lead collaborative industry initiatives to improve societal wellbeing • Eligible for scholarships and learning programs in Bhutan and internationally

GNH role model: Recognised by peers as role model of GNH in business approach						
Indicator	• Responsibility for stakeholders, society and environment part of business purpose • Business established and all products and services designed to contribute to Bhutanese society, nature, nation and beyond • Advanced skills and resources to implement comprehensive GNH/CSR initiatives	• Systems interest • Reciprocity • Interdependent worldview • Intelligent compassion	• Motivated by universalism and benevolence • GNH-driven business purpose • Impact on society and or environment • Sufficiency • Collaborative approach • High technical CSR and emotional intelligence skills	• Demonstrate collaboration as the GNH way • Power and/or ownership sharing • Participatory management • Regular community and stakeholder engagement • Share knowledge, tools, and intellectual property with industry sectors for common improvement • Empower others to engage in a GNH approach	• Long-term outlook and decision-making • Develop all business products and services that contribute to long-term social and environmental projects in Bhutan and beyond	• Regular sharing of CSR/GNH initiatives and results • Share stories and experiences • Measure through quantitative and qualitative methods
Support	• Provide resources for mentoring of non-engaged and compliance focussed businesses • Contribute to capacity building and resources to participate in free voluntary training on GNH/CSR activities	• Provide resources to demonstrate how interdependent worldview leads to benefits for the business and Bhutan (i.e. through case studies, sharing of experience)	• Acknowledge importance of motivation, actions and skills • Eligible for business innovation grants to develop and share a continuous learning journey for GNH operationalisation and sharing results with GNH business network in Bhutan	• Provide resources to demonstrate how power and/or ownership sharing, participatory stakeholder and community engagement processes benefit the business and Bhutan • Provide resources to develop voluntary collaboration projects within industry and stakeholders	• Engage with stakeholders in ways that demonstrate long-term outlook • Recognition for all products and services that contribute to long-term social and environmental projects in Bhutan and beyond through GNH of Business certification	• Eligible for scholarships and learning programs in Bhutan and internationally • Eligible for business innovation grants to experiment with new ways of monitoring and reporting GNH progress and outcomes • Eligible for start up funding to create new businesses that improve societal and/or environmental wellbeing • Eligible to lead learning programs on operationalizing GNH in business

4.3 Limitations of the Bhutan study and further research

There are a number of potential limitations associated with this study. They include the sample size which could be considered small for each part of the study. However, the study overall with 29 total participants falls into the normal range of sample sizes in grounded theory studies which generally rely on 10 to 60 participants (Starks et al. 2007). It is acknowledged that each section of this study could have drawn on a larger sample size to reach a saturation point. There were time constraints due the use of grounded theory which requires longer time periods for the simultaneous data collection, coding and analysis process.

However, I consider my experience in Bhutan and in the field of CSR and GNH, and their practical application in business, as advantages. My previous professional experience provides a level if insight that potentially counterbalances the small sample size. It provides the advantage of deep insight into many nuances in relation to Bhutanese culture and the country's GNH philosophy. Further research could use the proposed matrix of business maturity presented in Table 33 and test it with a wide range of businesses in Bhutan to verify, validate and refine the findings of the Bhutan part of this study.

Some might also consider the theoretical and divergent sampling of interviewees as a limitation to this study. In particular, comparing the results from Bhutan as a developing country with a small business sector to the results from international companies in developed countries may appear risky. However, the choice of divergent data sources was deliberate and is consistent with constructed grounded theory and the constant comparison method.

Furthermore, Bhutan's GNH concept was operationalised relatively recently, in 2008, and has been investigated mostly in a policy realm. Hence, this is one of the early in-depth investigations of Bhutan's business sector since the introduction of the GNH concept, and it can therefore only draw on limited previous studies for comparison. However, drawing on the extensive research in the field of CSR and business ethics, and the uniqueness of the Bhutanese worldview, it is possible to offer conclusions from Bhutan's case which highlight the potential of a GNH approach in a 'beyond-GDP' and 'beyond-CSR' context.

Due to the emergent nature of the process and the results in a grounded theory approach, there were frequent delays due to the inclusion of new data sources or changes to the research questions that required further data collection. While this was an expected uncertainty with a grounded theory approach, I tried to manage it by using a deliberate and documented reflexive approach. This ensured that critical reflection was undertaken at every step of the process and that these reflections and adaptations to the research questions and methodology were documented in the research diary.

PART E – In conversation with international business leaders

The premise of this study is that conventional CSR practices, even if advanced and generous, cannot be taken as a proxy for ethical or 'good' business conduct. In the literature review, I draw on the CSR and business ethics literature which identifies a research gap regarding the application of Eastern philosophies and systems theories to management thinking. Drawing on Eastern and Western literature on philosophies of happiness, I built the argument that different approaches to achieving happiness are based on vastly different views of causation. As a result, I identified three key types of worldviews related to achieving and defining happiness. These worldviews are based on: a) self-interest, b) mutual interest and c) a systems view. The literature on systems theories and systems thinking provides a contemporary Western perspective of the skills, processes and tools that facilitate a systems view of the world. I used these insights from the literature review to discuss the findings from the interviews in Bhutan with 15 government, NGO and business leaders. The findings from Bhutan outlined in Part D revealed that the GNH philosophy in Bhutan shapes business values, worldviews and behaviours in everyday business operations. The key finding of the Bhutan data was that Bhutanese businesses perceive the concept of CSR as embedded in the Buddhist ethics of intelligent compassion, which is itself embedded in an interdependent worldview.

This Part E of the thesis presents the evidence drawn from six interviews, and one focus group, with eight participants. The interviewees and focus group participants were senior leaders of international companies from the USA, Canada, Europe and South Africa. These interviews and the focus group inform the second research question, which explores what inspires and drives companies to push beyond conventional CSR practices and take a 'beyond CSR' approach that manifests as expanded responsibility for societal and/or planetary wellbeing. The intention of this section of the study is to provide the perspectives of international businesses as a divergent sample and a juxtaposition to the findings from Bhutan. It is acknowledged that many of the insights presented in this section of the thesis are not necessarily new to the business and society literature. They are included in this thesis to be able to compare the findings from Bhutan with an international context.

To reiterate, the second research question listed in the methodology section in Part C, Section 2.11 is:

Research Question 2

What are the enablers and barriers to 'beyond-CSR' business behaviour in international companies and how do they influence business conduct?

Throughout this Part E, I refer to 'beyond CSR' and 'conventional CSR' business approaches. I explain the difference between these two types of approaches in Part A, Section 3.1. As outlined in the discussion of the methodology in Part C, Section 2.8, I use theoretical sampling and the constant comparison method inherent in grounded theory to obtain insights. This involves choosing divergent research participants as the study evolves to contribute a wide variety of perspectives. This is the reason for including one interviewee from a 'conventional CSR' company (E4) to bring one of many juxtapositions into this sample of international interviewees. The constant comparison method then focussed on:

a) comparing responses from within each interview
b) comparing the responses of the 'beyond CSR' business interviewees
c) comparing the responses of the conventional CSR interviewee
d) to those of the 'beyond CSR' business interviewees
e) comparing the responses of the interviewees to the responses of the focus group participants.

Through the open and axial coding process a number of categories were distilled into five themes of enablers and barriers which emerged from the interviews with international business leaders. These enablers and barriers either help or hinder the move beyond a 'conventional CSR' approach. The five themes and their subheadings represent the coding structure for this Part E of the thesis. Table 34 lists the themes across the enablers and barriers. Three of the themes emerged in both the enablers and barriers which are worldviews, business models and measures of success.

Table 34 - Themes that emerged from the interviews on enablers and barriers to 'beyond CSR' businesses

Five themes of enablers	**Five themes of barriers**
Worldview, values, attitudes and outlook on time	Worldview and values
Business vision, strategy, operations and organisational culture	Business mindsets and models
Relationships and levels of responsibility	Measures of success

Tools, processes, concepts and methods used to increase levels of responsibility	Systems conditions and government
Measures of success, happiness and wellbeing	Future trends and outlook

The following sections cover each of these themes which also reflect the coding structure used for making sense of the international interview data..

1 Enablers of a 'beyond CSR' business approach

This section outlines the five themes of enablers that emerged from the interviews with six international business leaders. The results from the focus group with eight business representatives are included under systems thinking approaches in Section 1.6.

1.1 Worldview, values, attitudes and outlook on time

The international 'beyond CSR' business leaders expressed some common attitudes and values. These interviewees were shaped by experiences of hardship, and they presented as sensitive mavericks with particular worldviews, skills and outlooks on time.

1.1.1 Experiences of hardship and family values

Some of the interviewees had distinct worldviews based on strong family values that were grounded in personal experiences of vulnerability, hardship, struggle, epiphanies and activism. Their accounts of hardship included the following recollections:

> *In Nigeria, which is arguably the most corrupt place on the planet, everything is corrupt … I was 14, 15, 16, and getting to see that first-hand … the desperation and what it created … was disgusting … [it] became extremely cutthroat, incredibly dangerous, insanely violent, I was lynched there* (E1).
>
> *In fact our [owners] were active in the struggle to end apartheid* (E3).
>
> *It was '67 and there was a war in Israel, and I said 2.5 million Jews were going to be killed by the Arabs like the 6 million before. And I thought people are going to say, what were you doing selling knickers while this war was going on? So I went to Israel, not courageously but almost cowardly, like I didn't want not to be there if they all got killed. And while I was in Israel, sitting down with volunteers there who*

were journalists and people doing great work ... it was in the '60s and people were doing things which were socially responsible. And I thought, I don't even know what socially responsible is and I don't even have any skills (E6).

Interviewee E1 also described a phenomenon that he observed among peer corporate CEOs, who reach a certain point in life and experience an epiphany that makes them want to be remembered for something. He interpreted this as a trigger for expanding their responsibility, which in E1's opinion often results in them wanting to bring a social purpose into their businesses. These life-changing events seem to have created a shift in how the interviewees saw themselves in relation to others and the world around them. In some way it made them more relational and less separate in their outlooks.

1.1.2 Sensitive mavericks

There was also a distinct 'maverick' style and independent attitude among the 'beyond CSR' business leaders towards using their businesses for more than just generating profits. This was particularly evident from interviewees E1, E3 and E6, who were strongly guided by values and prepared to make decisions guided by their ethics:

> *So [the owners] have always been irreverent, a little maverick… there was a strong independent mind-set that started [the company]. It was about challenging the status quo to find a better way. This has been at the heart of the way of doing things since [the beginning]. But also important were their huge family values and it meant that they looked for like-minded partners to do business with* (E3).
>
> *[A]t the peak of our business we had 268 employees. I made a conscious decision about nine months ago to downsize the company to be more one-on-one with both my employees, my management, my operators, and also to only do the businesses that add social return and mandate, or profitability that could be returned into the social mandate businesses. So we've gone from that down to about 135 [employees] … and then we'll be scaling up another 70-ish in the upcoming six to seven months* (E1).

At the same time, there was also a certain humility about the leaders of the 'beyond CSR' businesses in this study. They also spoke of honesty, energy, caring for people, for their countries and for the world, sensitivity to stakeholders needs' and fostering peace, compassion and patience:

One of the young generation [owners] had been through the African Leadership Initiative (ALI) and this experience would have contributed to the thinking about the future. They have always been very low-key. So, you would never know the extent of their investments. They've always been very open but quite casual, they would hate anybody to know they are wealthy and rich, they hate all of that. They really don't like being in front. Their businesses are in front, it's not about them, it's what they do … In their lifestyles they live that holistically, absolutely holistically. They do not flash, they are not up there, they are very very quiet behind the scenes, very deliberate, very mindful, outstanding people (E3).

So I think it's a relatively new concept for business people to say they want to focus on meeting the world from a place of compassion and cooperation. That is a relatively new way, at least in this century, to think about business (E2).

The interviewees of the 'beyond CSR' businesses emphasised that they were deliberate in creating and nurturing an organisational culture that encouraged practices for personal growth and leadership. They also acknowledged that a process of ongoing learning at a personal level is required to heighten awareness and a sense of interconnectedness, leading to their business being able to achieve its broader social and planetary impacts (E1, E2, E3, E5). This was expressed by E2 as follows:

That's why it brings me to my local matters. So if you are reconnecting your supply chain regionally ... I think that individually we can wake up to our interdependence and interconnectedness … with some of these happiness skills and cultivating some of those connections to the natural world, connections to ourselves, connection … being generous, we can cultivate … Those add up to an ability to understand and recognise interdependence … So cultivating those individually and from a business context … even in a business context, I mean, businesses are made up of individuals (E2).

Some of the 'beyond CSR' interviewees also displayed reflexive characteristics and a level of awareness of what is working and what still needs more work within their organisations. Interviewee E5 in particular exemplified this:

I know from the evidence that we have collected, there is an awful lot of people who recognise and have ambition around [improving] 'quality of life'. I think there are still significant barriers between the ambition and what goes on, on a day-to day *basis. I think so much is moving so quickly, so that people find it difficult to know, which hook to hang their coat on* (E5).

They 'beyond CSR' interviewees mentioned that they draw on personal and deep insights to connect and care for their relationships, networks and environments. Some of them also mentioned role models such as Nelson Mandela and Buddha, from whom they drew inspiration and direction. Their approaches to managing relationships with stakeholders are covered in more detail in Section 1.3.

1.1.3 Values, worldviews and skills

The attitudes and values that the 'beyond CSR' business leaders displayed during the interviews and shared through their stories about their organisations also reflected courage, risk-taking, creativity, selflessness, generosity and altruism. They talked about skills that the companies, their leaders and staff needed for operating with an expanded sense of responsibility. These skills included social and emotional intelligence, conflict resolution skills, an ability to deal with complex situations and being able to make decisions using a 'both/and' logic rather than an 'either/or' logic. This indicates a tendency towards pluralism and a recognition of reality as a richly layered complex phenomenon. It also suggests that the interviewees tended to have a humble view of the self, that they operated in a context involving many relationships, and that these relationships required selflessness on their part.

Interviewee E6 in particular highlighted that when peers engaged in practices that cultivate higher consciousness, this gives permission to others to expand their vision and responsibility. E6 also pointed out that he sees demand in industry for new processes that raise levels of consciousness and responsibility. According to this interviewee, these processes don't involve telling business leaders or employees what to do; rather, they involve engaging them in learning how to be. This suggests a relational orientation and a worldview that recognises the interdependent nature of reality and cause and effect. Interviewee E2 suggested that encouraging business leaders to engage in social and emotional learning will help to build emotional intelligence and promote their involvement in initiatives such as the 'Compassionate Cities' program.

The 'beyond-CSR' business leaders in this study said that they valued agility; reflection; paradox; complex concepts and situations; authenticity over simplicity; long-term thinking and decision-making; continual learning and taking a broader responsibility beyond profits and conventional CSR. E3 and E6 specifically expressed these sentiments:

> *So we are quite comfortable that it's quite complex… We had lots of [comments], 'Why do you make it so complex? There's so many words in it?' We're saying 'Well, if you don't take the time to reflect on it… We can't shorten this. It's not simple, better, faster… It's not a marketing document.' … And in the end we decided that authenticity [is important]… The words on those pages are the authentic words of the way we talk about things* (E3).

> *Now, what I think and I hope, is that actually companies are realising that they are social enterprises whatever they are doing. And that the niche should be the businesses that are 'bastards'. Now, that's going to take a lot of work a lot of convincing, particularly with the stock market and the people looking at short-termism* (E6).

The capacity to embrace complexity and a long-term view highlight some of the concepts identified as essential in systems thinking that generate an interdependent view of reality. Interviewee E3's comment quoted above highlights that a shift to a relational approach requires the time to engage in dialogue and resist the natural tendency in business to simplify and focus on efficiency.

Interviewees E2 and E3 also focussed on whole person learning. They sought engagement with multiple and diverse stakeholders for input into decision-making. In general, many of these characteristics of the 'beyond CSR' business leaders involved having a proactive and engaged attitude. Other characteristics such as reflection, and taking time to explore, think and engage are evidence of the probe-sense-act approach to complex situations, as described in the Cynefin model (Snowden, 2002; Kurtz & Snowden, 2003; Snowden & Boon 2007).

1.1.4 Temporal awareness and long-term outlook

Furthermore, there was also a particular attitude towards time. Four of the five 'beyond-CSR' interviewees mentioned that their decision-making was guided by the aim of creating long-term benefits. They highlighted the importance of taking the time to seek diverse inputs, deliberate and experiment before making decisions. This indicates that an expanded sense of responsibility requires time for the processes of inclusion, participation, deliberation and experimentation:

> *One of their key founding cornerstones in the business was to take a long-term view. To do this they had to remain privately owned. They felt that if you are listed, you*

are bound to short-term thinking. Because there were so many things they were trying out that were new, that if you were owned by somebody else or listed, you would never be given the time to let things mature. That's actually one of the critical things of the [company's] success, the ability of taking a long-term view… they've chosen to remain private so that they can really work to make things a success. Because some things just don't dance to quarterly results (E3).

And [the company] has throughout remained financially independent. That's one of the things that makes it possible for the family's long-term vision to continue. So this is not a heavily indebted organisation (E5).

In addition, E3 and E5 also said that the long-term view was contingent on financial independence and private family ownership of the business. Although this could be interpreted as family ownership being an enabler, I suggest it is the underlying intention and worldview that enables expanded responsibility. Aspects like ownership structure are covered in more detail in Section 1.2.2 below.

1.1.5 Perspective of a conventional CSR business leader

The above insights are in contrast to the conventional CSR approach to business as described by interviewee E4, for whom the approach to sustainability and CSR is interpreted as necessary functions, separate from or added to the main business activity:

[W]e have the sustainability manager and we have a director [responsible] for sustainability and communication, and he [reports] to a vice president responsible for corporate affairs and human capital … They have to report their goals. And what we have in [our country] is we have three global pillars. They are energy, waste and products (E4).

The mention of CSR responsibility in connection with communications and corporate affairs, and the references to human capital suggest that the interviewees considered that CSR played an important role in communications and HR management. Interviewee E4 expressed frustration with the company's 'either/or' decision-making, its risk-management mindset about sustainability initiatives, and its inability to deal with the complexity of multi-stakeholder and multi-product situations. The sustainability function within E4's company was very much dependent on the financial performance of the company and it decreased when profits were below expectations. However, protecting the company's reputation and reducing risk were key drivers for this conventional CSR business approach. This confirms the well-established observation in the literature that conventional CSR is based on the business case, reputational management and utilitarian ethics:

> *We have just changed. We used to have a director of sustainability but we are having a hard time in [our country] about profit and giving results, so we had this big cut … When things get better I think we'll have, again, a director of sustainability. So it's not a permanent structure* (E4).
>
> *I really think that in [the company] sustainability is a very important issue … because of all the history and the background of a bad reputation. So it really is like … I'm not afraid that they are just going to cut the sustainability projects now. We are just having to reduce* (E4).

1.1.6 Summary of findings – worldview, values, attitudes and perceptions of time

This section highlights those aspects of the worldviews, attitudes and values of the business leaders and senior managers of the 'beyond CSR' businesses that differentiated them from conventional CSR businesses. These attitudes and values were enabling factors and prerequisites for businesses to expand their sense of responsibility. These attitudes and values included:

a) traits and characteristics such as courage, compassion and altruism as a result of overcoming some personal struggle and hardship that led to seeing the self in the context of a larger socio-ecological system
b) an emphasis on the importance of family or community values and the intention and commitment to a bigger purpose and a long-term perspective
c) a commitment to continual exploration of issues, learning about complex situations and developing emotional intelligence, which increases awareness beyond self-interest
d) placing a high value on social and emotional intelligence, conflict resolution skills, an ability to deal with complex situations and being able to make decisions with a view to positively impacting relationships
e) an understanding of the importance of taking the time for inclusion, participation, deliberation and experimentation, facilitated by financial independence
f) a worldview that embraces the complexity of running a business for a positive purpose for society and the planet.

The worldviews and values of business leaders and their stakeholders seem to be a crucial factor in facilitating businesses to expand their responsibility from conventional CSR to the 'beyond CSR' realm. Furthermore, financial independence and stability, as well as the underlying intention to contribute to societal and planetary wellbeing, emerged as key enablers.

1.2 Business vision, strategy, operations and organisational culture

This section groups together the findings in relation to the business vision and approaches to strategy, operations and organisational culture. It highlights that key characteristics of 'beyond CSR' businesses include: a deliberate approach to designing products and services; business ownership based on shared values; a long-term outlook; particular attitudes towards growth, organisational culture and strategy; a purpose-driven business approach; and intrinsic motivation.

1.2.1 Deliberate approach and new questions

In general, all of the 'beyond CSR' companies in this study (E1, E2, E3, E5, E6) were taking a very deliberate approach to gearing their business products and services towards improving the quality of life and wellbeing of stakeholders and improving social and environmental conditions in general through their business activity. Interviewee E3 describes their strategy as asking the following questions:

a) Why do we do what we do?
b) What are we doing?
c) How are we doing it?

These questions indicate that E3's business engages in questioning its intentions as a way to explore unfamiliar territory and expand their responsibility.

1.2.2 Family values, ownership structures and responsibility

It is noteworthy that the interviewees were not selected for their business ownership structures but for their profile, efforts and approaches to making a positive contribution through their businesses, and being recognised among peers for pushing boundaries.

The evidence suggests the 'beyond CSR' businesses in this study tended to be family-owned, owner-operated businesses or cooperative/membership owned (E1, E2, E3, E5, E6) rather than publicly listed companies. This may indicate that ownership by families or individuals, if grounded in a worldview that values relationships and care, enables a 'beyond CSR' approach. At the same time, decentralised forms of ownership, such as cooperatives of members with a common purpose and values, can also enable 'beyond CSR' behaviour. Interviewee E2 pointed out that strong values are created, not only in family-owned businesses but also in businesses with alternative ownership structures such as cooperatives, where there is no individual or small-party ownership, and every stakeholder becomes an owner. In this type of ownership structure the shared ownership reflects the values of the members, and by design this expands relational responsibility to all members.

More than one of the interviewees indicated that family-owned businesses allowed for taking a long-term vision and creating a values-based organisational culture. Also financial independence was mentioned by E3 and E5 as a determining factor that allowed for a long-term perspective. However, Paul Polman, CEO of Unilever, has demonstrated that even publicly owned companies can take a longer-term perspective, suggesting that publicly listed companies are limited in this regard. All it requires are investors with a long-term interest in a company, which he achieved by stopping the quarterly reporting of financial performance and quarterly forecasts. This move discouraged short-term investors and now gives the decision-makers at Unilever the space and time to implement strategic sustainability initiatives that are only possible with a long-term view.

Interviewee E1 expressed the conviction that it is the power of business that will create social change through caring, and that this is more effective than anything governments will ever be able to do, due to governments' short-term outlooks shaped by election cycles:

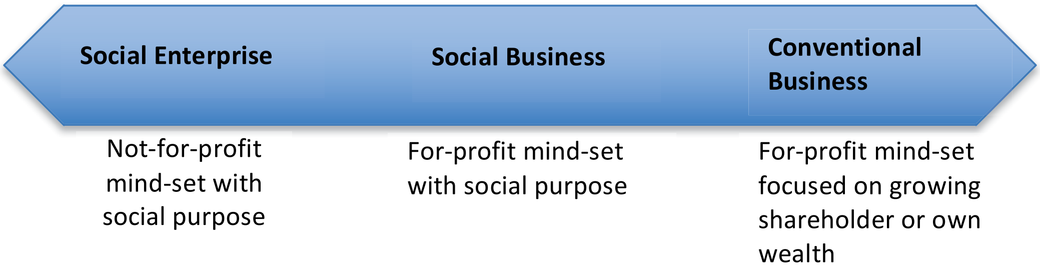
> *[R]egardless of the three or four-year cycle of provincial, or municipal, or federal government. We're still going to be here doing this thing, and they'll be looking to us because business will change the world, politics never will. It's a fact. We know that. So, if business and community can change the world, that's what's up. People have to care about what you're doing otherwise they just don't come. It's participatory, right? It matters* (E1).

Ultimately though, it seems that many kinds of ownership structure can facilitate a 'beyond CSR' approach as long as the intention, values and worldviews of the owners are aligned with delivering a positive contribution to society and the environment.

1.2.3 Social business compared to social enterprise

Interviewee E1 made a distinction between the failed mentality of social entrepreneurs who often operate from an NGO mindset and structure, and entrepreneurs whose businesses have a social purpose. Figure 45 presents a spectrum as a way to clarify the terminology used by the interviewees.

Figure 45 - Terminology used by interviewees differentiating social enterprise from social business



Interviewee E1 defines a social business as one that uses business acumen and its core business activity as vehicles for creating social and/or planetary impacts and benefits. The main difference in these two mindsets, according to E1, is the ability and willingness of social businesses to take risks that solve social and global problems. In comparison, social entrepreneurs, with an NGO mindset and structure, are perceived by E1 as risk-averse and less agile:

> *This is a very clichéd-sounding answer, but we need more entrepreneurs that are social, not more social entrepreneurs. We need more people who don't come from the NGO/NPO world to have their moments, to have those wake-ups … The thing is with social [entrepreneurs], and we see this all day every day across the world, is somebody wants to start, let's call it a catering company, as a social mandate that hires blind people and deaf people, or both… and all they've been doing is barely keeping it afloat for the two years that it's been happening. That is a solid 95% of the social enterprises I've met. So they didn't build a business. They built a charity that happens to work with Braille menus, etc., etc., because they thought that was a good idea. They didn't grow the business to then have the ability to do all of those things. You have to have a backbone* (E1).

Again, financial stability and success were put forward as key enablers for expanding responsibility 'beyond CSR'. This may seem to be stating the obvious, but it highlights the difference between a charitable or NGO approach to a social enterprise and what the interviewees termed a 'social business' approach. 'Beyond CSR' businesses can take risks because they have the skills needed to ensure managing financial viability and therefore a 'backbone' of longevity and resilience.

Interviewee E6 also referred to social entrepreneurship as being based on a niche business model. E6 saw this approach to stakeholders and the environment as being different to the one adopted by E6's company:

> *Then there was a movement of social enterprises where the business doesn't necessarily have to be massively profitable it has to be doing something good, but that was a niche business of social enterprises* (E6).

There seems to be a clear distinction between the 'social enterprise' businesses with a charity, NGO or not-for-profit mind-set and the 'social business'. This is shown in Figure 46. Social enterprises, according to E1, often lack the business acumen to create a business based on a social purpose. This is in contrast to the businesses, at the other end of the spectrum, that have a strong profit maximisation and business-case mindset and are focused primarily on shareholder profits and only on CSR activities as a secondary outcome. Ultimately, this spectrum suggests that there is a type of company that settles in the middle between the two extremes by using its business mindset and expertise to pursue activities that improve social and planetary wellbeing

1.2.4 Attitude towards growth and 'doing good'

The social business approach was also combined with a particular attitude towards growth among some of the 'beyond CSR' businesses in this study. Growth was seen to refer to more than growth in financial returns, and incorporated a wide range of personal, societal and planetary learning and evolution. The financial strategies of the 'beyond-CSR' businesses E3 and E5, were focused on slow and steady growth. As highlighted earlier, financial independence and low debt were mentioned as essential for steady growth, as were the aims of reinvesting profits in ways that benefited employees, the company, society and the environment. Some of the 'beyond CSR' businesses were also characterised by low profit margins (E1 and E5), which seemed to be acceptable as long as the business survived and could continue to contribute to societal wellbeing. To paraphrase, this approach is often described as 'doing well by doing good'. However, an additional distinction emerged when 'beyond CSR' business leaders saw 'doing good' as a goal **and** a process, and 'doing well' as a by-product of 'doing good' as suggested by interviewee E3:

And there is a growth aim, to grow [the company] by a certain amount…That's just one of our business aims that we've articulated… We had growth first. I said, 'We are about this [social impact and people] first, then it's growth.' So even the way we positioned things was deliberate (E3).

Interviewee E5 also outlined that from the beginning of the company there was a dual purpose as a social business combined with the intention to grow the company:

> *[The owner] was convinced when he started his company he wanted it to be a company based on two things really: 1) based on growth but also based on 2) quality of life, which he recognised as being about the economic and social development of the local population. The environmental aspect was added in the 90s. But really the whole quality of life thing comes back to that realisation of the impact of industrial decline on the [city]* (E5).

Interviewee E6 also suggested that there is a growing movement of social businesses particularly among younger generations that recognise the possibility of having a social purpose is also a good business model:

> *I'm always an optimist, and maybe even a dreamer. But I believe that there is a movement. I can feel it with people who are younger and beginning to move into business and understand these things… that being good was not only making their people happy, it was actually good business* (E6).

This recognition of a social business approach reflects a phenomenon observed in the happiness research: if a person's focus on achieving happiness is too great, they will actually be less happy than those that focus on others and a larger purpose. However, if people focus on others and relationships, they experience happiness as a by-product. Similarly, E3's and E6's comments suggest that in business, if the focus is on others' needs and relational responsibility by doing 'good', it is more likely that the by-product will be business success.

1.2.5 Organisational culture and strategy

Some of the 'beyond CSR' companies also suggested that organisational culture is more important than business strategy for their success and impact (E1, E2, E3, E6). Interviewee E3 in particular emphasised organisational culture as a key leverage point for success in expanding responsibility of the business:

> *['Culture eats strategy for breakfast'] – those are somebody else's words … The way we be, as much as we've got plans, people choose to play it out in the way that they*

feel they should. There's some great articles on that. And there's lots of Harvard Business Review stuff on strategy and culture and who leads what. It is both sides of the same coin … Obviously, culture has got to support strategy, but then is strategy really cognisant of what the culture can deliver? So this is the Edgar Schein model, saying you've got to deliberately embed the culture at all levels. If you are not working at all levels of your culture, you will fail (E3).

The state of the organisational culture therefore is an internal indicator of a business's level of relational responsibility. It reflects the level of importance that a business assigns to co-creating and establishing an organisational worldview (or paradigm) that reflects the worldview of the leaders and owners.

1.2.6 Risk taking ability and delivering impact

Some of the 'beyond CSR' interviewees also suggested that they dealt with tensions and perceived trade-offs as opportunities (E1, E3) and as a way to reaffirm their values and purpose. For example, when E3's company chooses to prioritise creating social impact even at the cost of financial performance. The values and purpose of the company are considered paramount. This attitude, combined with the tendency towards a 'sensitive maverick' style leadership and interconnected thinking, results in a willingness to take sometimes calculated and at other times intuitive risks (E1, E3, E6):

So it's difficult, because there's so much legal [requirement], and there's all of the ties … with massive corporations and their shareholders... people [need to] start taking real risk based on... 'What's the worst that could happen?'. [This] is what they need to ask themselves… [otherwise] I think we're going to be stuck in the same cycle (E1).

Most importantly though, all of the 'beyond CSR' companies in this study expressed their entrepreneurial spirit through using their products and services to create social and/or planetary impact through their daily work rather than creating separate charitable projects as an expression of their businesses' care and responsibility. This reflects an integrated strategic approach, rather than an ad-hoc risk management approach to CSR:

The focus now is more strategic – how do we do well by doing good through the business we do every day i.e. how do we use [our products] to add real value to customers and how do we extend the benefits of [our products] beyond those people that can afford to pay (E3).

1.2.7 Differentiating between conventional CSR and a social business purpose

Most sustainability decisions in the conventional CSR-oriented business (E4) tended towards strategic risk-reduction and management:

> *so we have platforms for energy, for water, for waste, we also have [them] for [the] beef chain,… seafood [chain], and for more sustainable products, because these other beef and seafood, we call risk chains* (E4).

On the other hand, the 'beyond CSR' businesses perceived CSR practices in sourcing, distribution, reporting and volunteering as an essential part of the business. However, they considered them as insufficient to drive the vision and social purpose of a business (E1, E2, E3, E5, E6):

> *The CSR team at a very large digital company … saw me speak at TED and got really excited and booked a meeting… 'We really want to help you.' I was, like, 'Great. What do you want to do?'. [They said] 'We've got 1,200 people in our office. We all want to come down to the […] Eastside for one day and help out.' I said… 'What could you possibly do with 1,200 people down here? What you need to do is start to understand individual [skills]... it's [a] very case-by-case basis, what are the skill sets of all these people and let's organise volunteerism over a three-year plan. Everybody can be active and actually do what they know ... If you can't cook, you can't work in a soup kitchen, because you'll just produce [bad] food* (E1).

In the case of E5's company CSR activities were added much later to the company's way of doing business to augment the social purpose of the company:

> *The environmental aspect was added in the 90s… suppliers are very much part of the sustainable development strategy launched in 2009, which has 2020 aims. And a lot of that is supply chain based … [and] there have been huge changes. In terms of supply chain diversity on the social side. In terms of things like sourcing of chemicals, of fish, there've been significant advances in animal welfare particular on eggs, liquid eggs, pork, battery chickens, significant change around fair trade. And we've done a lot of work with WWF on key agricultural commodities including beef, palm oil, fish, soya"* (E5).

Interviewee E6 gives the clearest example of differentiation of conventional CSR as not being enough to influence a social business purpose or a 'beyond CSR' approach:

> *So then there was a movement, it was CSR you know, where people were doing whatever they are doing selling tobacco and destroying forests and then doing a bit*

of CSR. Then companies started to think that they should have perhaps some higher purpose. And then BP starts moving into cleaner fuels … working coherently with the people inside it being delighted by the purpose… the purpose was taking into account all people, for all time … in that case it would be good for business, good for society and therefore create happiness all around. So yes, I do believe that this is on its way (E6).

These quotes demonstrate a recognition that CSR activities are considered important but are different from the business purpose. A business purpose oriented towards positive impact was therefore perceived as superior to environmental or CSR initiatives.

1.2.8 Motivation and intention

The majority of the 'beyond CSR' businesses saw reward systems, salary structures and peer feedback and support as useful tools for continually nourishing and growing the organisational culture. Much of the motivation from these rewards in the 'beyond CSR' businesses of this study was geared towards activating the intrinsic motivations of the employees and business leaders. They recognised that financial rewards alone are limited in their ability to inspire employees to care (E5).

The conventional CSR business (E4) was driven to implement sustainability and social impact initiatives due to a bad reputational history. Sustainability had therefore become important, within a risk-management mindset. This company focused on a business strategy that was driven by consumer demand, and by the aim of maximising sales at the lowest prices. There was no consideration of choice-editing by actively selecting and offering products that are better for consumers and the environment, compared to some of the 'beyond CSR' companies in this study that indicated that they were prepared to be criticised for choice editing (E1, E3, E6). Choice editing is often criticised for reducing the freedom of choice of consumers and for indicating that businesses are taking a paternalistic approach. However, some of the 'beyond CSR' businesses considered this a responsible practice that they engaged in with the intention of being responsible partners in collaboration with their stakeholders.

This indicates that the intentions of 'beyond CSR' businesses are one of their distinguishing features. This has also been discussed in the ethics sections of the literature review as an important part of ethical conduct. Intention is ultimately the prerequisite enabler for a 'Beyond CSR' orientation that comes from the leadership and owners of a business.

1.2.9 Perspectives of a 'conventional CSR' business leader

It is noteworthy to point out that the responses from interviewee E4 were quite different from those of the other international interviewees. As mentioned in the outline of the methodology, interviewee E4 was deliberately chosen as a contrasting example to the other international businesses. The divergent responses are therefore not surprising and are most likely due to the fact that this business operated primarily at a level of responsibility that was based on the business case for CSR. E4's business had neither a societal nor a planetary business purpose embedded in its vision or product delivery, and nor did it have an interdependent systems worldview.

Interviewee E4, as the sustainability manager of the business, was at middle management level, and reported to a director, who reported to the vice-president of the company. Sustainability activities were coordinated by the sustainability manager but were delivered via the vice-president through sustainability captains within each department of the business. This is often called an "integrated" approach to CSR, and it may reflect the integration of communications, chain of command and delivery across departments, but it falls short of integrating an expanded systems worldview into the business purpose, strategy and organisational culture.

Sustainability actions and projects in the conventional CSR company (E4) seemed to be issues- or crisis-driven and social impact work was conducted through a separate foundation set up by the company. Sustainability was used for solving company-specific issues, such as dealing with food waste and high risk supply chains, which may have had reputational consequences. Quite separately, the social impact work focused on charitable work and there seemed to be a separation of functions, responsibility, strategy and vision. The sustainability manager in this organisation was working in a bottom-up effort to have sustainability incorporated into company strategy, to integrate the social impact work with sustainability objectives, and to work in a more systemic way.

The conventional CSR company used its high volume buying power to put pressure on suppliers to improve products to be more environmentally friendly. An example of this was the elimination of phosphates from washing detergents. E4's company worked with the four largest suppliers in one country to remove phosphates from these products. Product innovations like this seemed to be ad hoc initiatives in E4's company, while sustainability goals were focused on waste, water and energy reduction goals. The complexity of a multi-stakeholder and multi-product context was dealt with by reduction and simplification. An example is that E4's company dealt with millions of products but decided to focus on the product lifecycle analysis of its 41 highest-selling products.

This is a very different approach, for example, to choice editing, which might consider the entire basket of products that is offered and then determine which ones contributed most to societal and planetary wellbeing, and which ones did the most harm. While product life-cycle analysis would be part of this process, it would have to be supported by in-depth consumer research, consultation and collaboration. Data on benefits derived from products by the consumers, and their impact on the consumer and planetary wellbeing would be essential. Only with this information and a co-creation process can substitute products or product services be designed to replace products that may fulfil consumers' needs but harm societal and planetary wellbeing.

While choice editing is perceived as paternalistic, if it is approached as a collaborative process it actually indicates a shift towards relational responsibility through a process that creates better outcomes for society.

1.2.10 Differentiating conventional and beyond CSR businesses

All of these characteristics observed and described by E4 are a fairly typical manifestation of what I term 'conventional CSR' companies or 'second wave' organisations (Benn et al, 2014) in the phase model of sustainability. Second wave organisations are preoccupied with sustainability for the purpose of risk management, cost reduction and creating competitive advantage through compliance, efficiency, reputation building and strategic productivity (Benn et al, 2014):

> *We have this pyramid that we analyse. We analyse… if the sustainability project is related to reputation [or] to business. So if …[it] reduces costs or not and if it creates value to the company. So that's what we try to analyse. Being very honest, when it reduces cost, it's much easier to go on with. And mitigation is also a very strong issue in [our country]* (E4).

In contrast, the 'beyond CSR' businesses in this study were transforming their businesses using their every-day business activities as the way to create change for a larger social and planetary impact. They were in fact deliberately embracing and creating change, and these are important attributes of learning organisations. Their actions seem to be driven by their vision and purpose, non-consequentialist ethics and a sense of responsibility that displayed an interdependent worldview. While they embraced operational excellence, they did not necessarily emphasise efficiency (E3).

In fact, E6 mentioned that when the company shifted from family ownership to majority shareholder ownership and 'professional' management, the company values shifted from caring for their stakeholder relationships to efficiency. According to E6, this was directly reflected in the financial performance of the company. Profits increased slightly in the first few years after efficiency measures had been introduced, but within five years the company went from an equivalent USD $1.4 billion profits per year to near collapse in the 1990s. Today, it has recovered and expanded globally, but only generates about USD $770 million in profits per year. E6 attributed this reduced financial performance directly to the shift away from caring about relationships with staff, suppliers and customers towards cost savings and a consequentialist ethics that based decisions and actions only on the business case and on expected financial outcomes.

However, at the same time one of the defining characteristics of some of the 'beyond CSR' businesses in this study was that they prioritised 'doing good' and were aware that this might come at the cost of high financial returns in favour of higher social or planetary impact (E1, E2, E3). Rather than considering this as a trade-off, some of the 'beyond CSR' businesses found the opportunity cost justified and necessary to fulfilling their business purpose. Their intention of creating positive societal and planetary impact seemed to take priority over financial goals and trade-offs. In other words, what was considered a sacrifice in a business case argument was considered an opportunity for 'beyond CSR' companies as a way to fulfil their purpose. When asked at what point the financial returns might take priority over social impacts, E3 conceded:

> *Well, so on the financial side it's been a very tough year, but they've actually done quite well on the social dividends side. So it's quite nice in the balance. I'm hoping their rewards will show it… I don't think they would ever [choose profit over social return]… It's not an either/or; it's both/and. At what point is it untenable? We are not at that point. Which I hope we don't ever get to. So they've got to manage both. But, you know, we are fully cognisant that if we are not earning money, we are not in business… So it's a good question. It's a hard question. That just is the way strategy is run now, it's looking through the lens of [both financial and social dividend] (E3).*

This reflects the position of E3's company on the middle of the spectrum of social business models as illustrated in Figure 45. E3's strategy considers financial success and a social purpose as mutually inclusive and as equally important.

1.2.11 Cooperation versus competition

A somewhat provocative insight was offered by E6, who suggested that businesses need a mix of competitive and cooperative spirit to be financially successful and create societal and planetary impact. E6 identified the best balance as five parts competitive and seven parts cooperative, referring to the evolutionary game theory example of doves and hawks that either cooperate or destroy each other:

> *So flocks or communities are made of 7 'bastards' and 5 'nice' or the other way round … if I was [only] nice, I would never have survived from the markets and had become the Managing Director of [the company]. You can't be [successful] by only being nice … So if you are a real bastard you don't make it and if you are too nice, you don't make it* (E6).

This perception of the balancing act of cooperation and competition on the 'beyond CSR' journey was in some way reflected by most of the 'beyond CSR' interviewees, and is a key finding of this study. This indicates once again the ability of 'beyond CSR' businesses to adopt an inclusive both/and logic.

1.2.12 Summary of findings – business vision, strategy, operations and organisational culture

In summary, the most significant findings in relation to how 'beyond CSR' companies in this study approach their business vision, strategy, operations and organisational culture include a variety of characteristics. These characteristics represent key enablers that in the case of the study participants can propel businesses 'beyond CSR' towards expanded societal and planetary responsibility. The enablers include:

a) **Family values and intention to use business for 'doing good'** are enablers that can expand responsibility towards societal and planetary wellbeing.
b) **Financial independence and sufficient profitability** (compared to profit maximisation) enable beyond CSR behaviour.
c) The conviction that **'doing good' can be the goal *and* the process**, and the 'doing well' becomes a by-product of doing good. in other words, there is a combination of consequential and non-consequential ethics.

d) In addition, the motivation and the intention of '**doing well'** require space and time to experiment and design a vision, strategy and organisational culture.

e) **Deliberately creating and nurturing an organisational culture** that encourages personal growth of the individuals within the business and at all levels of stakeholders instils an interdependent worldview and the use of systems thinking.

f) Dealing with **tensions and perceived financial trade-offs as opportunities to fulfil the business purpose** results in a **willingness and ability to take risks** to solve social and planetary problems.

g) Commitment to creating social and/or planetary impact through their **daily business activity**, products and services rather than creating separate charitable projects is an expression of beyond CSR behaviour.

h) Understanding that **operational CSR practices** in sourcing, distribution, reporting and volunteering and **'integrated' approach to CSR** are an essential part of the business, but are recognised as being **insufficient to drive the vision**, social purpose and expanded responsibility of a business.

i) Deliberately embracing and creating change that requires stakeholders at all levels of the business to learn, adapt and grow provides the foundation for a **learning organisation.**

j) A **mindset** that can balance cooperation and competition on the journey 'beyond CSR' straddling **'both/and' logic** rather than reverting to an easier 'either/or' dichotomy.

k) **Balancing contradictory and complex goals** such as financial and social returns ('doing good' and 'doing well') in the business strategy, and being committed to dedicating business success to social impact. This comes with a recognition that the expanded responsibility can only continue while the business is successful, therefore being successful becomes the vehicle for the purpose of making a positive contribution to people and the planet.

These findings highlight a set of confronting practices and ways of thinking that 'beyond CSR' businesses engage in to determine and implement their visions, strategies, operations and organisational cultures. They demonstrate that entering the realm of 'beyond CSR' and expanded responsibility requires extra abilities and skills on the part of business leaders, their stakeholders and supporters. These abilities and skills mostly require expanded relational responsibility, emotional intelligence, awareness and consciousness, and the attitude of a learning organisation. These skills are also the same that are required for systems thinking used to address complex issues in a holistic manner.

1.3 *Relationships and relational responsibility*

Approaches to relationships and relational responsibility are the areas where the 'beyond CSR' companies in this study seem to differentiate themselves greatly from conventional CSR companies. The characteristics and behaviours of conventional CSR companies are documented widely in the CSR literature and these companies are described by Benn et al. (2014) as 'second wave' companies. E4 represents such a prototypical 'second wave' conventional CSR company.

This section explores how the international business interviewees engaged with their stakeholders, their relationships with themselves, their business models, how they dealt with vulnerability and adversity, and relationships in the era of social media. This section also considers the differences between the conventional and 'beyond CSR' companies.

1.3.1 Stakeholder engagement and relationships

Relationships, partnerships and collaboration seemed to be highly valued in the organisational cultures of 'beyond CSR' companies in this study (E1, E2, E3, E5, E6) and not just for a strategic or competitive advantage. The 'beyond CSR' business leaders in this study demonstrated great intrinsic and personal commitment to improving the quality of life of direct and indirect stakeholders, the environment and the larger planetary conditions. These outcomes were valued in their own right, rather than as a means of achieving more self-centred ends as mentioned by interviewee E5:

> *And the basic [company] conviction is that if you improve the quality of life of individuals then you contribute to their progress and at the same time you contribute to the performance of their organisations. However, the causal relationship is not thought to be just linear [the company's] ambition is not just to improve quality of life of individuals for their progress in order to achieve an end, which is the performance of the organisation. It's accepted that the progress of the individuals is a perfectly valid end in itself. Yes there are knock-on effects for the organisation, but that doesn't have to be the end point* (E5).

However, for one of the 'beyond CSR' companies, supplier lock-in practices were also justified with the argument that relationships matter because they can be used for mutual benefit. In this case the company used its buying power for its advantage, but also to provide the benefits of long-term relationships to its suppliers. In this particular context, E6's company could be considered to be operating out of a mutual interest worldview because *"the suppliers actually were not being paid as much as they would get elsewhere. But they knew that we would keep the relationships with them and they would be there for longer"* (E6).

Relational responsibility involved a variety of behaviours and practices within the 'beyond CSR' companies. They included working with sensitivity and confidence with vulnerable stakeholders, and a determination to use the power of the business to improve their clients' and stakeholders' situations, wellbeing and quality of life (E1, E3, E5, E6):

> *How can we focus on creating real transformational change in the emerging consumer and the vulnerable poor. People who would never be able to afford [our products]. [The company] has begun a new way of applying [our products] to the vulnerable poor – we call it Social Impact [product]* (E3).
>
> *So what I do, working with those businesses, is go in and... the most adept business people, the most in-tune guys who are… Fortune 500s, have no … idea how to deal with this stuff. They genuinely are just, like, 'Ahh,' because they're scared they're going to say the wrong thing, or do the wrong thing. They're not good at dealing with people who are at risk, or they're scared that … they might come off racist, or just insensitive, etc., etc. All those things are top-of-mind, so it's almost like a freezer-hold. Put them in a boardroom with … triple bottom line and they'll do it with one eye closed, but that's the skill set we actually need for that. So it's this uncomfortable realm. I saw some of it in most sessions today, whereas I'm comfortable with my language. I do this. I live it. It's very easy for me to talk about, whereas other people are like 'Yes, I met someone who was on drugs once'* (E1).

Also noteworthy is the continual consultative and inclusive approach of the 'beyond CSR' companies. Some expressed their willingness to take time to implement consultative processes. They also revealed that they connected to their stakeholders on an emotional level and worked on elevating the emotional intelligence and consciousness levels of themselves and others. One interviewee shared the story of another company not shying away from understanding the suffering that occurs in their surroundings, country and supply chain:

> *Yes. Well, I know of business people who have done things like reality tours to go and understand their supply chain and to see where they are suffering in it… if you are in the food sector, do you know what it's like to be a migrant farm worker and do you know exactly that in the US something like 57% of all food is touched by*

illegal immigrants in our country right now? So we depend fully on illegal people to produce the food we live on…. To eat what's on our table, and yet we still treat people horrifically, as illegal aliens. There's so much suffering, and mothers being deported away from their children and mothers and children meeting at the [border] gate and crying… And yet we rely on it fully, but we act like it's not there. So in reality, to see what's really in your supply chain and then to allow yourself to feel that, is one thing that I've seen some people do (E2).

This story indicates that E2's perception of areas of responsibility included migrant workers in the supply chain demonstration an expanded sense of relational responsibility.

1.3.2 Relationship to self and personal growth

The 'beyond CSR' companies in this study also gave examples of empowering their staff and customers to engage on personal growth journeys. They often seemed to encourage their stakeholders to understand their own values and to honour their own meanings in life. Some of them were also taking steps to support stakeholders to become responsible agents who themselves became drivers of an expanding responsibility through being in business (E1, E2, E3, E5, E6). E1 specifically linked business success with a personal growth process for the benefit of others by evolving awareness and caring for others:

> *My evolution is so important as a businessperson ... So where I find myself right now positioned is I'm speaking between five and eight times a month. That's so important for my personal growth and the growth of the company as its CEO to understand what everybody else is doing ... I have a pedigree of being … a serial entrepreneur and [to] be very successful. So if I can do that and I apply it to the social world, and really care, care about it, and so does my team, then the sky's the limit* (E1).

1.3.3 Relational responsibility and business models

Furthermore, to varying degrees the relational responsibility expressed by the 'beyond CSR' companies in this study extended, not only to their direct stakeholders, but also to their country and the larger planetary conditions. They stated their preparedness to change their business models to shift to an expanded responsibility for the broader wellbeing of society and planetary conditions. For example, E1 deliberately downsized and gave up aspects of the businesses that did not fulfil a social impact and refocused the company's efforts on creating social impact. Furthermore, E3's business changed its product offerings, while E5's business changed its business model. This indicates that among these ‘beyond CSR’ businesses the intention and business purpose to create positive impacts within stakeholder relationships seemed to become at least equally or sometimes more important than a purely financially-driven growth strategy. Therefore, deliberately taking on more responsibility for a wider circle of relationships by redefining business purpose, changing business models and/or redesigning products and services, is a key characteristic of ‘beyond CSR’ businesses:

> *I was literally the tall poppy for the last year of my career where I was always the underdog before, and it really changes perception-wise. I think, you know, like the prodigal son, you return. You come back and say, ‘No, I’ve developed and I’ve evolved.’ … I think a lot of entrepreneurs continue to hold on to their businesses based on ego and the fact that it could be perceived as failure. I really like that thought [of changing the business model to social mandate], because I think that people love to root for the underdog* (E1).

Interviewee E5’s business was also in the process of changing its business model. They moved from a business-to-business model to a business-to-customer model, with a specific purpose of expanding its responsibility beyond its business clients to include the customers of their business clients. This increased the responsibility of E5’s company from 428,000 employees and 34,000 client sites in 80 countries to now considering 75 million customer interactions per day across the globe as their responsibility:

> *[I]n a company approach, which is increasingly based on a business to consumer business model, clearly [the] impact on the consumer becomes more and more important… It’s slow moving because of the size, but I think ultimately the reward and impact will be huge. You know, over 400,000 employees and huge impacts on millions of people around the world every day, so it could be really big. It takes a long time* (E5).

This shift in E5’s company emerged as a result of a number of controversies that the company had been involved in during the last decade, including wage disputes, food safety issues, discrimination and human rights violations. However, while the intention and vision of the company since its inception had been to improve people’s lives, the actual delivery on a day-to-day basis at this global scale, serving 75 million customers every day, was fraught with challenges and mistakes. These challenges and mistakes seemed to emerge from the disconnect between the company’s vision and the delivery of products and services that were based on a risk-management approach. For example the company identified in its public annual reports, laws that regulate labour, anti-corruption, environmental protection as well as health and safety, as risk factors for the company. A company with a fully expanded notion of relational responsibility for societal wellbeing would see these laws as opportunities, and as supporting the company's vision:

> *There has been a lot of work in the past few years to try and work out exactly what that conviction [improving the quality of life of stakeholders] means. We got to a point where through [the company's] services as they are today, we think that [the company] impacts on six out of many more dimensions of quality of life. We know we touch six in particular* (E5).

This highlights a common phenomenon within large companies: the corporate vision can point in a purpose-led, responsible direction but the market environment requires lobbying and advocacy for a competitive advantage, which creates a pull in a different direction. This paradox appears as a gap between the vision and operational reality and in extreme cases it can result in outcomes such as the VW emissions falsification scandal mentioned in first part of this thesis.

1.3.4 Vulnerability and adversity

The shift by companies to expanding their relational responsibility is therefore often seen as a reaction to adversity due to external circumstances, such as protests or revelations about company conduct that threaten its reputation. The reactions to these reputational threats often result in new measures of success, but not necessarily in deliberately creating an evolution of responsible leadership and organisational culture. The instability and vulnerability that comes from adversity is a window to listen, learn, grow and become adaptable, agile and *"anti-fragile"* (Taleb, 2012). However, companies such as VW and others often miss this opportunity.

The reaction at E5's company to reputational threats has led to the development of a Quality of Life Index, which will be implemented across employees, clients and clients' customers in an effort to broaden the company's outlook to *"care for generations of all nations"* (E5).

This is in direct contrast to businesses like E1 and E3 who took a proactive and consultative approach to expanding their responsibility by engaging with their stakeholders and partners. They voluntarily embraced adversity and vulnerability rather than waiting for it or trying to prevent it. Secondary data such as media stories and company reports reveal that when unforseen controversies confronted them, they were unwavering and grounded themselves in their values and purpose, extended their stakeholder engagement, and took the time to listen, deliberate and co-create solutions.

1.3.5 Relationships in the era of social media

Two of the younger interviewees also expressed their acute awareness of social media pressure by generation Y and Millennials forcing businesses to focus on social benefits or else they will not survive:

> *So corporate [concern] is still based on popularity, based on how social media is accelerating. So you say one stupid thing on Twitter, it's on. If you are really participating in society, and that's tangible, then the popularity of you grows immensely* (E1).

On the other hand, the tyranny of social media and its short-term focused, reactionary feedback loop was identified by E5 as a threat to the long-term outlooks of 'beyond CSR' companies. This is covered in more detail in the barriers to moving 'beyond CSR'.

1.3.6 Conventional CSR approach to relationships

The conventional CSR approach of business E4 to relational responsibility for stakeholders provides an interesting juxtaposition and insight. As outlined by E4, staff engagement in sustainability initiatives, for example, were driven by a top-down approach from the VP to sustainability champions within each department. Intrapreneurs within the company, such as the sustainability manager, were finding it difficult and frustrating to push upwards in the organisational hierarchy for a more social orientation and a strategic approach to sustainability:

> *And now what I think, it's a new period for me [in] the company. Now I'm not impressed with the projects anymore, and I'm getting deep into it, so I want to do more … I do want to get sustainability in the strategy of the company. So that's my new challenge … how to really get everything we are doing and focus in what we should be focusing on* (E4).

The sustainability manager explained that a key function of the role was to educate consumers by providing them with more information via a sustainability index on product labels. The underlying assumption made by E4 was that more information could convince consumers to spend more money on sustainable products. However, this is debateable and is contradicted by the findings on pro-social and pro-environmental behaviour as presented in the literature review. In short, it has been found that consumers who engage in pro-social and pro-environmental behaviour are usually intrinsically motivated and base their decisions on relational and emotional triggers such as empathy and compassion rather than product labelling.

The main consumer engagement mechanisms used by E4's company were satisfaction surveys, feedback via social media and big data analysis of products purchases. These mechanisms were fairly removed from consumers, with the exception of social media tools for engagement. This indicates that the 245 million consumers globally of E4's company were to a large degree considered to be a means to an end (increased profits) rather than the company caring for their consumers' and societies' wellbeing and an end in itself.

The main concern of E4's company was to provide customers with access to the least expensive products and thereby freeing up their disposable income to spend on other items that were important to them. This seemed an indirect approach to caring for customers, based on the assumption that selling more at less cost will result in increased happiness and wellbeing by freeing up spare cash. As covered in the literature review, having spare money increases choices, which brings increased autonomy and happiness. However, as research has shown, when money is spent on consumption beyond the satisfaction of basic requirements for a comfortable quality of life, the increased happiness and wellbeing is short-lived. This indicates a narrow approach to customers' happiness and wellbeing, based on saving customers money.

Some wellbeing at work initiatives have been implemented through the sustainability department as *"personal projects on sustainability"* (E4) such as programs to quit smoking, exercise more and reduce stress. The intention of these programs is self-care for the purpose of improved productivity for the company. In this case, responsibility for others is a means to improving business performance, such as focusing on staff physical and psychological wellbeing as a means for improving outcomes for the company.

1.3.7 Comparing conventional and 'beyond CSR' companies

There is a significant difference in caring for relationships between the 'conventional' and 'beyond CSR' companies. Conventional CSR companies care for their customers by creating mutual benefit, through saving the consumer money, with the intention that they can spend more on a wider variety of consumables at the same company. In contrast, some of the advanced 'beyond CSR' companies in this study took a much broader and planetary perspective. They considered their stakeholders in a broader context beyond the shop door by understanding their needs in the broader context of societal and environmental needs. They designed their products and services to improve the quality of life of their stakeholders, not through enabling them to acquire more material wealth, but through enabling them to experience purpose and meaning in their lives.

1.3.8 Summary of findings – relationships and relational responsibility

Relationships and levels of responsibility are at the heart of what defines 'beyond CSR' businesses in this study. Relationships direct the focus to the actual business purpose and product/service offerings and how they contribute to societal and planetary wellbeing. This indicates that companies moving towards 'beyond CSR' responsibility craft their products and services around their customers', needs taking into account other stakeholders' needs and the broader socio-ecological system's needs. The approach to relationships adopted by 'beyond CSR' businesses emerged as a key enabler for taking responsibility for societal and planetary wellbeing. Some of the other key enablers were:

a) their willingness to take time to engage in consultative processes to connect deeply with their stakeholders on an emotional level, and to work on elevating the emotional intelligence and consciousness levels of themselves and others
b) personal growth to serve a bigger purpose rather than for self-interest
c) deliberately taking on more responsibility for a wider circle of relationships by redefining business purpose, changing business models and/or redesigning products and services
d) grounding in values and extending stakeholder engagement when unforseen controversies confronted them, and taking the time to listen, deliberate, co-create and decide
e) recognising the opportunities provided by adversity and vulnerability as a window to increasing adaptability and an expanded systems view

Key differentiators of 'beyond CSR' businesses include considering stakeholder relationships, engagement, feedback and co-creating as parts of everyday business, and incorporating these aspects of relationships into the company's way of doing business. The increased importance of relationships establishes a broader systems awareness within the business culture and leads to decisions and conduct that are intelligently compassionate. In contrast, the 'conventional CSR' business engages in relationships with a linear and self-interested purpose.

1.4 Tools used to learn and expand awareness

There are a wide variety of tools which the international interviewees in this study mentioned, which they used in their daily operations, planning and decision-making. These included frameworks, theories, models, methods, processes, indices, and philosophies from a wide range of disciplines to make sense of their business internal and external environments and to challenge themselves and their organisations. Many of these methods and tools require courageous engagement with stakeholders and proactively engaging with and driving change processes to create individual, organisational and societal change. Table 35 lists the variety of tools that the 'beyond CSR' organisations used on their journey to expanding their awareness, care, responsibility and purpose (E1, E2, E3, E5 and E6).

Interviewee E4 from the conventional CSR company is not included in the table because E4 only mentioned one analytical decision-making tool and this tool is discussed in Section 1.4.2.

Table 35 - Tools used by 'beyond CSR' companies

E1	E2	E3	E5	E6
• Creative approaches to fundraising such as fundraising walks with high-net-worth individuals to raise funds for specific projects (E1) • Video games such as "Civilisation" or "Risk", where the player creates a society, including culture, citizens, religion etc. and is judged by the citizens on the ethics of the players decision-making	• Engaging business community in expanding care and responsibility by: - starting with those who get it and care - bringing them together as community of peers - teaching self-care practices for reflection and innovation - telling stories of caring innovation across industry sectors - growing a community of business leaders that care and practice it • Reality tours in supply chains for business executives and staff to experience the suffering and feel it • 'Moved by Love' initiative brings entrepreneurs together for 'start-up weekends' to reveal their highest and deepest purpose and responsibility (no academic reference) • Wellbeing in Business Lab in California (based on Otto Scharmer's Global Well-being Lab) • Experiencing systems interconnectedness by	• Integrated business framework measuring success on the two axes of 'social dividend' and 'financial dividend' (no academic reference) • Edgar Schein's model of organisational culture (Schein, 2010) • Five Capital model: - Natural - Human - Social - Manufactured - Financial • (Forum for the Future, 2000 & Porritt 2005) • Keller & Price model of 'Four Levers of the Influence Model' describes 4-step adoption path (Keller & Price, 2011) • Ned Herman's 'Whole Brain' Technology and 'Herrmann Brain Dominance Instrument (Herrmann, 1998) • Maturity Model of Culture Change (unreferenced) • Elizabeth Dostal's Biomatrix Systems Approach to organisational and societal change (Dostal, 2005)	• OECD Better Life Index (BLI) used as a robust example of how to develop a Quality of Life Index for the company • James Martin of Oxford Martin School inauguration speech – 21st century reorganisation will be messy	• David Bohm: Bohmian Dialogue • (Bohm, 2013) – using dialogue groups to nurture attention to underlying individual assumptions while sensing similar patterns in the group generating dialogue that is relaxed, non-judgmental, curious, emergent and reveals fresh perceptions. • Result is the experience of collective thought as a wave rather than individual thought like a particle • Ancient wisdom like Taoism, Black Foot Indians • Developed own matrix to assess companies on three dimensions: - short-term versus long-term outlook • - systems-level responsibility - level of consciousness Based on Henderson's (1996) Expanding Calculus of "Self-Interest" as related to Stages of personal growth and economic theories. • Developed a new

	connecting with nature, self and others • 21-day Generosity Challenge • Otto Scharmer's Theory U (Scharmer, 2009)	• Otto Scharmer's Theory U (Scharmer, 2009)		ownership model called 'Equal Participation Total Alignment' (EPTA) that shares dividends with all stakeholders equally • Evolutionary game theory concept of 7/12 hawks and 5/12 doves in a population

1.4.1 Systems and societal change tools

Interviewees used a variety of systems and societal change tools to expand their thinking and relational responsibility. For example, E3's company worked with Elizabeth Dostal's Biomatrix Systems Approach (Dostal, 2005) for a couple of years. A review of this method is beyond the scope of this thesis, however a quote from Elizabeth Dostal relating to organisational and societal change epitomises the willingness by E3's business to actively design their future:

> *The future is created by default or design. If you develop by default you will remain a victim of circumstances. If you deliberately design your future you will transform your life creatively. Either way it is your choice and responsibility* (Elizabeth Dostal quoted in Forgegroup, 2014, p.12)

Although this approach implies a sense of control over the business and its larger socio-ecological system, it nonetheless provided an entry point for E3's company to develop a broader interdependent worldview.

Another theory that appeared in two of the interviewees' toolboxes for change is Otto Scharmer's Theory-U (Scharmer, 2009) and E3 quoted from his work in a conference presentation, indicating an alignment with this approach:

> *We live in an age of profound disruption where something is ending and dying and something else is wanting to be born. What is ending and dying is a civilisation that is built on a mindset of maximum me, of bigger is better and of special interest group driven decision-making that has led us into a state of organised irresponsibility. What is being born is less clear; it is a future that requests us to connect with a deeper level of our humanity* (Otto Scharmer (2013, p.1) quoted by E3).

The sentiment of these quotes is about taking responsibility and expanding the outlook towards the longer-term future, while taking personal responsibility for changing one's own mindset, one's relationships with self and others, one's organisational culture and one's ways of engaging with the world.

Others, like E5, drew on academic institutions engaged in examining the challenges of the 21st century to make sense of their company's place in the world, and were considering what tools could assist them along the way:

> *The Oxford Martin School is an interdisciplinary school set-up to try and provide answers to all of these vast questions of the 21st century. And in James Martin's hour-long speech … his take is that the 21st century is going to be incredibly messy but we'll sort ourselves out towards the end of the 21st century. In my view, any work that can minimise that messiness and accelerate the point at which we come towards what he optimistically calls a new renaissance, is to be encouraged. And all of this [NDP model] obviously tends in that direction* (E5).

Neither E1 nor E4 mentioned many approaches, which was possibly the result of the semi-structured interview process, which meant that some topics did not get covered in all interviews.

However, E1 said that he draws on popular video games that he played when he was young, which instilled a sense of ethics and societal responsibility in him:

> *[T]here's a video game that I always loved when I was a kid, it's called Civilisation. It always fascinated me as a history guy to play the history pieces. You could play as Cleopatra. You could play as Queen Victoria, whatever you wanted to do. The game was based very much on a strategy game like Risk, where you are creating culture and all of these things, and your citizens are happy based on what you create for them… essentially the measure of the happiness of the city…. was measured in that game. So it fascinates me that [in] this game … you would win based on the overall happiness of your people. If you went to war, they would revolt against you if they didn't believe in the ethics of what you were doing. That's your national happiness (E1).*

The variety of the tools and resources used by the 'beyond CSR' business leaders demonstrates the broad range of inspirations that companies can draw on for shaping their own and their stakeholders' sense of responsibility and view of reality, and their place within the larger socio-ecological system.

1.4.2 Comparison of tools used by conventional and 'beyond CSR' businesses

Interviewee E4, from the conventional CSR company, mentioned one analytical tool that the company used to assess whether sustainability projects passed the 'business-case' test. It is presented in a three-dimensional pyramid model that assesses the contribution of any sustainability project towards the company's objectives in relation to:

- increased reputation

- increased profits/ decreased costs
- increased value to the company.

It appears that this tool served a purely practical purpose for efficient decision-making on sustainability initiatives, and that it supported a narrow conception of responsibility for the stakeholders, relationships and the broader planetary system. This is in line with a 'conventional CSR' approach.

In examining the tools used by the 'beyond CSR' companies of this study, it becomes apparent that they liked to experiment with new and ancient social technologies that push the boundaries of conventional strategic management thinking. They considered concepts like systems thinking, consciousness, interconnectedness, generosity, wellbeing of stakeholders, organisational culture and ancient wisdoms and some incorporated them across all levels of their organisations. Interviewee E6, recommended 'Bohmian Dialogue' as a process tool for encouraging business leaders to challenge their own mindsets of 'command and control', and to help shift them towards self-organising principles. Institutionalising such a process within businesses, according to E6, would help to develop insights, skills, practices and professional ways that contribute to expanded care and responsibility, and a more holistic view of the world. It is this kind of process that is the basis for discourse ethics and it is highly valuable in creating relational connections and responsibility.

The 'beyond CSR' companies in this study also reported a tendency to engage in risky and confronting activities such as experiencing real life suffering through 'reality tours' in their supply chains and deliberating through authentic, revealing and emergent communications processes. This seems to be a key differentiating factor for 'beyond CSR' companies.
Some of them also took a different approach to measuring their success, which is discussed in more detail in Section 1.5 below.

1.4.3 Summary of findings – tools used to increase levels of awareness

In summary, it appears that the 'beyond CSR' businesses in this study drew on tools and resources that provided them with challenges, inspiration and guidance in developing strategies. However, more importantly these tools provided a process for challenging business leaders' own assumptions and worldviews. Some of the key points revealed from the 'beyond CSR' interviews in relation to the resources that they used to learn individually and as organisations included:

a) The 'beyond CSR' interviewees were inspired by resources ranging from academic thinkers and frameworks to video games, to inspiration from world leaders. These resources helped them to take responsibility and expand their outlooks towards the longer-term future and an interdependent systems view.
b) They used resources, tools, processes and methods that encouraged them to take personal responsibility for changing their own mindsets, their organisational cultures and their ways of engaging with the world.
c) They experimented with new and ancient social technologies that push the boundaries of conventional strategic management thinking in companies.
d) The 'beyond CSR' companies in this study reported a tendency to engage in risky and confronting activities that challenged them to understand the needs of their stakeholders and to collaborate in developing solutions.

In general, the characteristics that the 'beyond CSR' businesses in this study displayed when drawing on resources to experiment and challenge themselves, very much resembled the foundational elements for building 'learning organisations' as described by Kofman and Senge (1993), as discussed in the literature review.

1.5 Measures of success, happiness and wellbeing

There seemed to be a trend within the 'beyond CSR' businesses of this study in relation to measuring success. It appears that the more the 'beyond CSR' businesses pushed the boundaries, the less they relied on metrics for determining their purposes and strategic directions and for assessing their progress.

They also seemed suspicious of alternative metrics such as happiness and wellbeing indicators. For example, E1 and E2 mentioned that any measurements of expanded societal and planetary responsibility needed to include measuring shared value, cultivation of compassion and circular economy outcomes. E1 mentioned that stories of business's successes in expanding their societal and planetary responsibility were more interesting and convincing than conventional metrics of intangible values of happiness:

> *The metrics portion … I've only really done [it] in a very self-serving way to prove … that we do things where people say we don't… as much as I understand it, I think it would be much more interesting for people to read about the successes of business … [which are] increasing happiness* (E1).

In contrast, interviewee E3's company used a dual measure of success, which includes the two main indicators of financial and social dividend. The company measured its financial and social performance against the company goals and used an integrated reporting system.

Both of these measures were linked to the company's board performance and reward system, which externalised the reward. This was an important technique for gaining the commitment of the board for the company's approach of expanding responsibility and caring for their stakeholders and environment. It demonstrated leadership by example to employees and other stakeholders. However, as effective as external rewards structures may be in gaining commitment to a cause, they may not have been enough to encourage the board members to draw on their own intrinsic motivation, and did not necessarily help to shift from a linear self-interested worldview towards a systems worldview.

E3's company also intended to include new indicators of success such as wellbeing, trust and authenticity, and were considering developing new indicators in collaboration with their stakeholders:

> *They manage their businesses on a portfolio basis of financial return and social dividend return. So for example, one of their businesses is a hotel… [which] has been very strong at looking at environmental and social issues of the area and they are deeply involved in working with the stakeholders on positive community development and water sustainability for the area. [They] may not be making high return on investment but [the hotel] is a leader in its field with some really transformative thinking…. [and] high on the social dividend side. [The parent company] is good on the return on capital, and making progress on the social dividends. So they look at their businesses as a portfolio where they are encouraging their businesses to not only make money but [create] positive social impact as well* (E3).

This indicates that E3's company did not treat everyone one of their businesses the same way. They optimised the businesses that were 'cash cows' and balanced them with the businesses that were leaders in social and environmental practices. In this way they were able to make trade-offs that a single company may not have been able to make. However, this raises the question of whether decisions in the 'cash-cow' businesses tended to be geared towards financial dividends so that the company could afford to focus on social dividends in other businesses, resulting in a 'negative impact off-setting' approach that is common in conventional CSR businesses. This topic would benefit from further research but was not further explored in the interviews and is beyond the scope of this study.

Among the 'beyond CSR' companies, E5's company was the only one directly engaged in developing a wellbeing measure. At that time work was underway at E5's company to develop a ‘quality of life’ (QoL) index for its staff, its clients and its clients’ customers. E5 indicated that the main intention of this initiative is to show the connection between the services offered by the company and increased performance in the company. According to E5, another equally important intention of the QoL Index is to use it as a compass on how the company can better fulfil its vision of improving the quality of daily life of its staff, clients and their 75 million customers they serve daily.

The areas that E5’s company identified as being able to make a difference to stakeholders quality of life included 1) health and physical wellbeing (healthy diet, nutrition and exercise), 2) social interaction (strengthen relationships and access to culture) , 3) recognition (through rewards), 4) personal growth (learning and progression), 5) ease and efficiency (carrying out activities) and 6) environment (comfort and safety). When considering these in relation to the spectrum of factors that influence happiness and wellbeing as illustrated in Figure 13 in the literature review, they seem to represent a good spread of items that can help to improve people’s quality of life in a holistic way. However, it remains to be seen how much the QoL index will actually inform decision-making and influence day-to day operations.

In contrast, E3’s company has been very engaged in designing and implementing a change process within the company over the past 10 years towards its vision of ‘being a catalyst for positive and enduring change’. However, they have only just now reached the point of considering how they will assess whether the change process is working and steering the company towards its vision. One of the key challenges they are currently engaged with is how to measure the five core values for leadership behaviour, which relate to how to lead themselves, how to lead others and how to lead change. These core values are:

a) healthy team (relationships matter, care about each other, listen, communicate and share)
b) choose excellence (keep learning, mastering, take responsibility with courage)
c) imagine and innovate (doing things differently, experiment, collaborate and take calculated risks)
d) deliver for customers and partners (respect, support and empower customers and partners)
e) be real and be mindful (emotional intelligence with integrity, courage, authenticity, intuition and curiosity).

These core values represent a foundation of a systems worldview that is deliberately created within the company and linked to tangible and intangible measures of progress. E3 explains the challenge of measuring intangible values:

I am thinking that we may well want to really have a look at other measures. Because …[the core values] is what we were talking about. Now, this can never be read apart or separated, so that's the only thing that worries me. But how would you measure if people were really being … mindful? .... Now, on the team one, healthy teams, maybe there's something there. How would we classify a healthy team, and are we in red, amber or green in the hundreds of teams that we have? …. You know, there might be some diagnostics (E3).

On the other hand, there was also some scepticism among some of the 'beyond CSR' businesses in this study about measuring happiness and wellbeing. There was a sense that measuring happiness and wellbeing is to some extent a futile exercise. This came from an intuitive recognition by some of the interviewees that happiness is a socially constructed phenomenon. E1 suggested that happiness levels will never reach 100% because the happiness of each individual is affected by the happiness of all the other individuals they come into contact with, and that happiness can therefore never be complete.

Other concerns included that such measures can be misused to justify government policies that might jeopardise long-term sustainability and wellbeing for short-term political gain. However, the measurement of happiness and wellbeing on a national level was recognised by most of the 'beyond-CSR' companies, as being necessary to convince political entities and *"economic neoliberals and conservatives"* (E1) that there are better measures of progress than GDP (E1, E2, E3, E6):

The younger generation knows that GDP is a farce. So there's going to have to be something to come in and replace it. The deficits are insane. When you say a country's $100 billion in debt, we all know what that means. Who's carrying it? …. That's not fooling anybody anymore, [that] is the problem. It's got the 'white hairs'. They find comfort in that [GDP], the same way they find comfort in their newspaper arriving every Saturday wrapped up in plastic on their front door. They're creatures of habit (E1).

It is noteworthy that the conventional CSR business (E4) uses no success measures other than financial performance at the country level. Although the company had some sustainability goals and performance measures at the global level, at the country level alternative indicators of sustainability impacts (positive and/or negative) were only used on an ad hoc basis.

1.5.1 Summary of key findings – measures of success, happiness and wellbeing

In summary, some of the 'beyond CSR' businesses in this study seemed to be either engaged in the idea that alternative measures of success are necessary in expanding their responsibility, or rejected the idea of measuring altogether, and advocated a more qualitative approach to assessing success through narratives, storytelling and case studies.

In general, the 'beyond CSR' businesses were engaged with the challenge of understanding intangible and qualitative outcomes such as authenticity or mindfulness. They realised the tension between management's need to measure and report, and relational responsibility which adds value to the 'beyond CSR' worldview and behaviour in qualitative ways.

1.6 Systems thinking and the 'beyond CSR' approach

This section covers a number of other findings from the six international interviews and the focus group that are specifically related to the ways that business representatives engaged either consciously or subconsciously with systems thinking. These findings are presented in two sections, the first section draws on the interviewees' views and the second draws on the views from the focus group about the NDP model.

1.6.1 Systems thinking

All of the 'beyond CSR' business interviewees (E1, E2, E3, E5 and E6) spoke about enabling factors that helped them expand their systems-thinking ability. These abilities were seen to help businesses to expand their responsibility and they included:

a) taking a "glocal" approach by strengthening local economies in a global context
b) combining the benefits of long-term thinking prevalent in homogenous societies with the capacity for agility and resilience of highly diverse societies
c) drawing on models such as the NDP to help navigate 21st century challenges
d) improving social and emotional intelligence skills among business leaders and stakeholders
e) engaging with and contributing to solution building through mechanisms like the SDGs.

Some of these ideas suggest resolving tensions such as those that exist between local and global contexts, between homogeneity and diversity, and between emotional intelligence and a business mentality. This indicates that the 'beyond CSR' business leaders in this study

had a capacity to accommodate pluralism and were comfortable with complexity. They displayed a desire for proficiency and engagement in dealing with complex situations and addressing systems-level challenges such as the SDGs.
In some of the international interviews, the NDP model was discussed as a systems-level approach and E2 and E5 in particular indicated that the NDP model could be a useful tool for assessing their systemic approach and levels of responsibility for improving social and environmental impact through their businesses. The next section outlines the findings from the focus groups session that explored the NDP model.

1.6.2 Exploring the New Development Paradigm (NDP) with a focus group

As a systems change framework, the NDP model (SNDP, 2013) was highly relevant to this study, because it emerged from an initiative of Bhutan's government in consultation with an international transdisciplinary group of experts from fields including psychology, economics, education, anthropology, environmental studies, sociology, sustainability, epidemiology, international development and many more. The NDP therefore represents the bringing together of Bhutan's efforts at promoting societal wellbeing and happiness together with an international academic and expert community, which resulted in the proposal of a transdisciplinary and cross-culturally relevant framework, the NDP (detailed in Part B, section 3.8.2 of the literature review).

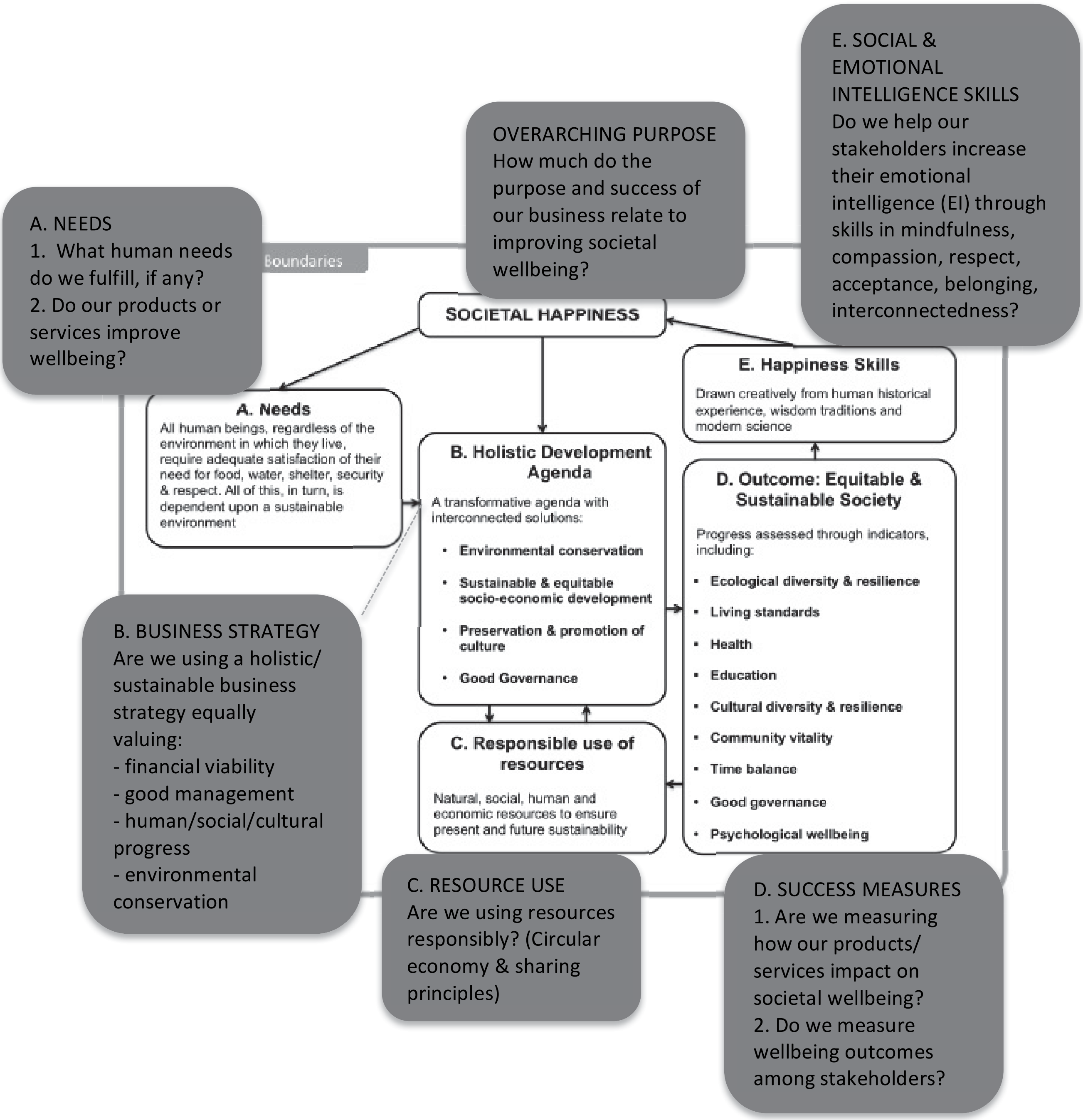
The applicability of the NDP model for business was explored in the focus group session held in October 2014 at the World Forum for a Responsible Economy in Lille, France. The focus group session was advertised as one of many workshop sessions in the four-day conference program. Since the eight focus group participants self-selected to participate in the focus group session, they obviously had an interest in the topic. Despite their interest I classify them as conventional CSR businesses based on the background research I have conducted about the businesses represented in the focus group. The focus group participants and their businesses were characterised by conventional CSR attributes, with no or very few 'beyond CSR' characteristics.

A survey to collect background information and a business assessment tool, adapted from the NDP model, were used in the focus group. These are included in Appendix 1.7 and were used specifically to gain insight into how businesses would assess themselves against the components of the NDP model. The results shown here are only provided as raw data and descriptive statistics. They do not describe a representative population in a statistical sense but a juxtaposition for comparison with the international interview data.

The survey revealed that half (or four) of the focus group participants' organisations were highly concerned with promoting societal wellbeing. Another three indicated their businesses had some concern for societal wellbeing while only one participant indicated that their company was not at all concerned with delivering societal wellbeing. This may very well be a reflection of the self-selection process of the focus group participants, who chose from a wide variety of workshop sessions offered in the conference program. These figures are mentioned to provide the context in which this focus group took place, and to frame the participants' contributions. They are not intended as reliable quantitative and statistically representative evidence.

One component of the focus group activity involved the participants completing the NDP business self-assessment tool, which overlayed specific business questions on the NDP model. The task for the focus group participants was to reflect on their businesses and rate their business on a scale from 1 to 5 in relation to each of the questions overlayed on the NDP model. The slide I used to explain the NDP model, and the business-specific questions for self-assessment to the focus group participants, are represented in Figure 46.

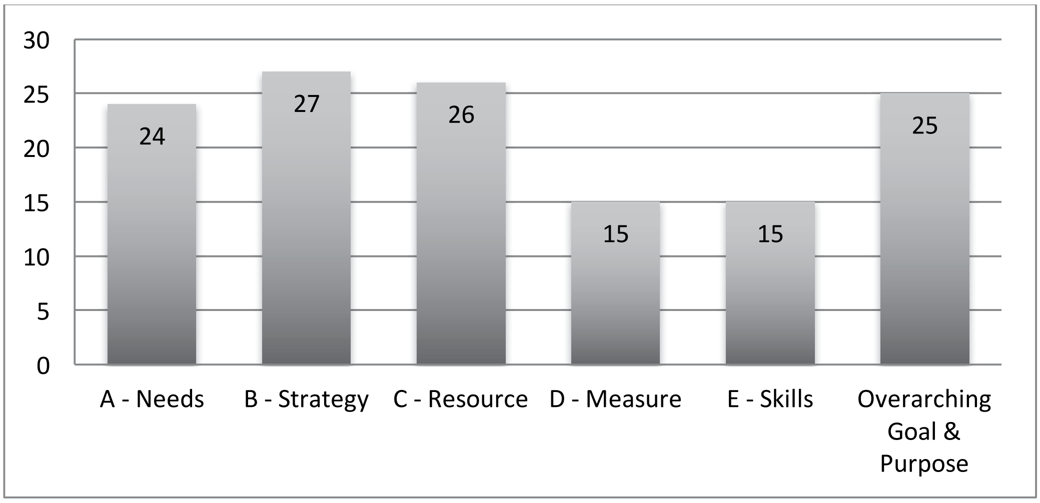
Figure 46 - NDP model overlayed with specific questions for a business context



Source: Adapted from NDP (2013)

The results from the assessment tool revealed a spectrum of ratings in relation to these questions. Figure 47 shows the aggregated scores from the eight participants, indicating that the largest amount of effort dedicated by the organisations seems to have been on business strategy, resource management, an overarching purpose and stakeholder needs. The two lowest scoring aspects of the NDP model seemed emotional intelligence skills (called happiness skills in the NDP model) and measuring the impact of business activities on societal wellbeing.

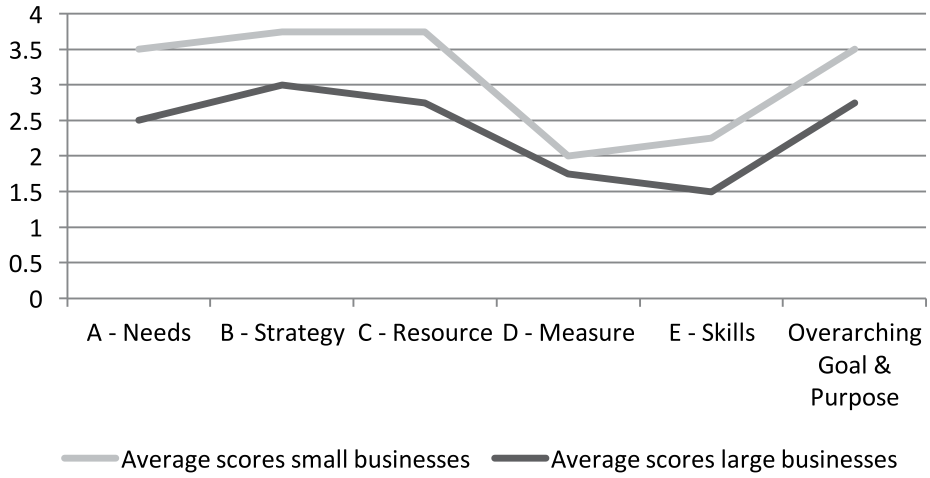
Figure 47 - Perceived effort spent on NDP elements (out of total 30 points for each question)



When the focus group participants' companies were grouped into two categories of small and large businesses, another layer of insight was revealed. The small business category comprised four businesses with 20 or less employees and the large category comprised the four businesses with 2,500 and more employees. Figure 48 shows the average scores for perceived effort spent on the NDP elements out of a maximum of 30 points for the small and large companies. On average small businesses scored themselves 4.5 points higher than the larger companies. Figure 48 indicates that the representatives from the large companies perceived their organisations to be spending less effort across all of the NDP elements than the small company representatives did.

As Figure 48 shows, alternative success measures and emotional intelligence skills received less attention within both large and small companies. This result was validated through the focus group discussion, where participants confirmed their bewilderment with those two aspects of the NDP model and explained that this was mostly because these issues seemed outside of a business performance and strategy context.

Figure 48 - Average scores for effort spent on each NDP question by small and large business (out of total 5 points for each question)



The results from this experiment with the NDP business assessment tool indicate that in general there was agreement among the focus group participants that with some refinements, the NDP model could be a useful business assessment tool. The tool developed for the focus group process would therefore benefit from more detailed questions to obtain more fine-grained insights about the performances of businesses against the NDP elements. In addition, it could be designed as a self-assessment tool, but also a third party assessment tool as part of a business evaluation or auditing process.

The subsequent discussion in the focus group revealed some further insights. The overall purpose of a business was seen to be a means of fulfilling needs and providing a better quality of life to stakeholders, while being a sustainable and profitable business. The benefits that businesses provide to society were seen as comfort, products that are good for health, helping other companies to be more efficient, establishing sustainable and social links and developing local economies. According to the focus group participants their businesses were making a real difference by facilitating progress, by providing a free workforce to the community through volunteering, and by reducing their carbon impact. When asked how their businesses ideally could be of service to society they concluded it would be through providing a good workplace, products with sustainability indicators and new products for health; reducing carbon impact; having a positive social impact; offering a service with comfort and social links; and identifying other drivers for profitability.

All of these insights confirm that the focus group participants' companies can be categorised as conventional CSR businesses concerned mostly with sustainability strategies and initiatives that serve the company first and foremost.

1.6.3 Summary of findings – systems thinking 'beyond CSR'

In summary, the international 'beyond CSR' interviewees displayed a capacity to accept pluralism, complexity and systems thinking in the ways they thought about their businesses' relationships in local and global contexts. Furthermore, one of the key insights from the focus group discussions was that the lower levels of attention afforded to the emotional intelligence of stakeholders and relationships, highlighted that businesses either did not know how to address relational responsibility or had not considered it as part of their business purpose. When comparing these key insights with the international interviewees from the 'beyond CSR' companies, it becomes apparent that 'beyond CSR' businesses deliberately and consistently focused on personal and relational growth, emotional and social intelligence and empowering their stakeholders at all levels as a key characteristic of being a 'beyond CSR' business. The NDP business assessment tool used in the experiment with the focus group participants would benefit from refinement, through the use of multiple layers of questions to be able it to provide a more fine-grained picture of the level of 'beyond CSR' responsibility and maturity in a business. Also, using the NDP framework in combination with other systems change frameworks could potentially provide a more comprehensive understanding of the level of maturity and responsibility towards a 'beyond CSR' approach.

1.7 Summary of 'beyond CSR' enabling characteristics

Section 1 outlined many enabling factors across the six themes identified in the interviews and focus group that foster a 'beyond CSR' approach towards societal and planetary wellbeing. Table 36 summarises the key points from these six themes, which can also be considered as leverage points for crossing from the conventional to the beyond CSR realm. The information presented in the Table 36 reinterprets the data collected during this study into more general claims about 'beyond CSR' businesses.

Table 36 - Enabling characteristics for expanding responsibility from conventional to 'beyond CSR'

Enabling levers	Specific enabling characteristics
1. Worldview, values, attitudes and perception of time	• traits such as courage, compassion and altruism, self-determination • family or community values • long-term perspective • personal and relational growth, continual learning, developing emotional intelligence • vital skills include - social and emotional intelligence - conflict resolution skills - ability to deal with complex situations - being able to make decisions relying on a 'both/and' logic rather than on 'either/or' logic • taking the time for inclusion, participation, deliberation and experimentation
2. Business vision, strategy, operations and organisational culture	• intention of 'doing good' as a goal *and* a process • financial independence and sufficient profit (rather than profit maximisation) • 'doing well' allows space and time to expanded responsibility for societal and planetary wellbeing • deliberately creating and nurturing a relational organisational culture • sharing the business leaders relational and systems worldview with stakeholders • perceive trade-offs as opportunities to reaffirm values • willingness and ability to take risks to solve social and planetary problems • commitment to creating social and/or planetary impact through their daily business activity, products and services • understanding that an 'integrated' approach to CSR is an essential part of the business, but not enough to establish an interdependent worldview and planetary responsibility in the vision, social purpose and organisational culture

	• deliberately embracing a learning organisation culture. • balancing cooperation and competition and ability to straddle a 'both/and' logic instead of 'either/or' logic • capacity for pluralism while balancing contradictory and complex goals such as financial and social returns ('doing good' and 'doing well') • being successful becomes the vehicle for the purpose of making a positive contribution to people and the planet
3. Relationships and relational responsibility	• willingness to take time and connect deeply with stakeholders on an emotional level and empowering them through learning • personal and relational growth for a purpose beyond self • using business model and purpose to deliberately take on more responsibility for a wider circle of relationships • during tough times grounded in values and extending stakeholder engagement to take time to listen, deliberate, co-create and decide • recognising the opportunity of adversity and vulnerability as a window to increase adaptability and an adopt an expanded systems view.
4. Learning tools and expanded awareness	• seeking challenge, inspiration and guidance from learning resources individually and as an organisation challenging assumptions and values • drawing on a wide range or learning resources spanning from diverse academic and professional frameworks to video games and world leaders • using learning resources, tools, processes and methods to take responsibility for changing one's own mindsets, organisational culture and ways of engaging with the world • experimenting with new and ancient social technologies pushing the boundaries of conventional strategic management thinking • engaging in risky and confronting activities to challenge themselves in understanding the needs of their stakeholders and to collaborate in developing solutions. • building 'learning organisations'

5. Measures of success, happiness and wellbeing	• conviction that alternative measures of success are necessary for expanding societal and planetary responsibility • advocating for a more qualitative approach to assessing success through narratives, storytelling and case studies
6. Systems thinking	• ability to hold the tension of paradoxes such as those between local and global contexts, homogeneous yet diverse societies, emotional intelligence and business mentality. • capacity for embracing pluralism, complexity, systems thinking and an ability to deal with complexity • engaging in systems-level solutions such as the SDGs • recognising that conscious and deliberate self-development and emotional intelligence are required for developing an interdependent worldview.

This summary of enabling characteristics of businesses that are crossing from conventional to 'beyond CSR' highlights a set of attitudes, practices and ways of thinking that 'beyond CSR' businesses engage in on a daily basis. They demonstrate that entering the realm of 'beyond CSR' and expanded responsibility requires extra abilities and skills on the part of business leaders, their stakeholders and their collaborators. These abilities and skills mostly require expanded social and emotional intelligence, awareness and the attitude of a learning organisation. In other words, they required many of the systems-thinking skills outlined in the literature review Part B, Section 3.5.

These characteristics can therefore also be considered indicators for the levels of relational responsibility of business leaders and their organisations. A reoccurring theme that emerged is taking time to engage with issues and stakeholders, which seems to support a longer-term outlook. At the same time, these characteristics can also be viewed as leverage points, where changes can be made in an effort to increase levels of responsibility in a business. These characteristics and leverage points provide a wide spectrum of areas for businesses to engage with when seeking to expand their levels of responsibility and maturity and their worldviews.

2 Barriers to moving 'beyond CSR' and expanding responsibility

While the previous section explores the enablers for business to move towards expanding relational responsibility towards planetary wellbeing, this section in contrast outlines some of the barriers that were identified by the international business participants in expanding their responsibility levels. They related to problems in relation to business leaders' worldviews and mindsets, alternative progress measures potentially being used for 'happy-washing', systemic challenges, governance and future trends and outlooks.

2.1 Worldview, attitudinal and values-based barriers

The main barrier to adopting a new worldview perceived by E2 is that despite a broad range of issues being discussed in the business and new economy context, most new business models and approaches still prioritise logic and strategic analysis rather than balancing this with a more human-centred and relational approach. Interviewee E2 also noted that many of new trends, such as new ownership structures, local economies and increasing emotional learning, are not part of mainstream business thinking yet. As mentioned earlier, this relates to the gap between intentions and daily business activities, as in the case of the VW emissions scandal.

Interviewee E6 suggested that all it takes for business leaders to engage with new ideas and behaviours is to see one of their peers taking the first steps. While this may be the case in some instances, it is not a consistent phenomenon. For example, the leadership taken by Paul Polman of Unilever by ending quarterly reporting of financial results to the stock market in 2011, was a courageous effort to base decision-making on a longer-term outlook. However, many other Financial Times Stock Exchange (FTSE) 100 or FTSE 350 companies have not followed Polman's example so far, since they believe that investors want short-term information before investing (Docherty 2016).

This attitude was also expressed by E5 who mentioned that short-term shareholder mindsets are a barrier to firms expanding the range of stakeholders for whom they feel responsible. There is an ongoing debate about whether or not this is just a myth in business leaders' minds. This debate is beyond the scope of this study, but it raises an important point. The assumptions and norms which govern standard business behaviour are difficult to shift when only single levers are used for creating a change in a system such as a financial market. Business leaders' worldviews and business norms do not easily move towards the creation of learning organisations with an expanded sense of responsibility. Such transformations do not occur just by peers setting a good example.

One of the core issues, therefore, is which leverage points need to be activated to increase the willingness of business leaders to engage in 'beyond CSR' business approaches and to expand their levels of responsibility to include planetary concerns and an interdependent systems worldview.

A further noteworthy barrier was mentioned by international interviewee E6, who reflected on Bhutan and the Buddhist philosophy. E6 suggested that Buddhists should be canny and not only compassionate to bring about change:

> *Bhutan is not going to survive if you are not canny and if you don't know what's going on to protect what you do. Which is what Buddhists have to do, they sometimes have to fight* (E6).

E6's reference to Bhutan and Buddhists reflects a common misunderstanding of the GNH and Buddhist approach as weak and 'too nice' because of the emphasis on compassion and happiness. This common association in the West of the Buddhist way of compassion and peace with weakness is mostly due to a lack of understanding of the purpose of kindness, compassion and altruism. Westerners often perceive compassion as idealistic and/or a barrier to survival in a competitive world. However, as argued earlier in this thesis, Buddhist values and actions, particularly in the Mahayana Buddhist view encapsulates compassionate action through 'skilful means' *upaya.* The practice of intelligent compassion administered through skilful means can be wise, practical, disruptive and even shocking if necessary. As mentioned in the literature review in Part B, Section 1.16, this practice can involve rigorous discipline or adopting unconventional methods to help someone to undergo a transformational breakthrough or a shift in mindset or worldview, or to protect them from harm. Other lineages of Buddhist philosophy such as the Theravada tradition also recognise *upaya,* although with a slightly different meaning. Skilful means requires intelligent compassion and is in fact a threshold concept for moving 'beyond CSR'.

Buddhist philosophy, as presented in much of the Western self-help and popular literature, often fails to include nuances such as this. Buddhist practitioners themselves have an unromanticised perception of the concept of compassion, and they understand that the concept of 'skilful means' refers to the balancing act between cooperation and competition, or in the words of interviewee E6, between being "nice" and being a "bastard". The misconception in Western thinking that compassion, kindness and altruism are weaknesses is a key barrier for business leaders wanting to cross from conventional to 'beyond CSR' business models. In policy, business strategy and management decision-making, this is a misunderstanding that will prevent businesses from expanding their responsibility to include a concern for planetary wellbeing.

This indicates that the concepts of compassion, kindness, altruism and happiness are often conflated in the Western view of Buddhism. As a result, kindness and happiness are perceived as weak and unhelpful in business strategy. Because of this perception the application of Buddhist ethics and values would require a deep understanding of their content, usefulness and practicality in the Western business context. Many Western business leaders may find Eastern philosophies and worldviews too foreign and do not have the time or inclination to learn about them. This may also be one of the biggest barriers for frameworks based on happiness and/or wellbeing, such as the NDP model, to be accepted or adopted by Western thinking and businesses.

For this to happen, the concepts of 'skilful means' and intelligent compassion would need to be translated for application in a business context as a way of understanding the balancing act and pluralism that is inherent in compassionate action. However, as already highlighted in the literature review Part B, Section 3.3 – 3.11, holistic systems thinking processes and skills offer a contemporary Western approach that may be more amenable to Western business leaders and their organisational cultures than Eastern philosophies. I therefore propose that holistic systems thinking in management and business contexts could provide similar opportunities to Buddhist philosophy for learning an interdependent worldview.

2.2 Business mind-sets and models

There were two themes that emerged in relation to business mindsets and models. The first theme relates to an aversion to risk among large corporate companies. The second relates to the debate about using a charity model versus a business model for addressing socio-ecological challenges.

2.2.1 Corporate risk intolerance

Interviewee E1 reported often being approached by large corporate organisations to collaborate in social impact projects. E1 observed that large corporates find it difficult to work with people at risk, or in sensitive situations, due to a culture clash. E1 believes they are fearful of offending someone and making mistakes that may lead to reputational damage, and that this gets in the way of creating positive action and impact. According to E1, large corporations are perceived to be focusing on risk-management, and bureaucratic, legal and political impediments, which reduces the potential for societal and planetary benefit. For example, volunteer work is hampered due to the lack of agility that comes with a risk-averse conventional CSR approach. E1 suggests that large corporates need to get over their fear and their aversion to risk and they need to spend money on building long-term programs. E1 believes they should not worry if things sometimes go wrong. Much of the money spent by corporates, according to E1, is spent on sending sustainability managers to sustainability conferences to learn and share, and this prevents them from overcoming their fear and *"getting their hands dirty"* (E1).

Fear of failure and the desire to protect personal and professional reputations may be one of the largest barriers that prevent business leaders and companies from stepping into the expanded responsibility of a 'beyond CSR' approach. This is the result of a self-interested linear worldview of cause and effect, and a view of reality that considers 'us and them' to be separate entities.

These key barriers are not only identified by the interviewees in this study; they are also mentioned across global industry events such as Sustainable Brands conferences and the World Forum for a Responsible Economy. Conventional corporate structures and processes of the conventional CSR businesses seem in themselves to prevent a systems worldview and culture from emerging.

2.2.2 Charity versus business model

Another distinction that is a major barrier to shifting from conventional CSR to 'beyond CSR' is termed by E1 the *"failed mentality"* of building social enterprises on a charity model rather than on a business model. According to E1, this charity mentality is not sustainable and reduces the social impact that businesses can have. E1 argues that a charity or NGO mindset relies on large numbers of support staff and a larger organisational structure than is actually required for creating positive impact. While this is an opinion that successful social entrepreneurs would reject, it suggests that a social business approach, as shown in Figure 45, may be the best leverage point to expand responsibility 'beyond CSR'. Businesses on either end of the spectrum in Figure 45 are hampered in expanding their responsibility towards planetary wellbeing. On the social entrepreneur side, a lack of business acumen prevents social entrepreneurs from being effective in co-creating long-term positive impacts and planetary wellbeing. On the conventional business side of the spectrum, the structures, processes, goals, strategies and worldviews focused on risk-minimisation and profit-maximisation prevent increased responsibility.

Another failed mentality identified by one of the international interviewees, are the companies that use CSR for 'green-washing' and for deflecting attention from the ongoing damage caused by corporations such as tobacco companies or companies destroying rainforests (E6). This refers to managing the reputational risk, which binds conventional CSR companies to a self-preservation worldview. The self- and mutual-interest worldviews can therefore be considered a barrier to expanding responsibility towards 'beyond CSR'.

2.3 Measures of success, happiness and wellbeing

A number of the interviewees expressed suspicion about measuring staff happiness purely for marketing purposes. They argue that this has led to "happy-washing". This reflects the well-known concerns of "green-washing" by companies who promote environmental credentials only for reputational purposes.

As illustrated by interviewee E1's comment, some corporates communicate a lot about measuring staff happiness and wellbeing but don't really seem to care about their stakeholders:

> *You see it happen all the time. I get brought in to speak to large corporations like … the big fashion brands who are very concerned about the happiness of their staff, because their staff are constantly talking about them. It's really a marketing piece, nothing else. They don't really care, in my mind, but that particular piece about it is just so interesting* (E1).

Just as the green-washing can be addressed with detailed monitoring and reporting requirements, happy-washing could be addressed with other indicators and processes to determine how much expanded responsibility companies really embody at the heart of their operations and visions. While happiness and wellbeing measures are becoming increasingly popular in companies, and to some extent they reflect their care for their staff, their motives doing so becomes the underlying indicator. If they are interested in happiness and wellbeing for marketing purposes, alternative measures of success can turn into 'happy-washing'. However, if the underlying intention is to expand a company's responsibility, then happiness and wellbeing measures can be valuable tools and indicators.

The barrier, therefore, is not the type of alternative success measures a company chooses, but their motives for adopting them. How to assess the underlying intention of businesses that use alternative success measures is the greatest challenge in evaluating their levels of responsibility and maturity. Furthermore, the greater the number of companies that adopt happiness and wellbeing measures and use the results for promoting their businesses and increasing sales, the less confidence consumers and other stakeholders will have in the authenticity of these alternative measures of success.

2.4 Systemic and governance barriers

On a more systemic level, a number of interviewees mentioned that out-dated governance models and democratic processes, which are focused on short-term election cycles, are the greatest barriers to solving social problems (E1, E5). The current global institutions and government processes were perceived by some as not sufficient for creating positive systemic impacts and progressing on sustainable development challenges (E5, E2). Institutional barriers are clearly an issue at a systems level but are beyond the scope of this study. On the other hand, while these challenges mostly apply to governance, they open up opportunities for businesses to take on greater responsibility for social impact business activities.

Another challenge that was mentioned relates to the vested interests within governments that are often perceived to be resisting change (E5). Not only are there vested interests within governments but also within the business community that put pressure on governments to maintain the status quo. Resistance to change is often the greatest barrier facing many human endeavours. This resistance also creates a tension that increases instability and vulnerability in a system, and this often provides a window of opportunity for innovation, agility, adaptation and 'anti-fragility'.

Of most interest in this study are the barriers that might arise from, or are inherent in, the NDP model as a systems approach to increasing awareness, intelligent compassion and an interdependent worldview. Interviewee E5 pointed out a conundrum in the NDP model. In the NDP model, increasing emotional intelligence skills, or 'happiness skills' as they are termed would help firms tackle sustainability questions, but E5 points out that business leaders need to have an intrinsic interest in the first place to engage in self-development and to expand their worldviews. He rightly argues that this cannot be enforced from the top down, or from the outside, and this is therefore the biggest barrier to business leaders and their businesses expanding their worldviews and responsibilities 'beyond CSR'.

This conundrum is not new and brings back the age-old question of whether responsibility, cooperation and altruism can be instilled and nurtured in societies and individuals. Great thinkers of the past and present such as Confucius, Buddha, Aristotle, Bentham and Matthieu Ricard have all linked care and altruism to finding happiness by being at service to society and the planet. Traditionally, these values and virtues have been embedded in most religions to guide and manage ever larger societal groups.

The key barrier at a systems level is the insight that care, responsibility, cooperation, altruism and happiness are inextricably linked, and they are key ingredients of systemic change. The question that arises is how these qualities can be instilled and nurtured, particularly within the business sector and in a world where religions have less and less influence, and a new system of widely accepted values is yet to emerge. I posit that the contemporary Western concepts of systems theory and systems thinking provide an access point for business leaders to develop an interdependent systems worldview. The language and narrative of systems theory can sound reductionist and scientific, but if approached as a holistic view of reality, systems theory can foster an appreciation of interdependence and relational responsibility.

2.5 Future trends and outlook

Two future trends were identified as barriers to increasing responsibility in business. They are the rise of social media and the automation of jobs. The 'tyranny' of social media and its short-term reactionary feedback loop were identified by E5 as threats to the long-term outlook of 'beyond CSR' companies. Feedback loops work in either balancing or self-reinforcing ways. When they balance a situation they bring stability to a status quo. For example, this happens when a company responds to a customer complaint by fixing a problem and restoring consumer confidence. Reinforcing feedback loops, if unchecked, will grow a system's behaviour exponentially and can ultimately lead to its collapse. For example, social media can quickly make a company popular but also can just as quickly cause a reputational backlash and lasting damage to a company. With this pressure in mind, interviewee E5 identified the interconnectedness and immediacy of communications through social media as a major barrier that prevents or distracts companies from focusing on long-term 'beyond CSR' initiatives that are meant to increase the responsibility towards planetary wellbeing.

However, while the volatility of social media may prevent a long-term outlook, it may also facilitate a healthy disruptive influence that propels businesses to innovate or it may have the effect of weeding out businesses that no longer serve a purpose in today's world.

The second trend raised by E5 was the expected automation of more jobs in the foreseeable future, which E5 considered a major challenge. According to E5, forecasts indicate that up to 45% of jobs in the US will be automated in the next 20 years (E5). This concern highlights the conviction, even among 'beyond CSR' businesses that the main benefit a company can provide to society is through creating employment. This is a question that particularly large corporate companies have to face sooner or later. There seems to be room for improvement in imagining other ways in which companies can contribute to societal and planetary wellbeing beyond creating employment. This indicates an opportunity to imagine what the world could look like in 100 years' time and beyond, and the role of business within it. Although innovation appears in most business strategies in the world this kind of imagination requires skills, creativity and perspectives that are entirely different to those required for technological innovation for example.

Science fiction may be a useful tool for inspiring the business community with a much-needed dose of 'thinking outside the box'. A future outlook offered by Captain Jean-Luc Picard, the lead character in the Star Trek movie *First Contact* offers a thought-provoking view on the economy of the future, employment and money in the 24th century:

> *Economics of the future is somewhat different – you see money doesn't exist in the 24th century … The acquisition of wealth is no longer the driving force in our lives. We work to better ourselves and the rest of humanity* (*First Contact* 1996).

While this may seem an absurd or idealistic scenario, it also highlights the fact that sometimes, to be able to look beyond barriers requires a real stretch of the imagination.

The main barrier identified in terms of future trends and outlook is therefore the creative tension between the volatility that social media and technological innovations are creating and the agility and imagination that companies will require to stay relevant and successful in tomorrow's world.

2.6 Summary of barriers to moving 'beyond CSR'

Section 2 outlined barriers across the five themes identified in the interviews and focus groups that limit the ability of businesses to go 'beyond CSR' towards societal and planetary responsibility. Table 37 summarises the key points from these five themes. Similar to the summary of enabling factors, the table uses the data collected during this study to make more general claims about 'beyond CSR' businesses.

Table 37 - Barriers expanding responsibility to 'beyond CSR'

Barrier themes	**Specific barriers**
1. Attitudinal and values-based	• New business models and approaches, such as circular economy business models, are still based on strategic logic and lack a human-centred approach, indicating a self-centred worldview. • New ownership structures, local economies, improving emotional learning and communication do not yet provide a bridge for conventional business to increase responsibility. • Shareholders' short-term thinking is a barrier and threat to longer-term business initiatives prevents many companies from expanding their responsibility. • Good examples by peers are not enough to move other business leaders to expand their responsibility. • Western perception that Eastern philosophies focused on compassion and happiness are weak and ineffective in business strategy.
2. Business mindsets and models	• Fear of offending and culture clash between corporate mindsets prevents expanded responsibility. • Risk management, bureaucratic, legal and political impediments slow down the potential for expanding responsibility. • Fear of 'getting hands dirty' prevents conventional businesses from expanding their responsibility. • Fear of failure and concern for protecting personal and professional reputation prevents expanding responsibility. • Charity mindset of social entrepreneurs prevents large-scale impact and expanding responsibility.
3. Measures of success	• Measuring happiness and using it for marketing purposes can create the phenomenon of 'happy-washing' and prevent expansion of responsibility and worldviews. • Underlying intentions of measures of success become the true indicators of responsibility. If intention is for self-serving purposes (i.e. as a promotional tool to increase sales) then it prevents genuine expanded responsibility.
4. Systemic and governance	• Out-dated governance models and democratic processes prevent systems-level expansion of responsibility. • Vested interests within governments and businesses cause resistance to change but at the same time this can increase instability which may encourage innovation. • NDP model could help tackle sustainability issues, however it assumes an intrinsic interest by business leaders in expanding responsibility. How to inspire intrinsic interest is the

	challenge. • Responsibility, cooperation, altruism and happiness are inextricably linked and a key ingredient of expanding responsibility at all levels of the system.
5. Future outlook and trends	• Social media can feed a short-term reactionary feedback loop, which can threaten longer-term 'beyond CSR' outlook and initiatives. • Automation of jobs within the next 20 years challenges companies' views of their purpose and their potential impact and responsibility for societal wellbeing. • Lack of the imagination needed to think beyond the current economic model and business purpose may prevent companies to expand their responsibility and to stay relevant in tomorrow's world.

The final section of this chapter discusses how the enablers and barriers can be used to enable a 'beyond CSR' business approach.

3 Enabling a 'beyond CSR' business approach

This section summarises and discusses the enablers and barriers that can assist businesses to move 'beyond CSR' and embrace expanded levels of responsibility. The section therefore seeks to answer the second research question of this study, which explored:

Research Question 2

"What are the enablers and barriers to 'beyond-CSR' business behaviour in international companies and how do they influence business conduct?"

In trying to answer this question, I am formulating generalisations based on the findings from this section of the study to present possible claims about what enables 'beyond CSR' business behaviour in international businesses. These claims arise from the constant comparison method by using the 'conventional CSR' focus group findings and the findings from the Bhutan study as juxtapositions.

Generally, the literature considers the drivers for CSR practices to be shareholders, customers, governments, civil society and top managers (Crane et al. 2008). In this view businesses are responding to expectations and pressure from these actors to manage their reputations and reduce risk. Four out of those five drivers relate to external pressures and therefore can be seen as extrinsic motivators. The fifth is related to top managers and is internal to a company, and those top managers who are driving CSR practices and projects generally do so out of their own personal values and convictions.

One of the findings from the data from the international 'beyond CSR' businesses is that top managers and business leaders with a commitment to sustainability and CSR are mostly motivated by intrinsic factors. They are proactively driving change processes and are less concerned with external pressures. They are also driven, not by a desire to increase efficiency, but by a sufficiency mindset. They are prepared to give something up for the greater good, or in other words they display altruistic behaviour that does not expect a reward or something in return for pro-social behaviour and embracing planetary responsibility.

As discussed in the literature review, Schwarz's individual values model proposes that people who are intrinsically motivated by mental stimulation, self-direction, universalism and benevolence are more likely to behave pro-socially and pro-environmentally. They are open to change, comfortable with diversity and complexity. They are interested in improving conditions for others and they are willing to transcend selfish interests. Leaders and/or owners of the 'beyond CSR' businesses in this study displayed a broad spectrum of qualities and characteristics such as being reflective, confident yet humble, courageous, creative, risk-embracing, generous, altruistic, deliberate, patient, oriented towards long-term thinking and emotionally intelligent.

Some of them who had deep personal experiences of hardship and suffering had a changed view of themselves in relation to the world. They saw those difficult events in a positive light, giving them strength, agility and a sense of meaning in life. They cultivated those characteristics through practices and training and they led by example. They reported that they engaged in proactive behaviour due to intrinsic motivation rather than being reactive and relying on extrinsic motivators. Not only did the leaders and/or owners of the 'beyond CSR' companies in this study embody these qualities, but they also created a culture within their organisation to reflect the same values and worldview. This is the most significant factor that is characteristic of organisations that expand responsibility 'beyond CSR'. The 'beyond CSR' business leaders displayed the characteristics and skills of systems thinking, indicating that they favoured a different set of values and a more interdependent worldview rather than a reductionist linear view of causality and reality. They operated in countries where the reductionist view of reality is entrenched compared to Bhutan where an interdependent worldview is still culturally infused throughout society. While businesses in

Bhutan drew on this milieu in their decision-making and conduct, international 'beyond CSR' businesses deliberately created a similar milieu within their organisational cultures. In Bhutan, an interdependent worldview is grounded in Buddhist philosophy, and in the international context the 'beyond CSR' businesses draw on philosophies, insights and personal life-changing experiences that facilitate systems thinking and relational responsibility.

Conventional CSR companies, as documented in much of the CSR literature and as described in particular in Benn et al. (2014) as second wave companies, generally seem to be driven by external factors and circumstances and they react to pressures through risk-management and efficiency initiatives. They seem to have little 'skin in the game' and are mostly pursuing self-interested goals to maximise profits and to achieve financial success. They seem to value security, power, tradition and achievement.

The 'beyond CSR' businesses in this study used ownership and management structures to enable far-reaching expansion of responsibility for more than just the company's immediate stakeholders and environment. New ownership models, such as the 'Equal Participation Total Alignment' (EPTA) model, which aims to enable all stakeholders to share dividends from a company equally, further suggests that 'beyond CSR' companies are willing to divest power and improve equality. They do this through cooperative structures or by allowing for self-organising components in their businesses, such as bottom-up solution building through giving autonomy to business units. The ability and willingness to divest power was also a differentiating factor for companies that had shifted towards responsibility for planetary wellbeing. This requires courage to overcome fear of failure, fear of scarcity and fear of never having enough.

The 'beyond CSR' interviewees clearly said that their organisational culture is the platform for enabling an expanded worldview and level of responsibility for driving their business with a bigger planetary purpose. Edgar Schein (2010, p.377) argues this phenomenon means *"culture determines and limits strategy"*. The majority of 'beyond CSR' businesses in this study explained that they used their culture to shape their business activity, products and services towards delivering social and planetary impact. They focused on slow and steady financial growth and saw the real value of growth as a process to engage in deep relationships with their stakeholders and to achieve positive impacts.

Another essential characteristic of the 'beyond CSR' businesses and their leaders in this study was that they seemed prepared to forego benefits to themselves and their companies in order pursue their purpose and positive impact while expanding their responsibility and worldview. Their tendency to choose collaboration over competition saw them exercising patience in managing multiple and diverse relationships. However, at the same time they had an acute awareness of when they were being threatened or bullied, and knew how to defend themselves against external threats. They were adept at juggling seemingly paradoxical and complex values and goals such as wanting to deliver financial **and** social dividends.

They engaged in inclusive processes and emotionally engaged with their stakeholders to challenge and empower them, not out of pity or empathy but out of intelligent compassion. This shows an important quality of 'beyond CSR' business leaders: they are able to draw on emotional intelligence to differentiate between empathy and intelligent compassion, as outlined earlier in the literature review Part B, Section 1.13. As discussed in the literature review, this skill can be trained and is not an accidental or circumstantial human capability. 'Beyond CSR' business leaders are aware of this fact and continually engage in practices that cultivate higher levels of social and emotional intelligence.

Their ethical stance is based on the importance of relationships as the ultimate arbiter of what matters, and it is grounded in the ethics of relational responsibility, discourse ethics and ethics of care. All of these ethical approaches prioritise the relationships between stakeholders to co-create and collaborate for a purpose beyond their own self-interest.

One of the 'beyond CSR' businesses functioned as an incubator for purposeful business and living, empowering their staff and stakeholders with purpose-led values and a purpose-led approach to life. There is also a tendency among 'beyond CSR' businesses to deliberately reach out to a broader set of stakeholders who are not necessarily affecting the business and are not affected by the business directly.

One of the most important aspects of the 'beyond CSR' businesses was their deliberate and open-minded approach to challenging themselves with new processes and methods that required them to proactively engage with organisational, environmental, societal and planetary change. They draw on diverse knowledge from contemporary and ancient sources, including Eastern and Western wisdom traditions and academic and professional thinking. This indicates an interest in and respect for wisdom from across the world, demonstrating pluralism and ontological humility. This seems to reflect an expanded worldview, heightened sense of responsibility and commitment to continual learning.

Conventional financial measures of success in the 'beyond CSR' businesses were mostly augmented with alternative measures to provide insight and feedback on the success of the social and environmental impacts they achieved. However, there was also an intuitive understanding on the part of some interviewees that measuring intangible outcomes and intrinsic experiences such as happiness and wellbeing has its limitations. They understood that any measure of progress shifts the focus to extrinsic motivation, and it may therefore distract from the potency of a 'beyond CSR' business approach.

At a systemic level the 'beyond CSR' businesses identified the need to be able to bridge seemingly contradictory concepts such as local and global economies, homogenous yet highly diverse societies and individual and collective efforts. The findings from the focus group, using the NDP model adapted to business, revealed that in conventional CSR businesses the idea of emotional intelligence, the wellbeing of stakeholders and the measurement of alternative indicators of progress, were of less importance than addressing company needs, resource use and having an overarching goal.

This highlights a finding from this section of the study: one of the key differentiators between conventional and 'beyond CSR' businesses is that 'beyond CSR' businesses cross the threshold from self-interest and mutual interest to systems interest by expanding their organisational consciousness and worldviews. They promote organisational cultures that embrace pluralism and complexity, and they recognise the interdependent view of causality. Although they may not fully embody a systems worldview or commitment to ethics of relational responsibility yet, they demonstrate a tendency towards these goals.

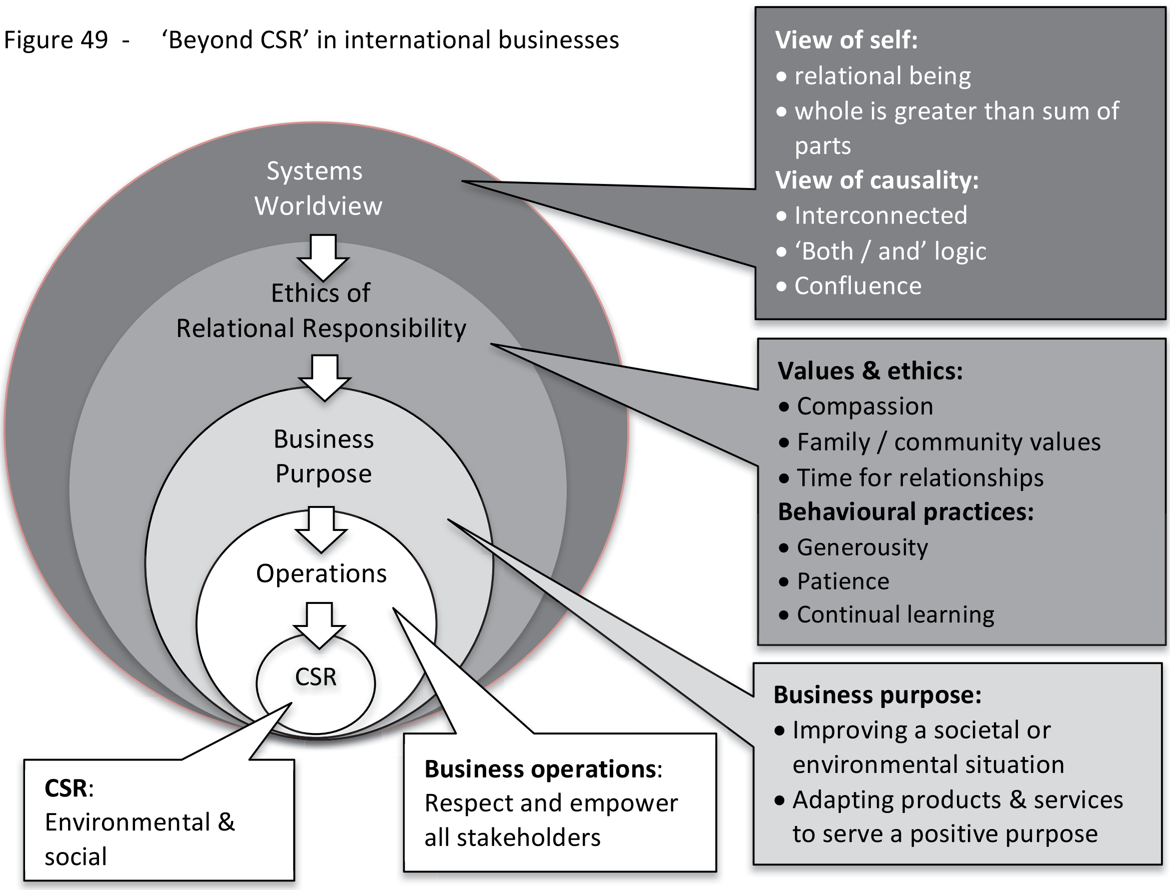
4 Conclusion and recommendations

The conclusion from comparing the evidence of the international interviews with the focus group is that 'beyond CSR' businesses incorporate CSR practices that are embedded in their business purpose, and seek expanded relational ethics, which in turn are embedded in a systems-thinking perspective. The lessons learned from the systems change models in Part B, Section 3.8 of the literature review suggest that CSR practices provide low-level leverage and are unlikely to instil a systems worldview in the leadership, business strategy or organisational culture of a company. Instead, cultivating systems-thinking skills and practices will provide strong leverage for changing the mindsets, values and ethics within a business, encouraging them to be focused on relational responsibility.

The proposed model for international businesses to go 'beyond CSR' is shown in Figure 49 and closely reflects the GNH approach in Bhutan. The main difference between the two models is that the worldview in international businesses resembles a systems-thinking view whereas in Bhutan the worldview is clearly based on the Buddhist interdependent worldview. However, the way that these worldviews manifest in businesses is similar in that they influence the ethics of decision-making, the business purpose and the way business operations are run to incorporate CSR practices.

The parallels between Figures 44 and 49 suggest that there are similar leverage points to enable a 'beyond CSR' business approach in businesses in general. More importantly the directionality of influence moves from worldviews towards CSR practices rather than the assumed 'conventional' thought that CSR practices are able to change business purpose, strategy, ethics and worldviews.

Figure 49 - 'Beyond CSR' in international businesses



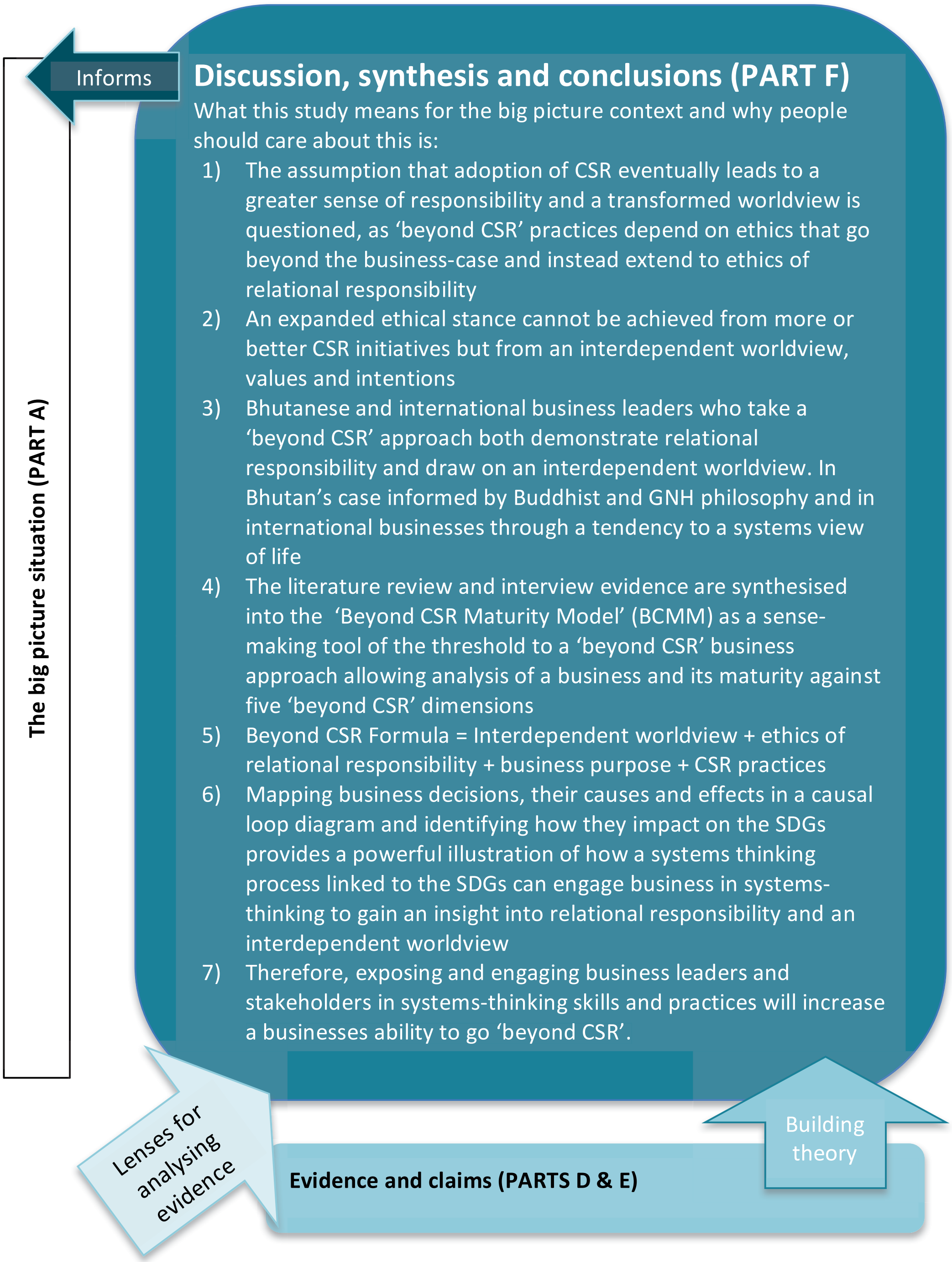
The main conclusion from this section of the study therefore is that the approach with the highest leverage to enable international businesses to disrupt a 'conventional CSR' approach is for leaders and managers to actively learn and share systems-thinking methods and tools and how to embody and apply those in their businesses. This will challenge the fragmented 'Western' paradigm that tends to dissect problems into small disconnected parts as a preferred way of solving problems and making decisions. While this conclusion may seem uncomfortable and risky in 'Western' business contexts, a more holistic and systems-oriented approach to business will provide a more effective transformation 'beyond CSR'.

The limitation of this section of the study is the small sample size of 'beyond CSR' businesses, and therefore further research would be valuable in testing the layers of the model, specifically investigating the directionality of change from worldview to CSR practises as shown in Figure 49.

PART F – Discussion, synthesis and conclusions

This section of the thesis deals with the fifth component of the research design map shown in Appendix 1.8, the discussion, synthesis and conclusions. Part F draws on the evidence and claims presented in Parts D and E and informs the big picture situation that this study set out to explore in Part A.

Excerpt from Appendix 1.8



Part F seeks to explore how the findings from this study can be used as a sense-making tool to enable businesses to understand their levels of maturity and the enablers they can choose and barriers they have to overcome to adopt a 'beyond CSR' approach.

For this purpose, I draw on the lenses developed in the literature review, together with the findings and themes developed from the interviews to construct a model. The purpose of the model is to compare the findings from the Bhutanese and international interviews as a way to make sense of the term 'beyond CSR' and to build a final explanation and theory.

The main concepts synthesised from the literature review that contribute to the final discussion draw on the three lenses developed in the literature review. They are:

a) the relational/experiential ethics identified in Figure 11
b) the three archetypes for achieving happiness and their related views of causality and views of self, developed in Table 12 and Figure 20
c) the five dimensions of systems leverage synthesised in Tables 19

Furthermore, the key themes drawn from the Bhutanese and International interviews and literature on CSR suggest that there are various dimensions within business operations and organisational cultures that differentiate the 'conventional CSR' from the 'beyond CSR' business approaches. In essence, the dimensions that describe the 'beyond CSR' approach at its highest potential that emerged from the interviews are summarised in Table 38.

Table 38 - Dimensions of 'beyond CSR' business approaches

Dimensions	**Bhutanese interviews**	**International interviews and literature on CSR**
Areas of responsibility	• Fair probability • Good management • Organisational culture, values and ethics • Environmental preservation	• Expanded responsibility beyond financial performance • Commitment to societal and planetary improvements
Worldviews	• Interdependent nature of cause, conditions and effects • Worldview is embedded in the cultural context of Bhutan	• Systems- thinking that recognises interdependency • This worldview is generated and instilled by the business leaders in their organisational cultures and they lead by example
Values & business ethics	• Relational / Buddhist ethics	• Altruism without expectation of reward

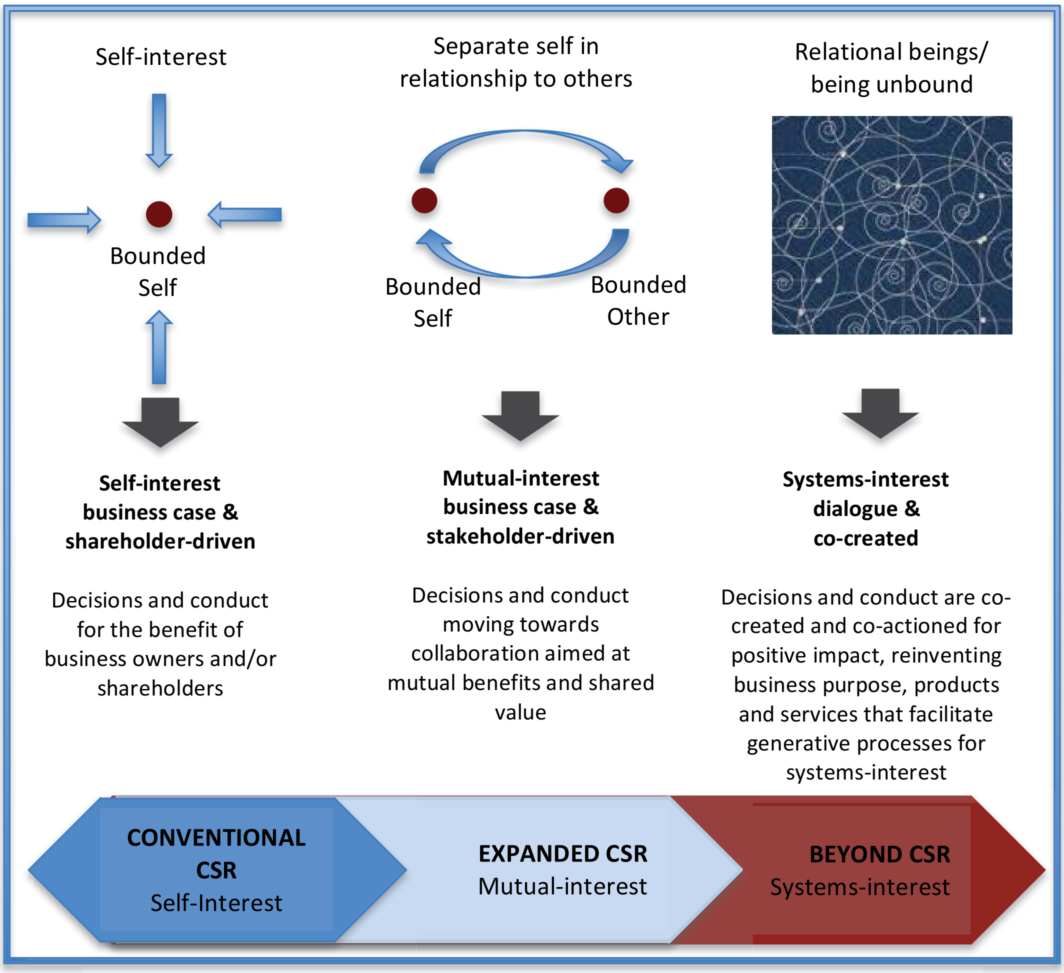
	• Bhutanese / GNH values	• Ethics of relational responsibility • Embrace pluralism, ontological humility and complexity
Stakeholder relationships (Relational)	• Concern for all life forms	• See deepening relationships as real progress • Co-create a purpose beyond own self-interest
Motivations, behaviours and skills (Behavioural)	• Intelligent compassion as motivation • Sufficiency and balance • Generousity and non-attachment • Emotional intelligence	• Intrinsic motivators such as universalism and benevolence • Pro-social and environmental behaviour • Collaboration • Social and emotional intelligence • Continual learning
Timescale & outlook (temporal)	• Long-term outlook • Letting conditions ripen	• Long-term outlook • Patience & deliberation
Indicators or measurement of business success (structural/metrics)	• Motivation & intention • Financial survival • Social & environmental improvements • Contribution to GNH 9 domains and indicators	• Slow and steady financial growth • Social impact and improvement • Not everything that matters can be measured

I synthesise the three lenses developed in the literature review and the dimensions identified from the interview findings to compare Bhutanese and international businesses and their 'beyond CSR' maturity using a scoring system designed for this purpose.

To reiterate briefly, relational ethics prioritises relationships between people, groups and the socio-ecological system. The higher the sense of relational responsibility, the more people experience reality and themselves within the confluence of emergent systems behaviour. Rather than seeing themselves as separate bounded selves that either control others and their environments or are controlled by them, they see infinite knowable and unknowable conditions as contributing to what is perceived as reality. This leads to the three archetypes for achieving happiness, and highlights the notion that the ways in which people seek to achieve happiness indicates their worldviews and behaviours. Finally, the five dimensions of systems leverage identified in Table 19 in Part B, Section 3.10 provide the indicators for businesses and their leaders to understand their progress in moving towards a 'beyond CSR' approach.

Figure 50 illustrates the relationship between the archetypes or worldviews for achieving happiness, drawn from Figure 20 and the CSR business approaches from Figure 12 from the literature review in Part B. These three categories provide a spectrum of worldviews for understanding business leaders and the sustainability and CSR conduct of their organisations.

Figure 50 - Three archetypes or worldviews for achieving happiness, connected to the business approach to CSR



Note: Picture under Relational category sourced from Tumblr (2016)

The building blocks which were shaped in the literature review sections and connected in Figure 50 provide the spectrum of business approaches to CSR and the worldview dimension of the 'Beyond CSR Maturity Model' in Figure 51. The worldview dimension is the most powerful dimension of the five systems leverage categories. According to Meadows (1999; 2008) the ability to transcend limiting worldviews (or paradigms as she calls them) is the most powerful lever in a system to create change.

1 A tool for understanding ‘Beyond CSR’ companies

In this section I draw on the literature review and the findings from the interviews to formulate a ‘Beyond CSR Maturity Model’ (BCMM) based on the three lenses I identified for this study. This model contains five circles that indicate the extent and limits of CSR approaches based on the five dimensions of systems leverage. These same dimensions also emerged in the Bhutanese and international interviews and therefore the BCMM is based on a solid foundation of literature and research findings from this study.

In particular, the proposed ‘Beyond CSR Maturity Model in Figure 51 draws on much of the reading presented in the literature review and in particular on the following concepts:

- an expanded version of Noddings’ (1984) three *“circles of care”*
- Myers’ (2013, p.17) concept *of “care for worldly conditions”* as the societal and planetary wellbeing circles
- McNamee & Gergen’s (1999) concept of *relational responsibility*
- phase models of business sustainability as proposed by Frederick (1998), Mirvis & Googins (2006) and Benn et al. (2014)
- Tideman’s (2016b) Stages of Leadership Development model
- the synthesis of happiness archetypes presented in Part B, Section 2.11 of the literature review and Figure 50 above
- the five dimensions of systems leverage derived from the systems change models as presented in Table 39.

This proposed ‘Beyond CSR Maturity Model’ questions the assumption of the incremental evolution of CSR, identified in many of the CSR phase models (discussed in Part B, Section 1.6) that suggest that more conventional CSR eventually leads to a transformation or fully integrated sustainable business. Instead, the BCMM suggests that there is a limit to how far conventional and expanded CSR approaches can go due to the underlying worldviews of business leaders and the cultures of their organisations. The BCMM proposes that to move to a ‘beyond CSR’ approach requires business leaders to have different worldviews, values and ethics and a different organisational culture than the one which underpins the conventional and expanded CSR approaches.

The main differences between the CSR phase models and the BCMM is that the BCMM is based on a systems view that recognises five key dimensions that contribute to a ‘beyond

CSR' approach. These dimensions are outlined in detail in Section 1.1 in Table 39 and are organised in least and most effective approaches to each dimension.

1.1 The Beyond CSR Maturity Model (BCMM)

Based on the lenses develop in the literature review and the findings from the study, the 'Beyond CSR Maturity Model' proposes circles of maturity, in the context of the five dimensions of systems leverage, which are expressed in terms of four axes in the BCMM in Figure 51. The five circles indicate the extent to which business leaders and the organisational cultures they create can expand within the five dimensions of systems leverage. These circles are described in more detail in Section 1.2. They are:

- Circle 1: Self-interest – low maturity (conventional CSR motivated by business case)
- Circle 2: Mutual interest – starting maturity (extends conventional CSR to some stakeholders)
- Circle 3: Mutual benefit – engaged maturity (extends conventional CSR to many stakeholders)
- Circle 4: Societal wellbeing – high-level maturity (societal wellbeing business purpose informs CSR)
- Circle 5: Planetary-wellbeing – advanced maturity (planetary wellbeing business purpose informs CSR).

This model is later used to aggregate average scores for Bhutanese and international businesses in this study to compare their positions on the BCMM. The focus of this study is beyond the self and mutual interest circles demonstrating the shift from circles 3 to circles 4 and 5 in worldviews, values, ethics, ontology and epistemology.

When comparing phase models of CSR such as Benn et al.'s (2014) with this 'Beyond CSR maturity model' it is important to note that Benn et al.'s (2014) First Wave (which comprises businesses that reject the CSR concept) is considered outside the circles of maturity. The First Wave is seen as being prior to entering into the circles of maturity of the BCMM. Benn et al.'s (2014) Second Wave stages of sustainability engagement (risk management, cost savings and competitive advantage) are seen as part of the mutual interest/benefit circles 2 and 3, because relationships with stakeholders are still justified by the business case and consequentialist ethical systems such as Egoist or Utilitarian ethics.

The five dimensions of systems leverage as discussed earlier in Part B Section 3.10, and presented in Table 19 suggest that there are worldviews, relational dynamics , temporal outlook, resources and structures and instrumental measures that businesses moving 'beyond CSR' can be assessed on. Table 39 describes these five dimensions of systems leverage by highlighting how they can be used in more or less effective ways. This reflects Meadows' (1999) distinction that each leverage point can enable a system to be pushed in either a more effective or less effective direction. This distinction is often not understood by those designing systems change initiatives. Also, it should be noted that the last two dimensions in Table 39 below, instrumental measures and resources/structures, are condensed into one dimension to illustrate the 'Beyond CSR Maturity Model' along the four axes in Figure 51.

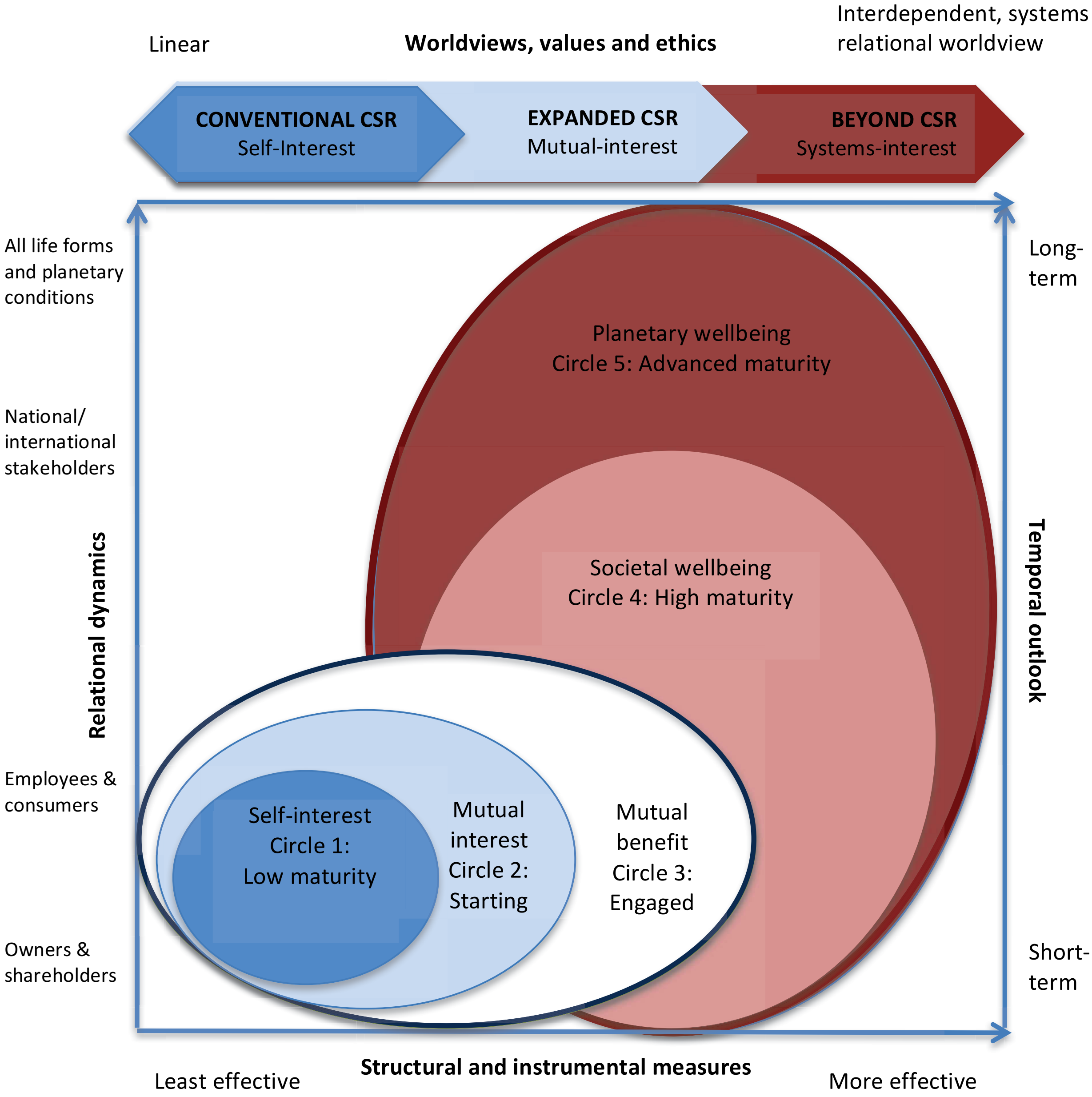
Table 39 - Five dimensions of systems leverage to move 'beyond CSR'

Dimensions of systems leverage	Least effective	Most effective
Worldview, values & ethics (Top x-axis in Figure 51)	• Self-centred worldview • Bounded separate self • Consider parts of a system most important (Newtonian-Cartesian mindset) • There is an original cause and final outcome • See reality as linear cause and effect relationships • Control mindset • Low-risk tolerance • Fixed mindset • Ethics of egoism, utilitarianism • Individualism • Motivation is power, competition, achievement	• Interdependent worldview • Relational being • Reality as a confluence of emergent phenomena in a interconnected system (Eastern and Western systems views) • No first cause, no final effect • Causes, conditions and effects are dependent on each other • Sense-making and learning mindset • High-risk tolerance • Adaptive mindset • Ethics of relational responsibility, care and/or Buddhist ethics • Holism • Motivation is cooperation and connection
Relational dynamics (Left y-axis in Figure 51)	• Separateness • Self-interest above all • Consider own needs only • Responsibility only to self • Information flows controlled and feedback contained • In business context self-interest relates to concern for only owners and shareholders • Restricted information flows and feedback	• Interconnectedness • Systems interest above all • Consider others and systems needs • Responsibility to entire system • Information and feedback flows freely • In business context it relates to a concern and respect for all life forms and planetary conditions • Approach to complex systems problems as a

	• Single solutions designed and applied to any problem	continual learning process
Temporal outlook (Right y-axis in Figure 51)	• Short-term outlook • Time as a sequential, linear phenomenon	• Long-term outlook • Interconnectedness of time and space
Resources & Structures (Bottom x-axis in Figure 51)	• Natural resources considered free and infinite • Physical infrastructure as a way to control • Attempt to centralise power and governance	• Consideration and respect for planetary boundaries • Dispersing power and governance recognising self-organisation as a key principle
Instrumental measures & tools (Bottom x-axis in Figure 51)	• Quantitative measurements of progress indicators and outcomes • Use of incentives and punishments • Development of policies and standard operating procedures	• Qualitative assessment of processes and responses • Use of reflective, learning processes • Use of sense-making tools and participatory processes to continually learn about a complex systems situation

Figure 51 applies the five dimensions as outlined in Table 39 along four axes to be able to present the BCMM in an intelligible way. This is achieved by using two correlated vertical axes and two correlated horizontal axes. The last two dimensions listed in Table 39, 'resources & structures' and 'instrumental measures & tools' are combined in the bottom x-axis. This serves to demonstrate the different spheres within which businesses operate, depending on which dimensions of systems leverage they are working with. Figure 51 and Table 39 are best understood together.

Figure 51 - 'Beyond CSR Maturity Model'



The white spaces outside the circles depict the domains in which business would normally not operate, except for the bottom left corner that reflects businesses that are preoccupied with the self-interested pursuit of wealth and power accumulation. They are using measures and tools that are ineffective for taking responsibility for their impact on society and the planet. The white space in the top left is an area of high relational dynamics and a concern for all life forms, but with a linear and self-interested worldview. This could be the domain of dogmatic institutions promoting a concern for the planet but for a self-serving purpose. In contrast, the top right hand corner white space may reflect the domain of institutions that have a highly interdependent worldview, with a long-term outlook and a concern for all life forms such as spiritual or philosophical movements. These white spaces may appear as problematic, mostly due to the fact that the BCMM would be better illustrated on a five dimensional model rather than in a two dimensional space.

The most interesting transition in the 'Beyond CSR Maturity Model' occurs at the threshold from Circles 3 to 4 and 5. In particular, I suggest that at this juncture business leaders and their organisational cultures require a shift in worldview towards an interdependent, systems view of reality. Otherwise, going beyond Circle 3 is impossible and this may be the *"plateau in the advancement of sustainability"* that the report by the UN Global Compact Accenture (2013, p.5) identified. This is the threshold where the business case justification for CSR requires a shift towards a relational view of reality, letting go of the bounded view of self, or in other words letting go of ego (Scharmer & Kaufer, 2013). This letting go of the bounded view of self creates space for an emergent and interdependent view of reality. The following section describes each of the circles identified in Figure 51 in more detail.

1.2 Detailed descriptions of the maturity levels

This section describes the circles of the 'Beyond CSR Maturity Model' in detail, with the base case representing Circle 1 as the lowest level of maturity and Circle 5 representing the most advanced level of maturity. Each circle of maturity is described using the five dimensions of systems leverage identified in Table 39. Meadows (1999) proposed that the most powerful lever for systems change is the ability to transcend paradigms, suggesting that limiting worldviews are the barriers to sustainable systems improvements. This proposition is supported by research into worldviews and their effect on sustainable decision-making (Hedlund-de Witt 2014). I therefore suggest that the worldviews, attitudes and values of business leaders and their businesses are the most effective and important criteria for determining 'beyond CSR' maturity of businesses. The less effective aspects include the 'measures and tools' as well as the 'structure and resources' descriptions for each circle of maturity. The descriptions of the levels of maturity are a synthesis of the findings from the interviews with Bhutanese and international participants which were outlined in Parts D and E of this thesis.

1.2.1 Circle 1: Self interest – low level of maturity

Worldview, attitudes, values:

At this low level of maturity, business leaders and their organisational cultures display a self-centred worldview that is based on a bounded separate self that uses the external environment, resources and people for its own self-interested purposes. People and resources are considered parts of a mechanistic organisation of the business and a linear understanding of cause and effect relationships. This manifests in a command and control management style, which has low risk tolerance and minimal adaptability and is fragile if exposed to unforeseen disturbances such as financial market crashes. The worldview is characterised by egoism and utilitarianism. There is very little awareness or reflection on values, ethics and worldviews at the owner and leadership level.

Relational dynamics:

Based on the individualistic worldview the preference at this level of maturity is for separateness and self-interest. Businesses in this circle are primarily motivated by growth, power and achievement that lead to self-interested and competitive behaviour. The goals of the business are narrow and focused on growing market share and competitive advantage. Self-interest in this context refers to taking care of immediate and instrumental stakeholders such as owners and shareholders. The 'business case' mindset motivates every decision, and decisions aim to improve operational productivity and efficiency. The way responsibility manifests in the self-interest circle is through CSR initiatives which are only undertaken if there is a tangible benefit to the business. Everything and everyone involved in the business serves the needs of the business. Information flows are tightly controlled and feedback is contained to operational requirements. There is very little awareness unintended consequences of business conduct. Relationships stakeholders serve purely instrumental purposes. Often, single solutions are used to address problem situations with either a 'sense, categorise and respond' approach or a 'sense, analyse and respond' approach, as mentioned in Snowden's Cynefin model (Snowden 2002).

Businesses at this level of maturity usually respond to challenges with standard operating procedures. They deal with complicated issues by bringing in experts and avoid dealing with chaotic or complex issues. If confronted with complex problems they respond with approaches appropriate for complicated situations and so they are not able to improve complex situations and often make them worse.

Ownership of businesses at this level is either by an individual or small group with a strong self-interested worldview, or they are publicly listed companies that are driven by the self-interest of shareholders who are using their shares to increase their own wealth.

Temporal outlook:

The dominant outlook on time is as a sequential linear phenomenon and the focus is on short-term benefits to the business and its owners.

Structure and resources:

Natural resources are assumed to be free and infinite, available to be exploited for the benefit of the business and its owners. Human resources are considered only as serving the business and there is no sense of responsibility towards them other than paying the minimum acceptable wages. Physical infrastructure and stocks are considered as the most important assets and they are the focus of most of the management activity. Governance, ownership and power are centralised and tightly controlled.

Measures and tools:

Progress, outcomes and success are measured purely by quantitative indicators. Incentives and punishments are used as mechanisms to improve productivity and efficiency. Policies and standard operating procedures are the most important tools used for managing the business.

1.2.2 Circle 2: Mutual interest – starting level of maturity

Worldview, attitudes, values:

At this level, the starting level of maturity, business leaders and their organisational cultures are starting to take an interest in stakeholders with whom mutual interest can be pursued. The view of reality still involves separate selves that use the external environment, resources and people to achieve mutually beneficial outcomes. People and resources are still considered parts of a mechanistic organisation and reality is seen in terms of linear but diverse cause and effect relationships. This manifests in a command and control management style with some consultation and stakeholder engagement. Risk tolerance is low, with adaptation and flexibility in selected situations. The business has little resilience if exposed to unforeseen disturbances such as economic volatility. An ethics of utilitarianism predominates, however there is some awareness of the ethics of duty and rights. There is a basic engagement with values, ethics and worldviews at the owner and leadership level.

Relational dynamics:

Based on an individualistic worldview there is an interest in direct stakeholders for reputational purposes, and for the benefit of the business and some selected stakeholders. The 'business case' motivates decisions aimed at improving operational productivity, efficiency and CSR. Businesses are motivated by growth, consumption, power and achievement. They use relationships with others when the business and its stakeholders can both benefit. The goals and intentions of a business at the 'mutual interest' stage are to take care of its close stakeholders, particularly owners and shareholders, but can also extend to a concern for staff and/or customers.

The way responsibility manifests in the mutual interest circle is through CSR initiatives if there is a tangible operational, reputational or financial benefit for the business. Everything and everyone involved in the business serves the needs of the business and a small number of selected stakeholders. Information flows are controlled and some feedback is shared with stakeholders to enable short-term CSR partnerships or initiatives. The outlook of the business is short-term and relationships with stakeholders serve a purely instrumental purpose. Often standard operating procedures are developed for addressing recurring problem situations as simple or complicated with either a 'sense, categorise and respond' or a 'sense, analyse and respond' approach.

Much of the motivation behind engagement with stakeholders is for risk management purposes and therefore usually focuses on stakeholders who could pose a problem for a business, such as local communities living near mining sites, factories or power plants.

This circle has been covered in many studies in the stakeholder theory literature, particularly over the last 20 years. In this circle stakeholders serve as a means to an end. For example staff and consumer wellbeing and happiness are only considered in the context of how they can increase productivity and increase revenue for the business.

Businesses at this level of maturity usually attempt to solve challenges with standard operating procedures, drawing on best industry practices. They deal with complicated issues by bringing in experts and consulting with a small number of stakeholders. They are aware of chaotic or complex issues but keep their level of responsibility focussed on what they know how to deal with. If confronted with complex problems they do not invest the time and energy needed to understand them. They may seek input from a small number of stakeholders and/or experts but prefer to simplify complexity. They analyse a complex situation and make strategic plans for future direction and consider a complex situation resolved once it has changed its behaviour.

Ownership of businesses at these levels is either by an individual or small group with a strong self-interested worldview, or they are publicly listed companies that are driven by the self-interest of shareholders who use their shares to grow their own wealth. Owners and shareholders also want to see some effort by the business to be seen to engage with environmental and social issues.

Temporal outlook:

The dominant view of time is linear and the focus is on short-term benefits to the business and its owners.

Structure and resources:

Natural resources are considered as free and infinite, to be exploited for the benefit of the business and its most important stakeholders. Human resources are considered only as serving the business and there is no responsibility towards them other than paying the minimum acceptable wages. Physical infrastructure and stocks are considered to be the most important assets and they are the focus of most of the management activity. Governance, ownership and power are centralised and tightly controlled. CSR initiatives are focused on the conservation of water, energy and waste as a way to reduce business operating costs.

Measures and tools:

Progress, outcomes and success are measured mostly with quantitative indicators. Incentives and punishments are used to improve productivity and efficiency. Policies and standard operating procedures are the most important tools for managing the business. There are some basic quantitative outcome measures of CSR activities, mostly for communicating CSR outcomes with the intention of enhancing the firm's reputation.

1.2.3 Circle 3: Mutual benefit – Engaged level of maturity

Worldview, attitudes, values:

Businesses in the engaged circle of maturity take a broader responsibility for their immediate and more removed environments, and for communities that are not necessarily directly impacted by the business's activities. For example, a textile manufacturing company in Italy, as part of a CSR initiative, donates money towards saving a piece of rainforest in the Amazon, taking a broader view of its responsibility.

It is within this circle that the concept of explicit CSR emerges (Matten & Moon 2008). Explicit CSR normally consists of voluntary business programs, often in liberal market economies that provide clear incentives and opportunities for businesses to take responsibility for social and environmental issues (Matten & Moon 2008; Blindheim 2015).

Another concept relating to the mutual benefit circle is the distinction between three types of sustainability orientation: a) extraneous, b) emergent and c) embedded (Valente 2015, pp.128, 130). All three types still fall into this mutual benefit circle, because they relate to increasing levels of recognition of the strategic value of the sustainability efforts within a business. The embedded orientation describes businesses that have incorporated sustainability into their way of doing business and sustainability is at the core of their strategy. However, this embedded orientation is still considered a means for differentiation and competitiveness and it is still mostly based on a linear view of causality although it expands to include 'circular' concepts such as the circular economy. The 'business case' is still an important motivator of decisions for improving operational productivity, efficiency and CSR outcomes but businesses at this level also draw on normative ethical theories for engaging with CSR and stakeholders. In this circle, the primary motivation is to drive consumption and achievement. The firm uses collaboration, relationships and competitive behaviour to create larger-scale mutual benefit for stakeholders. This circle is limited by the view of the separateness of self and other, and lacks the relational worldview that is required for the socio-ecological systems view that characterises the next circles of maturity. The management style draws on stakeholder engagement but is restricted by a low tolerance of risk. The engaged maturity level is the limit for conventional CSR as the associated 'business case' justification does not accommodate a relational or systems view of reality.

Relational dynamics

Businesses at the engaged level of maturity are concerned with the wellbeing of the broader social and natural environments (including direct and indirect stakeholders). This can include a concern for the mental and physical health as well as the quality of life of a wide range of stakeholders including supply chains. The business strategy at this level is focused on mutually beneficial collaborations including concepts such as Porter & Kramer's (2011) 'shared value'. They practise charity and empathy and suffer from empathy fatigue as they are not aware of the difference between empathy and intelligent compassion, as outlined in the literature review (Singer & Klimecki 2014).

Businesses at the engaged level are motivated by growth, consumption, power and achievement. They use relationships with others to create a competitive advantage for the mutual benefit of the business and a wide range of stakeholders. The goals of the businesses in this circle are to scale up benefits for a wide range of stakeholders including owners, shareholders, staff, customers, suppliers, indirect stakeholders and the environment. Also at this level businesses engage with their supply chains and start managing their supplier relationships for long-term partnerships.

There is some information and feedback sharing with a wide range of stakeholders to enable medium-term CSR partnerships or initiatives. The outlook of the business is medium- to long-term, and outcomes from relationships with any stakeholders have some normative purpose. There is an awareness of the complexity of socio-ecological problems, and these are mostly addressed with a 'sense, analyse and respond' approach.

Much of the motivation behind engagement with stakeholders at this engaged level is to build brand loyalty and therefore usually focuses on consumers and external stakeholders such as NGOs.

Businesses at this level of maturity usually respond to challenges with an in-depth analysis of data, forward planning and prediction modelling that draws on best industry practices. They deal with complicated issues by drawing on a wide range of experts and widely consult with stakeholders. They are aware of chaotic or complex problems and understand the responsibility they have but manage complexity in a reductionist manner by breaking issues down into small components to deal with their complexity. They engage in large-scale medium-term CSR and sustainability programs but are not prepared to change their business model even if they realise that their business contributes to a worsening complex problem. If confronted with complex problems they are prepared to invest some time and energy to understand the complexity of a situation but do not always have the skills and tools to do so. They may seek input from many stakeholders and/or experts but prefer to deal with complex situations as complicated situations. They collect information, analyse and implement solutions and evaluate their outcomes. While they recognise the power of stakeholders, they are not engaged in an ongoing learning process to better work with complex issues that affect their businesses.

Ownership of businesses at this level is either by an individual or small group, or they are publicly listed companies who recognise the power of collaboration and have a mutual interest and charitable worldview. They sometimes try to influence shareholders to embrace longer-term thinking that benefits the company and enhances the impact it can have on improving the quality of life of a large number of people. Owners and shareholders also want the business to be seen to engage with environmental and social issues.

Temporal outlook:

The dominant outlook on time is linear and the focus is on medium- to long-term benefits to the business, its partners and its stakeholders.

Structure and resources:

There is a recognition that natural resources are finite and that waste is a major risk to business. Hence, engagement with initiatives such as the 'Circular Economy' movement and waste, water and energy reduction initiatives form a major part of this engaged level of maturity. At this level, resource use and social compliance in the supply chain are also being managed with more awareness and resources. Human resources are considered to be an integral part of the success of the business and there are many staff wellbeing initiatives.

Measures and tools:

Progress, outcomes and success are measured mostly with quantitative indicators and some qualitative indicators such as wellbeing and happiness indices. Incentives are preferred and punishments are used sparingly. There is a recognition that continual learning is important to improve productivity and efficiency, but resources are not always allocated. Some management tools and frameworks are used for decision-making and training. CSR reporting becomes a major activity as a way to document goals and progress mostly for communicating CSR outcomes with the intention to enhance reputation and strategic advantage.

1.2.4 Circle 4: Societal wellbeing – high level of maturity

Worldview, attitudes, values:

A defining aspect of this high level of business maturity is the capacity of business leaders and their organisational cultures to adopt a systems or interdependent worldview. This worldview no longer sees the self and or the business as separate entities but as dynamically interrelated elements of the economic systems and society. From this perspective relationships begin to be seen as the most important aspects of a business as they provide the life, information flows, value exchange and reason for existence of the business.

This level of maturity transcends self-interest and mutual interest and adopts a broader relational ethic of co-responsibility for societal conditions. Businesses operating at this level commonly practise self-reflection and continually re-evaluate their own purpose and products as a result of their relationships with a large range of stakeholders.

At this level, CSR is not an add-on to business strategy but is absorbed within the purpose of the business. This is also called implicit CSR, which is more often associated with coordinated market economies (Matten & Moon 2008). Implicit CSR consists of culturally embedded and collective institutionalised values, norms and customs that manifest in what a business does (Blindheim 2015). At this stage, CSR is part of the business 'DNA' and it manifests in the customs and cultural or institutional belief systems within a country or specific context. Although implicit CSR is most often associated with a mandatory coordinated economic approach (Blindheim 2015) it can operate at very subtle levels and without enforcement. Europe's approach to CSR is often described as implicit, as it mostly emerged from many family businesses with strong social values and is now enforced through regulations. In Africa, on the other hand, it appears implicit due to tribal traditions and cultural expectations of businesses (Matten & Moon 2008). Similarly, many Asian cultures, and in particular Bhutan's, could also be said to be based on implicit CSR, due to Buddhist cultural norms that establish generosity and reciprocity as basic expected social values, and a worldview that recognises reality as a flow of causes and effects in which existence is relational rather than separate.

Benn et al.'s (2014) Third Wave (transformational sustaining business) is also included in this level of maturity that is concerned with societal wellbeing. However, in the BCMM, at this level of maturity businesses not only repurpose themselves or align with fulfilling the goals of a flourishing society and ecological systems, but also engage with and practise an expanded systems view of reality. The business leaders engage in practices of contemplation, dialogue and continual learning to build an organisational culture of relational responsibility.

Relational dynamics:

Businesses in this circle of maturity are different from the previous ones in that they rely on co-creation, collaboration and co-action in all aspects of business. In this circle, businesses demonstrate an intentional concern for society and humanity at large.

Businesses at this level of maturity look for chaotic and complex situations to engage with as part of fulfilling their business purposes. They practise relational responsibility and engage with a wide range of stakeholders. They understand the differences between simple, complicated, complex and chaotic problems and are equipped and skilled in processes needed to engage with complex and chaotic problems. They engage on a global and/or local scale with a long-term outlook for implementing their business purposes. If confronted with complex problems, they are prepared to invest the time needed to understand and experiment with a situation to gain more insight before developing a response. They are comfortable dealing with complex situations guided by their worldviews. They are committed to being learning organisations, regularly challenging themselves and their assumptions. They understand the difference between empathy and intelligent compassion ('tough love') and choose to practise intelligent compassion.

Ownership is either by an individual, family or group that has strong values oriented towards societal and environmental protection. Power relationships are often dispersed and business units are given the freedom to self-organise. If there are external stakeholders with an investment (financial or other) in the business, they are closely involved. For example, this is the case in cooperatives. The values and worldviews of owners and stakeholders in the business are closely aligned with a systems orientation.

Temporal outlook:

The dominant temporal outlook understands time and space are interdependent, and the focus is on long-term contributions by the business to societal wellbeing.

Structure and resources:

There is a reverence for natural resources and an understanding that business needs to operate on sufficiency principles. Hence, businesses engage in systems approaches that prioritise relational responsibility for planetary wellbeing. This is shown in initiatives like the following:

a) the Economy for the Common Good (Felber 2015) emerging in Austria and Italy
b) the New Development Paradigm (NDP 2013) emerging in Bhutan
c) the Planetary Health Model (Whitmee et al. 2015) emerging in the US
d) Caring Economics (Eisler 2007; Singer 2015) emerging in the US and Europe
e) Theory U (Scharmer, 2009) emerging in the US.

At this level of maturity, the business takes responsibility for resource use and supply chains. Humans are no longer considered a resource but are part of the very reason for being in business.

Measures and tools:

Progress, outcomes and success are measured with some quantitative indicators and mostly qualitative accounts for the intentions of the business. Incentives and punishments are no longer used to motivate or discourage behaviour. Instead, there is some freedom for business units that are practising relational responsibility to self-organise. Continual learning tools and practices are shared as a way to grow awareness. Business decision-making occurs through dialogue with stakeholders and strategy is co-created and actions are implemented collaboratively. CSR reporting is augmented or replaced by telling stories of impact and change in societal wellbeing that the business facilitates or contributes to. Responsibility is shifted from a reporting obligation to creating decisions together with stakeholders moving towards relational responsibility.

1.2.5 Circle 5: Planetary wellbeing – advanced level of maturity

This level of maturity incorporates all aspects of Circle 4 plus some additional dimensions.

Worldview, attitudes, values:

At the advanced level of maturity, business leaders and their organisational cultures adopt a profound systems worldview. Reality is experienced as the confluence of emerging behaviour resulting from unbounded beings in relationship to each other and the world. In other words they conduct their business with a full awareness of the complexity of a business environment in which there are knowable and unknowable factors in a constant flow. This requires a worldview that sees causality as interdependent and that involves multiple stakeholders including businesses, local or regional governments, community institutions, NGOs, educational institutions and others. These stakeholders are involved in co-creation through dialogue and engagement. Causality is seen as the interplay of a continual stream of causes, conditions and effects. This manifests in a management style which has a high tolerance of risk and maximum adaptability. If exposed to unforeseen disturbances such as a financial market crash, these businesses are secure and supported by their communities of stakeholders. The worldview includes an ethics of relational responsibility, an ethics of care, discourse ethics and/or Buddhist ethics. Rather than being laissez faire and weak, this worldview manifests as acute awareness and insight into complex issues of planetary concern. Businesses in this circle have a high tolerance of risk, as they are supported through a vast network of partners and stakeholders who share their ethics of relational responsibility, ethics of care, Buddhist ethics or indigenous ethics. They frequently trade off short-term financial advantages to fulfil their long-term purpose and vision.

Relational dynamics:

Based on the holistic systems worldview of interdependent reality, the approach to business relationships is to build networks of relatedness and interconnectedness that involve high levels of mutual responsibility. Businesses in this circle are primarily motivated by care, connectedness and relational responsibility. This leads to cooperation, and sometimes to disruptive behaviour. For example Tesla has freely shared battery patent information so that the automotive industry can progress faster towards sustainable transport. The goals and intentions of these businesses are to address the needs of society and the socio-ecological system, and all actions reflect the business purpose. The way responsibility manifests at this level is through engaging with competitors to support sustainability improvements at an industry level. Information and feedback flow freely, and emergent systems behaviour is consciously observed and used as a resource to inform adaptations to the business approach. There is awareness of time delays and unintended consequences from business conduct and the network of relationships is the engine of the business. Businesses at this level are learning organisations that deal with complex issues with ease and skill.

Ownership is by an individual, family or group that has an interdependent systems worldview. Power relationships are often dispersed and business units are given the freedom to self-organise. If there are external stakeholders with an investment (financial or other) in the business, they are closely involved in decision-making and business innovation. The values and worldviews of owners and stakeholders in the business are closely aligned with a planetary systems interest.

Responsibility for planetary wellbeing goes beyond the anthropocentric focus described by some as "*human chauvinism*" (Routley et al. 1979), *"speciesism"* (Hayward 1997) or "*egocentrism*" (Scharmer & Kaufer 2013), which disregards the intrinsic value of non-human species (Myers 2013). Instead, in this circle of maturity co-existentialism locates human beings within an interconnected socio-ecological context rather than placing them above it (Myers 2013). Myers (2013, p.139) differentiates between self-care (therapeutic), care-for-others (charitable) and an expanded care for the world. She suggests that this type of expanded care requires exceptional practitioners that have an expanded worldview, work with stakeholders in new ways and redefine their aims.

The attitude to responsibility for planetary wellbeing involves practices which train the mind to view the self as unbounded and relational. This requires a large amount of perseverance, trust and courage, and it relies on guidance, critical thinking and awareness that is not motivated by self-interest.

Businesses in this circle of maturity are agile, and skilful at dealing with complexity and emergent systems behaviours. They are egoless and view their place in the world as inextricably interconnected with the dynamic socio-ecological system. They deliberately draw on Eastern, indigenous or Western systems thinking skills, processes and frameworks to continually learn to increase their levels of consciousness and social and emotional intelligence. They continuously adjust their ways of doing business and discontinue their business activities if they no longer serve planetary wellbeing.

Temporal outlook:

The temporal outlook sees time and space as interdependent, and the focus is on long-term contributions by the business as a medium to facilitate planetary wellbeing.

Structure and resources:

As with Circle 4, there is a reverence for nature and planetary boundaries, and an assumption of operating on a sufficiency principle. Businesses at this level also develop initiatives such as 'Economy for the Common Good' or 'Caring Economics' and engage in cross-industry collaborations. At this level of maturity resource use and supply chains are integrated in business responsibility. Humans and all life forms are no longer considered as resources but are respected and are the reason for existence of the business.

Measures and tools:

Progress, outcomes and success are measured with quantitative indicators and mostly qualitative accounts of the intentions of a business. Incentives and punishments are no longer used to motivate or discourage behaviour. Instead, there is freedom of self-organisation within business units that practise relational responsibility. Continual learning tools and practices are shared as a way to grow awareness. Business decision-making occurs through dialogue with stakeholders. Strategy is co-created and actions are implemented collaboratively. CSR reporting is augmented or replaced by case studies of impact and change in planetary wellbeing and similar innovative ways of encouraging relational responsibility. Responsibility is shifted from measuring and reporting culture to creating decisions together through dialogue with stakeholders in relationships of responsibility.

1.3 *Planetary wellbeing*

Circle 5 in the 'Beyond CSR Maturity Model' describes the concept that I refer to throughout this study as planetary wellbeing. It is an aggregate of concepts covered in the literature review and a cornerstone throughout this study. It describes the highest motivation that a business can aim for. In summary, planetary wellbeing includes:

- respect for all life forms as equal
- a recognition of planetary boundaries of resources as a reality
- the ontological humility needed to forego immediate benefit to the business for the benefit of societies and the survival of socio-ecological systems
- prioritising positive impact on the planet over profit maximisation
- decision-making based on an ethics of relational responsibility, an ethics of care or Buddhist ethics
- requiring a worldview that recognises the interconnected nature of reality, the self as unbounded in the confluence of causes, conditions and emerging phenomena and a systems thinking ability.

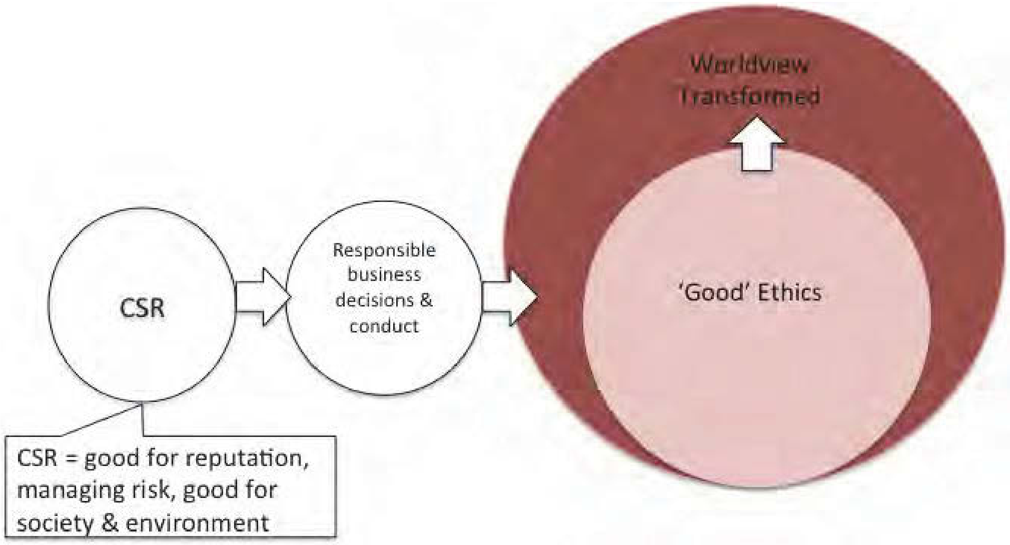
2 Comparing the findings from Bhutan and international businesses

This section firstly compares the two views that emerged from the evidence of the Bhutanese and international businesses. From this comparison I propose a 'beyond CSR formula' that brings together what is required for businesses to move beyond 'conventional CSR'. Finally, this section also maps aggregated scores for the Bhutanese and international businesses on the five dimensions of the Beyond CSR Maturity Model. This mapping offers a way to understand the 'beyond CSR' maturity level of businesses.

2.1 *Worldviews of conventional and beyond CSR businesses*

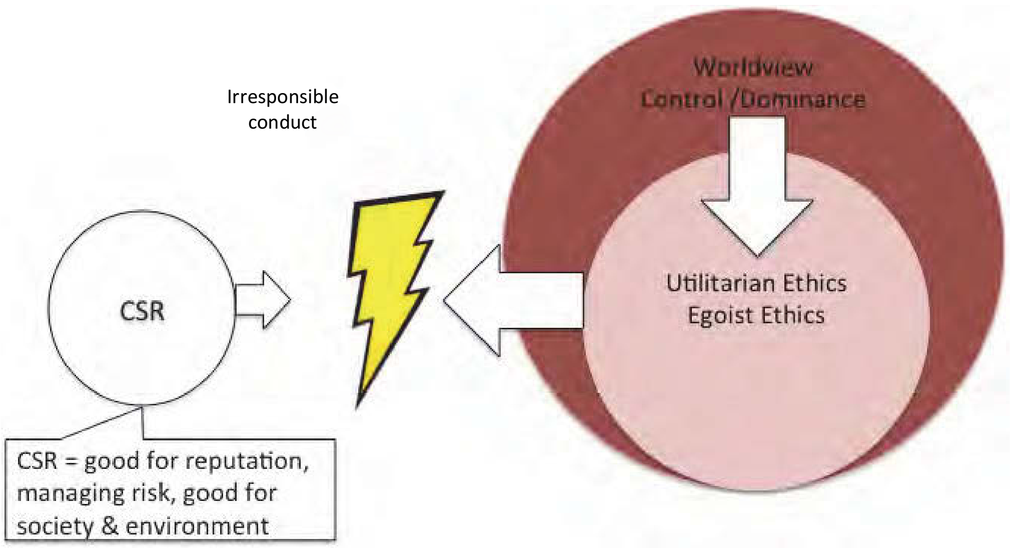
The conventional CSR thinking implied in many of the phase models of CSR suggests that if CSR initiatives continue to be implemented over time, they will lead to responsible business decision-making and conduct. This also implies that the business has the right intentions and 'good' ethics to serve societal and planetary wellbeing, which eventually leads to a transformed worldview as illustrated in Figure 52.

Figure 52 - Conventional CSR assumption and causality



However, as the separation fallacy identified by Freeman (1994) highlights, this assumption is incorrect and in fact worldviews which are characterised by control, power and competitive dominance manifest in instrumental ethics such as utilitarian or egoist ethics. These ethics, when put to the test, as they were at VW when the company was under intense internal pressure to become the largest vehicle manufacturer in the world, can lead to irresponsible and negligent behaviour that is in direct contradiction to the CSR strategies and intentions of the company. This is illustrated in Figure 53.

Figure 53 - Actual causality of conventional CSR



The evidence from the Bhutanese and international interviews suggests that there is a different way to think about a 'beyond CSR' business approach where the starting point is an interdependent or systems worldview. Since worldviews influence values and ethics, which in turn influence decision-making and behaviour, they are recognised as the most effective leverage point for changing systems behaviour. The evidence from this study suggests that Bhutanese leaders and businesses are profoundly guided by the Buddhist interdependent worldview that sees the self as a relational being and causality as a confluence of emerging conditions. In businesses that are highly attuned to the GNH and Buddhist worldview, this translates into values and behavioural practices, encapsulated in Buddhist and GNH ethics, which influence the business purpose. CSR practices are considered at an operational level rather than at the overall business purpose and vision level, as the business is already geared towards a higher purpose of societal and/or planetary wellbeing. In Bhutan's case the operational and practical applications of CSR are yet to be fully realised, as there is currently a lack of skills, capacity and training for Bhutanese businesses to implement CSR initiatives at the operational level. As suggested in the conclusion section of the Bhutan chapter (Part D of this thesis) there are businesses at many different levels of maturity in Bhutan, with the most advanced businesses inspired by GNH and/or a Buddhist worldview, and Buddhist values and ethics.

Figure 54 illustrates the finding from Bhutan, while Figure 55 provides findings from the international interviews. The evidence from the business interviews in the international chapter (Part E) suggests that a worldview is emerging among some international businesses that is similar to the interdependent worldview found in Bhutan. Although not as well developed and prominent as in Bhutan, this interdependent systems worldview was present in some of the international businesses.

Figure 54 - View from Bhutanese businesses

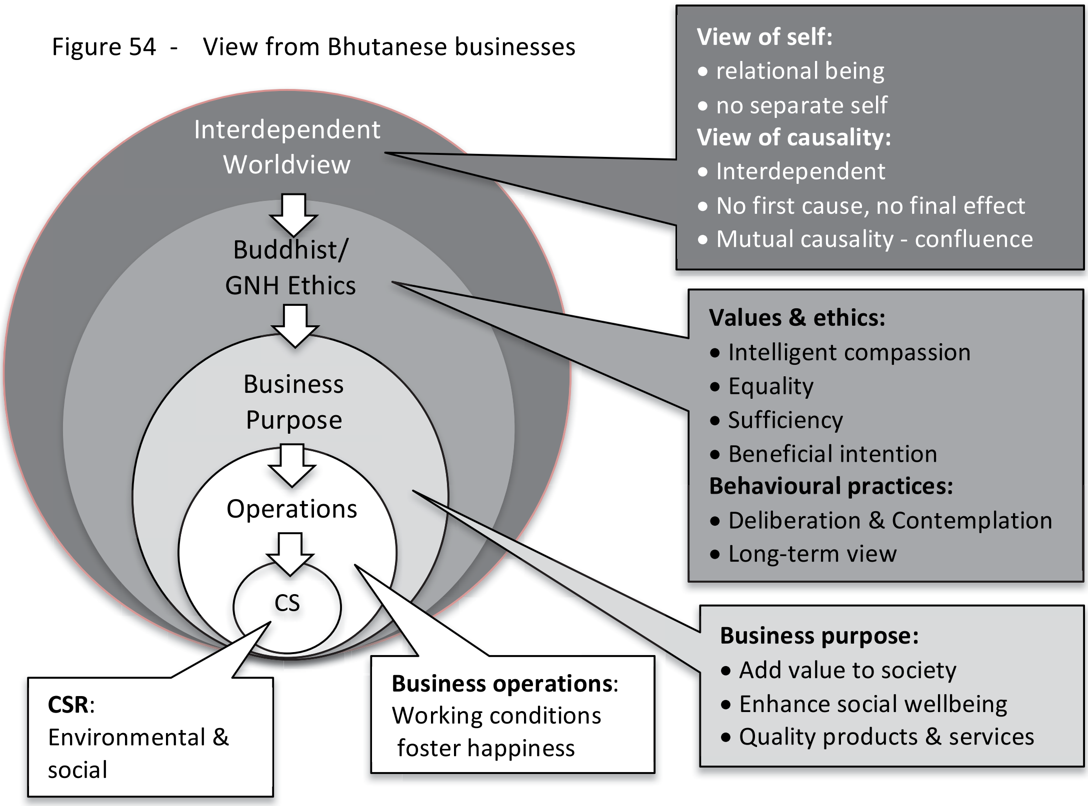
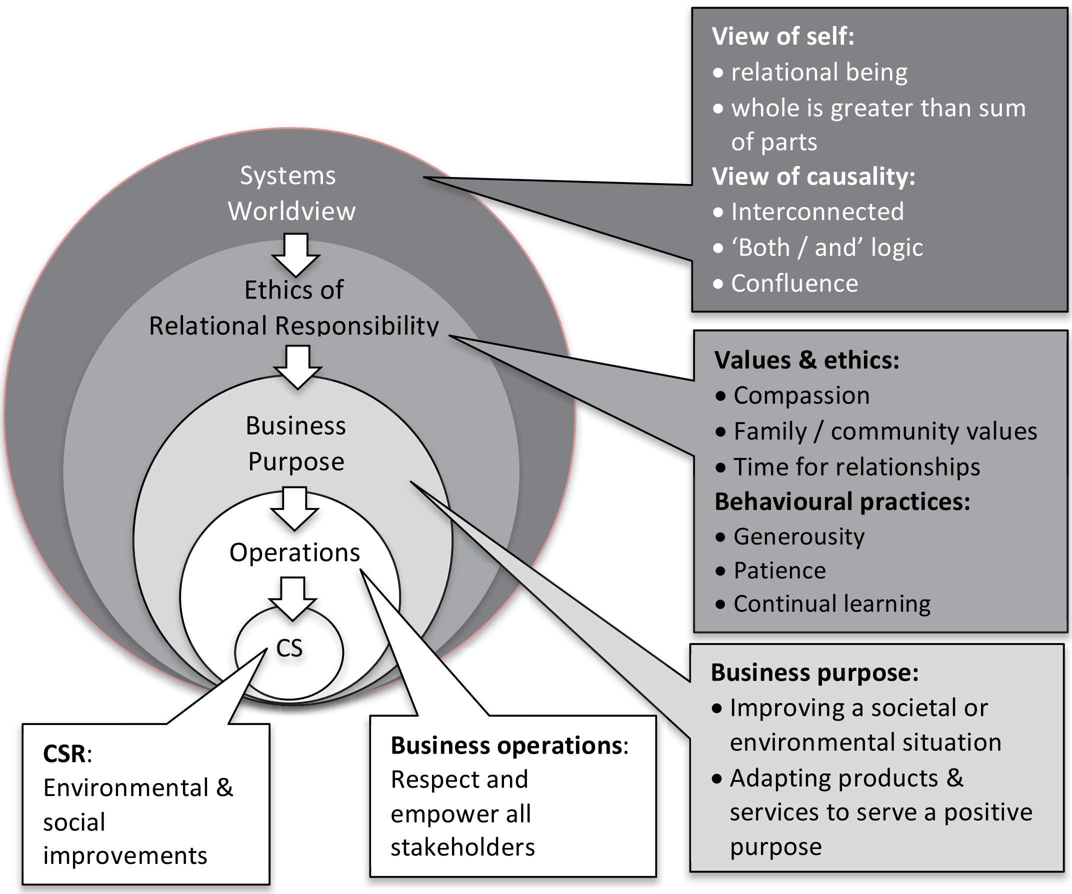


Figure 55 - View from International businesses



One of the conclusions of this study is therefore that 'beyond CSR' can be described as an interdependent or systems worldview that encapsulates relational ethics (such as Buddhist ethics), which in turn encapsulates a business purpose for societal or planetary wellbeing that includes CSR practices. The 'beyond CSR' formula for business in Figure 56 presents one of the key conclusions from this study.

Figure 56 - Beyond CSR formula for business

Beyond CSR Forumla =

Interdependent or systems worldview

+ Ethics of relational responsibility (or intelligent compassion)

+ Business purpose for societal or planetary wellbeing

+ Business operatations where working conditions foster happiness

+ CSR practices

It is important to note that I am referring to a Buddhist worldview and ethics as an example of a philosophy that is based on an interdependent view of reality, and I do not intend to imply the religious or spiritual dimensions of Buddhism are necessary for a 'beyond CSR' approach. There are many other indigenous, Eastern and contemporary Western philosophies that also base their views of reality on similar concepts of relationality and interdependent causality. A deeper exploration of the indigenous and Eastern philosophies could further inform the claims made in this study, but they are beyond the scope of this current project. I use the Buddhist philosophy as an example of an interdependent worldview because it has been expressed in Bhutan through GNH and its application in government and policy instruments.

2.2 *Mapping beyond CSR businesses on the BCMM*

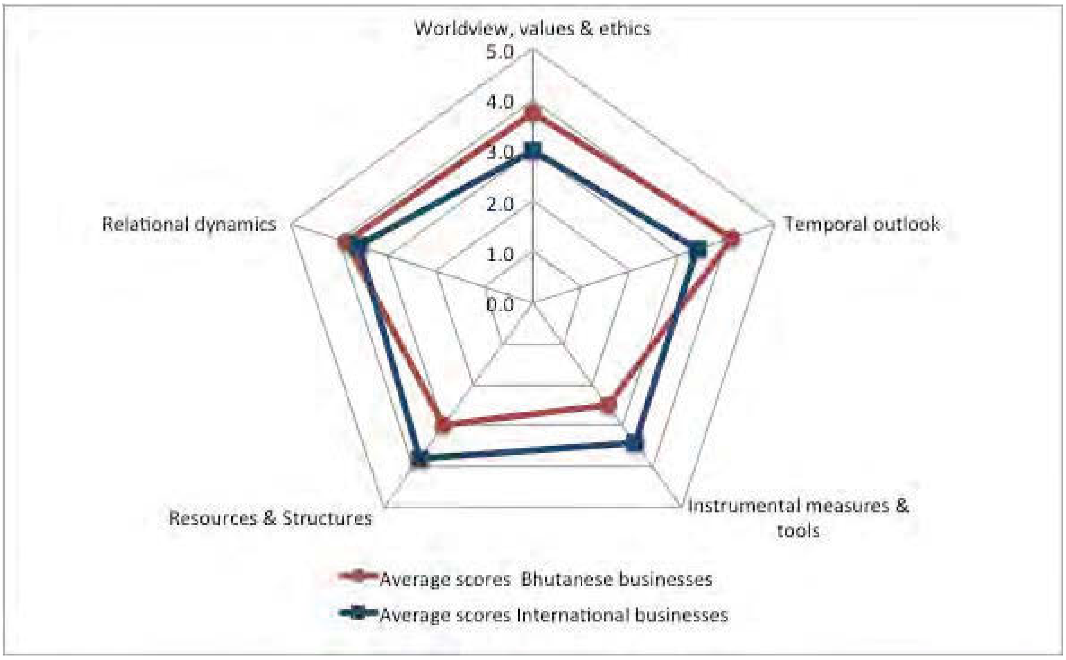
Using the Beyond CSR Maturity Model (BCMM), this section compares the 'beyond CSR' maturity of the Bhutanese and international businesses. The five dimensions of systems leverage identified in Table 39 are scored from 1 to 5 (1 being the lowest and 5 the highest) for each of the businesses that participated in the study. The scores are based on the interview data, my own professional knowledge of these companies and their leaders, and secondary publicly available sources such as company annual reports, corporate communications, media reports and speeches given by company representatives.

The average scores for all the Bhutanese businesses (P2, 6, 7, 8, 9, 11, 12, 15) and the international businesses (E1, 2, 3, 5, 6) were calculated and mapped in the radar chart Figure 57 below. The companies that I consider moving towards 'beyond CSR' (E1, E2, E3, E5 & E6) were selected for interviews because they are 'pushing the boundaries' to go beyond CSR.

Finally, interviewee E4 was selected because this company had a conventional CSR approach and this provided a contrast to the others. 'Conventional CSR' approaches are widely documented in the CSR literature, for example in Benn et al. (2014), Mirvis & Googins (2006) and Frederick (1998). International business E4 was therefore not included in Figure 57. While Figure 57 only shows the aggregate average for the Bhutanese and international businesses, this kind of analysis is also possible for individual businesses. However, it was not the intention of this study to produce business-specific evaluations when the interviews were being conducted, and therefore the results are shown only as an average across all of the businesses in Bhutan and across all the international businesses.

This average maturity scoring provides a way to make sense of the study findings and supports the BCMM as a model of 'beyond CSR' business maturity. Figure 57 shows that there are some similarities and differences between the Bhutanese and international businesses of this study. In the case of Bhutan, the Buddhist cultural and historical context provides the milieu of the interdependent worldview of life and relational priorities. It is not surprising therefore that an interdependent worldview is less developed in the countries of the international business interviewees. However, in both contexts companies were able to demonstrate 'beyond CSR' maturity in different dimensions. For example, in the international companies for which there was evidence of a 'beyond CSR' approach, the organisations not only had leaders with an expanded worldview but they deliberately created an organisational culture that engaged in relational responsibility and tried to instil this worldview in staff and stakeholders.

Figure 57 - Average maturity scores for Bhutanese and International businesses



Note: Scores out of 5 were allocated for each of the five dimensions for each of the business interviewees in this study (1 = low maturity, 5 high maturity)

The Bhutanese businesses on average had a longer-term outlook than the international businesses but the two groups were fairly evenly aligned in their relational dynamics. This indicates that it is possible to develop maturity in these dimensions outside the Buddhist philosophical context but it requires an organisational culture and leadership that fosters the 'beyond CSR' dimensions. The higher performance of the international businesses in the resources and measures dimensions reflects the advanced CSR practices prevalent in Western economies. They include high maturity in resource management, instrumental measures and tools, and the reporting and sharing of stories about positive societal and environmental impacts. These particular skills and methods are still lacking in the Bhutanese businesses at present but they could easily be taught and encouraged.

3 Making sense of a 'beyond CSR' business approach

In this study, I used a transdisciplinary literature review to distil concepts from business ethics, Eastern and Western philosophies of happiness as well as systems theories to build the foundations of a sense-making tool for better understanding the 'beyond CSR' business approach. I collected qualitative data from 21 semi-structured interviews with Bhutanese and international business leaders and developed the 'Beyond CSR Maturity Model' with five levels of maturity that differentiate 'beyond CSR' business approaches from conventional CSR businesses.

Buddhist philosophy and general systems theory were compared by Joanna Macy (1991) and found to have very similar approaches in their consideration of the self and of causality. The interdependent worldview that is practised and taught in Buddhist philosophy is also integral to contemporary holistic systems thinking. The self is no longer considered a bounded separate entity that interacts like a billiard ball on a pool table with other billiard balls. Instead the self is seen as being unbounded and in relationship with a vast system like the ocean. This challenges conventional experiences of identity, ego, power and agency, and many of the concepts that are ingrained in Western societies and considered as unquestioned reality.

However, there are other Eastern and indigenous traditions from across the world that share similarities in the relational view of self and the view of causality as interdependent. These traditions are not covered in this thesis but they could offer useful additional evidence of alternative worldviews that may also provide gateways to seeing reality from different perspectives.

The theory I develop in this research study questions the assumption that more and better CSR activities based on the business case argument will lead to ethical decision-making. I am proposing that business decision-making for a better future that embraces societal and planetary wellbeing will only occur when a different worldview is adopted by business leaders and by their organisational cultures.

'Beyond CSR' businesses and their leaders adopt and practise values, ethics and worldviews based on an interdependent systems worldview (the fully conscious view) that sees the interconnected socio-ecological system as the highest priority. This is distinctly different to self-interested (the business case view) and mutually interested (the charitable view) worldviews. The interdependent systems worldview is characterised by two key features: the view of self as egoless and the view of causality as a confluence of conditions rather than as a linear sequence.

'Beyond CSR' is not for the fainthearted business leader as it requires a commitment to prioritising sufficiency over profit maximisation (i.e. accepting immediate financial trade-offs for the benefit of long-term societal and planetary wellbeing). It also considers the impact a business has on societal and planetary wellbeing to be its most important asset. The focus on planetary wellbeing is grounded in a systems view that instils a new perspective on business in relationship to the world and a new view of causality. This means that 'beyond CSR' businesses continually reinvent their purpose to adapt to the complexity of socio-ecological change and need. This may at some point lead a 'beyond CSR' business to discontinue products or services, or the entire business, if they no longer serve societal and planetary wellbeing.

3.1 How to initiate a 'beyond CSR' approach

There are many ways one could examine the question of how a business could start to generate a 'beyond CSR' approach. However, the single most powerful starting point is to acknowledge that the worldview needs to transform. This should be followed by the examination of the day-to-day decisions and actions taken at the leadership and operational levels to understand the current business purpose. If the actions and purpose turn out not to be aligned with improving societal and/or planetary wellbeing, then a stakeholder process for reshaping the purpose of the business may be the next step. Once a new societal or planetary purpose is agreed to by the stakeholders of a business, it will require long-term commitment and the deliberate cultivation of an organisational culture, procedures, processes and policies that support the characteristics of a 'beyond CSR' business as outlined in Circles 4 and 5 in Sections 1.2.4 and 1.2.5 of this chapter. In brief, to cross the maturity threshold from Circles 3 to Circles 4 and 5 of the BCMM requires an interdependent systems worldview, which manifests in the following business and leadership characteristics:

1) an interdependent systems worldview and values, which manifest as the process of co-creating and co-acting through relational responsibility
2) relational responsibility expressed as a business purpose of contributing to societal and/or planetary wellbeing
3) a long-term view of business impact
4) respect for planetary resource boundaries and sufficiency thinking
5) assessment of progress primarily as a continual learning journey.

Because of these characteristics, there is a threshold that seems difficult for businesses to move across. This threshold is not a transition but a disruption that dislodges a business from an engaged CSR level of maturity to a high and advanced level that is concerned with contributing to societal and/or planetary wellbeing. This study tried to illuminate this disruption and to paint a picture of the interdependent worldview that sees the *"world as a* *shared home… for all people…[where] their basic needs must be met"* (Myers 2013, p.113). This worldview can be achieved by *"collaborative practices of care focused on shaping collective conditions"* (Myers 2013, p. 18). These are the practices of relational responsibility. Based on these foundational concepts that were explored in the literature review the following section illustrates how relational responsibility and an interdependent worldview can be applied in the case of the VW emissions scandal.

3.2 Mapping business impact on the SDGs

The Sustainable Development Goals (SDGs) aim to shape collective conditions of the world recognising it as our shared home of a global community. However, the way the goals were presented by the UN, resembles a 'to-do-list' of 17 individual goals. In reality, they are all interconnected, some with synergies and some requiring trade-offs (Costanza et al. 2016). The trade-offs will no doubt lead to much debate and tension requiring deliberation and joint decision-making. The prerequisites for these processes to be successful are an interdependent systems worldview and an understanding of relational responsibility. These will provide solid foundations for 'beyond CSR' businesses to embrace the complexity of the interconnectedness of the SDGs.

Currently, the way the SDGs are being promoted to the international business community through the *SDG Compass* (GRI/UNGC/WBCSD 2015), is mostly based on the business case argument and a linear logic model. This will perpetuate the self-interested, compliance and risk-management mindsets that may at best see companies move into the engaged Circle 3 of the BCMM. However, despite the lack of a coherent framework that highlights the interconnectedness of the SDGs, they still provide the best opportunity for businesses to learn about a 'beyond CSR' approach. The SDGs could be a starting point for businesses to engage with systems thinking that will illuminate their business impacts and therefore have the potential to inform a new business purpose, the importance of relational ethics and an expanded interdependent worldview.

For example, a way for a company to see its situation in a 'beyond CSR' relational responsibility context using the SDGs is illustrated in Figure 58. Figure 58 is a causal loop diagram used as a systems-thinking process that identifies a small number of causes and effects of the VW emissions falsification in relation to each other and matches them with the relevant SDGs. As discussed in the introduction to this thesis in Part A, section 2.2.2, the VW scandal powerfully illustrates that conventional CSR achievements and approaches are limited in their ability to be relationally responsible and lack a systems view of the world.

The diagram also illustrates how some of the SDGs are being affected in either a positive or negative way using the symbols + for positive and – for negative impact on the relevant SDG. There are many other contributing causes and consequences of the decisions made at the VW company that are not shown in Figure 58 due to the space constraints. Figure 58 only serves to illustrate the starting point for a company to begin to map and consider the confluence of circumstance that they operate in and how their decisions impact on the SDGs and planetary wellbeing.

Table 40 compiles some impacts that have emerged as costs of the VW emissions falsification. These impacts are connected with other causes and effects of VW's decision to fit diesel vehicles with 'defeat devices' that would falsify emissions data. The actual emissions from the vehicles were up to 25 times higher than those allowed by regulations (Holland et al, 2016).

Table 40 - Impacts of the VW scandal

Category	Impact
Number of VW diesel vehicles sold with 'defeat device'	• Estimated 11 million sold worldwide (Holland et al. 2016) • Estimated 450,000 sold in the US (Holland et al. 2016) • Estimated 2.6 million in Europe (Chossière et al. 2017)
Volkswagen market value	• Minus US$ 30 Billion lost market value (Hadi 2015) • Loss of one third of the market value since June 2015 (Hadi 2015)
Additional emissions emitted	• Estimated up to 950,000 tons of Nitrogen Oxides (NOx) worldwide per year (in comparison the UK's biggest power station emits 39,000 tons of NOx per year) (Mathiesen & Nelson 2015)
Damages from emissions in the US	• US $430 million (the main component of damages is human mortality, but also cost of increased morbidity, reduced crop and timber yields, degradation of buildings and material, and reduced visibility and recreation calculated for the US (Holland et al. 2016)
Premature deaths in Europe	• 1,200 people will die at least 10 years earlier (calculated for Europe where 2.6 million of the vehicles were sold) (Chossière et al. 2017)
Forecast job loss at	• 30,000 (Stanwick & Stanwick 2017)

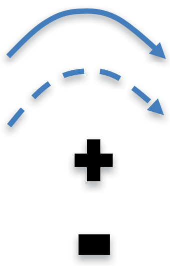
VW by 2021	
US EPA Settlement	• VW agreed to a US$ 14.7 billion settlement (Conger and Valentine, 2016)

Figure 58 was generated using data sourced from news reports and references quoted in the introduction Part A, section 2.2.2 that established the fact that VW installed 'defeat devices' in 11 million vehicles. This fact was used as the starting point in the centre of the diagram. From there, a simple method of asking 'why' this condition occurred lead to a process of working backwards to identify a number of drivers for the decision to install the defeat 'devices'. Then, using the impacts of this decision outlined in Table 40, they were documented as effects in the causal loop diagram. Finally, each of the causes and effects shown in Figure 58 was assessed against the SDGs and evaluated if they had either a positive or negative influence on the SDGs.

As Figure 58 illustrates, just from mapping some of the most obvious causes and effects of the VW emissions falsification, already nine of the 17 SDGs are being negatively impacted due to the decisions that were made at the VW company. The company is well known for its commitment to sustainability with an extensive CSR history and strategy. However, the potential positive impact of sustainability initiatives has been overshadowed by the actual conduct of the company. The VW company is therefore a standard example of an engaged CSR maturity level (Circle 3 on the BCMM) that despite all of its commitment, rhetoric and stated goals was not able to cross the threshold into the 'beyond CSR' realm. The effect of installing 'defeat devices' in 11 million vehicles had negative impacts on at least ten SDGs:

1. Goal 1: No Poverty
2. Goal 2: No Hunger
3. Goal 3: Good Health and Wellbeing
4. Goal 8: Decent Work and Economic Growth
5. Goal 9: Industry, Innovation and Infrastructure
6. Goal 11: Sustainable cities and Communities
7. Goal 12: Responsible Consumption and Production
8. Goal 13: Climate Action
9. Goal 16: Peace, Justice and Strong Institutions
10. Goal 17: Partnerships for the Goals

Figure 58 is an example of how relational responsibility can be illustrated in the context of the SDGs highlighting the need for an interdependent worldview. The following symbols are used in Figure 58:



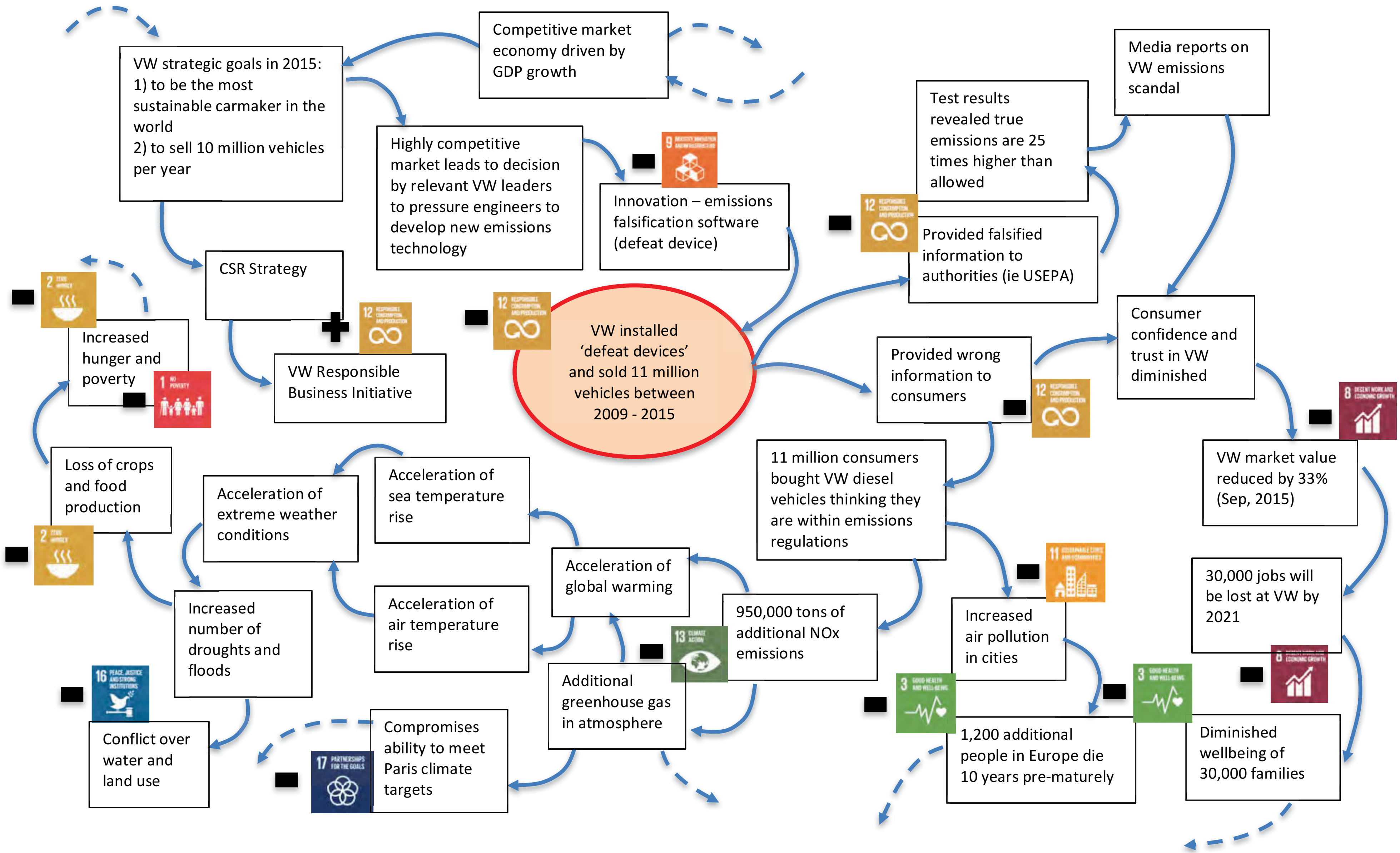
= direct impact

= other causes or effects

= positive impact

= negative impact

Figure 58 - Causal loop diagram showing causes and effects of the VW ‘defeat devices’ and their effects on the SDGs



4 Final thoughts

While Buddhism is prevalent and firmly integrated into Bhutanese society and culture and has great relevance to its business leaders and society, it is unrealistic to suggest that international businesses at large should engage in Buddhist, Eastern or indigenous ways of viewing the world. However, holistic systems theory (Jackson 2003) offers a path, skills and processes for developing an interdependent systems worldview that can produce similar views of self and causality to those found in a Buddhist worldview. Holistic systems thinking provides a method and a pathway that is more aligned to Western and business cultures than Eastern philosophies.

Collopy (2009) observes that systems thinking has been promoted in management practice for more than 30 years and has only had limited traction in business decision-making. Decision-making like any human behaviour depends on the underlying worldview that motivates it. The shift to an interdependent worldview requires the perception of self and causality to change radically. This is no easy task and I suggest that these two key components of an interdependent worldview, the perceptions of self and of causality, have not been addressed sufficiently in systems thinking to enable its wide-spread application to the business management field.

A shift in worldview can be facilitated and practised over time, but it can also occur in a split second, as Meadows (1999 & 2008) suggests. Many people who have had life-changing experiences either in the form of intensely challenging moments (such as those mentioned by some of the international business interviewees in this study) or in the form of profoundly connecting experiences in nature, have experienced a lasting shift in awareness that results in seeing the self and cause and effect in a new way. Some call these experiences "spiritual or mystical". In Buddhism they are called enlightenment experiences if they produce a durable shift in worldview. However, the most important quality of the interdependent systems worldview is that it is accessible to any human being and can be reached by a variety of pathways.

One of those pathways may be through recalibrating the understanding of, and the pursuit of, happiness in Western thinking in ways which increase awareness of the concept of relational responsibility. More research into indigenous and Eastern ways of thinking, as well as Western studies in social psychology, could contribute to demonstrating how the practice of relational responsibility in societies and cultures like Bhutan can produce higher levels of societal happiness and reduce happiness inequality between different social groups (Goff et al. 2016; Helliwell et al. 2016). Practices and mental training can promote a shift from seeing the self as independent to a seeing it as relational (Gergen 2011). An interdependent view of causality and a shift from individual morality to a process of coordinated responsible action can also be practiced. Philosophies and cultures that see morality as socially co-constructed and interdependent can provide valuable food for thought and practical knowhow to expand the limited conception of happiness in Western thinking. This recalibration of our understanding of happiness is an opportunity to realise that maybe what humans are searching for is not happiness in a therapeutic or charitable sense, but an interdependent sense of profound connectedness with humanity and nature through a fully conscious state of mind. This presents an excellent opportunity for further research into how business leaders can generate or facilitate this disruption from a conventional CSR to a beyond CSR mindset.

My hope is that this study contributes more than theoretical and academic knowledge. Business is the largest institution in the world and impacts the lives and environments of the great majority of people across the world. I am intending to translate these insights into practical pathways for businesses that are looking for ways to move beyond conventional CSR and to expand their worldview and responsibility. This will require leaders who are willing to be challenged, to be uncomfortable, to grow and mature, and to make decisions in the confluence of emergent reality for the benefit of societal and planetary wellbeing. The time is right and the conditions are ripe for businesses to grow up, extend themselves and engage with the higher expectations of an interconnected world and reality.

Appendices

Appendix 1.1 – Content summary of literature on causes and effects of happiness

Causes of happiness/unhappiness	Effects on happiness/unhappiness
Genetics	
• Genetic predisposition is said to account for 30–40% of variation in happiness levels (De Neve *et al.* 2012; Lykken & Tellegen, 1996, Rietveld *et al.* 2013)	• Latest findings in epigenetics as the mechanism to switch on and off gene expressions, have lead human evolutionists to conclude that human beings play an active role in their own development (Bateson & Guckman 2012) due to environment-epigenome interactions (Mattick 2011) • "When a gene product is needed, a signal from its environment, not an emergent property of the gene itself, activates expression of that gene" (Nijhout, 1990, p442) • There are some early hypotheses that suggest that epigenetic make-up can be influenced through life style and mental training (Singer pers com. 2015)
Health (relationship between physical health and wellbeing is bidirectional Steptoe et al. 2015)	
• There is much evidence that good health can cause increased subjective wellbeing (Pinquart and Sörensen, 2000; Kirby, Coleman and Daley, 2004; Steverink et al. 2001). • Higher self-assessed levels of health in North Americans and Europeans is positively correlated with happiness (James et al. 2004) • Poor health and being dissatisfied with personal finances was found to have a strong negative impact on happiness in the USA, Canada, Mexico and Brazil (James, 2011) • Chronic illnesses have been associated with reduced hedonic and euemonic well-being (Steptoe et al. 2015)	• There is also much research evidence showing a causal relationship between happiness and improved health (Roysamb et al. 2003, Diener and Chan 2011) • There is a lower risk of disability and mortality in people with higher life satisfaction (George 2010) • People with a negative outlook on life are more likely to engage in unhealthy habits such as smoking, alcohol abuse and a more sedentary lifestyle (Steptoe, Dockray and Wardle, 2009) • Subjective wellbeing can influence health with a number of studies finding that happier people have better health (Chida and Steptoe, 2008; Cohen

	and Pressman, 2006; Diener and Chan, 2011; Howell et al. 2007; Lyubomirsky et al. 2005; Pressman and Cohen, 2005) • Positive emotions have been found to have a beneficial impact on wound healing, cardiovascular health, immune system, endocrine system, reduce likelihood of strokes and negative emotions can diminish those health aspects (Christian et al. 2006, Edwards and Cooper, 1988; Kiecolt- Glaser et al. 2002; Cohen et al. (2003), Bhattacharyya et al. (2008), Ostir et al. 2001) • Happier people (with higher subjective well-being) have healthier diets, exercise more, live longer and in general are more likely to have better health habits (Diener et al 2008, Oswald and Stewart-Brown 2012, Pettay 2008, Grant, Wardle and Steptoe 2009; Chida and Steptoe 2008) • At national levels higher levels of well-being were also linked to better health (Blanchflower and Oswald 2008)
Income and Standard of Living	
• The Easterlin Paradox describes the phenomenon that increases in national income improve subjective wellbeing and happiness up to a certain point, beyond which people adjust their expectations and more income does not improve subjective wellbeing (Easterlin, 1995; Diener and Biswas-Diener, 2002; Frey and Stutzer, 2002b, Diener and Seligman, 2004; Clark *et al.* 2008) • A significant positive relationship exists between increased income and improved well-being for people in poverty, however this link between wealth and life satisfaction diminishes at higher levels of income, supporting the concept of 'declining marginal utility' in economics (Diener et al. 2009) • Individual-level values shift from economic and physical security to self-expression values (participation, freedom of expression and quality of life) as economic security increases (Inglehart 2010) • Economic development is linked with rising levels of subjective wellbeing, however only as one factor among others (other predictors include faith, tolerance and levels of democracy) (Inglehart et al 2008)	• Higher levels of happiness have been found to predict higher levels of income (Diener et al. 2002; Marks et al. 1999) •

• Studies in the US have found the threshold where the happiness derived from more income diminishes at around US$75,000 income per year (Kahneman & Deaton 2010) • Social comparison means that in any society rich people are happier than poor people, but over time richer societies are no happier than poorer ones (Layard, 2005; Graham 2009) • People compare themselves to others close by (reference group) and adjust expectations of how much income generates happiness (Easterlin, 2003) • The process of adapting to higher standards of living results in more consumption in an attempt to experience more satisfaction and happiness. In other words we are caught on a 'hedonic treadmill' (Brickman and Campbell, 1971) that inevitably brings us back to a happiness set-point (Headey, 2006) • Easterlin Paradox – societal levels of happiness increase up to a certain point with increasing economic development of a nation, however level out and do not continue to increase (Easterlin 1974, Easterlin 1995) • 'Threshold point' is found where more economic growth, may deteriorate quality of life (Max-Neef, 1995) • Poverty has negative impacts on psychological wellbeing (Desjarlais and Kleinman, 1997) • Income inequality is linked to higher rates of mental illness (Kaplan et al. 1996) • Strong attachment to material rewards is linked with lower life satisfaction, reduced vitality and positive emotions as well as increases mental disorders (Dittmar et al 2014; Kasser & Ryan 1996) • People who highly value material wealth are found to be less satisfied with life overall and experience less positive emotions (Kasser & Kanner, 2004) • Economic development is only one causal factor in improving subjective well-being and less important than social tolerance and political freedom (Inglehart, 2010) • Income can only explain a small proportion of overall happiness (Frey and Stutzer, 2002)	

Employment or valued engagement	
• There is a strong causal link between unemployment and diminished subjective wellbeing (Clark, A and Oswald, 1994, Helliwell, 2003, Diener and Seligman, 2004, Layard, 2006, Clark, *et al,* 2008, Clark 2010, Blanchflower and Oswald 2011) • The effects of unemployment on wellbeing go beyond the loss of income and diminish social status, self-esteem, loss of workplace social life and confidence (Layard et al. 2012) • Volunteer work increases physical wellbeing, happiness, life satisfaction, self-esteem and a sense of self-determination (Thoits and Hewitt, 2001) with both the recipient and the helper experiencing psychological benefits • Engagement in activities that include social and productive components improve health and wellbeing (Glass et al. 2006) • Structured group activities for young people are linked with an increased sense of social wellbeing including civic involvement and sense of community (Albanesi, Cicognani and Zani, 2007) • Uncertain employment conditions have been linked with lower mental health (Artazcoz et al. 2005) and have serious negative impacts on those still in work (Green, 2011) • Poor job conditions negatively effect mental health (Winefield et al 1988, Winefield et al 1991, Burchell 1996) • High levels of stress at work, low autonomy and discrepancy in reward for effort negatively effects mental health (Stansfeld & Candy, 2006) • Higher levels of autonomy at work and goal progress are linked to increased SWB, employee engagement and work performance across cultures and contexts (Gagné & Bhave, 2011, Brunstein, 1993, Sheldon et al. 2004) • Long working hours is linked with diminished health and mental well-being as well as increased safety risk at work (Burke & Fiksenbaum, 2008) • Working from home improves work-life balance (Kurland & Bailey, 1999) and increases time use satisfaction (Wheatley, 2012)	• Higher levels of happiness have been found to predict higher levels of income (Diener et al. 2002; Marks et al. 1999) • People with higher levels of subjective well-being are more likely to enjoy their work (Lyumbomirsky et al 2005) • The same results of higher incomes and work enjoyment have been found in countries across the world (Marks & Fleming, 1999; Graham & Pettinato, 2002;) • Workers with higher levels of happiness have also been found to have higher levels of commitment to their organisations, are more likely to help co-workers and more likely to support tasks that are outside their job descriptions (Donovan, 2000; Diener & Biswas-Diener, 2008) • People who enjoy their work are perceived to have higher work quality and to be more productive, reliable and creative (Staw et al. 1994) • Two-way causality has been found in studies on volunteering which found that volunteering increases happiness, but also that higher subjective well-being increases the frequency of volunteering (Meier and Stutzer (2004)

• People who have the option to take voluntary retirement (compared to enforced retirement) report higher levels of well-being (Kimmel et al 1978)	
Social Relationships (causation runs in both directions Diener et al 2009)	
(Lane, 2001, Diener and Seligman, 2004, Oswald, A, 2004, Kafetsios, 2005, Layard, 2006a, Blanchflower, and Oswald, 2011, Kirchler, 2012) • Receiving and being able to give social support are positively linked to wellbeing (Turner 1981) • Loneliness is caused by a lack of opportunities to communicate with others and has been found to diminish physical and mental health (Anderson et al. 1985; Cacioppo et al. 2003) • People with many and quality social relationships have consistently been found to report higher well-being and tend to report more positive emotions when with other people (Diener et al. 2008)	• People with higher levels of subjective wellbeing generally have more social support, higher self-esteem and better coping mechanisms (Pinquart and Sörensen, 2000) • People with higher life satisfaction tend to have more supportive and closer relationships than those with lower life satisfaction (Diener & Biswas-Diener 2008) • Studies have shown that people with high levels of subjective well-being are generally more self-confident, warm, able to lead, sociable and have more friends (Diener et al 2009) • People with the highest levels of well-being are generally more successful in relationships and volunteer work, compared to those with lower levels of well-being are more successful in income, education and political engagement (Oishi et al 2007)
Psychological Wellbeing	
1) Psychological wellbeing is defined broader than happiness as not only the absence of debilitating emotions and the presence of positive emotions but includes meaning, healthy relationships, environmental mastery, engagement and self-actualisation (Seligman and Csikszentmihalyi, 2000; Seligman, 2011)	
Purpose and meaning in life	
• Meaning in life is an integrating factor that brings together people's efforts and motivations to achieving happiness in life (Steger 2009) • Meaning in life has a cognitive component that relates to human understanding of self and the world and a motivational component (sense of purpose) often relating to an overarching goal in life (Heine et al. 2006, Steger 2009, Steger 2012)	• Hedonic versus eudaimonic happiness have different impacts at the cellular level. Happiness achieved from hedonic activities while providing short-term happiness, may have negative physical effects in the long-term. Compared to happiness achieved from a sense of purpose is associated with significant reduction in stress-related gene expression (Fredrickson et al. 2013)

• Meaning in life has been shown to improve positive affect and emotions (Chamberlain et al. 1988, Keyes et al. 2002, King et.al 2006) • Sense of meaning in life was also associated with increased feelings of love, joy and vitality (Steger et al. 2006) • Meaning in life is inversely related to negative emotions (Kennedy et al. 1994, Steger et al 2008c) and depression (Flannery et al. 1994, Mascaro & Rosen 2006) • This research has been tested across cultures and has shown to hold true among Americans and Taiwanese (Chang & Dodder 1983) • Many studies report a positive link between meaning in life and well-being and happiness measures which has also been shown to hold true across cultures (Ryff & Keyes, 1995, Debats 1996, Steger et al 2008a) • Meaning in life has also been found to be positively associated with quality of life in cancer patients (Brady et al. 1999) • Meaning in life has been found to be positively linked to increased life satisfaction (Keyes et al 2002, Steger et al. 2008b) • Meaning in life is associated with increased positive perceptions of the world (Simon et al 1998) and more positive future orientations (Steger et al 2008a) and greater hope and optimism (Mascaro & Rosen 2006) • High-meaning people across cultures report increased enjoyment of their work (Bonebright et al. 2000) and are better able to deal with challenging life circumstances (Debats et al 1995, Jim et al 2006, Shin et al 2005) • Meaning in life has been shown to be associated with personality traits such as extroversion, agreeableness and conscientiousness (Mascaro et al 2005, Steger et al. 2008b) • Meaning in life can be a resource when faced with challenging events (Steger et al. 2008c)	• After experiencing challenging life events, an increased sense of meaning in life has been observed (Tedeschi et al 1998) • A person's attitude towards suffering is a gateway to meaning (Frankl 1992)
Time-use	
• Having a balanced time perspective (between past, present and	

future) has been linked with improved hedonic and eudaimonic happiness (Boniwell et al. 2010) • City living and its fast pace of life have been linked with increased rates of heart disease, smoking, reduced likelihood of helping strangers in need but increased economic productivity and increased material wealth to meet basic needs (Levine et al 1999) • There is strong correlation between balanced time-use (paid work and leisure time) and SWB, showing that people who work long hours and have a poor work-life balance also have a lower SWB (Böhnke, 2005) • Morning commutes and paid work produce the lowest reported satisfaction, compared to resting, shopping and domestic work which have medium levels of reported satisfaction, compared to leisure activities, socialising and mealtimes which produce the highest reported satisfaction (Diener & Biswas-Diener, 2008) • It has been found that satisfaction with the balance of time use (not the type of activity that the time was used for) is strongly associated with life satisfaction and well-being (Pentland et al 1998) • When interesting work can be freely chosen and having control over what one spends time on, is strongly linked with time use satisfaction (Boniwell 2009, Zuzanek 2004) • When people feel they are less rushed and don't have too much excess time their self-reported happiness is highest (Levine, 2005, Robinson 2012) • Work-life imbalance causes stress and absenteeism at work (Coote et al. 2010) • Sleep quality is strongly associated with the level of enjoyment of activities the next day (Kahneman & Krueger, 2006)	
Cultural vitality and variation	
• Most people across countries report relatively high levels of subjective well-being, although there are vast differences in well-being between countries, which can to some extent be explained by culture (Diener et al 2009) • Participation in cultural events is associated with improved health,	

self-esteem and sense of belonging (Choughuley et al. 2011) • The value and expectations of how happiness is expressed has been found to vary greatly between cultures and regions of the world (Kitayama and Markus 2000, Diener and Diener 1995) • A clear cultural identity has been found to improve self-esteem and subjective well-being (Usborne & Taylor 2010) • Culture and moral decisions influence wellbeing and happiness (Harris 2010) • Culturally diverse organisations and communities provide a wider range of values and therefore greater opportunity for experiencing a sense of belonging and societal 'fit' for more people, resulting in improved SWB (Fulmer et al. 2010, Reyes-Garcia et al 2010) • Western cultures especially North Americans and Europeans generally define happiness as a positive mental or emotional state based on personal achievement while negative emotions, are considered as an obstacle to happiness (Kitayama et al. 2006) • East Asians seem to value and expect emotional balance of the full spectrum of positive and negative emotions when evaluating their happiness and consider their life so far including positive and negative experiences as a whole (Uchida & Kitayama 2009; Ji et al 2001) • Research has found that Japanese consider happiness as short-lived and is also associated with negative social consequences such as jealousy from others (Uchida & Kitayama 2009) • Democratic governance, human rights and longevity seem to be universal determinants of high levels of subjective well-being across different cultures (Diener et al. 1995b) • Self-esteem has been shown to be a significant predictor of subjective well-being in individualistic cultures, but not in collectivist cultures (Diener et al. 1995c) • Cultural variation has been found in the ways that certain emotions are valued by Chinese who have been found to value calmness more than European-Americans, and European-Americans have been found to value excitement more than the Chinese (Tsai et al. 2006)	

Community vitality, generosity, altruism and pro-social behaviour (some evidence suggests a bicausal relationship (Meier & Stutzer, 2004)	
• Social tolerance of outgroups and gender equality increases choices and results in increased levels of happiness (Inglehart 2010, Inglehart and Welzel 2005) • Countries with higher levels of social capital have been found to have lower rates of mental illness (De Silva et al. 2005) • The concept of 'hedonic paradox' (Konow & Earley, 2008) is demonstrated by Dunn et al. (2008) who found that spending money on others is a better predictor of happiness rather than spending money on oneself (Stavrova, 2013) also personal spending was not found to impact individual happiness levels • The positive relationship of giving to others resulting in increased individual happiness has been shown to hold true across countries with 120 out of 136 countries demonstrating this positive relationship regardless of whether a country is poor or rich (Aknin et al. 2013; Dunn et al. 2014)) • A variety of prosocial activities such as volunteering, helping others and donating money has been found to increase levels of happiness (Borgonovi, 2008; Dulin & Hill, 2003; Phelps, 2001; Schwartz et al. 2003) • Giving does not always result in increased happiness (Berman & Small 2012) • According to self-determination theory human well-being depends on satisfying the three basic needs of relatedness, competence and autonomy (Weinstein & Ryan, 2010) • A Buddhist meditation practice known as 'loving-kindness' or Meta-meditation has been found to increase positive emotions in study participants including love, engagement, serenity, joy and amusement and increased their feelings of connectedness with others (Fredrickson et al. 2008) and made them physically healthier (Kok & Fredrickson 2010) • Reducing self-centred tendencies and increasing selflessness have been shown to foster lasting psychological wellbeing (Dambrum & Ricard 2011) • Propensity for altruism positively influences how people interact and improves health and well-being (Tankersley et al. 2007)	• There is good evidence that happier people are more likely to help others, to be liked by others, are more altruistic and more aware of other's needs (Diener & Biswas-Diener, 2008) • Valuing happiness can lead to an increase in experienced happiness if happiness is defined beyond individual emotional states and is focused on social engagement (Mauss 2011; Fredrickson et al. 2008; Keltner, 2009; Kesebir & Diener, 2008; Konow & Earley, 2008; Ryff & Singer, 2008) • A study of people who used online self-help guides to increase their own happiness found that 77% reported engaging in acts of kindness towards others and 41% reported increased religious or spiritual interest as the most important resulting activity (Parks et al. 2012) • Meaning in life is inversely correlated with antisocial behaviour, indicating that antisocial behaviour is higher in people with a low sense of meaning in life (Shek 1997, Rahman et al 1996) • Wanting to be happier or becoming aware of one's happiness in itself does not cause less happiness, but the fact that people negatively evaluate their progress towards this goal when they are in a context that is perceived to be conducive to happiness (Mauss, 2011) • Happier people behave more generously than unhappy people (Konow & Early (2008)

• Volunterism is positively correlated with happiness as well as people with higher levels of subjective well-being are more likely to be volunteers (Meier and Stutzer 2004) • The phenomenon of antisocial punishment (Nikiforakis, 2008; Rand & Novak, 2011) was observed in Eastern and Southern European countries in recent experimental economics research (Hermann et al. 2008) that found research participants punish people who are more generous even at a loss to themselves (Stavrova et al. 2013) • A high proportion of Russian research participants rejected unfairly generous offers (Bahry & Wilson, 2006; Heinrich et al. 2006) indicating that in some countries conduct that is considered 'too virtuous' does not guarantee a higher status in society but instead may pose greater risk of social sanctions and exclusion (Stavrova et.al, 2013) • Opposing evidence has found substantial variations across European cultures when investigating the positive relationship between volunteering and increased life satisfaction (Haski-Leventhal, 2009) • Stavrova et al. (2013) suggests that this indicates sociocultural moderators may be involved that 'switch' the relationship between altruism and happiness on and off or reverse its direction.	
Nature's vitality - access to natural environments	
• Having clean air is associated with greater happiness (Luechinger, 2009) • Sufficient circumstantial evidence indicates that biodiversity loss could cause significant challenges for human wellbeing through increasing anxiety, frustration and stress, however more empirical evidence is required (Clark et al. 2014) • Some evidence suggests that biodiverse natural environments promote better health behaviour and results in increased well-being (Lovell et al. 2014) • The percentage of local green spaces in urban environments increases perceived general health and well-being (De Vries et al. 2003, Maas et al. 2006)	

• A window view of a natural space from home increases a many aspects of well-being (Kaplan 2001) • Walking in nature increases direction-attention abilities (Berman et al. 2008) and increases positive affect and decreases negative affect (Nisbet & Zelenski 2011) • Water views and images increase positive affect and are perceived as restorative (White et al 2010) • Living in proximity to a coastal area increases self-reported general health and well-being (Wheeler et al 2012) • Spending time in forest environments has restorative effects and blood pressure and pulse rate and increased well-being (Lee at al 2009)	
Governance, security, safety, freedom and autonomy	
• Happiness is positively linked with an individual's sense of freedom (across cultures) (Inglehart & Welzel 2005) • Free choice is valued as much as economic security in many societies (Sen, 2001) • Increasing economic security increases emphasis on freedom (Inglehart, 2010) • Happiness has a strong positive relationship with democracy (Inglehart 1990; Barro 1999, Frey & Stutzer 2000, Inglehart and Klingmann 2000) • Democracy increases individuals free choices, which has been shown to be beneficial for subjective well-being (Haller & Hadler 2004, Inglehart & Wezel 2005, Ott 2001, Veenhoven 2000, Welsch 2003) • Perceived corruption within a country has been found to be negatively correlated with subjective well-being within the country (Tavits, 2008) • Autonomy as described in self-determination theory (Deci & Ryan, 2000) is considered a basic psychological need and has been shown to be of great importance for well-being, health, performance, creativity and social integration (Ryan & Deci 2006) • Mindfulness has been associated with increased perceptions of autonomy through encouraging contemplation of own and other's life (Brown et al.	•

2003)	
Education, life-long learning	
• Happiness and wellbeing can be learned (Seligman 2002) • There is a weak positive correlation between a person's level of education and well-being (Diener et al 2009) explaining only 1 – 3 % of variance in well-being (Witter et al. 1984) • There is virtually no link between IQ test intelligence and subjective well-being (Diener et al. 2009) compared to emotional intelligence which has been associated in a number of studies with high levels of well-being (Fumham & Petrides, 2003; Schutte et al. 2002). • Higher levels of education are positively linked with increased physical and mental health as well as improved longevity (Eide and Showalter, 2011) • Increasing educational achievement is associated with higher levels of happiness (Jamison, Jamison & Hanushek, 2007) • Some evidence suggests that increased subjective wellbeing comes from the length of education not necessarily from the achievement level (Oreopolous, 2006) • Resilience programs in schools have been found to reduce likelihood of depression in young people (Gillham et al, 2006; Brunwasser, Gillham, & Kim, 2009) • Personal health and positive psychology programs taught in schools are also associated with improved well-being (Boniwell & Ryan, 2012)	
Belief systems, faith, religion and spirituality	
• One of two main routes to happiness is via belief systems (the other being development which brings increased freedom of choice) (Inglehart, 2010) • Emphasis on religious believes is linked to increasing levels of subjective well-being (Ferriss 2002, Kahneman & Krueger 2006, Limm & Putnam 2009) • Religious people have been found to be happier than non-religious people in most countries, even though religious people tend to be poorer than non-religious people (Inglehart, 2010)	• Studies have shown that valuing happiness can lead to paradoxical effects of being less happy in positive situations (Mauss et al 2011) • Unhappy people have been found to turn to religion, but longer-term religious beliefs are conducive to increased subjective well-being (Inglehart, 2010)

• Regardless of whether a strong belief systems is religious or secular, it is generally linked with relatively high levels of subjective well-being, and any strong belief system is conducive to increasing well-being than an uncertain outlook (Inglehart 2010) • At national level highly religious countries tend to score higher life satisfaction and reduced suicide rates (Diener & Seligman 2004; Helliwell, 2007) • However paradoxically, nations with the highest levels of well-being tend not to be very religious and some of the most religious nations are found to have low levels of well-being (Diener et al 2009) • The positive link between higher well-being and regliosity is said to be from a higher sense of purpose and meaning and better social support systems (Diener et al. 2009), however it was found that intrinsic (rather than extrinsic) motivation towards religion is a key factor in the strength of the link between higher well-being and religion (Ardelt, 2003; Aredlet et al. 2007) • Reasons for increased subjective well-being of religious believers are thought to include that religions tend to encourage people to lower their expectations and be content with their life as it is, they provide opportunities for sharing and a sense of security and meaning in life (Inglehart, 2010) • Religiosity and economic development have similar impact on happiness (positive affect), however economic development seems to have a much bigger impact on the way people evaluate their life satisfaction (Inglehart, 2010) • Happy atheist are mostly found in high-income countries (Inglehart 2010) • Evidence suggests that happiness can be achieved by either optimizing external conditions or developing a belief system that embeds a positive to existing life circumstances (either getting what you want, or wanting what you get) (Inglehart, 2010, p.384) • People who believe in God and Hell have been found to express higher ethical propensity than those who don't believe (James et al. 2004)	
Virtue, values and ethical conduct (early evidence suggests that happiness and ethics are bicausal (James, 2004 & 2011))	

• Culture and moral decisions influence wellbeing and happiness (Harris 2010) • Ethics is positively and significantly correlated with happiness in American and European study participants (James et al, 2004), as well as in Canadian, Mexican and Brazilian participants (James 2011) • In James' (2011) study the greatest effect of ethical attitudes on improved happiness was experienced in Brazil, indicating that there may be cultural differences that influence ethical attitudes and conduct. • Increase in income has been found to reduce ethical propensity in the US and Europe, however both income and ethics are positively correlated with happiness (James et al. 2004), compared to Mexico where income positively affects ethics (James 2011) • A number of studies have found a positive relationship between ethical attitudes/conduct and subjective well-being (Borgonovi, 2008; Buchanan & Bardi, 2010; Dunn et al 2008; Dunn et al. 2014; James 2011, Post 2005). • The effect of ethics on happiness levels is similar to the effect of income on happiness at 2 – 4 % (James, 2011) • Increases in personal freedom and control over one's life significantly improves happiness but does not have a significant effect on ethical tendencies (James et al. 2004) • A study using data from the World Values Study found that people who find it unacceptable to cheat on taxes have higher levels of happiness than people who find it sometimes acceptable (Helliwell, 2003) • A study in Mexico found that people who highly value fairness, respectfulness, honesty and helpfulness are on average happier than those without these values (Garcia et al. 2007). • People who are intrinsically motivated (that have their own set of values) have higher levels of happiness than people who are extrinsically motivated (e.g. by reward or punishment) (Frey and Stutzer, 2002) • Emperical findings provide evidence that ethics influence happiness and vice versa fall under the eudaimonic concept of happiness as proposed by the ancient Greeks (James 2011) • The size of the effect that ethical attitudes have on happiness is similar to the effect of a modest income increase, or of being married or of church	• Research in North America and Europe has found that subjective well-being impacts ethical conduct and has been shown to be a particularly important predicator of ethical propensity (James et al. 2004) • Early evidence suggests that psychological well-being is a key factor in the ethics and happiness relationship and that a positive correlation exists life satisfaction and ethics (James, 2011)

attendance on happiness levels (James 2011) • Cultural variability in the relationship between antisocial punishment and life satisfaction was found, in particular in countries where antisocial punishment is relatively low like Denmark, civic virtue is positively correlated to life satisfaction, compared to countries where antisocial punishment is common such as Greece, the more virtuous people are less satisfied with life compared to selfish or fraudulent individuals (Stavrova et al. 2013) • The positive effect of civic virtue on happiness (affect) was found to be stronger in individualistic countries compared with collectivist countries (Stavrova et al. 2013) • A high proportion of Russian research participants rejected unfairly generous offers (Bahry & Wilson, 2006; Heinrich et al. 2006) indicating that in some countries conduct that is considered 'too virtuous' does not guarantee a higher status in society but instead may pose greater risk of social sanctions and exclusion (Stavrova, 2013) • Antisocial punishment is strongly correlated to the degree of disapproval in regards to unethical behaviour such as violating civic virtue and a country's social code of cooperation (Hermann et al. 2008) • Stavrova et al. (2013) suggest that in countries high in antisocial punishment, cooperative behaviour does not result in additional benefits such as social approval and therefore cooperation is less socially desirable where benevolent co-operators are considered norm-deviants who deserve punishment.	

Acknowledgment: Many of the references used on Health, Governance, Education, Community Vitality, Cultural Vitality, Time-use, Income/Standard of Living and Psychological Well-being in this table were sourced from an unpublished report by the Centre for Bhutan Studies which was prepared in 2013 as a contribution to the United Nations process of formulating the new set of Sustainable Development Goals. The copy of the report that I obtained did not list its authors however can be attributed to the Bhutanese and International Working Group members of the New Development Paradigm project facilitated by the government of Bhutan (www.newdevelopmentparadigm.bt). I am grateful to have had access to this document as a valuable resource and acknowledge the Centre for Bhutan Studies and all of the New Development Paradigm working group members as authors of this unpublished report.

Appendix 1.2 - Initital coding structure in NVivo

Name	Memo Link	Sources	References
Attitude		**0**	**0**
Agreement, Clarity		1	7
Collective responsibility		3	6
Disagreement, conflict		1	8
Individual responsibility		5	10
Mindfulness, care, consideration		1	2
Mixed		1	3
Negative or challenging		5	34
Neutral		0	0
Positive or inspiring		4	17
Behaviours		**0**	**0**
Collaboration		0	0
Competition		2	3
Ethical conduct		4	4
Learning		1	1
Meditation		1	1
Characteristics		**0**	**0**
Complex		1	15
Different		1	19
Interconnected		3	4
Similar		0	0
Uncertain		1	13
Universal		1	6
Concepts, Frameworks		**0**	**0**
Buddhism		***4***	***13***
CSR		***5***	***8***
Ecological Economics		***1***	***1***

GDP		***1***	***1***
GNH		***5***	***29***
Community vitality		0	0
Cultural Conservation		0	0
Education		0	0
Environmental conservation		1	2
Good governance		1	1
Health		0	0
Psychological Wellbeing		0	0
Socio-econ dev., Standard of Living		0	0
Time-use		0	0
Happiness & Wellbeing		***3***	***11***
NDP		***1***	***31***
NDP Model		*1*	*7*
Happiness skills		0	0
Needs		1	1
Responsible Resource Use		0	0
NDP people		*2*	*5*
IEWG		1	19
Secretariat		1	15
Steering Committee		1	8
NDP process		*2*	*37*
New Economy		***1***	***1***
Social Enterprise		***0***	***0***
Systems thinking		***1***	***2***
Outcomes		**0**	**0**
Change		***1***	***11***
Great Quotes		***0***	***0***
Impact		***1***	***2***

Opportunities		***1***	***1***
Results		***1***	***15***
Solutions		***1***	***13***
Success, progress, growth, profit		***1***	***1***
Transformation		***1***	***2***
Research		**0**	**0**
Feedback on Interview		***1***	***1***
Methodology		***0***	***0***
Issue with interview question		*1*	*3*
Stakeholders		**0**	**0**
Business		***1***	***14***
Media		***0***	***0***
Mining		***1***	***1***
Tourism, Hotels		***0***	***0***
Government		***1***	***7***
Other NGO etc		***1***	***2***
CBS		***1***	***1***
UN, UNDP		***1***	***1***
Society, community		***1***	***4***

Appendix 1.3 - Perceptions of GNH and NDP among Bhutanese business versus government and NGO leaders

Themes	Positive perceptions of **Bhutanese Business Leaders**	Challenging perceptions and opportunities of **Bhutanese Business Leaders**	Positive perceptions of **Bhutanese Government and NGO Leaders**	Challenging perceptions and opportunities of **Bhutanese Government and NGO Leaders**
GNH values and purpose	• GNH reflects a sufficiency mindset and means knowing what is enough personally and having basic necessities met (P6) • GNH means a balanced life between tradition and modernity, development and preservation (P7) • GNH value includes concepts of letting go or giving something up voluntarily (P7) • GNH is a philosophy of selflessness as Buddhism is the parent of GNH (P8) • The purpose of GNH is to give something up (P8) • GNH includes "national" implying it is about common or collective happiness, which requires a very selfless mind, speech, tremendous effort and dedicated commitment as well as strong values and ethics (P8) • GNH personally means a balanced life following the middle path (P11) • Buddhist and cultural values systems are ingrained in society, but not necessarily	• When there is too much focus on individual happiness and being selfish, then people forget about others and the whole purpose of GNH is lost (P8) • GNH seen as theoretical and academic knowledge but personal values are inspired by Buddhist philosophy (not the religious tradition but the philosophical aspects) (P9) •	• Implied GNH values include taking time to deliberate, honesty, generousity, caring for others wellbeing and happiness (P1) • When conditions for wellbeing are in place and people have happiness skills then contentment (happiness) is possible (3) • GNH includes cultural values and ethics, which is not included in international discourse on sustainable development (P3) • The NDP model which is based on GNH includes values like being generous, altruism and some individual sacrifice in terms of wants and needs (P5) • It is essential to remember planetary boundaries in the GNH and NDP approaches and that achieving societal happiness has to be achieved within planetary boundaries (P5) • GNH means balance between material growth and other elements of life that are	• GNH requires individual responsibility which requires responsible citizens (P1) • GNH and the NDP model through government can create conditions for people to pursue happiness but in the end it depends on an individual's state of mind (P4)

	thought of as GNH values (P15) • Societal reciprocity and support are all pervading, not on a conscious level but as societal and cultural norm (P15)		crucial for wholesome living, balancing spirituality, culture, environment and standard of living (P10) • GNH is not about the individual alone but about community vitality and culture (P10) • Development requires values as anchors and are therefore very important (P10) • GNH is about meeting multi-faceted needs of a person holistically (P13) • The core value of GNH is interconnectedness, which comes from Buddhist values (P13) • GNH is a natural way of being and doing in Bhutan for centuries, aspiring for harmony within society and nature, comes naturally to Bhutanese (P13) • People are looking for a deeper purpose on an individual level and planetary level (P14) • Buddhism and resulting values system is imbedded in Bhutanese society and influences what human needs are expressed, which makes Bhutan different to other countries (P14)	

GNH discourse/ debate in Bhutan	• GNH is useful as it fuels the beyond GDP debate (P7)	• GNH needs more rigorous and open debate, which has not happened yet in Bhutan and the lack of honest discussion is a weakness of GNH (P7) • GNH should not be sacrosanct as portrayed by the politicians who talk about it like an unquestionable aim like sovereignty or security (P7) • GNH is surrounded by a lot of politics and being abused by government officials to travel outside Bhutan and by foreigners wanting to travel to Bhutan (P8) • GNH as it has been interpreted resulted in a hard-core environmentalist stance (P12) • Current interpretation of GNH is at risk of being socialist by trying to make everybody equally poor, however capitalist system of trying to make everybody equally rich did not work either (P12)	• The NDP model and process has encouraged Bhutanese (P5) • The NDP report to the UN is a lesser achievement but the quality of discussion during the forums held in March/April 2014 in Thimphu was an important achievement; they created space for discussion about GNH and the NDP, which did not exist before (P5) • The NDP forums with school kids illustrated the potential to share insights from GNH as a lived experience and invites creativity in Bhutan (P5) • Bhutanese are open to exploring what GNH means for them in their lives, family and country, whereas in Western countries these concepts are compartmentalised to the workplace (P14) • Brining international and Bhutanese participants together in GNH programs allows for deeper reflection for Bhutanese to see the value of GNH (P14) • Priority audience for GNH programs delivered by civicl society are Bhutanese organisations, media, tourism	• Bhutan is at a challenging point and at danger of hiding behind a “rhetorical GNH” (P1) • Bhutan is missing intellectual input, in-depth discourse, clear applied thinking on GNH (P3) • It is important to focus on discourse in Bhutan to build up an understanding and dialogue about GNH in Bhutan instead of continuing international outreach (P5) • GNH and the NDP model needs more debate in Bhutan to intelligently argue to bring it into conscious awareness, which has to arise as an internal force and has to start with dialogue in Bhutan (P5) • Some Bhutanese are encouraged by the NDP model and others think it is too idealistic or too hard to achieve (P5) • Government needs to take responsibility to move the NDP forward in Bhutan but also needs to be careful as it requires a radical shift in policy-making and societal upheaval (P5) • GNH discourse must be encouraged in Bhutan but needs to be driving through

			and other NGOs, education sector and international participants who are interested in understanding GNH (P14) • Responsibility for creating conditions for GNH is stated in Bhutan's constitution and is the responsibility of the government (P1) • GNH NGO is working with Bhutanese and international partner organisations (P14)	the Center for Bhutan Studies and scholars and not through government officials (P10) • GNH has to be embedded in civil society in Bhutan for it to thrive (P5) • Civil society has an important role in Bhutan to embed GNH in throughout society (P14) • GNH should not belong to any one organisation (P14) • Bhutan did not make the development of GNH or the NDP a participatory process (P3)
International engagement and debate on GNH, Beyond-GDP and New Development Paradigm (NDP)	• GDP and GNH are two ends of a spectrum to consider for taking a balanced approach to development (P7) • GNH is a useful concept as it provides an opposite anchor to GDP and fuels the 'Beyond GDP' debate (P7)	• GDP is not an appropriate measure of progress but GNH alone is not enough either (P7)	• There is now some agreement in the international debate that GDP growth based development is not possible any longer (P1) • GNH includes cultural values and ethics, which is not included in international discourse on sustainable development (P3) • Many fields are working in isolation on sustainable development, climate change, global warming and Bhutan is using those insights to give GNH and NDP more depth (P3) • Bhutan's GNH is a showcase of a government priority on contentment (P3) • In other countries other	• Although the internationalisation of GNH was criticised it helped Bhutan to go out into the world and to learn and assimilate work from a wide range of fields and disciplines to contribute to GNH and NDP (P3) • Bhutan engaged in an international learning process but is not able to change the world (P3) • Big debate within the GNH discourse is whether it is necessary to measure everything with many saying it makes things more complicated than they need to be (P3) • But if something becomes a

			stakeholders are creating conditions for wellbeing such as NGOs in Brazil and Thailand, academics in the US, Canada and Australia (P3) • Interest in Japan in GNH is strong at local government level such as the Mayor of a city used GNH concept to turn policies around (P3) • Oakanawa University in Japan learned from Bhutan's GNH approach and adapted it by going to rural areas to ask what communities wanted to preserve and what they wanted to change. (P3) • International dialogue on GNH has brought about the insight for P3 that wellbeing (including emotional, physical and societal wellbeing) is a condition needed for happiness (P3) • The NDP model is based on input from a wide range of academic disciplines and theories that came together during the NDP process (P3) • The NDP process and model was Bhutan's contribution to the discourse to create a better future (P4) • Humanity will be motivated to change out of fear that we are a dying race due to disasters	development goal it then has to be measurable (P3) • There was concern about the 2011 Happiness Resolution put forward by Bhutan at the UN not being taken seriously, but government officials were surprised at the response to the April 2012 High-level meeting on Happiness and Wellbeing at the UN in April 2012 with 800+ participants including the Secretary General of the UN. (P3) • Conventional indicators such as GDP are not able to assess the state of wellbeing of a nation and we have to admit to the foolishness of GDP (P4) • There is an urgent need to move from materialistic consumerist economic model to a multi-dimensional model with the purpose of improving human wellbeing and happiness (P4) • Bhutan as a small country is advocating a radical change for the world with the NDP model, which is a difficult task and requires a lot of upheaval of society in general (P5) • Bhutan's contribution and impact on world leaders to cause systemic change with the NDP was one of many and

			in all areas of life (P4) • Fear is greater than the power of greed because we recognise that economic and financial systems are flawed and that we are heading for a great depression, social wellbeing is deteriorating with relationships breaking down (P4) • Expects there to be some kind of NDP model in the future because of P4's believe that humans are an intelligent species and care about their survival which lease to intelligent ways of survival (P4) • The biggest impact of the NDP process has been the engagement and dialogue in Bhutan through the forums held in March/April 2014 in Thimphu. (P5) • The value of the NDP report as a conceptual report advocating the need for a NDP approach, appealing to layman and academics and trying to bridge disciplinary gaps (P14) • Significance of NDP report is also the use of the term "happiness" because most countries prefer the term wellbeing (P14)	has had limited impact because the UN was trying to synthesise input from across the world (P5) • There was concern that Bhutan did not have enough capacity and was probably not ready to engage in international dialogue about GNH and NDP (P5) • The challenge of the NDP process was to work with a multi-disciplinary group of academics who all wanted to stick to their theories and points of view (P14) • There is debate whether measurement is important and that only quantitative indicators are not enough, with economists starting to recognise the importance of qualitative indicators such as the number of students educated versus the quality of the education (P5)

			• There are GNH NGOs and initiatives emerging in other countries (such as satellite or sister organisations but there no formal mechanisms to follow up on what's happening as a result of international programs. (P14)	
GNH concepts and instruments (ie 4 pillars, 9 domains, GNH Index, Policy Screening Tools, New Development Paradigm (NDP))		• Scepticism of the value of the GNH survey results and what story they are really telling as they are based on reflecting back in time and comparing with the past evoking a sense of nostalgia (P7)	• NDP has deliberate flow of causal influences (P4) • NDP model is different to other sustainable development models because it takes a holistic view where humans have the same position as other life forms and nature, therefore taking an interdependence view and not focusing on wants but coexistence. (P5) • The NDP models starts with considering the needs of people, which is what politicians respond to, therefore the audience of the NDP model are policy-makers (P14) • The GNH Index and results help policy-makers to understand the situation in Bhutan better (P3) • The GNH Commission still uses the screening tool although everyone agrees it needs to be improved (P3)	• The GNH Index survey methods need refining and the GNH policy screening tool needs to be improved (P3) • Measuring individual levels of happiness at one point in time is not useful in larger-scale policy making, which can be misleading as it is subjective and policy makers should be wary (P5) • Important to separate objective from subjective measures but both are needed to take GNH and the NDP model further (find quote form TT's speech at Nov 2015 GNH conference) (P5) • The definition of happiness for individuals should not be considered in the bigger picture of the NDP/GNH because happiness is not a state that a person can always be in (P5) • The NDP model needs to be

			• The NDP model outlines the path for how government can create the conditions for wellbeing (P3) • Conditions for wellbeing are the same as 'needs' in the NDP model (P3) • NDP components are the path for how to achieve conditions for wellbeing through the 4 pillars of GNH (P3) • GNH and the NDP model asks people to be more creative and courageous to reimagine what kind of progress and change we would like to see through "radically reimagining" (P5) • The 9 domains have conventional and innovative domains (P10) • Within the NDP framework, the 9 domains facilitate and contribute to happiness skills and happiness skills contribute to societal wellbeing (P14) • Buddhism is not visible in the NDP model but the values of interdependence are universal (P14)	translated for people to see what is their role in an NDP world an how it impacts each individual (P14) • The gap in the NDP report is the directionality of the connections and causations between the NDP elements and some are missing, such as how happiness skills influences human needs (P14) • The 'happiness skills' is the most radical component of the NDP model (P14)
GNH implementation	•	• GNH is a beautiful philosophy but nobody knows how to pursue it, similar to trying to reach enlightenment; many people like the idea of it but	• Current government approach is to do GNH practically without talking about it (P5) *Observation: since the interviews PM has given TED*	• Bhutan has a very specific context and many lessons learned across the world don't apply (P1) • Translating GNH into doable

		not many know how to get there and lack commitment (P8) • Young people in Bhutan find it particularly challenging to find their way as they compare themselves to Western lifestyles and values; they move to the city but can't afford schooling and resort to robbery, prostitution, lying and cheating (P8) • The idea of GNH inspires a lot of people but it requires a radical transformation like trying to "turn a frog into a Prince Charming" (P8) • GNH is like a mirror and requires one to face reality but people are not ready to face reality (P8) • Too many people still think about GNH or NDP model but instead it is time to implement and train people in the GNH values and lifestyle (P8) • Bhutan's challenge is that conditions for happiness are not in place such as education and health systems are lagging behind and therefore young people are leaving (P8) • GNH does not exist as an institution that people can turn to (P8)	*talk and speaks at international events.* •	actions through practices, exercises and learning by doing, as many of the concepts are difficult to explain, take patience and receptiveness (P1) • Different values are seeping into Bhutanese society through globalisation, which requires the values of interconnectedness, respect for society and nature to be embedded in Bhutan (P4) • The new government has come back to GNH as the world will not let Bhutan forget about GNH (P3) • There is a concern that if Bhutan can't demonstrate the application of a concept such as GNH or NDP, then no other country will (P3) • The challenge is how to tease out the idea of progress from greed, desire, comfort and convenience and how to assess the genuine needs of a nation. (P5)

Education and skills	•	• Biggest challenge of GNH domains is education and the exposure to Western lifestyles and thinking as education effects all other domains and can destroy the respect for others and culture (P8) • Exposure to Western norms fosters ego and fuels frustration in young people who find it hard to make their life meaningful; therefore Bhutan needs to address education but needs to make it applied knowledge and not intellectual (P8) • Lack of Dzongkha knowledge in the younger population means limited ability to read Buddhist Dharma scriptures (written in similar language to Dzongkha) and therefore they lack the understanding of the concept of loving-kindness (P8) • Bhutanese education should be teaching loving-kindness and impermanence in an applied way not intellectual way to transform people's mindsets (P8) • Education is a pressing issue in Bhutan as education for all has brought unintended consequences such as young people leaving villages for	• GNH and NDP rely on external AND internal transformation such as happiness skills, societal happiness, needs fulfilment and conditions for wellbeing (P1) • The role of the GNH NGO in Bhutan is to translate at grassroots level what GNH means in daily life (P14) • The GNH NGO offers methodology to bring mindfulness, awareness, questioning, ability to understand oneself and in relation to others and society (P14)	• People need happiness skills to make use of the enabling conditions for wellbeing (P4) • Need to recognise the collapse of the existing systems, which will require more creative rebuilding, rethinking and reorganising of ourselves (P5) • There is a danger that happiness skills in the NDP can be misunderstood and abused but it is an important component in the NDP model (P5)

		education and do not want to return (P9)		
Bhutan's development	•	• Main challenge for Bhutan is not to loose balance and to be very deliberate about choosing development options (P7) • Bhutan is in a major transition right now and is loosing its way, and everybody sees the problem but nobody knows how to control, take responsibility or take action. Uses analogy of people watching a burning house but don't know what to do (P8	• GNH is a good way to analyse policy and life and keep perspective on how and where the country is going (P10) • GNH means inclusive development where everybody benefits from development (but not everybody is involved in the process of development). (P10) • GNH in His Majesty's words is development with values (P10) • Development requires values as anchors and are therefore very important (P10) • Policies, legislation and development models must ensure harmonious coexistence and synergy of the four pillars of GNH (P13)	• There is concern that the new government in Bhutan was not engaging with GNH but the world does not allow Bhutan to drop it (P3) • Biggest challenge for Bhutan is being connected to globalisation and the global economy while trying to keep the GNH values alive in a global economic context (P4) • The macro-level policy decision making should not be about individual happiness, but about achieving societal happiness (P5) • Equitable socio-economic development is the biggest challenge of all the four pillars (P13) • There is the risk in Bhutan that GDP growth can become overly emphasised at the cost of societal wellbeing (P13)

Appendix 1.4 - Summary of data international interviews – characteristics of 'beyond CSR' organisations & leaders

Attitudes of leaders/ owners	Business vision, strategy, ownership	Relationships and levels of care	Tools, processes and methods, Measures of success	Systems conditions and actors
• Beyond CSR' businesses are not driven by efficiency, embrace change and expect things to change • Higher resilience to unforseen circumstances • Actively experimenting and trying new ways of thinking and managing, and are not afraid to fail • Have 'skin in the game', courageous, creative, embrace risk, generous, altruistic, humility and humbleness, low-key • Intrinsically motivated, reflect, deliberate, mindful, patient, continual learners, developing and evolving themselves through self-cultivation and development • Requires skills social and emotional intelligence, conflict resolution, agility of mind • Ability to deal with complex situations, value paradoxes, diverse points of views • Value authenticity over simplicity, and long-term over short-term thinking	• Purpose-led strategy with varying degrees of culture change programs within their business • Give equal attention to organisational culture and strategy, recognising that strategy alone will not deliver social impact and positive social change • Ownership and management structures can enable a more purpose-driven and caring approach and expanding care to worldly concerns through cooperatives and self-organising principles • Using their core products and services to create positive social change and are prepared to redesign their product offerings and business models to improve their impact. • Allow time for deliberation and participatory processes to make decisions with long-term benefits • Asking better questions is important • Growth strategy is geared towards slow and steady	• Relationships are highly valued not for strategic purpose but altruistic purpose • Use of inclusive and consultative approach to address the needs of vulnerable stakeholders and improve their quality of life • Connecting on an emotional level with stakeholders and preparedness to understand their suffering requires emotional intelligence • Courageous and authentic communication with stakeholders and partners • Fostering personal growth and empowering stakeholders to live to their highest purpose and meaning in life to become responsible agents that perpetuate a caring culture • Deliberately broaden their care from direct to indirect stakeholders, such as from clients (direct) to clients customers (indirect)	• Realise that standard financial business measures of success are important for engaging with conservative business partners such as banks • Augment purely financial measurement with other measures of success such as social dividend or quality of life measures. • Consider new measures of success as important to gain feedback on how they are achieving their purpose • At the same time they also understand that measuring happiness and wellbeing is not going to provide an intrinsic enabler to motivate expanding their care to worldly and planetary concerns • Intuitively know that any measure of progress provides extrinsic motivation and therefore distracts from the potency of a purpose-led business approach • Deliberately challenge themselves with theories, methods and processes to	• Local decision-making and cooperative ownership will help more businesses to expand their care and go 'beyond CSR' • The emergence of many local economies can solve global challenges • The cooperative movement is an important building block in expanding purpose and care • Cultural homogeneity assists long-termism, like in Japan • However, paradoxically systems with the largest diversity are more resilient • Politicians need to putt pressure on bureaucrats to move things forward and to expose great ideas of others in their cities and regions • Governments as conduits to support collaboration by large technology companies to connect with local businesses (E1) • Businesses need systems conditions that support success through easy and plentiful resource supply,

• Use both/and logic rather than either/or logic • Consciously reinventing themselves internally with the intention to improve social and planetary conditions • Inspired by leaders' visions, but leaders are also prepared to give up control and command position for self-organisation and bottom up initiatives • Lead by strong values that take concern for direct and indirect stakeholders including the environment • Leaders have endured some hardship, struggle and as a result are socially minded and often lean towards activism and the desire to contribute to the broader social well-being • Draw on personal and deep insight, have deep respect and care for relationships, partnerships and the environment	and growth is considered in a wider context beyond financial returns. • Willing to give something up to achieve a bigger impact • Willing to consider choice-editing • Sustainability and social impact work is not considered a separate section or activity within the organisation but is completely absorbed in the purpose of the business • Collaborative spirit and a preference for cooperation over competition • Know when and how to balance cooperation with affirmative action and negotiation to avoid being bullied • When pushed to the limit of feasibility and financial survival, they will not give up their purpose but find creative solutions		proactively engage with organisational, societal and environmental change • Use tools and processes to practice an agile mindset and are looking to evolve their thinking and assumptions • Open minded and draw on contemporary and ancient, Eastern and Western academic and professional thinking	sufficient number of employable people, a stable and peaceful countries that have high degrees of predictability through law • NDP model could be useful for businesses and may not need much translating as it could provide a mechanism to reduce messiness of the 21st century reorganisation • Increasing happiness skills as proposed in NDP will help tackle sustainability questions, however an interest in compassion is a prerequisite for people learning the skills (challenge is that reward for compassion is often not realised in this lifetime) • Government and public sector need to acknowledge that business has a role to play in being part of the solution and allow for things to go wrong sometimes (E5)

Appendix 1.5 - Examples of memos recorded in NVivo throughout the analysis process

9 Jan 2015

While transcribing P11's interview, I realised that there are two interesting dynamics at play in a developing country:

- they are looking to the outside/international examples of how to do it right and if their rhetoric is not supported by aligend actions (ie Kyoto Protocol) then it is difficult for a developing country to step into a leadership role.
- very engrained concept that change of mindsets takes time...

2 Mar 2015

Transcribing E3's interview: In E3's company it was very clear that the owners/ shareholders have set the vision for the company and shared it with the Executive Committee and have let them self-organise in how to make this happen. They have let go of control ... nice example of letting go (in Donella Meadows words).

7 Apr 2015

The key factor that differentiates CSR and GNH as approaches to business is that GNH due to its normative and ethical philosophy of Buddhism extends to not only to the instrumental and practical applications but more importantly to the purpose of a business. Therefore making it imperative that businesses that follow a GNH approach develop their products or services with the intention to solve a social or environmental problem. Similar to what Social Enterpreneurship sets out to be.

Seen in the context of systems leverage points, a GNH vision or Social Enterpise vision with the orientation towards solving social and/or environmental problems is pushing a high leverage point in the right direction. However the key differentiating feature between GNH and CSR is the notion of understanding what's enough - a notion from Buddhist philosophy. Recognising greed and desire and not playing the game. Opportunity to link this with characteristics of complex adaptive systems which are purposive, or have a purpose.

14 April 2015

The story of Bhutan, GNH and CSR

- Previous research in developing countries finds that CSR develops along with economic development. This is confirmed by the BCCI study that found CSR in its very early beginnings in Bhutan.

- Also previous research in developing countries found that strong religious believes support values in business.
- My evidence suggests that because Buddhism as a philosophy of life and as a religion has been in Bhutan for over 1200 years it provides a strong backbone to business values and GNH is considered a conscious expression and formalisation of the values and principles.
- The difference with GNH and CSR is that GNH has a normative component and a practical, measurable and applied component where CSR is mostly practical and about measurement.
- With a development philosophy that puts societal and stakeholder wellbeing as the overarching goal it provides a different goal for development - therefore reframing development with a holistic purpose.

Appendix 1.6 - Sample questions for semi-structured interviews with Bhutanese business leaders

Note: Not all questions were asked of all the interviewees but under each objective several questions were chosen that were appropriate for each interviewee.

1. Specific Objectives and Questions

Objectives are to learn about:	**Questions – Bhutan Business Sector**
Background information	
1. What influenced the core phenomenon to occur? (causal conditions, context and conditions)	1. What does GNH mean to you? 2. What do you think about the idea that happiness of self is only possible if happiness of others in achieved? 3. The Prime Minister and government are talking about operationalizing GNH – why do you think this has become important now? 4. How is the 4th King's statement that "GHN is more important than GDP" relevant to the business sector? 5. Do you think there is a danger that Economic Development and GNH could be viewed as having one foot on the accelerator and the other on the break? 6. Who should be responsible for creating conditions for individual and collective societal wellbeing & happiness? 7. What role do you think the business sector has in creating the conditions for individual and collective societal wellbeing to be achieved? 8. What do you feel is the prevailing business mentality in Bhutan? Business exists to be at service of society or society is at service of business operators? 9. The concept of Corporate Social Responsibility was explored by the BCCI last year with a research study that found the concept to be widely misunderstood as being purely philanthropy. How relevant or useful is CSR in your business context? 10. How do you see GNH relating to your business? What elements of it are useful and what is challenging? 11. Do you have a formal or informal way of implementing CSR and/or GNH in your business? What does that involve?

2. What is the process (core phenomenon) ?	12. In developing the 5 sectors of the economy as outlined in the 11th 5-Year Plan, how do GNH principles and values contribute and/or hinder this process? 13. Are GNH and/or Buddhist values and ethics part of your business and the business community in Bhutan in general? If so how does that manifest? 14. What strategies or actions come to your mind when you think about operationalizing GNH in your business? 15. What do you think will be some of the key enablers and/or barriers for operationalizing GNH in business? 16. Do you think the business sector feels threatened by the idea of operationalizing GNH or even the NDP?
3. What actions are being taken in response to the process? (strategies, contingencies)	17. The hydropower and the mining sectors are listed in the current 5-Year Plan as two of the 5 sectors for development in Bhutan. In developing these sectors, what measures would you recommend should be taken to enhance GNH indicators for societal wellbeing, the local community, the environment and employees. 18. Are you aware of the New Development Paradigm Model that the Bhutanese Government through the Secretariat for the New Development Paradigm submitted to the UN for consideration? Does that seem relevant to you and your business in operationalizing GNH in business?
4. What are the outcomes of the strategies? (consequences)	19. In 5 years time, what would it look like if GNH was successfully operationalized for the business sector? 20. What needs to happen now for this to become a reality?
5. What's next?	21. Do you have any questions or other comments or clarifications that you would like to make in regards to this interview?

Appendix 1.7 - Focus group survey

Session 5G – Taking the Pulse: so what really is the purpose of business in society?

22 October 2014, World Forum Lille, 8.30 to 10.00 am

Business and Wellbeing Economics, Research Study

(UTS Ethics Approval Number 2013000530)

Please complete questions 1 – 12 of this short survey, which will take approximately 3 minutes at the beginning of the workshop. Question 13 will be addressed later during the workshop, please wait until then to complete it. Please leave the completed survey on your table or hand it to Isabel Sebastian. Thank you!

1. **What type of organisation do you work for?**
   - o Private small to medium size company (up to 250 employees)
   - o Private large and/or Multi-National company (more than 250 employees)
   - o Shareholder-owned multi-national company (more than 250 employees)
   - o Local Government
   - o Regional Government
   - o National Government
   - o Business Association / Network
   - o Consultancy
   - o Academic Institution (Staff)
   - o Academic Institution (Student)
   - o NGO (Non-government organisation)
   - o Other, please specify ______________________________________

2. **How many employees work in your organisation (if unsure please estimate)?**
   ______ full-time ____ part-time ______ Other, please specify _________

3. **How many years has your organisation been in operation?** __________________

4. **In which country is your organisation's origin/ head-quarter?** _______________

5. **What industry sector(s) does your business operate in?**

o _____________________________

o _____________________________

6. **What is your job title?** ____

7. **What is your gender?** ☐ Female ☐Male ☐Other

8. **What is your age-group?** ☐ 15 – 20 ☐ 21 – 30 ☐ 31 – 40 ☐ 41– 50 ☐ 51 – 60 ☐ 61 – 70 ☐ above 70

9. **Have you heard of Bhutan's development philosophy of Gross National Happiness (GNH) before this conference?** □Yes □No

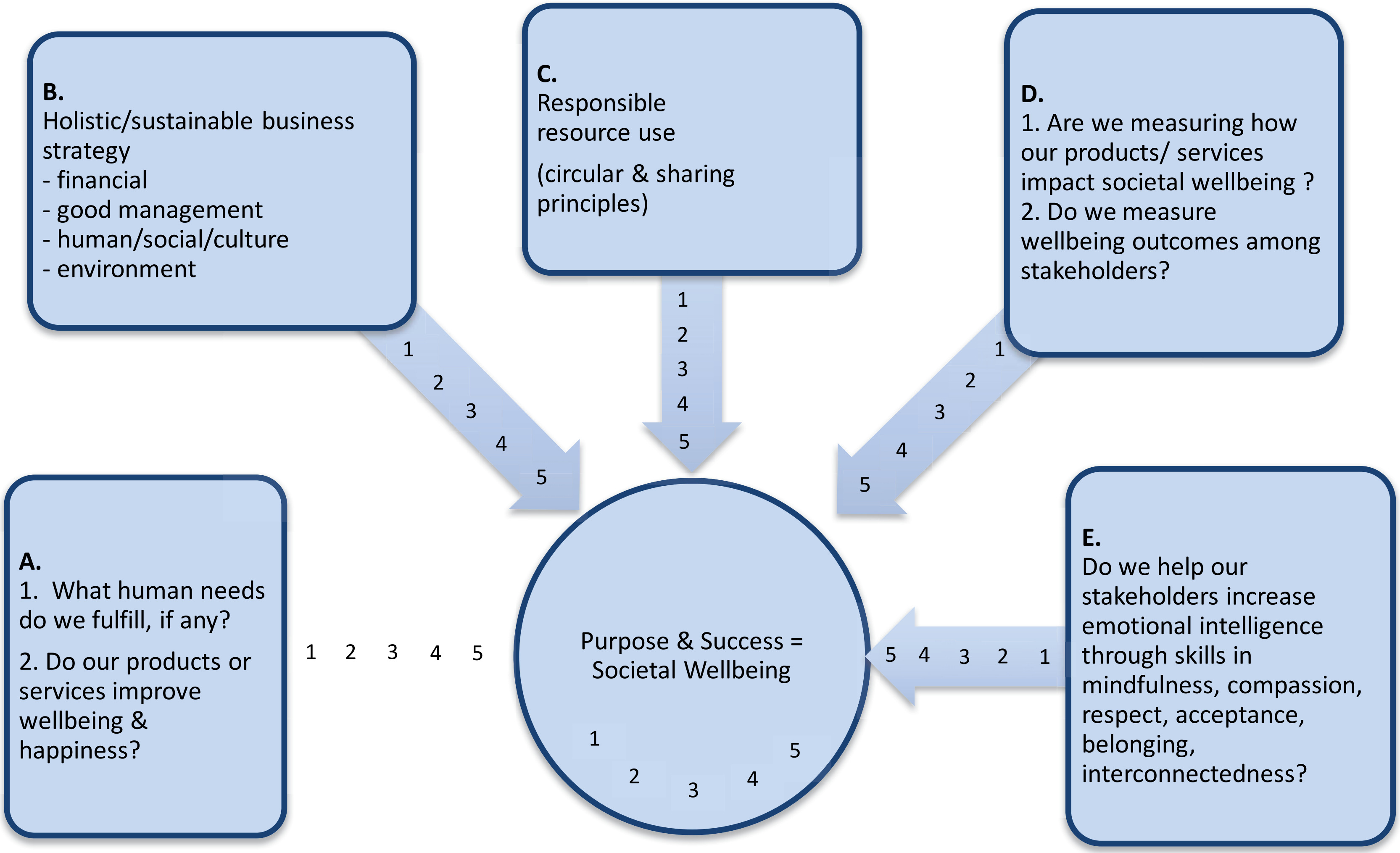
10. **Have you heard of the idea of Wellbeing Economics before this conference?**
    □Yes □No

11. **Did you attend yesterday's session on Business and Societal Wellbeing 21 Oct, 5 – 6.30 pm?** □Yes □ No

12. **To what extent is your organisation concerned with delivering societal wellbeing?**
    □ Not at all □ A little □ A lot

13. Please circle on the scale from 1 to 5 how much effort your organisation currently dedicates to the following questions and aspects

(1 = no effort, 5 = maximum effort)?



Appendix 1.8 - Map of research design and study summary

The big picture and reason for this study (PART A)

1) Businesses are major contributors to the deterioration of planetary conditions
2) Reoccurring corporate scandals demonstrate that Corporate Social Responsibility (CSR) cannot be seen as a guarantee for 'good' business ethics and conduct. Conventional CSR alone is not enough.
3) Businesses are the driving force behind most economies across the world and therefore have great potential to contribute towards achieving the SDGs
4) A prerequisite for the global business community to contribute towards achieving the SDGs is taking responsibility for impacts and extending responsibility towards planetary wellbeing
5) I question the prevailing assumption that conventional CSR based on 'the business-case' eventually leads to business responsibility that contributes to the SDGs and planetary wellbeing
6) 'Beyond CSR' business approaches are necessary but what do they look like?
7) How do businesses go 'beyond CSR' and what drives and hinders them?

Literature Review (PART B)

Business & society

- CSR, business ethics
- Ethics of relational responsibility
- Buddhist ethics

Which ethics drive business responsibility 'beyond CSR'?

Bhutan literature (PART D)

- Gross National Happiness
- Business in Bhutan

What conditions does Buddhism and GNH create for business in Bhutan?

Philosophies of Happiness

- Ancient philosophies on 'good life' and 'good society', East & West
- Contemporary happiness & wellbeing literature
- Values & motivation

What definitions of happiness foster responsible behaviour and why?

Systems thinking & change

- Systems change models
- Systems thinking and practice

Which dimensions of systems thinking are conducive to 'beyond CSR' behaviour?

Research Gap (PART C)

Uncharted territory of exploring business ethics and CSR from a systems perspective and Eastern worldviews in particular Buddhist philosophy (Bansal & Song, 2015)

Research Questions

1. Bhutan is an example of a country and economy focused on a 'beyond-GDP' approach to development, through its philosophy and metric of Gross National Happiness (GNH). Does this GNH development philosophy inspire a 'beyond-CSR' mentality and behaviour in Bhutanese businesses? If so, how?

2. What are the enablers and barriers to 'beyond-CSR' business behaviour in international companies and how do they influence business conduct?

Note: This framework for presenting the research summary is adapted from Hammersley (1998) and Hopwood (2013)

Methodology & methods (PART C)

Constructed Grounded Theory

- 21 semi-structured interviews with Bhutanese and international business, government and NGO leaders
- Focus group with 8 international business leaders
- Theoretical / desktop study

Frameworks synthesised from literature review (PART B)

1) Ethics of relational responsibility
2) Three archetypes of achieving happiness determine different worldviews, motivations and behaviour - only one promotes an interdependent worldview
3) Five dimensions of systems change

Lenses for analysing evidence

Evidence & claims (PARTS D & E)

I can claim the following from the evidence collected from business, government and NGO leaders and their context:

Research Question 1 (PART D):

1) Bhutanese business leaders' thinking and conduct is guided by the Buddhist worldview that sees causality as interdependent and the self as unbounded, resulting in relational ethics practiced through intelligent compassion
2) The Buddhist relational ethics are inherent in GNH values, which set high expectations of businesses and require mature levels of emotional and social intelligence.
3) Bhutanese leaders perceive that there is much to learn from practical CSR initiatives but see GNH as a superior concept due to its holistic approach and alignment of values, ethics and worldview.
4) The Buddhist and by default GNH setting in Bhutan foster a 'beyond-CSR' approach in Bhutanese businesses.
5) GNH in business represents a 'beyond CSR' approach with CSR practices being embedded within a societal business purpose, which is embedded in GNH ethics, which are in turn embedded in Bhutan's interdependent worldview.

Research Question 2 (PART E):

1) International business leaders with a 'beyond CSR' approach, instead of drawing on Buddhist values and ethics, tend towards a systems view of life, also based on an interdependent worldview.
2) Their decision-making is no longer based on the business-case but on the ethics of relational responsibility.
3) The international business leaders use systems thinking process, tools and skill including a continual learning approach.

Sense-making models (PARTS D & E):

1) A matrix of GNH maturity levels is a contribution of this study for assessing Bhutanese businesses GNH maturity and suggests support mechanisms for each level.
2) Two models of GNH in Business in Bhutan and international 'beyond CSR' business approaches.

Building theory

Discussion, synthesis and conclusions (PART F)

What this study means for the big picture context and why people should care about this is:

1) The assumption that adoption of CSR eventually leads to a greater sense of responsibility and a transformed worldview is questioned, as 'beyond CSR' practices depend on ethics that go beyond the business-case and instead extend to ethics of relational responsibility
2) An expanded ethical stance cannot be achieved from more or better CSR initiatives but from an interdependent worldview, values and intentions
3) Bhutanese and international business leaders who take a 'beyond CSR' approach both demonstrate relational responsibility and draw on an interdependent worldview. In Bhutan's case informed by Buddhist and GNH philosophy and in international businesses through a tendency to a systems view of life
4) The literature review and interview evidence are synthesised into the 'Beyond CSR Maturity Model' (BCMM) as a sense-making tool of the threshold to a 'beyond CSR' business approach allowing analysis of a business and its maturity against five 'beyond CSR' dimensions
5) Beyond CSR Formula = Interdependent worldview + ethics of relational responsibility + business purpose + CSR practices
6) Mapping business decisions, their causes and effects in a causal loop diagram and identifying how they impact on the SDGs provides a powerful illustration of how a systems thinking process linked to the SDGs can engage business in systems-thinking to gain an insight into relational responsibility and an interdependent worldview
7) Therefore, exposing and engaging business leaders and stakeholders in systems-thinking skills and practices will increase a businesses ability to go 'beyond CSR'.

Inform

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