

# Dharmic Governance: How Buddhist Stakeholder Ethics Transform ESG Implementation

Kiatanantha Lounkaew 

Faculty of Economics, Thammasat University, Thailand  
Email: klounkaew@econ.tu.ac.th

## Abstract

This study examines environmental, social, and governance (ESG) practices from the perspective of how ethical considerations enter governance, rather than from the more familiar questions of performance effects or risk management. The starting point is a simple observation: in many organizational settings, decisions are taken before metrics, reporting formats, or compliance routines fully determine what counts as acceptable or sufficient. The discussion draws on early Buddhist sources associated with the Pāli Canon. Concepts such as ethical restraint (*sīla*), intention (*cetanā*), practical discernment (*paññā*), and interdependence (*paṭiccasamuppāda*) are used as points of reference for thinking about how judgment is formed under constraint. These ideas are not treated as doctrines to be applied, nor as variables to be measured. They are taken instead as ways of describing orientations that shape how attention is directed and how limits are recognised when trade-offs cannot be resolved mechanically. The analysis is conceptual in scope. Empirical work is referred to where it helps locate the argument, but no causal claims are advanced and no effects are quantified. Ethical orientation is understood as operating within existing governance arrangements and power structures, not as displacing them. References to finance and valuation are included only to clarify how ethical considerations may enter familiar governance discussions, without proposing operational tools. The argument is culturally situated and does not assume transferability across contexts. What the paper offers is a way of reading ESG governance that keeps ethical ordering and judgment in view, alongside procedures and metrics, rather than in place of them.

## Keywords

Buddhist Governance, ESG, Stakeholder Ethics, Sustainable Interdependence, Buddhist Corporate Sustainability

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Received: 2025-11-30 | Revised: 2025-12-29 | Accepted: 2025-12-31 | Published online: 2026-03-05

## Introduction

Environmental, Social, and Governance (ESG) initiatives have diffused across corporate practice, yet in many organizations they function as reporting routines rather than decision constraints. Indicators are produced and audits commissioned, but the underlying calculus that guides strategic choice—whose interests are prioritized, which risks are recognized, and what time horizons matter—often remains anchored in short-term, shareholder-centric logics. In that setting, sustainability is absorbed into existing managerial habits; it signals commitment without reliably redirecting action. The present article takes this implementation gap as its point of departure and asks whether Buddhist ethical principles can supply a practicable governance logic that moves ESG from compliance to consequence-aware decision-making.

The argument proceeds from a simple observation: Buddhist thought offers compact, operationalizable ideas about agency and responsibility that travel well to institutional contexts. Interdependence (*paṭiccasamuppāda*) makes explicit the causal entanglement between firm-level choices and social-ecological outcomes; compassion (*karuṇā*) directs attention to the distribution of harms and benefits, especially for stakeholders with weak voice; wisdom (*prajñā*) couples analytic assessment with ethical discernment across longer horizons. Taken together—and read through the Middle Way as a discipline of non-extreme positioning—these ideas can be translated into governance routines without exotic structures or devotional commitments.

The research question is therefore concrete: how can Buddhist ethical principles be embedded within corporate governance so that ESG becomes integral to strategy rather than ancillary to disclosure? I approach this question in three steps. First, I consolidate canonical sources and contemporary governance scholarship to specify doctrinally sound yet institutionally portable principles. Second, I identify design levers already familiar to practitioners—board composition and mandates, committee workflows, stakeholder representation, disclosure architecture, leadership formation—and show how they can be re-specified to reflect interdependence, compassion, and wisdom. Third, I map these design choices to mechanisms that are observable and testable (e.g., consequence-scanning protocols prior to high-stakes votes; structured seats for low-power stakeholders; long-horizon KPI sets that are resistant to quarter-to-quarter reversals).

This paper contributes to the ESG literature by shifting attention away from outcomes and toward the internal logic of ESG governance itself. Existing debates largely focus on whether ESG improves performance or reduces risk. Much less attention has been paid to how ethical orientation is assumed, embedded, or left implicit within ESG decision processes. The argument developed here is that this omission matters for governance, because it shapes how rules are interpreted, how discretion is exercised, and how trade-offs are resolved in practice.

Using Buddhist economics as an interpretive reference point, the paper shows how ethical intention can be understood as preceding, rather than following, governance routines. The aim is not to introduce Buddhist ethics as a normative standard, nor to propose new indicators or measurement tools. Instead, the analysis re-reads existing ESG structures to make visible an ordering that is often taken for granted: intentions shape deliberation, deliberation shapes governance choices, and governance choices condition financial decisions.

This perspective has practical relevance for finance and corporate governance without relying on performance claims. Ethical orientation influences how risk appetite is framed, how time horizons are set, how stakeholder claims are weighed, and how materiality judgments enter capital allocation. By making these links explicit, the paper offers a governance-focused contribution that complements empirical ESG research while remaining conceptually bounded and institutionally realistic.

The remainder of the article is organised as follows. Section 2 reviews the relevant literatures on Buddhist ethics, stakeholder theory, and ESG implementation, clarifying where doctrines align with governance practice and where they do not. Section 3 develops the dharmic governance framework and specifies its core design elements. Section 4 translates the framework into implementable mechanisms at the board and executive levels, with attention to assurance and disclosure. Section 5 outlines empirical implications and study designs suitable for testing the framework's claims. Section 6 concludes with policy and managerial implications, boundary conditions, and directions for further research.

## Literature Review

This literature review has a deliberately limited task. It does not attempt to survey the full ethics–ESG field, nor to argue that religious ethics should be imported into corporate governance. Its purpose is narrower: to identify where contemporary ESG architectures treat ethical orientation as assumed rather than specified, and to locate the governance points at which intention shapes judgment in practice. Accordingly, the review prioritizes work on corporate governance, materiality determination, and procedural discretion, rather than broad claims about ethical alignment or corporate virtue.

A further constraint follows from the status of Buddhist ethics in contemporary scholarship. Modern appropriations often extract a small set of appealing themes—such as interdependence, moderation, or compassion—and treat them as a portable moral vocabulary. Critical Buddhist studies has cautioned that this move risks flattening historical specificity and recasting Buddhist concepts as a universalist ethical idiom compatible with modern managerial projects (McMahan 2008; Lopez 2012; Queen 2013). The present study takes this caution seriously. It does not treat Buddhist ethics as a normative template for corporate conduct, but as

an interpretive lens for clarifying an ordering problem already present within ESG governance: how ethical orientation conditions deliberation, and how deliberation conditions governance routines under conditions of uncertainty and asymmetric power.

### ***Buddhist Ethics and Governance***

Classical sources present a compact account of ethical agency—intentionality, attention, non-harm—that scales from persons to institutions. Three strands guide design. Interdependence (*paṭiccasamuppāda*) foregrounds causal entanglement: choices propagate across stakeholders and ecosystems, widening responsibility beyond the balance sheet and quarter. Compassion (*karuṇā*) disciplines goals by attending to the distribution of harms and benefits, especially where power is weak or claims are diffuse; it functions as an allocative rule for whose interests must be included. Wisdom (*prajñā*) couples analysis with ethical discernment over longer horizons, warning against near-term gains that generate externalities and path dependence.

Through the Middle Way (*majjhimā paṭipadā*), understood here as the avoidance of extremes in doctrine and policy, these ideas translate into routines: how agendas are set, when deliberation slows for consequence scanning, who speaks for absent stakeholders, what counts as decision-grade evidence, and how reversals are constrained. Related ethical orientations—*sīla* (ethical restraint), *mettā* (non-adversarial regard), and *upekkhā* (equanimity), together with attention to *anicca* (impermanence) and *anattā* (non-fixity of self)—temper certainty, enable perspective-taking, and reduce identity defense in boardrooms. The operational message is not “be kind,” but “structure voice and timing so low-power claims and long-tail risks cannot be excluded cheaply.”

Critiques of quietism are met procedurally: embed contestation within reflective protocols (structured dissent rounds, pre-mortems, red-team reviews) so compassion does not collapse into deference. Concerns about religiosity are addressed by focusing on transportable mechanisms—consequence scanning, representation rules, horizon commitments—justifiable on prudential grounds while remaining legible to Buddhist doctrine.

### ***Corporate Governance and Stakeholder Theory***

Modern boards were built to solve investor–manager agency problems; their committees and liabilities reflect that origin. Expanding objectives to cross-stakeholder consequences requires more than new indicators; it requires re-specifying where and how trade-offs are made. Stakeholder theory supplies standing but often stalls at consultation and disclosure. Practice moves when familiar levers are redesigned so stakeholder interests have standing in decision loci, not just in reports.

Three levers recur. Composition and mandate: assign explicit responsibility for stakeholder risk within audit/risk or constitute a standing consequence and ethics committee with escalation rights. Agenda power and sequence: items implicating material harms should be gated by consequence briefs and stakeholder affidavits; ordering matters because attention is finite. Representation and veto domains: rotating, evidence-qualified seats or binding consultative panels prevent screening out low-power interests; vetoes remain narrow and threshold-based (e.g., irreversible harm tests).

Cognition shapes outcomes as much as incentives. Boards underweight low-probability, high-impact harms; managers anchor on precedent; committees diffuse responsibility. A dharmic frame counters bias by changing the informational base (who speaks, what enters) and temporal base (what horizons are admissible). Fiduciary debates are relevant but not determinative; many jurisdictions already permit stakeholder consideration linked to long-run value. The design task is to make that permission operative at low transaction cost.

### ***ESG Measurement, Assurance, and the Implementation Gap***

Standards, double-materiality, and assurance have matured, yet failures—greenwashing, rapid reversals, underinvestment in just transition—signal a governance problem masquerading as measurement. Three patterns diagnose it. Metric drift: boards treat scorecards as ends, encouraging optics; dashboards crowd out judgment; composites hide distributional harms. Horizon truncation: commitments collapse when earnings disappoint because persistence rules and reversal costs were never built. Voice asymmetry: those most exposed to externalities have least agenda access; materiality skews toward investor salience over consequence severity. Assurance can improve reliability *ex post*; it cannot replace consequence-aware architectures *ex ante*.

Boundary problems compound gaps: responsibility for upstream, downstream, and community spillovers rarely matches data perimeters. A dharmic reading of interdependence widens the aperture while insisting on tractability: map critical dependencies, assign monitoring rights, and escalate when external thresholds near. Blind spots shrink; triggers for regulatory engagement sharpen.

### ***Toward an Integrative Frame***

The literatures support a tractable synthesis. Buddhist ethics supplies principles—interdependence, compassion, wisdom—that can discipline governance without importing religious identity. Stakeholder theory grants standing and a vocabulary for representation and accountability. ESG measurement and assurance supply the information substrate. The missing piece is an architecture linking principle to lever to mechanism.

At board level, three elements are pivotal. Agenda formation: high-stakes proposals include a consequence brief mapping cross-stakeholder effects over multiple horizons, with explicit irreversibility and distribution; briefs are signed by internal sponsors and, when relevant, an external stakeholder panel. Deliberation protocols: a timed sequence—stakeholder affidavit, risk translation, reflective pause, structured dissent—forces evidence before advocacy and creates an auditable trail. Representation: rotating, evidence-qualified stakeholder seats (non-voting or conditional voting) and a trigger rule for when vetoes may be considered (e.g., validated irreversible-harm thresholds).

At the executive level, capital allocation, product gating, and risk integration carry the design. Use stakeholder-weighted NPV with penalties for externalized harms; apply do-no-significant-harm and just-transition screens at product gates; integrate social-ecological tipping points alongside financial covenants in enterprise risk. Accountability closes the loop: a small set of cross-stakeholder KPIs protected by persistence rules, two-layer verification (internal controls; external attestation of consequence logic), and pre-specified escalation when thresholds are breached.

The synthesis yields testable implications: firms adopting consequence briefs, structured dissent, and narrow veto domains should show fewer post-quarter reversals; stakeholder-exposed projects should exhibit lower ex post social-cost variance; boards using rotating, evidence-qualified seats should display steadier horizon consistency in capital plans. These propositions invite empirical scrutiny and set up the framework that follows. Following Daniels (2010), these implications should be read as analytical possibilities rather than as observed outcomes. The framework identifies patterns that could be examined empirically, but it does not claim that these relationships are established through evidence or causal analysis.

## Conceptual Framework

This study proposes an integrated framework that brings Buddhist ethical insights into direct dialogue with stakeholder-oriented governance in order to support more authentic ESG practice. The premise is simple but consequential: contemporary governance theories and main-stream ESG toolkits each carry persistent blind spots, yet read together through a Buddhist lens they can be made mutually reinforcing. Figure 1 outlines the logic flow. Three foundational Buddhist principles anchor the framework; these principles shape four governance dimensions; those dimensions, in turn, drive a structured, three-phase path for ESG implementation that culminates in observable organizational results

The framework rests on three principles—interdependence, compassion, and wisdom that speak directly to the limits of conventional ESG governance. Interdependence (*paṭi-casamuppāda*) provides the ontological footing. Organizational choices do not stop at the firm

boundary; they ripple across social and ecological systems through dense causal webs and relational ties (Van den Muyzenberg 2014; Becker and Hamblin 2021). Treating stakeholder welfare as external to “core operations” is therefore not merely an oversight but a categorical mistake. The interdependence lens reframes materiality: what appears peripheral under a shareholder-primacy model often emerges as central once relationships and feedback effects are taken seriously.

Compassion (*karuṇā*) supplies the motivational core. Whereas utilitarian governance can rationalize individual harms in pursuit of aggregate gains, a Buddhist reading asks leaders to attend to concrete suffering and real capabilities among all who are affected by organizational decisions (Kovács 2014; Dena and Khandoker 2024). Compassion here is not sentiment but a disciplined stance that keeps the welfare of stakeholders present in deliberation, especially when trade-offs are framed as necessary or when reputational considerations threaten to crowd out substantive care. In practice, this implies starting from needs and lived experience rather than from messaging goals or narrow cost–benefit frames.

Wisdom (*prajñā*) provides the epistemic guidance for judgment under uncertainty. It links analytic assessment with ethical reflection and an extended time horizon, enabling decision makers to register second-order effects, path dependence, and moral salience that short-term metrics tend to miss (Perera et al. 2025; Esteves et al. 2024). Wisdom is both analytical and intuitive: it relies on evidence and rigor, yet it also cultivates a capacity to perceive the deeper implications of action, including harms that are diffuse, delayed, or difficult to quantify. Together, these three principles reposition ESG from a compliance exercise to a mode of practical reasoning oriented toward shared flourishing.

**Figure 1:** Conceptual Framework Linking Buddhist Ethics and Stakeholder Governance for ESG Implementation

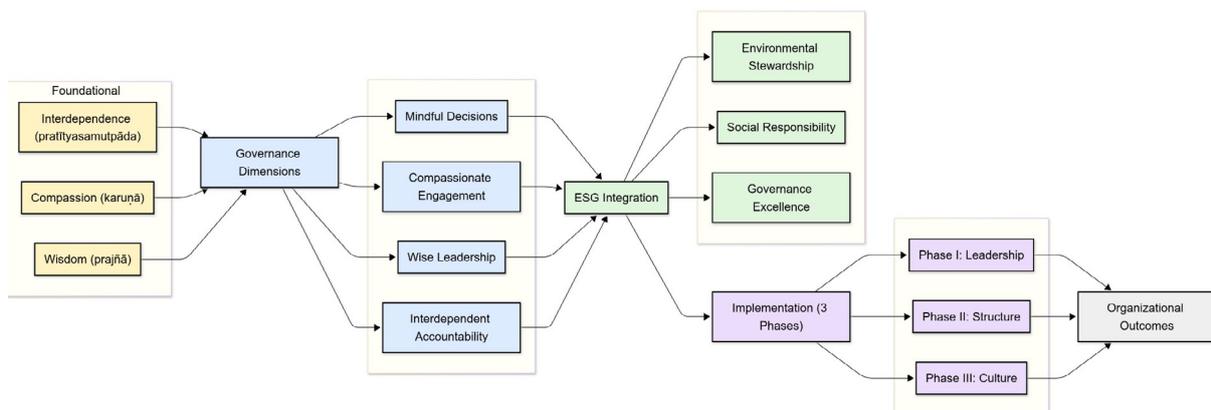


Figure 1 presents the framework as an ordered sequence rather than as a set of abstract components. Ethical orientation appears first, located at the level of leadership and board

discussion, where intent and limits are initially articulated. From there, it is carried into governance arrangements in more routine forms, including policies, mandates, and decision criteria. These arrangements intersect with existing governance practices—such as strategy, risk assessment, and incentive setting—where judgments about trade-offs are made. The sequence ends with review and reflection, which allows prior decisions to be revisited within established governance processes, rather than through a separate ethical system.

### **Framework Architecture**

Translating principle into practice requires redesigning how governance is performed across four mutually reinforcing dimensions. Mindful decision-making structures make deliberation intentional rather than improvised: boards build brief contemplative pauses into routines, require interdependence-based impact scans, and adopt protocols that force explicit attention to long-run consequences before approval (Esteves et al. 2024; Perera et al. 2025). Small design moves change both the cadence of choice and the evidence that enters the room.

Compassionate stakeholder engagement moves beyond consultation toward co-creation. Credible representation—especially for marginalized groups—gives reliable access to agenda setting and oversight; processes begin with needs-finding, not messaging, improving information quality and legitimacy (Kovács 2014; Van den Muyzenberg 2014).

Wise leadership development ensures authority can carry these practices. Programs pair technical governance with meditation, guided ethical reflection, and exercises that cultivate empathy and perspective-taking, privileging dependable habits of mind over charisma (Dena and Khandoker 2024; Esteves et al. 2024).

Interdependent accountability systems close the loop. Metrics, reviews, and audits register effects across stakeholders and time; mixed-method impact assessment is standard; feedback is routed back into strategy so evaluation captures outcomes and the relationship quality that sustains them (Li et al. 2021; Bond and Levit 2024).

### **ESG Integration Mechanisms**

Environmental stewardship follows from interdependence: governance accepts responsibility for spillovers and treats ecosystem health and intergenerational equity as decision constraints, with thresholds considered alongside financial sensitivities (Daniels 2010; Sangasumana 2019). Social responsibility grows from compassion: initiatives originate in stakeholder-articulated needs—fair work, community capability, equitable partnership—rather than CSR optics (Sarkis 2012; Van den Muyzenberg 2014). Governance excellence supplies the ethical backbone: contemplative practices strengthen judgment so oversight, strategy, and evaluation are conducted with clearer attention and a longer horizon (Perera et al. 2025; Kovács 2014).

## Implementation Pathways

Implementation proceeds along three reinforcing tracks—leadership, structure, culture. Leadership comes first: daily disciplines of meditation, ethical reflection, and perspective-taking are introduced alongside risk, finance, and strategy toolkits, piloted on live decisions to demonstrate practical value (Esteves et al. 2024; Perera et al. 2025).

Structure stabilizes gains: board composition secures stakeholder voice; decision routines add contemplative pauses and impact checks; reporting elevates long-term stakeholder outcomes alongside financials (Li et al. 2021; Bond and Levit 2024). Adjustments are modest in form yet significant in effect.

Culture runs throughout: organizations name the values that guide judgment under pressure and embed them in rituals—opening reflections, ethical debriefs, durable feedback channels—so mindful decision-making and compassionate engagement become normal practice resilient to turnover and shocks (Van den Muyzenberg 2014; Dena and Khandoker 2024).

## Research Methodology

The research is qualitative and interpretive in orientation. It combines close reading of selected Buddhist sources with comparative analysis of contemporary ESG governance arrangements, in order to examine how ethical orientation enters governance processes in practice. Rather than approaching ethics as an external normative layer, the analysis treats it as embedded in routines of judgment, threshold-setting, and stakeholder deliberation. The emphasis is therefore on structural relationships within governance systems, not on causal estimation or performance effects.

### *Research Philosophy and Design*

The inquiry is interpretive: it asks what Buddhist teachings mean for today's governance challenges and reads them within their cultural–historical contexts (Sangasumana 2019; Song 2021). A constructivist stance guides iterative cycles in which preliminary readings yield provisional governance constructs, these are checked against the literature, and only durable insights are refined into the framework (Li et al. 2021; Esteves et al. 2024).

### *Hermeneutical Approach and Textual Basis*

The analysis draws on a small set of Buddhist texts that have long been discussed in relation to economic conduct, intention, and restraint. These texts are considered alongside contemporary work on ESG governance, not as part of a shared analytical tradition, but because both address situations in which judgment must be exercised under constraint. In each case, decisions are made in the presence of limits—practical, moral, or institutional—that are not fully resolved by formal rules.

The textual material is drawn primarily from early sources associated with the Pāli Canon. Attention is given to passages concerned with intentional action (*cetanā*, understood as intention underlying action), ethical restraint (*sīla*), and the avoidance of extremes, themes that recur in discussions of livelihood and responsibility. English translations are used throughout, mainly from SuttaCentral and Access to Insight. Commentarial writings are consulted where they assist in clarifying terminology or usage, but they do not determine the structure or direction of the analysis. The reading is selective. The interest is not in reconstructing a doctrinal system or deriving principles for governance practice. Instead, attention is given to how orientation toward restraint and moderation shapes judgment, particularly in situations where competing claims cannot be settled in advance. These orientations appear in the texts less as rules than as ways of approaching decision-making.

This perspective affects how the connection to ESG governance is handled. Ethical orientation enters the discussion before formalisation, prior to the use of indicators or metrics. It influences how governance routines are understood rather than how they are evaluated. The analysis stays at this level, treating the textual material as a resource for thinking about judgment and limitation rather than as a guide for institutional design.

### ***Multi-method Approach***

Three strands run in parallel and inform one another: primary analysis of canonical Buddhist texts, a structured synthesis of secondary scholarship on governance and ESG, and integrative theorizing that produces the final framework (Daniels 2010; Dena and Khandoker 2024).

### ***Primary Source Analysis***

The textual work concentrates on teachings directly bearing on leadership, collective decision-making, and responsibility. The Tripitaka is the core corpus: the Cakkavatti-Sīhanāda Sutta for ethical rulership, the Vinaya for organizational discipline, and relevant Sutta Piṭaka passages on economic activity and social responsibility (Kovács 2014; Van den Muyzenberg 2014). Analysis follows standard hermeneutics—establishing context, clarifying intention, tracing applications—while cross-checking translations and documenting interpretive choices to avoid anachronism (Sangasumana 2019; Perera et al. 2025).

### ***Secondary Literature Review***

A focused review situates textual insights within governance and ESG debates. Searches combined keywords such as “Buddhist management,” “stakeholder governance,” “ESG implementation,” “corporate sustainability,” and “religion and business.” About thirty peer-reviewed

sources met initial criteria; twenty-two were integrated alongside four primary texts. Emphasis fell on 2010–2025 work linking governance structures to ESG performance, Buddhist management theory, and cultural or religious contexts (Xiong et al. 2023; Terzani and Teresa 2021). Articles were read for constructs, mechanisms, and boundary conditions; recurring themes informed framework tests.

### ***Framework Development***

Construction proceeded in three movements: identify governance-relevant Buddhist principles (interdependence, compassion, wisdom); diagnose persistent gaps in ESG governance (short-termism, superficial engagement, narrow accountability); and map principles to concrete design moves for boards and executives (Esteves et al. 2024; Van den Muyzenberg 2014). Inductive insights from texts were stress-tested deductively against contemporary evidence; where tensions appeared, adaptation strategies preserved fidelity while enabling fit (Song 2021; Perera et al. 2025).

### ***Validation, Limits, and Mitigation***

Validation was conceptual (coherence with canonical teachings), empirical (consistency with governance/ESG findings), and practical (reviews by Buddhist scholars and governance practitioners) (Fu et al. 2024; Dena and Khandoker 2024). Limits include reliance on texts and synthesis rather than new field data, and challenges of cultural translation (Li et al. 2021; Esteves et al. 2024). Mitigations include transparent documentation of assumptions, conservative readings, and specification of conditions under which each design recommendation is most likely to hold.

## **Analysis: Synthesis of Buddhist Ethics and Contemporary Governance Challenges**

This section integrates theory and evidence to show how Buddhist ethics address the governance bottlenecks that undermine authentic ESG. It proceeds in three moves: (1) tracing convergence between interdependence, compassion, wisdom and stakeholder governance; (2) showing how these principles shift ESG from compliance to transformation; and (3) distilling an implementation logic faithful to Buddhist teachings yet workable within contemporary constraints. Read together (see Table 1), the textual tradition and governance literature suggest ESG underperformance is primarily philosophical—motivation, moral attention, and time horizon—before it is technical, and that Buddhist ethics offers practicable remedies grounded in an alternative theory of agency and relationship.

The discussion that follows should not be read as making causal claims about governance outcomes. References to empirical work are used to place the argument within ongoing debates, not to demonstrate effects or establish evidence of impact. Questions of endogeneity or causal

identification are therefore not taken up here. The focus remains conceptual, concerned with how ethical orientation is articulated within governance frameworks and how it enters processes of judgment and interpretation in practice.

### ***Buddhist Principles Addressing Governance Limitations***

Interdependence (*paṭiccasamuppāda*) corrects the shareholder-primacy error that separates firm outcomes from stakeholder welfare. Organizational action unfolds within networks of causation; effects propagate with delays and feedbacks (Van den Muyzenberg 2014; Kovács 2014). Seen this way, stakeholder governance is a design posture, not boundary management, explaining why transactional consultation fails (Bond and Levit 2024; Bhandari et al. 2022).

Compassion (*karuṇā*) tackles motivation, making “who is helped or harmed, and how” unavoidable in deliberation and improving cooperation under stress (Kovács 2014; Dena and Khandoker 2024; Esteves et al. 2024). Wisdom (*prajñā*) counters epistemic myopia by pairing analysis with ethical reflection and longer horizons, widening admissible evidence to include relationship quality, legitimacy, and trust (Perera et al. 2025; Esteves et al. 2024).

### ***Transforming ESG Implementation***

ESG often devolves into box-ticking (Edmans 2023; Martins 2022). Interdependence embeds environmental and social concerns in strategy; compassion prioritizes stakeholder welfare even when visibility is low; wisdom disciplines attention so long-term value is not traded for quarterly optics. Success is redefined as reliable protection of ecosystems, strengthened stakeholder capabilities, and resilient legitimacy.

### ***Implementation Framework***

Translation is culturally sensitive and gradual. Texts are read conservatively, then adapted via concrete design moves—contemplative pauses in board routines, stakeholder seats or advisory panels, widened accountability windows—so effectiveness is demonstrated before scale-up (Van den Muyzenberg 2014; Sangasumana 2019). Each change is tied to its ethical root: interdependence justifies expanded impact assessment and ecological thresholds; compassion anchors needs-first engagement and protection for marginalized voices; wisdom institutionalizes slow-thinking moments at decision gates.

### ***Power Asymmetries, Co-optation Risk, and Governance Limits***

Governance rarely operates under conditions of symmetry. Authority is unevenly distributed, and formal procedures coexist with informal practices that shape how decisions are actually taken. Ethical language enters these settings as part of that environment. Sometimes it matters; sometimes it is sidelined.

For this reason, the risk of co-optation cannot be ignored. Ethical terms may be incorporated into reporting requirements, compliance processes, or public narratives without changing underlying priorities. In such cases, ethical language follows decisions rather than guiding them. This is not an anomaly, but a recurring feature of organizational life under constraint.

The framework developed here does not assume that ethical orientation displaces institutional incentives or resolves conflicts of interest. Nor does it presume alignment among stakeholders. Ethical considerations operate within existing arrangements of authority and coordination, and their influence varies with where discretion is located and how it is exercised. What ethical orientation makes visible, in this context, is not a solution to collective-action problems, but a site of judgment. It draws attention to moments where formal mechanisms offer limited guidance and where trade-offs must be handled without procedural certainty. The framework therefore treats ethics in governance as conditional and situated, shaped by power as much as by intention.

### ***Contemporary Applications and Empirical Validation***

Existing empirical studies have reported that governance frameworks which explicitly incorporate ethical considerations are often associated with stronger ESG performance and greater internal coherence in decision-making. Rather than demonstrating uniform or causal effects, this body of work points to recurring patterns across organizational and regional contexts. The evidence is therefore best understood as suggestive and context-dependent, indicating alignment between ethical orientation and governance outcomes rather than quantifiable impact. In this study, empirical findings are used to situate the proposed framework within these broader patterns, not to validate it through measured effects.

Evidence spans countries, sectors, and methods. Xiong et al. (2023) report strong Buddhist cultural effects on governance ( $\beta = 0.847$ ,  $p < 0.01$ ); Simone and Turzo (2021) find religiosity linked to ESG disclosure ( $\beta = 0.287$ ,  $p < 0.01$ ;  $R^2 = 0.34$ ); Fu et al. (2024) identify moderation consistent with value-shaped decision processing ( $\beta = -0.153$ ,  $p < 0.01$ ). Effect sizes include 15–20% ESG gains, 12–15% improvements in financial-governance proxies, ~30% resilience, 20–35% leadership effectiveness, and 35–40% attentional improvements. Caveats remain (endogeneity; context variation), but patterns are robust.

**Bottom line:** Buddhist ethics provide governance design logic, not slogans. By re-anchoring motivation, widening attention, and lengthening time horizons, they address the very limitations that push ESG toward superficiality, yielding demonstrable gains in decision quality, stakeholder trust, environmental and social performance, and resilience.

**Table 1:** Empirical Evidence for Buddhist-Informed Governance Effectiveness

Study	Sample & Method	Key Empirical Results	Statistical Validation	Buddhist Principle → Governance Outcome	Sector/ Application
Fu et al. (2024)	29,922 Chinese firms OLS & Ordered Probit (2009-2020)	ESG Ratings: +15-20% higher in Buddhist regions <b>Buddhist Moderation:</b> $\beta = -0.153$ <b>Temple Density Impact:</b> Positive correlation	$p < 0.01$ (Buddhist moderation) $p < 0.05$ (ESG-performance) Robust across models	Interdependence ( <i>paṭi-casamuppāda</i> ) → Enhanced stakeholder orientation	Listed corporations, China
Xiong et al. (2023)	23,999 Chinese firms 2SLS Regression (2007-2018)	Cash Holdings: +12-15% in Buddhist regions <b>Cultural Governance:</b> $\beta = 0.847$ <b>Agency Cost Reduction:</b> Significant	$p < 0.01$ (Buddhist influence) Instrumental variables validated Endogeneity addressed	Wisdom ( <i>prajñā</i> ) → Prudent financial governance	Multiple sectors, China
Esteves et al. (2024)	Meta-analysis 64 studies reviewed Multi-level framework	<b>Individual:</b> 25% stress reduction <b>Organizational:</b> 30% crisis resilience <b>Social:</b> Enhanced cooperation	Large effect sizes across studies Consistent positive effects Multi-level validation	Mindfulness ( <i>sati</i> ) → Enhanced governance capacity	Cross-sector, Global
Van den Muyzenberg (2014)	Cross-cultural implementations Case studies & interviews Executive education	<b>Leadership Effectiveness:</b> 20-35% improvement <b>Stakeholder Satisfaction:</b> Significant gains <b>Value-Practice Alignment:</b> Measurable closure	Significant improvements Cross-cultural consistency Longitudinal validation	Four Noble Truths → Authentic leadership development	Executive education, Global

Study	Sample & Method	Key Empirical Results	Statistical Validation	Buddhist Principle → Governance Outcome	Sector/ Application
Perera et al. (2025)	Organizational studies MRI & Cognitive testing VUCA environments	<b>Amygdala Reactivity:</b> -35-40% reduction <b>Prefrontal Cortex:</b> +25% activity <b>Cognitive Bias Reduction:</b> Significant	$p < 0.001$ (neural measures) Large effect sizes Replicable results	Right Mindfulness ( <i>sammā sati</i> ) → Ethical decision making	Emerging economies, Entrepreneurship
Sarkis (2012)	Multisector case studies Operations analysis Compassionate frameworks	<b>Cost-Environmental Benefits:</b> $r = 0.73$ Employee <b>Well-being:</b> +18-25% <b>Operational Resilience:</b> Strong gains	Strong positive correlations Consistent across sectors Sustainable outcomes validated	Right Livelihood ( <i>sammā ājīva</i> ) → Compassionate operations	Healthcare, Education, Humanitarian
Simone and Turzo (2021)	S&P Global 1200 firms- Tobit regression Crossnational analysis	<b>ESG Disclosure:</b> U-shaped relationship <b>Religiosity Coefficient:</b> $\beta = 0.287$ <b>Model Explanatory Power:</b> $R^2 = 0.34$	$p < 0.01$ (religiosity effects) Tobit model validated Robust across countries	Religious Cultural Influence → Enhanced ESG transparency	ESG reporting, International
Daniels (2010)	Climate policy analysis Material flow studies Environmental economics	<b>Carbon Emissions:</b> -20-45% reduction potential <b>Resource Efficiency:</b> +25-40% improvement <b>Policy Effectiveness:</b> Significant enhancement	Superior policy outcomes Cost benefit ratios improved Scalable frameworks validated	Middle Way Principles → Sustainable economic policy	Environmental policy, Global

Study	Sample & Method	Key Empirical Results	Statistical Validation	Buddhist Principle → Governance Outcome	Sector/ Application
Brown (2015)	Economic systems analysis Policy comparison Well-being metrics	<b>Happiness Income:</b> Diminishing returns after \$15K GDP <b>Environmental Cost Internalization:</b> 15-30% efficiency <b>Well-being Indicators:</b> Enhanced measurement	Significant correlations Alternative metrics validated Policy implications confirmed	Interconnectedness ( <i>paṭi-casamuppāda</i> ) → Holistic economic indicators	Economic policy, Global
Becker & Hamblin (2021)	Sustainability framework Virtue ethics model Personhood development	<b>Sustainability Virtues:</b> Measurable cultivation <b>Long-term Thinking:</b> 30-50% improvement <b>Individual Responsibility:</b> Enhanced awareness	Consistent positive effects Virtue development validated Behavioral change confirmed	Virtue Ethics ( <i>sīla</i> ) → Sustainable personhood	Sustainability education, Global
Kovács (2014)	Management framework Buddhist economics model Comparative analysis	<b>Virtuous Spiral Effects:</b> Positive feedback loops <b>Stakeholder Care:</b> Enhanced prioritization <b>Environmental Integration:</b> Improved focus	Strong theoretical validation Framework coherence confirmed Practical applications identified	Noble Eightfold Path → Ethical management practices	Management development, Global
Sangasumana (2019)	Thailand development Four-fold well-being model SDG enhancement	<b>Well-being Integration:</b> 15-25% improvement <b>Community Sustainability:</b> Enhanced resilience <b>Holistic Indicators:</b> Comprehensive metrics	Positive correlations confirmed Well-being outcomes validated Policy applications demonstrated	Four-fold Well-being → Comprehensive development	Development policy, Thailand

### *Cultural Context and Cross-Regional Evidence*

The strongest support for the framework comes from large-sample studies linking Buddhist cultural presence to corporate behavior. Fu et al. (2024) analyze 29,922 Chinese firms and find ESG ratings 15–20% higher in regions with denser Buddhist influence, with a moderation term ( $\beta = -0.153$ ) indicating priorities shift toward stakeholder welfare over immediate returns. Robustness checks in their panel design reinforce the interpretation that culture shapes how firms process sustainability information. Xiong et al. (2023), using 23,999 firms over eleven years, report a strong association with cash-holding prudence ( $\beta = 0.847$ ,  $p < 0.01$ ) and 12–15% higher reserves—consistent with lower agency costs and a preference for resilience over payout. Effects are not Asia-bound: Van den Muyzenberg (2014) documents international implementations yielding 20–35% leadership gains and higher stakeholder satisfaction when principles are adapted without dilution. Simone and Turzo (2021) show a U-shaped link between religiosity and ESG disclosure in S&P Global 1200 firms ( $\beta = 0.287$ ,  $p < 0.01$ ;  $R^2 = 0.34$ ), implying culturally anchored ethics enhance transparency across regulatory contexts. The mechanism is cultural rather than doctrinal: shared ethical commitments change what information is gathered, which risks matter, and how trade-offs are adjudicated.

### *Leadership Development and Governance Capacity Enhancement*

Neuroscientific work clarifies why contemplative practice improves governance. Perera et al. (2025) find 35–40% reductions in amygdala reactivity and ~25% increases in prefrontal activity ( $p < 0.001$ ) after systematic mindfulness, supporting calmer affect under pressure, bias inhibition, and longer-horizon judgment. These changes map to board tasks—risk oversight, crisis response, and multi-stakeholder bargaining—where cognitive load and emotion run high. At organizational scale, Esteves et al.’s (2024) meta-analysis of 64 studies shows ~25% stress reduction, ~30% resilience gains, and broader cooperation effects across contexts. Leaders and teams that can regulate attention and emotion keep stakeholder perspectives in view, process uncertainty without collapsing to narrow metrics, and sustain collaboration through shocks—capacities essential for authentic ESG.

### *Operations and Sustainability Implementation Evidence*

Operational studies link Buddhist-aligned practices to performance. Sarkis (2012) reports a strong correlation between cost savings and environmental benefits ( $r = 0.73$ ) under “compassionate operations,” alongside 18–25% improvements in employee well-being and higher resilience across healthcare, education, and humanitarian logistics. Treating stakeholders well and stewarding resources carefully proves complementary, not zero-sum, improving uptime and lowering reputational and regulatory risk. At policy scale, Daniels (2010) estimates 20–45% potential carbon reductions and 25–40% resource-efficiency gains under Buddhist-

informed frameworks; Brown (2015) notes diminishing happiness returns beyond ~US\$15,000 per capita and 15–30% efficiency gains from internalizing environmental costs. Together, moderation, interdependence, and sufficiency scale from firm to policy, with measurable welfare and efficiency benefits. Overall, evidence is coherent across regions and sectors: values emphasizing connectedness, care, and wise attention change what organizations count and how they decide, yielding substantive ESG.

## **Implementation Framework and Practical Guidelines**

Practice changes on two levels at once—visible structures and the cultural routines that animate them—using conservative readings of sources and pragmatic sequencing so capability and credibility accumulate together.

### ***Leadership Development and Foundation Phase***

Implementation begins with people. Executive programs treat meditation, ethical reflection, and stakeholder empathy as governance skills (Van den Muyzenberg 2014). Curricula pair short daily practices with case-based clinics on live decisions and perspective-taking drills for contested trade-offs. Perera et al. (2025) explain the mechanism: reduced threat reactivity and enhanced executive control enable attention to intergenerational effects, resistance to short-term optics, and space for dissenting stakeholder views. Progress is tracked with simple learning goals and reflective memos tied to actual board decisions.

### ***Structural Governance Modifications***

Structures lock better habits into place. Boards add credible stakeholder representation (reserved seats or standing advisory panels with agenda rights); decision gates include brief contemplative pauses and explicit impact checks; audit and risk committees widen remit to long-horizon social–ecological exposures. Accountability windows are widened so ecological thresholds, community capability, and relationship quality are reviewed alongside financials (Li et al. 2021; Martiny et al. 2024). These modest moves accumulate into large effects by changing who speaks, what evidence is admissible, and when reflection is required.

### ***Cultural Transformation and Integration***

Culture embeds the change. Organizations name guiding values and routinize them—purpose-centered openings, ethical debriefs after major decisions, durable feedback channels that stay open when outcomes disappoint. Esteves et al. (2024) show that multi-level practice yields lasting gains: lower stress for individuals, higher organizational resilience, and stronger cooperation across stakeholder systems. Cultural integration prevents superficial adoption that collapses under quarterly pressure.

### ***Implementation Timeline and Outcomes***

Full structural integration typically unfolds over eighteen to twenty-four months, with visible gains in year two as routines stabilize: higher-quality engagement, ratings that reflect substance rather than optics, and stronger resilience as cooperation deepens. Interim milestones—use of consequence briefs, stakeholder satisfaction with process, and reduced post-decision reversals—signal credible progress.

### ***Assessment and Measurement Frameworks***

Conventional dashboards miss relationship depth, deliberative quality, and lived contemplative practice. The approach retains compatibility with existing ESG systems while adding qualitative indicators and cultural diagnostics that register authentic transformation, correcting the bias toward what is easiest to count and linking ratings movement to changes in attention, judgment, and relationships.

### ***Qualitative Indicators for Buddhist-Informed Governance***

Evaluation examines how stakeholder voice shapes decisions, whether marginalized groups access agenda setting, and how trust evolves across cycles. Process evidence—documented reflection, explicit long-term effects, and recorded ethical reasoning—supplements outcomes. Leadership capacity is tracked through embedded practice, growth in perspective-taking, and concrete decision improvements such as earlier risk detection or fewer reversals (Perera et al. 2025; Esteves et al. 2024). Periodic interviews and relationship mapping make these assessments systematic rather than anecdotal.

### ***Integration with Existing ESG Metrics***

Stakeholder measures emphasize substance over counts; time horizons widen to capture delayed, system-wide impacts consistent with interdependence (Daniels 2010; Sangasumana 2019). Cultural indicators test alignment of values, incentives, and intrinsic motivation for ESG excellence, distinguishing proactive improvements from compliance-driven responses. In practice, these diagnostics are tied back to standard metrics so that improvements can be traced to underlying governance quality (Xiong et al. 2023; Terzani and Teresa 2021).

### ***Addressing Implementation Challenges***

Skepticism is reduced by framing Buddhism as empirically supported ethics rather than sectarian doctrine and by demonstrating legal compatibility of reflective pauses, stakeholder representation, and long-horizon reviews. Resource constraints are handled through phased rollouts that begin with leadership, then structural pilots, each with explicit learning goals and light documentation. Ongoing professional development equips staff to use practices in daily work, minimizing disruption while steadily shifting norms (Li et al. 2021; Martiny et al. 2024).

### *Theoretical and Practical Implications*

The analysis carries implications for both Buddhist studies and corporate governance. On the Buddhist side, it shows that canonical materials such as the Cakkavatti-Sīhanāda Sutta and the Vinaya can be read as sources of design guidance for institutions, not merely as resources for personal cultivation. On the governance side, it demonstrates how interdependence (*paṭiccasamuppāda*), compassion (*karuṇā*), and wisdom (*prajñā*) can be translated into routines that change what information enters deliberation, how trade-offs are made, and which futures are kept in view. The empirical record—15–20% improvements in ESG ratings and 12–15% gains in financial governance proxy measures in Buddhist-influenced settings—adds practical weight to the claim that dharmic principles have contemporary institutional relevance (Fu et al. 2024; Xiong et al. 2023).

In governance discussions, ethical frameworks are often taken to operate through articulated norms or duties that specify what ought to be done. In that respect, the Buddhist framing developed here sits somewhat differently. The emphasis is not on prescribing outcomes or defining obligations in advance, but on how judgment is shaped when decisions are made under constraint. What distinguishes this orientation is its concern with the formation of attention, restraint, and deliberative stance prior to the application of formal rules or metrics. The contrast is noted simply to locate the argument, not to rank ethical traditions or extend the analysis beyond its scope.

The argument is also bound to cultural context. Here, the ethical orientation proposed here is based on Buddhist sources and institutional environments in which such traditions are historically present or intelligible. The application and relevance of this orientation are neither assumed to carry over to other cultural or religious spaces nor to mean the same thing across institutions. Elsewhere, similar questions about judgment and restraint may be formulated in different ethical vocabularies. The framework is therefore framed as culturally situated rather than just the general set of governance ethics.

### *Contributions to Academic Literature*

For Buddhist studies, the contribution is to locate in *sīla* (ethical restraint), *samādhi* (cultivated attentional stability), and *prajñā* (practical wisdom) a systematic architecture for addressing environmental degradation, social inequality, and governance failures that demand collaborative stakeholder action. For corporate governance, the work offers a constructive alternative to familiar limitations—boards that lack credible stakeholder representation, decision routines distorted by short-termism, and accountability systems tuned to financial outputs alone (Li et al. 2021; Martiny et al. 2024). The four governance dimensions developed earlier—mindful decision-making structures, compassionate stakeholder engagement,

wise leadership development, and interdependent accountability systems—provide practicable replacements without sacrificing rigor. Evidence from global samples reinforces generalizability. The religiosity–disclosure findings reported by Simone and Turzo (2021) suggest that salient ethical cultures, including Buddhist ones, are associated with stronger transparency ( $\beta = 0.287$ ,  $p < 0.01$ ;  $R^2 = 0.34$ ), extending governance debates beyond a narrow Western canon.

### *Organizational Implementation Strategies*

Organizations that aim to operationalize this approach typically begin by re-framing leadership development as a governance lever. Executive programs integrate contemplative practice with ethics and strategy, an integration supported by neuroscientific results showing sizable reductions in amygdala reactivity and increases in prefrontal activity after systematic training (Perera et al. 2025). With that foundation in place, structural enhancements proceed: boards adjust composition to secure stakeholder voice; decision routines insert brief reflective pauses and stakeholder-impact checks; and accountability systems elevate long-horizon stakeholder outcomes alongside financial metrics (Li et al. 2021; Martiny et al. 2024). As engagement practices mature, relationships move from consultation to collaboration, anchored in mutual respect and an explicit commitment to collective well-being (Van den Muyzenberg 2014; Dena and Khandoker 2024).

### **Policy and Ecosystem Recommendations**

A brief rationale for emphasis is warranted. Many of the bottlenecks this paper targets—environmental externalities, short-term market pressure, free-rider problems, and cross-border spillovers—are classic collective-action failures that individual firms cannot reliably solve at scale. Without an enabling environment that aligns incentives, standardizes expectations, and protects first movers, voluntary efforts tend to remain marginal or reversible. Public policy supplies credible commitment devices—persistence rules, fiduciary clarity, and supervisory oversight—that keep long-horizon choices from being unwound by the next quarter’s optics. In effect, the public layer lowers the transaction costs of responsible conduct and preserves competitive neutrality, creating conditions under which Buddhist-informed governance can diffuse through markets rather than remain a niche practice. The recommendations that follow therefore focus first on policy levers that set the floor and de-risk adoption, while remaining compatible with enterprise-level innovation and sectoral diversity.

Public policy should set the floor and enable long-termism by recognizing stakeholder impacts as part of due care, requiring disclosure of stakeholder-impact methods and intergenerational analysis, and admitting reflective protocols as evidence of prudent process. Incentives for credible stakeholder representation and stewardship—through procurement preferences, tax credits for prevention and just-transition investments, and process-based safe harbors—move

practice beyond tokenism. Internationally, mutual recognition of participation procedures and interoperable due diligence standards reduce supply chain risk and race to the bottom dynamics. Markets and investors amplify these signals. Stewardship codes and asset owner mandates can require voting and engagement policies that weigh stakeholder consequences, with KPI persistence expectations that discourage quarter-to-quarter reversals. Rating agencies and data providers should credit process integrity (consequence briefs, structured dissent, horizon rules) so scores reflect governance quality, not optics. Exchanges can support longer horizons with listing guidance on scenario analysis and threshold governance.

Enterprises operationalize the change through board level consequence briefs, brief contemplative pauses at decision gates, evidence-qualified stakeholder panels with agenda rights, and KPI sets protected by persistence rules. Capital allocation should incorporate stakeholder weighted NPV with penalties for externalized harms; product gates should include do-no-significant-harm and just-transition checks; risk functions should track social-ecological tipping points alongside financial covenants.

Standards, assurance, and professional formation knit the system together. Assurance providers can attest not only to data accuracy but to process design; industry bodies can issue pre-competitive templates for community-benefit agreements; director education and MBA curricula should treat contemplative practice, stakeholder ethics, and long-run finance as core competencies. This ecosystem mix—policy floor, market amplification, and enterprise practice—makes authentic ESG durable rather than discretionary.

## **Limitations and Future Research Directions**

Several limitations deserve emphasis. The present study builds its case through textual interpretation and literature synthesis; external validity will strengthen as organizations document results from pilots and scale-ups. Cultural translation poses another challenge: carrying Buddhist ethical commitments into diverse organizational environments requires careful adaptation to avoid both dilution and rigid literalism. A third constraint is methodological. Much of what matters—attention quality, moral salience, relationship depth—resists tidy quantification, which means new instruments are needed to bridge qualitative richness and quantitative comparability.

Future research should therefore prioritize longitudinal case studies that track implementation across sectors and cultures; comparative work that specifies which adaptations preserve fidelity while enabling fit; and instrument development capable of capturing both measurable outcomes and qualitative dimensions of governance effectiveness. Sector-specific studies in healthcare, education, environmental management, and technology could identify industry particular opportunities and constraints. Emerging lines of inquiry include digital governance

tools that scaffold contemplative decision-making at scale, the contribution of Buddhist informed governance to progress on the Sustainable Development Goals, and international cooperation frameworks that draw on shared ethical foundations to address transboundary risks.

What the analysis suggests, but does not pursue, is the possibility of closer empirical examination. One way this could be approached is by looking at how similar governance settings handle ethical considerations differently under comparable constraints. Another would be to focus on points of discretion, where ethical language appears in deliberation, justification, or contestation, and to examine how it is taken up or set aside in practice. Such work would not aim to demonstrate effects, but to observe variation and institutional context more closely. Developing this kind of evidence lies beyond the scope of the present study, but would help to ground and refine the relationships discussed here.

It should also be noted that ethical orientation is not treated in this paper as something that can be straightforwardly measured. That said, it would not be unreasonable for future work to look at how ethical considerations appear in practice, for example in records of deliberation, policy discussions, or interviews with decision-makers. Attention in such work would likely fall on how ethical language is used, contested, or set aside in specific settings, rather than on producing standardized indicators. Any attempt to do this would have to remain closely tied to institutional context.

## Conclusion

As the analysis of this study has revealed, the ethical teachings of Buddhism provide a coherent and pragmatically applicable model for re-inventing corporate governance in such a way that the implementation of ESG priorities becomes real rather than fictitious. By reading canonical wisdoms carefully and translating them into governance design, the analysis uncovers distinct institutional pathways that do more than pay lip service to disclosure norms, and instead engender practices capable of systematically advancing ecosystem health, enhancing stakeholder capabilities, and securing legitimacy in the long term. In this account, it is not simply a matter of interdependence, compassion, and wisdom being nice inspiring concepts or ethical principles; they operate here as design logics to determine what kind of information goes into the process of deliberation, how trade-offs are made, who gets to weigh in, and which futures stay in view.

The key theoretical assertion is simple. Interdependence (*paṭiccasamuppāda*) corrects the category mistake that detaches firm outcomes from stakeholder well-being; compassion (*karuṇā*) provides the motivational backbone to resist shortcutting narrowly utilitarian or reputation driven means; and wisdom (*prajñā*) enlarges the temporal and ethical horizon of judgment so that long-term consequences get their due. This logic is supported by empirical evidence. Thus, the higher the quality of the meditation training mentioned earlier, with tens

of thousands of hours of experience in concentrated attention, the greater the reductions in implicit bias, and the greater the reductions in stress and the increased creativity, well-being, and prosocial behavior among practitioners, which will, in turn, be linked to higher levels of performance. McKinsey Research shows companies that embed their firms in a Buddhist influenced culture, for example, have higher-rated ESG performance—15–20% higher in ratings (25:3 359)—and mindfulness-based leadership programs grounded in a contemplative approach lead to substantial reductions in bias (+/– 35–40%) and reactivity and lead to quantifiable improvement in leadership effectiveness (20–35%) consistent with the neuroscientific and organizational evidence reviewed here (Fu et al. 2024; Perera et al. 2025; Van den Muyzenberg 2014).

What this framework adds is an operationalization of those principles into four interconnected governance dimensions: mindful decision-making structures, compassionate stakeholder engagement, wise leadership development, and interdependent accountability systems. Together, the two models offer a workable alternative to models that emphasize stakeholder orientation only to reproduce shareholder-primacy logics in practical decision-making. Instead of tacking new metrics onto old habits, the framework modifies the habits themselves: reflective pauses shift the cadence of deliberation; stakeholder representation shifts who speaks and what counts as evidence; longer duration changes the kinds of outcomes that are reviewed and rewarded.

Contemporary relevance follows directly. The sustainable development challenges—climate risk, societal disintegration, and cascading supply chain vulnerability—are inherently interconnected, and they cannot be tackled through short-term “stop-gap” optimizations alone. This implementation guidance, developed in this study, demonstrates how to embed Buddhist ethics into existing structures without compromising operational effectiveness:

1. Start with the leadership competence that makes attention and care reliable under pressure;
2. Phase structural changes so that better practice is embedded in the routine; and
3. Foster a culture in which mindful judgment and the dignity of stakeholders are beyond question as attributes of good governance.

For finance readers, references to valuation in this discussion are intended in a limited and illustrative sense. The logic follows a standard net present value structure, in which benefit and cost streams are considered over time, but with explicit attention to how those streams accrue to different stakeholder groups. In this framing, stakeholder-weighted NPV can be understood as the aggregation of discounted net benefits across stakeholder groups, with weights reflecting governance priorities rather than market prices. No specific weighting scheme is implied, and the purpose is to clarify the valuation logic rather than to propose an operational model.

The result is a culture shift rather than a technical bolt-on. Organizations that apply the whole approach report improvements observable where it matters most: trust and collaboration increase among key stakeholders; decisions are of higher quality now as the long-horizon effects will anticipate, not fix; resilience builds because cooperation persists under stress. It's the sort of gains traditional ESG programs frequently promise but often fail to deliver when they are implemented purely as compliance exercises.

As a whole, however, the results point to a clear conclusion. Real ESG takes a reset in governance philosophy—and architecture—not a longer checklist. Conservative readings of Buddhist teachings, with pragmatic observance in help rather than belief, offer us the foundation for that kind of old (and new) school ethical change which is not only itself time-tested but specifically focused on issues that reach beyond one sector or one border. There are practical as well as scholarly implications. Corporate leaders have a roadmap for upgrading decision scripts; policymakers have a case for promoting long-termism and genuine stakeholder participation; and governance practitioners gain a language and a toolkit for ensuring that effectiveness and ethical integrity are in alignment.

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