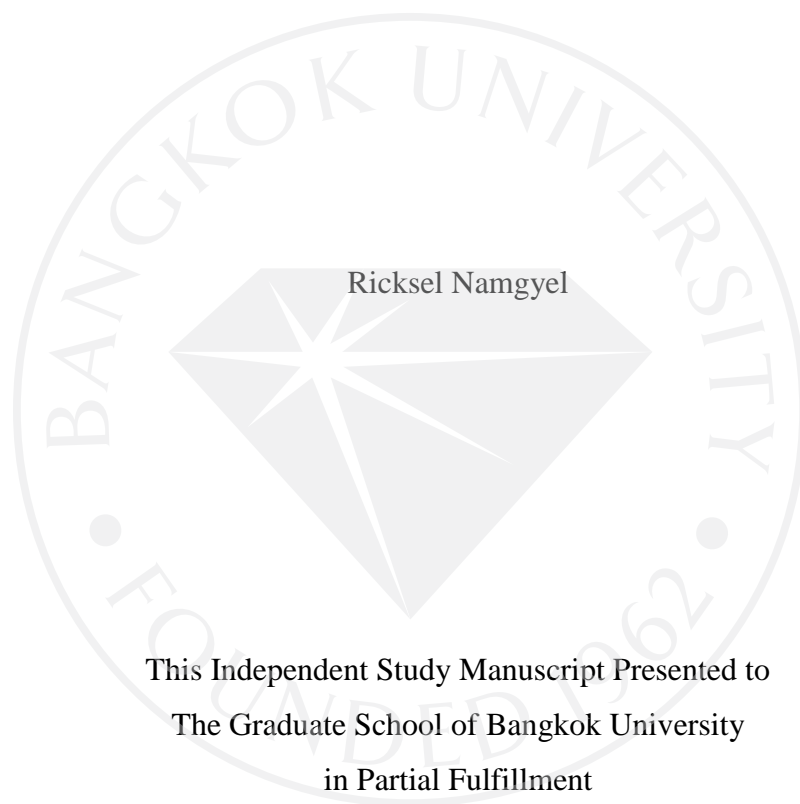


**A STUDY ON THE IMPLEMENTATION OF THE INNOVATIVE CONCEPT
OF GROSS NATIONAL HAPPINESS IN A BUSINESS CONTEXT WITHIN
THE KINGDOM OF BHUTAN**



A STUDY ON THE IMPLEMENTATION OF THE INNOVATIVE CONCEPT OF
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KINGDOM OF BHUTAN



Ricksel Namgyel

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The Graduate School of Bangkok University
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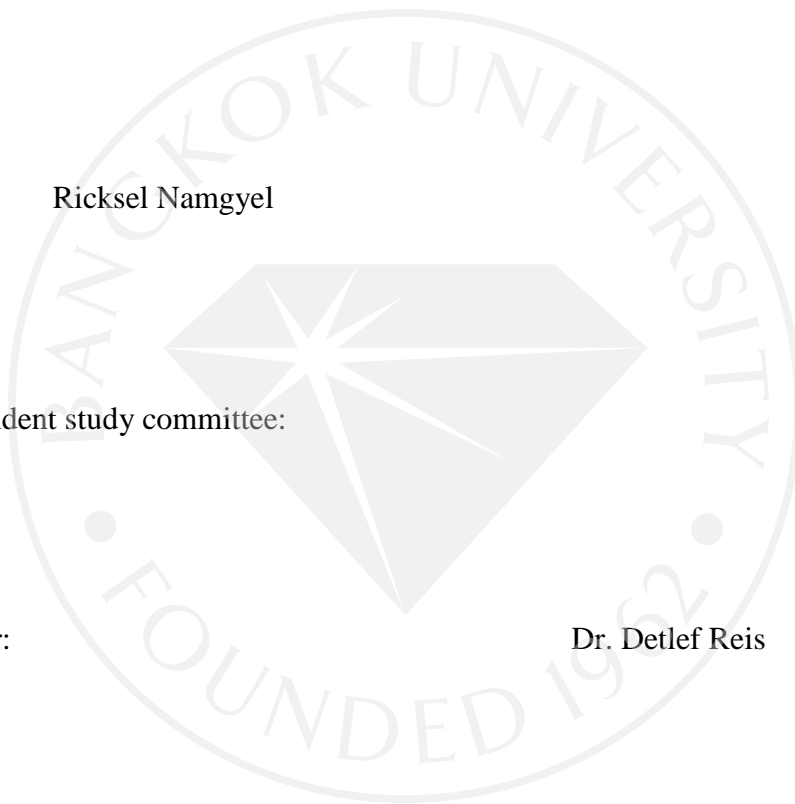
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ABSTRACT

The idea of cultural and environmental preservation is perhaps best exemplified in the Himalayan Kingdom of Bhutan, where the universal happiness of its citizens is considered of paramount importance, and sustainable socio-economic growth is embraced both in its domestic and foreign policies. While the tiny kingdom may not be usually be associated with innovation, its unconventional development strategy through a human-centered and spiritual approach provides an innovative concept to measuring socio-economic progress. This unique developmental philosophy termed 'Gross National Happiness' distinctly focuses on the collective wellbeing of the Bhutanese people, subsequently demoting the significance of Gross Domestic Product. In simple terms, the philosophy of GNH acknowledges that although economic and material progresses are undeniably pivotal towards the overall progressiveness of a nation, it rejects the notion that this is the only path towards achieving national development. Gross National Happiness presents a radical and innovative paradigm shift in development economics and social theory, which can be regarded as the Buddhist equivalent to the more conventional approach to development known as Gross National Product (Tideman, 2011).

This relatively new concept provides an interesting and intriguing opportunity to analyses the unique situation of a country prioritizing the wellbeing of its people over materialistic-based wealth and progress.

Following the abdication of the throne by the 4th King and the establishment of an elected constitutional democratic government in 2008, the Kingdom of Bhutan has only recently opened its borders to international trade and foreign investment. As a result, the industrial sector and economy of the country have witnessed steady economic progress in the following years. It is rather interesting to analyses exactly

how the holistic philosophy of Gross National Happiness is adopted within businesses in Bhutan, particularly as the country begins to reel in the impact of globalization and ensues towards the process of economic growth.

This research study aims to analyse how the concept of Gross National Happiness is applied and executed within local Bhutanese-based businesses, and to what extent the philosophy has an impact on the owners and how they run their respective businesses. It attempts to understand the potential changes that the principles of the philosophy will have to adopt in order to adapt to the changing economic landscape of Bhutan and seeks to understand if and how the concept is deemed to have a positive impact on the profitability of a business, and on employee satisfaction.

An explorative research method was used for this study by following an inductive approach to look into a topic that is in its preliminary stage of maturity. Subsequently, as this research paper is qualitative in its nature, it is frequently descriptive in its attempt to address the research topic and questions. Ultimately, the results of the study found that the concept of GNH is yet to be fully incorporated into the day-to-day running of a business organization in Bhutan. While the ethos of the philosophy is engrained in the people through Bhutanese culture, there is no direct GNH enforcing or measuring department currently in existence. The study is divided into five chapters:

Chapter 1 provides an introduction into the research background, along with the research objectives, the research questions, scope of the study, and its limitations. Chapter 1 also provides a diagram describing the structure of the study.

Chapter 2 gives an overview of the pertinent academic discussion of the relevant concepts in the form of a concise literature review. A research framework is also provided at the end of this chapter.

Chapter 3 outlines the research methodology that the author used for this study, along with the research design, a methodology structure and the data collection process.

Chapter 4 details out the empirical findings and results of the interviews that were based on an interview guideline derived from the literature review.

Chapter 5 concludes the research through a discussion on the findings, and provides recommendations based on these findings.

Keywords: Gross National Happiness, Happiness Index Bhutan, GNH of Business, Corporate Social Responsibility, Sustainable Development, Triple Bottom Line.



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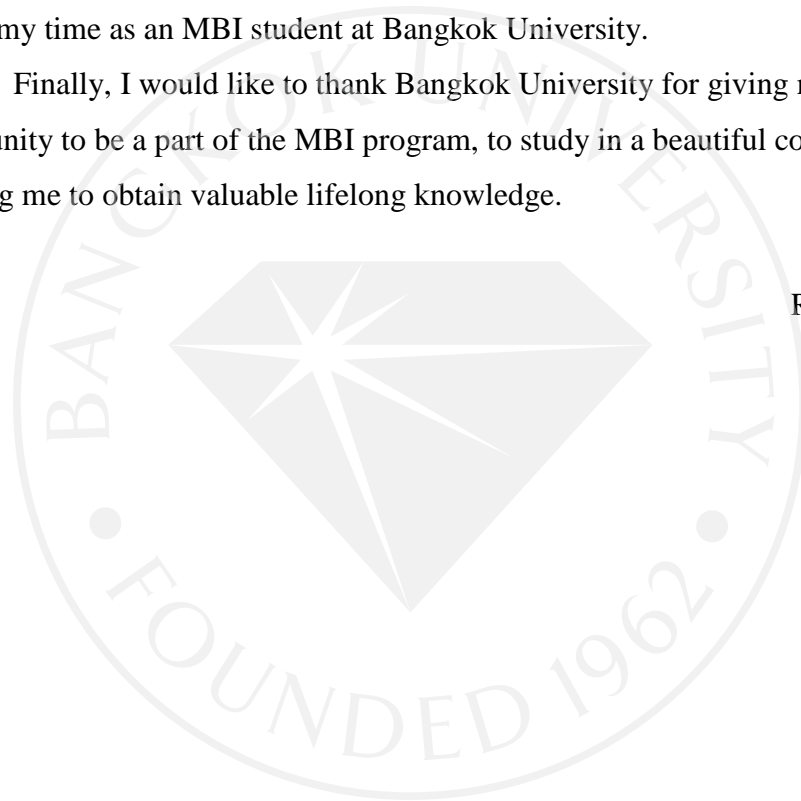
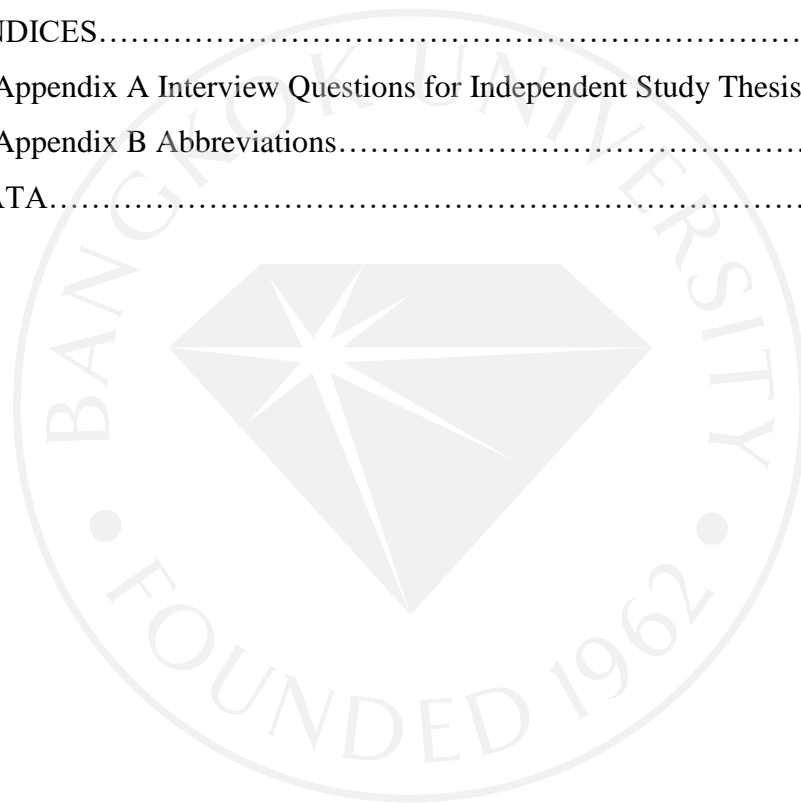


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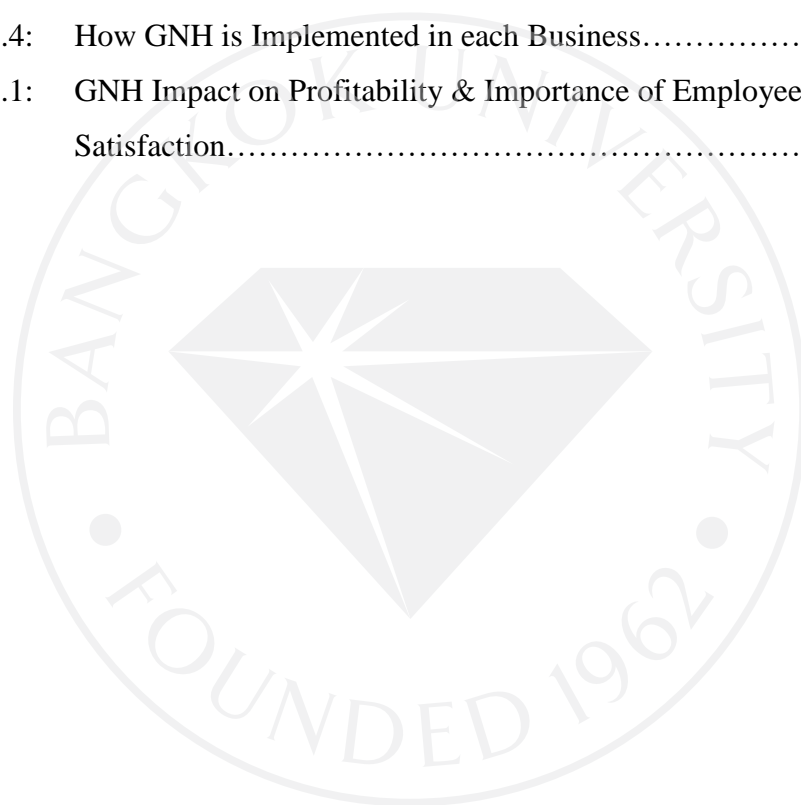
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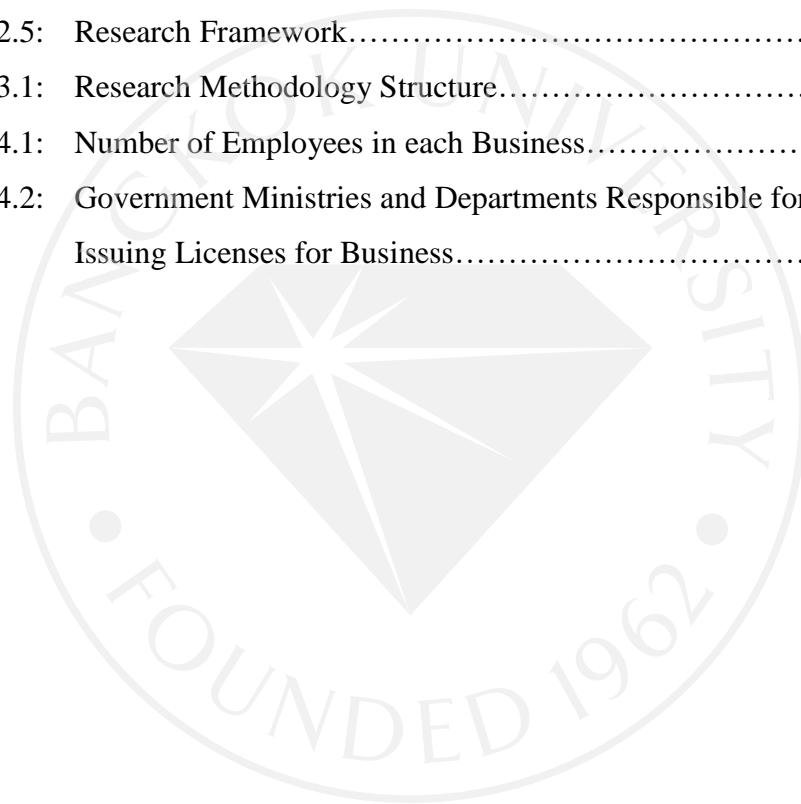
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CHAPTER 1

INTRODUCTION

1.1 Research Background

With a population of approximately 750,000 people, the Kingdom of Bhutan is a small sovereign nation nestled in the eastern ridges of the Himalayas, sandwiched between the continental giants of India and China respectively. The Kingdom of Bhutan is perhaps most well-known for being the country where the innovative idea of measuring developmental progress based on the idea of 'happiness' was first initiated and set in motion. This concept officially termed as 'Gross National Happiness' or GNH, was first coined and introduced in the 1970s by the fourth King of Bhutan, His Majesty Jigme Singye Wangchuck. Revered and deeply respected by the Bhutanese, King Jigme Singye Wangchuck is collectively viewed by his people as a visionary, pious and noble monarch. His philosophy of GNH was envisioned based on the cohesion between the compassionate grounds of Tibetan Buddhism and monetary development, to emphasise the crucial importance of happiness among the population while equally maintaining the need for economic development. The idea of Gross National Happiness in Bhutan fundamentally and innovatively targets sustainable and equitable socioeconomic development as a guiding principle in its Governmental policies, making it a concept which is unparalleled in the world in terms of its relevance for day-to-day policymaking (Stiftung, 2013). The concept of GNH distinctly draws inspiration from the Buddhist middle path of sustaining a balanced development towards interdependent living, whilst overriding the significance of development purely through monetary gains (Ura, 2012). It essentially supports the belief that the ultimate realization of true happiness comes from the ability to maintain a balance between the collective spiritual and mental happiness of society along with adhering to the modern-day needs of financial gains and infrastructural development. The core principles of Vajrayana (Tibetan) Buddhism are deeply rooted in the belief that consumption of material wealth and greed are the main causes for unhappiness and suffering among sentient beings, and that all living beings share the same level of importance and value in life. Hence, GNH is developed from this Buddhist way of thinking, suggesting that the true path towards happiness is in

detachment from a desire for material possessions and for the ability to live in mutual harmony with the natural entities of the world. Fueled by the necessity to modernise the country yet preserve its cultural heritage, GNH serves as a unique and innovative moral concept which acts as the guiding principles for Bhutan and its people. Its holistic concept, conceptual framework and index of measurement offer an innovative path for conceptualizing the boundaries of development beyond what exists in the mainstream (Verma, 2017).

As a result of Bhutan's Royal order to implement the principles of GNH throughout governing bodies of the country, the responsibility of the government is to ensure that both the private and public sectors within the country strike a balance between ensuring the physical and mental well-being of the people, adopt sustainable means of development, preserve the cultural heritage and environment of Bhutan, and ultimately strive for profitability. Zangmo, Wangdi & Phuntsho (2017) state that over the past few years, the Royal Government of Bhutan has placed GNH at the core of country's long-term development vision, making it a unifying force and common rhetoric determining public policy.

Furthermore, to measure and accomplish the desired outcome of GNH, the government of Bhutan developed an impact screening tool known as the 'happiness index', assessing the implication and success of domains, which include psychological well-being, environmental preservation, work, and environmental conditions, diversity, living standards, healthcare, volunteerism, etc. Also commonly referred to as Gross Domestic Happiness, GNH centers around the happiness index which is effectively used to calculate the measure of both economic and moral development of a society based on the overall happiness and well-being of its people. This concept can also be seen in many ways, as an alternative to measuring development primarily through the Gross Domestic Product of a nation (GDP). The concept is fundamentally a change to existing traditional developmental theories, particularly since it calls for a shift of attention away from development in purely material terms (Ura & Galay, 2004). The idea of GNH values both tangible and intangible aspects of wellbeing and is not opposed to material and economic progress, and the concept represents a notion of good development that fosters societal happiness as the ultimate value (Zangmo, et al. 2017). The GNH index can measure

tangible factors including worker salaries, work environments, and work-based benefits, whilst also measuring intangible factors such as mental health, equality, respect, and growth opportunities.

While the philosophy of GNH was ceremoniously and officially introduced by King Jigme Singye Wangchuck in the early 1970s, the idea of placing emphasis on community happiness is evident in Bhutan's early recorded history. In particular, the legal code of 1629 stated that “if the government cannot create happiness for its people, then there is no purpose for the government to exist” (GNH Centre Bhutan, 2020). This ultimately insinuates that the thinking behind the philosophy of GNH is deeply ingrained within the very fabric of Bhutanese society, stemming from ancient Buddhist knowledge, long before it was officially coined as the concept of GNH we know and understand today.

Subsequently, in the wake of the abdication of his throne in 2006 and the declaration for the establishment of a constitutional monarchy with an elected democratic government, the 4th King of Bhutan initiated the opening of the country's borders to international business. Accordingly, the King ushered the country towards a new era of modernization, but one done under the orchestration of GNH. In the years since, Bhutan is steadily reeling in the impact of globalization and a rapidly developing modern industry through a growing private sector supported by foreign investments. As a result, despite the perturbation and concerns over the inevitable changes brought on by modernizing its society and state, Bhutan must learn to develop and adapt through the process of globalization under the guidance of GNH principles (Freeman & Jackson, 2012).

1.2 Research Objectives

Bhutan was mainly chosen as the centerpiece of this study as the concept of GNH is unique to it, and since the country emphasizes the happiness of its population over its GDP, which is a notably uncommon policy in today's world. Much of the existing research is centred on the application of GNH in a policy context, but there is a need for further research for the actual implementation of GNH principles in a business context. While the idea/concept of GNH has officially existed for over 6 decades, its application in the business world is at its earliest phase of execution.

This research study will ultimately aim to explore to what extent the concept of Gross National Happiness is implemented within local businesses based in Bhutan. In addition, the study will seek to analyse the importance of GNH in Bhutanese society, along with the relationship between GNH and related concepts such as Corporate Social Responsibility and Sustainable Development. Additionally, this study will seek to analyse the connection between business profitability and worker satisfaction as a result of GNH being implemented by Bhutanese business owners. The research will employ a qualitative research approach following a review of the pre-existing plethora of academic literature on this subject matter.

1.3 Research Questions

This intended research study encompasses one main comprehensive research question.

To what extent is the philosophy of GNH implemented in a local business context within the Kingdom of Bhutan?

Subsequently, this was followed and supported by 2 adjutant questions:

- 1) What are the implications of companies having to use GNH in terms of employee satisfaction and happiness?
- 2) To what extent does GNH impact and influence the profitability of a business in Bhutan?

1.4 Scope of the Study and its Benefits

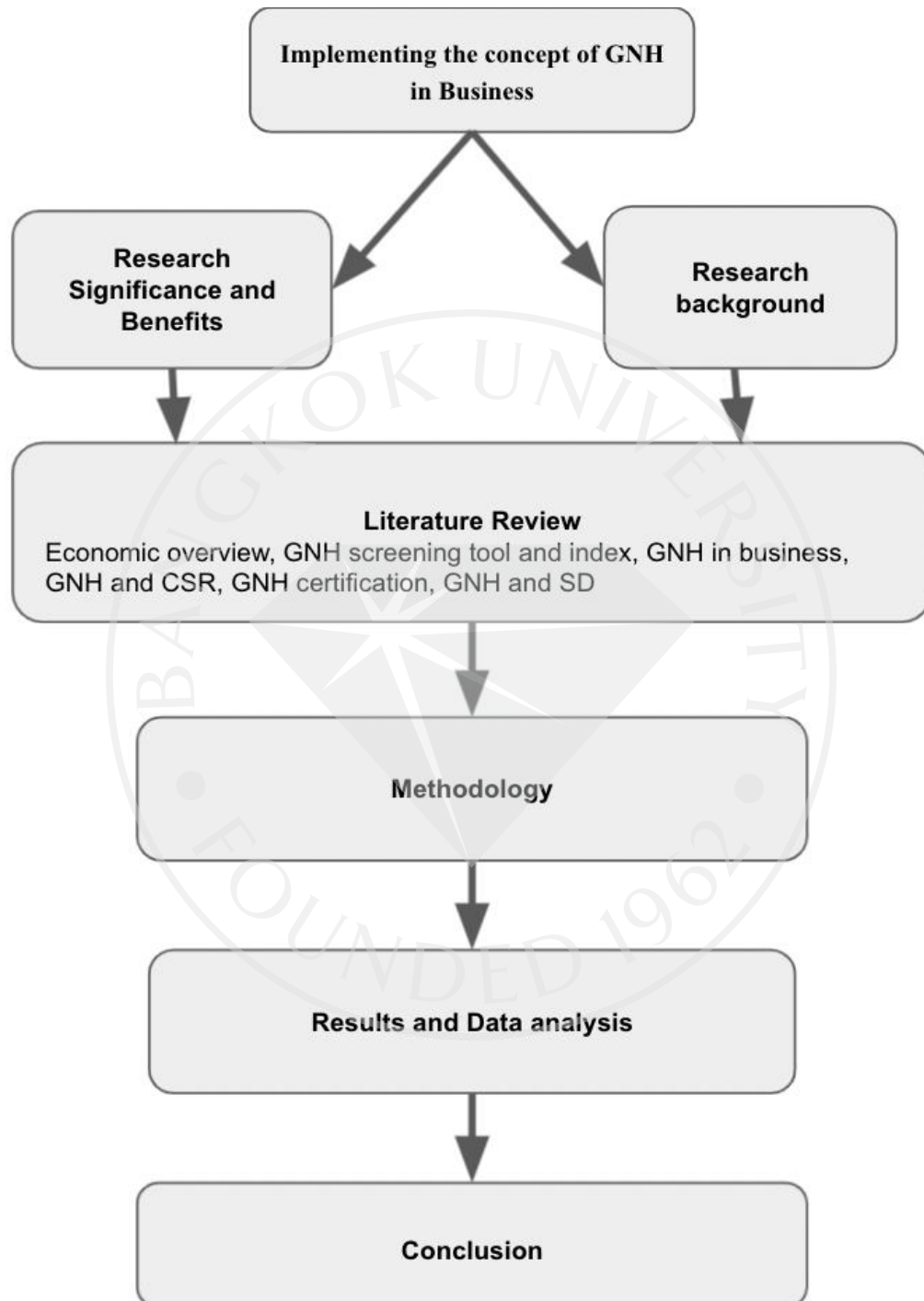
This study will seek to provide an overview of the operationalization and implementation of the concept of Gross National Happiness in a business context, specifically to business organizations based within Bhutan. The knowledge gained from this study should provide beneficial reading for individuals and organizations looking to further their understanding of the innovative concept of Gross National Happiness, and how this philosophy could potentially be embraced and adopted by international businesses and foreign organizations outside the Kingdom of Bhutan. Moreover, this study will add to the existing literature of Gross National Happiness and seek to provide research-based knowledge on how the concept of GNH has

influenced business conduct, models, and corporate social responsibility in the Kingdom of Bhutan.

1.5 Limitations

One of the main limitations of this research study was the small sample of respondents that were available for the interviews. A total of nine Bhutanese business owners and managers were interviewed from various industries. Nine respondents in total will not be able to represent the entire business community of the country, subsequently limiting the quality and depth of the findings. The lack of more respondents is directly related to the spread of Covid19. Thus, the most challenging aspect of conducting this research study was dealing with the current situation with the global pandemic. The onset of the virus evidently made it extremely for this research, and it was particularly difficult to be able to successfully arrange and conduct the intended interviews. As a result, all interviews had to be conducted online which may be viewed as limiting the quality of the final research findings (when compared to face-to-face interviews), despite conducting open-ended qualitative interviews. Time constraints and interviewee availability also produced challenges to be able to conduct all the interviews at one given time. The authenticity and success of the study are mainly down to the answers obtained from the interview questions.

Figure 1.1: Structure of Intended Research



CHAPTER 2

LITERATURE REVIEW

2.1 Overview

Extracting the core aspects of its inspiration and ideology from the traditional Vajrayana (Tibetan) Buddhist culture of the country, GNH epitomizes the holistic needs of the human individual - both in terms of their physical and mental wellbeing. In a speech by the former prime minister of the country, His Excellency Jigme Y. Thinley (2005) commented on the subject of GNH based development that ‘while monetary-based development is necessary for society, the collective mental wellbeing and state of mind of the general public is perhaps more significant for development in the long run’ (Thinley, 2005).

In order to produce an extensive analysis on the innovative concept of Gross National Happiness and how it is implemented within a development or business context, a literature review was conducted from existing the online academic material, in order to obtain the relevant secondary data for the proposed topic. A literature review should concisely summaries the findings that have emerged from research efforts on the subject and help conclude how accurate and complete that knowledge is (Knopf, 2006). After the identification of the key research words and terms for the topic, the following literature review was conducted to produce a general overview of the existing body of research and examine how the GNH philosophy has impacted business operations and structures in Bhutan.

Subsequently, this literature review will seek to produce a general understanding of the implementation of GNH on businesses, and consequently help to draw alternative conclusions that could potentially be generated. Upon initial assessment of the written literature on the proposed topic, there is a vast plethora of existing material both describing the philosophy of GNH in extensive detail, as well as existing material on the implementation of the idea in the business world. The literature review is divided into the following subsections:

- 1) Overview
- 2) Macroeconomics indicators of GNH
- 3) GNH in Business

- 4) GNH & other related
- 5) GNH & other similar related business development concepts

2.2 Literature Review Conclusion

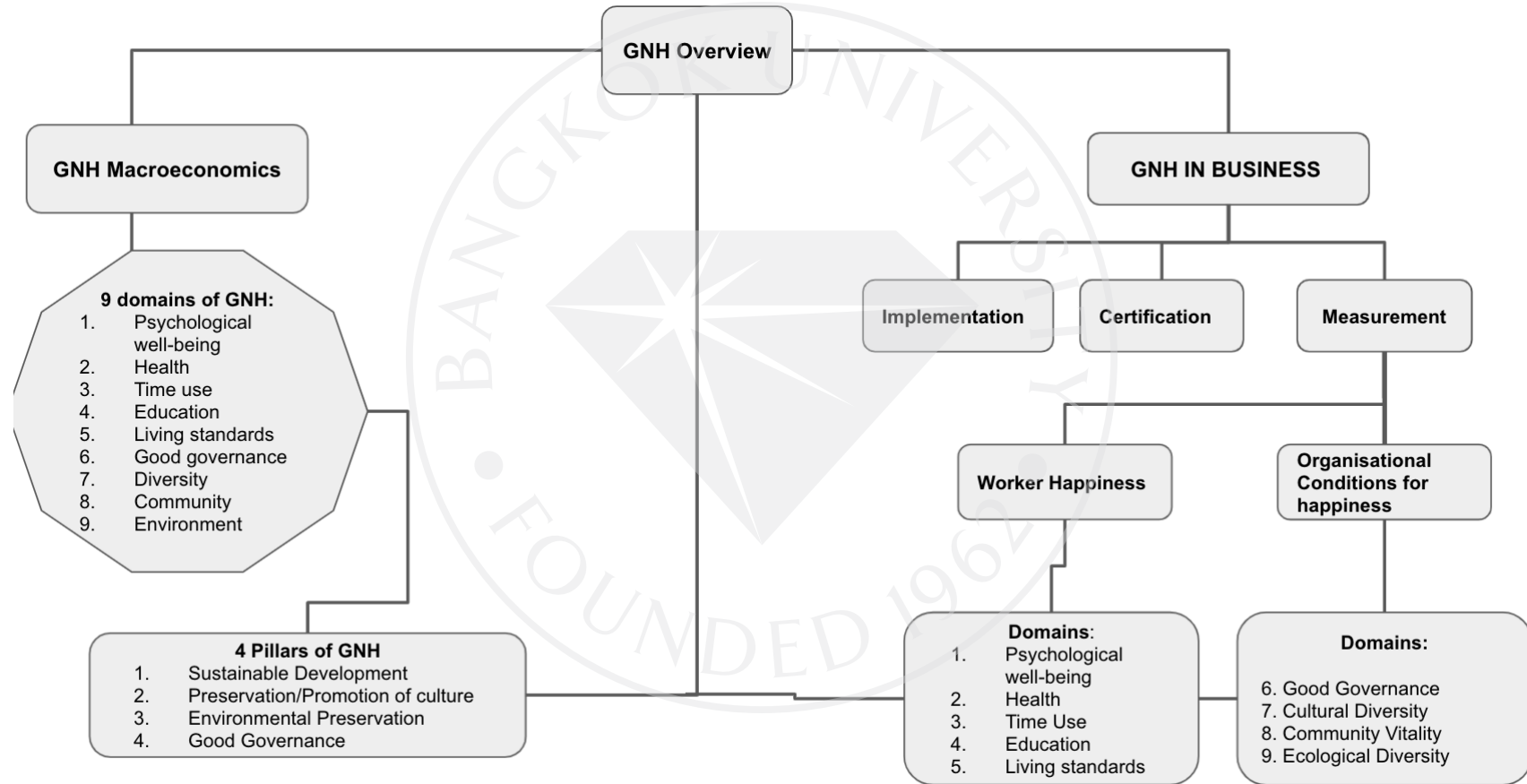
Firstly, the literature review delves into identifying the macroeconomic indicators currently in place within the Kingdom of Bhutan, particularly through the lens of GDP to measure the economic status and progress of the country in recent years. A general economic overview of the Kingdom is presented to outline key industrial sectors that contribute the most to the Bhutanese economy. Additionally, the use of GNH as another macroeconomic indicator within Bhutan is presented. Under the Macroeconomic indicators of GNH, the literature review produces an analysis of current existing measurement methods available to determine how GNH is screened, analyzed, and assessed in government organizations and local businesses, and the general population across Bhutan. Understanding the GNH screening tool and the Happiness Index in Bhutan is key towards making sense of how the Royal Government can implement the philosophy as well as ensure both its durability and compliance in the long run.

The next subsection looks at the certification process for the successful application of GNH principles in these business organizations. The certification is assisted by the establishment of the Proposed GNH of business tool used to systematically assess individual companies within the Kingdom. While this is a proposed concept which has not yet come into fruition, understanding the plans for using the certification tool for businesses in the future will be important. Under this proposed certification process, all businesses will be required to follow a step-by-step process in obtaining certification that is in accordance and compliance with the 9 domains and 6 pillars of GNH. The fourth section of the literature review looks at comparisons and contrasts between the idea of GNH and similar related concepts. This section looks at the relationship between the concepts of GNH, Corporate Social responsibility, and Sustainable Development. Firstly, we look at how the use of CSR in Bhutan can help with solidifying the principles of GNH for years to come. It looks at the benefits of CSR and provides an argument on the further use of the concept in Bhutanese business organizations to achieve the objectives of a GNH-based society.

Furthermore, the succeeding subsection identifies the importance and prominence of Sustainable development within Bhutan. GNH and sustainability are essentially based on the same core principles, however, Bhutan's particular approach to preservation and sustainability through a more holistic approach is where differences are evident. GNH can be viewed as a tool for ensuring sustainable development, and this subsection looks at the synonymity between the two interrelated concepts. Finally, a conceptual research framework was established to provide an analytical structure for the intended purpose of this paper.



Figure 2.1: Literature Review Structure



2.3 Macroeconomic Indicators

This section of the literature review will investigate the macroeconomic indicators in the Kingdom of Bhutan, along with the role of both GNH and GDP in development. Using several sources and official statistical reports from recent years, an economic overview is produced to outline the key industries and financial sectors of Bhutan. Subsequently, this section will look into the GNH Index which are a macroeconomic measurement tools used to screen the levels of GNH within Bhutan, followed by the proposed GNH certification tool currently in development by the RGOB.

2.3.1 Economic Overview of Bhutan:

According to a World Bank in Bhutan (2019) report, Bhutan is one of the fastest growing economies in the world, having successfully reduced poverty by nearly a third in the last few decades, and subsequently elevating its status as a lower-middle income country. The economy and GDP are dominated primarily by investments in hydroelectric power, and sustainable high-end tourism, further supported by a strong financial relationship and trade-ties with neighbouring India. Much of the existing literature and financial reports indicate that the economy of the small Kingdom was attaining a steady ascendancy backed largely by state investments in green energy and sustainable tourism, both key national strategies synonymous with GNH. The principles of GNH are incorporated within the Kingdom's financial Five-Year Plans (FYP), and the process is streamed throughout government administrations and local businesses (Balasubramanian & Cashin, 2019).

Although a significant amount of literature currently exists on the increasing frequency of discussions on GNH as a developmental alternative, GDP based economic growth remains an equally important macroeconomic indicator for Bhutan. For nearly all countries around the world, GDP remains the standard measurement tool for economic growth and development.

Despite its image as an insular and exotic Himalayan kingdom, Bhutan's economy has been continuously growing above a 5% rate over the last twenty years, and the country has managed to achieve this above-average economic growth in a manner consistent with GNH (Ukai, 2016). As per the National Statistical Bureau of Bhutan (2017), the Kingdom witnessed an average annual GDP growth rate of 7.6%

that led to a steady increase in per capita GDP from US\$834 in 2003 to US\$2897 in 2016, crossing the threshold for a low-income country in 2014 as per the World Bank's criteria, Along with hydroelectricity, tourism is singled out as one of the Kingdoms foremost industries and is identified as an industry capable of contributing to poverty alleviation (Cochrane, 2008).

Bhutan is regarded as an exclusive tourist destination, adhering to a policy of high value, low impact sustainable tourism, hence promoting the values of GNH (Tourism Council of Bhutan). The tourism industry is structured to follow the principles of environmental and cultural sustainability, essentially maintaining the longevity of its pristine environment and traditional customs, while at the same time maximizing foreign exchange earnings. Bhutan recorded nearly 316,000 visitors in 2019 alone, charging around USD \$250 per day for guests, helping generate close to USD \$120 million in this sector alone ("Tourism in Bhutan", 2019).

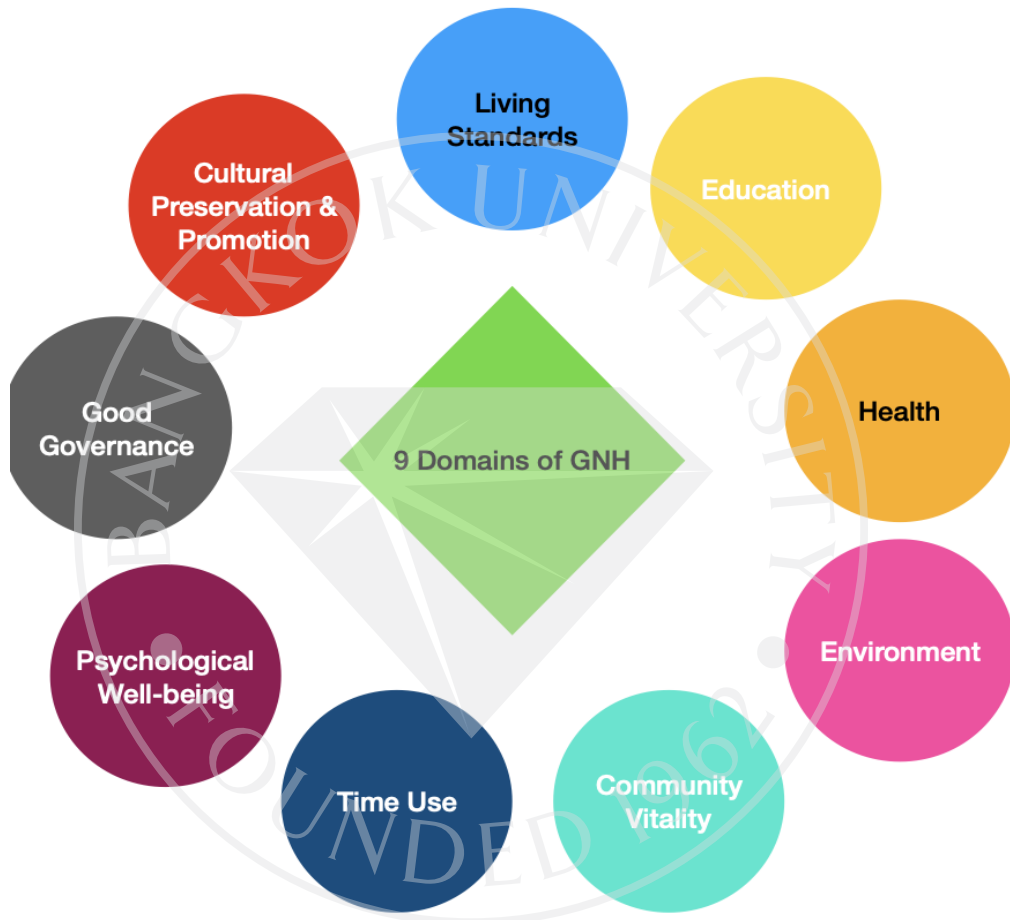
Ukai (2016) indicates that the reason for Bhutan's ability to incorporate GNH in their economic progress is down mainly to two reasons. Firstly, the economy is primarily homogenous, with a strong dependence on publicly owned and distributed electrical energy. Secondly, Bhutan's political relationship with India has developed into an economic dependence that goes beyond the influence of the global market (Ukai 2016). In addition, Bhutan is an agricultural economy, but also exports hydroelectricity, cardamom, gypsum, timber, handicrafts, cement, fruit, precious stones and spices, and imports fuel, lubricants, grain, machinery, vehicles, fabrics and rice (Uddin, Khan, & Alam, 2010).

2.3.2 GNH Screening Tool and Happiness Index:

This section of the literature review will look at sources reporting how GNH is officially measured, and on the related pillars or primary methods of screening the philosophy namely through the GNH Screening Tool and Happiness Index. These screening and measurement tools are essentially macroeconomic tools used to determine the ultimate success or failure of implementing the philosophy not only in business, but in daily life within Bhutanese society. The GNH index was created in 2006 to measure both the subjective and objective conditions of well-being that includes physical and mental health, community vitality, work-life balance, living standards, civic engagement, and ecological integrity (Ura. 2015). The index

fundamentally paints a picture on how happy the population is in simple terms, provides indicators for sectors to guide development and helps the Government

Figure 2.2: 9 Domains of GNH



Allocate resources in accordance with the specific needs of people in certain areas of the country (Daga, 2014). The GNH index, formed on the rudimentary principles of Tibetan Buddhism is now the most important tool in guiding the performance of the government towards achieving the goal of GNH (Wangmo & Valk, 2012)

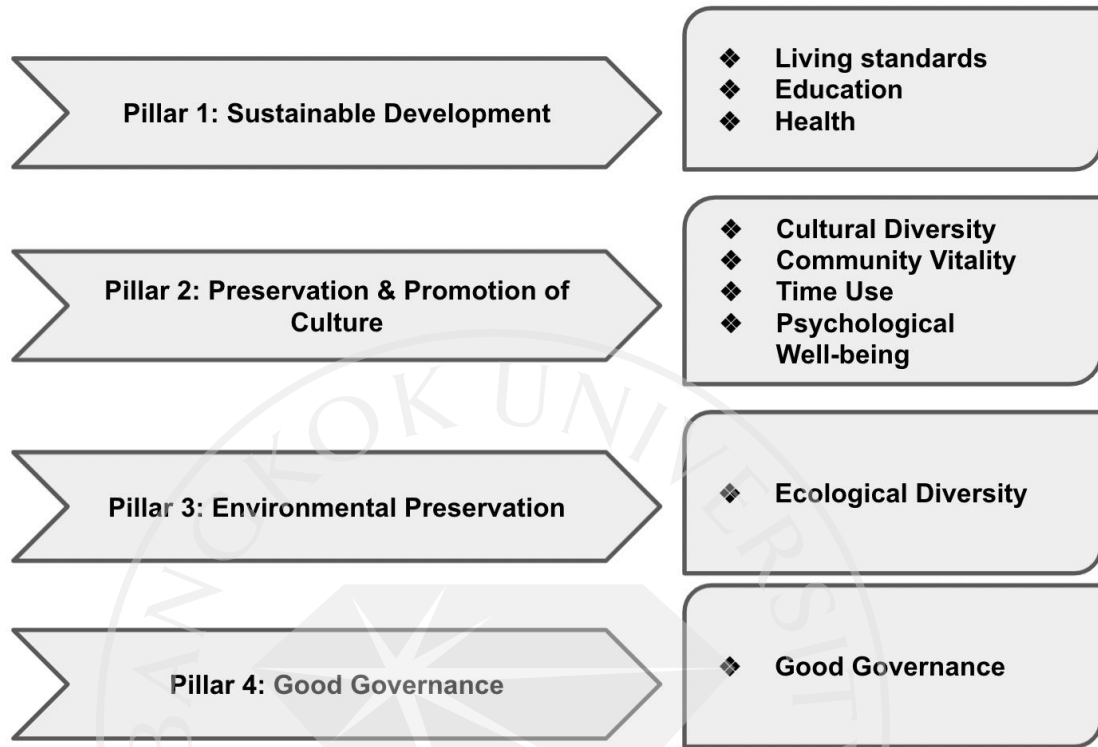
Additionally, Ura (2015) points out that periodic national surveys are used to measure these conditions, and that the index is primarily designed for policy making and policy corrections based on possible issues voiced by the general public. In

essence, the index paints a general picture of the population, reflecting the impact of GNH on Bhutanese society and is used to ultimately determine what does (and does not) make the people happy, what does not, and what creates for unhappiness. According to Ura (2015), the process and ability to improve happiness is not a responsibility solely confined to the government, but also amongst civil servants, the general population, and Bhutanese business leaders. The GNH index is designed using the Alkire & Foster method, which is a multidimensional poverty index and measurement tool (Alkire & Santos, 2013).

Bhutan's GNH Index is a multidimensional measure that is linked with a set of policy and program screening tools so that it has practical applications. Subsequently, the GNH index is built from data drawn from the surveys which are representative by district, gender, age, and rural-urban residence (Ura, Alkire, Zangmo, & Wangdi, 2012). In a similar paper concerning the macroeconomic indicators in Bhutan, Balasubramanian & Cashin (2019) point out that the Royal Government of Bhutan had established the index and developed the GNH indicators in 2005 in an attempt to develop the concept of "GNH from an academic notion to a measurable one". The findings and conclusions of this paper suggested the effectiveness of the indicators, and that the Kingdom should undertake more GNH surveys and evaluations to further "build evidence for the co-movement of GNH and macroeconomic concepts like GDP" (Balasubramanian & Cashin, 2019). In addition, a study by Daga (2014), noted that the core principles of GNH encompass the following points:

- 1) GNH seeks to be policy sensitive - changing over time in response to public action.
- 2) The indicators directly attempt to reflect public priorities.
- 3) Addresses the strengthening or deterioration of social, cultural and environmental achievements.
- 4) GNH indicators are carefully chosen to stay relevant in future periods as well as the present time to measure progress.
- 5) GNH index consists of sub-group consistent hence decomposable by regions and groups.

Figure 2.3: The 4 Pillars and 9 Domains of GNH



The GNH Centre Bhutan's official website was a major source for obtaining background information and an overview on the principles and history of the GNH philosophy. The official website outlines 4 key pillars that give a foundation to the philosophy, which include good governance, sustainable socio-economic development, preservation and promotion of culture, and environmental conservation. The four pillars are further elaborated into 9 domains to articulate GNH measurement, including living standards, education health, environment, community, vitality, time-use, psychological wellbeing, good governance, and cultural resilience and promotion (GNH Centre Bhutan, 2021). The happiness index and the GNH Screening tool are relevant not only for the Royal government to assess the happiness of the population to implement policies but also serve as a crucial guideline that any projects, industries, or businesses must adhere to in order to gain approval for commencement of their activities. The GNH Centre Bhutan (2021) states that the screening tool is a system that ensures all development policies and projects of Bhutan are reviewed under the lens of GNH, and it evaluates, monitors, sets goals, and raises national

consciousness about what conditions are conducive to the happiness of the people. The main objective of this tool is to systematically assess the impacts of any policy and project on GNH, thereby simultaneously selecting GNH enhancing policies and projects and rejecting projects and policies that adversely affect key determinants of GNH (GNH Centre Bhutan, 2021). However, the GNH Index, measuring societal happiness as the countries 'performance indicator and its policy applications do not seem to have much influence on the business sector in Bhutan at this stage (Sebastian, 2015).

Table 2.1: Description of the 9 Domain

Domains	Definition
Living Standards	Level of material comfort as measured by income, conditions of financial security, housing and asset ownership.
Education	Knowledge, values, skills and formal and informal education across age levels.
Health	Condition of human body and mind to have a holistic healthy lifestyle both at the mental and physical states.
Cultural Diversity and Resilience	Strength and diversity of cultural norms, ethos and festivals across the country and age groups.
Community Vitality	Attempts to focus on the strengths and weaknesses of relationships and interaction within communities. It gathers information on social cohesion among family members and neighbors, and on practices like volunteering.
Time Use	Harmonious work life balance.
Psychological well-being	These living standards include spirituality, reflective cognitive evaluations such as life satisfaction, and affective reactions to life events such as positive and negative emotions.
Ecological Diversity	Measure's people's perceptions and evaluations of the environmental conditions of their neighborhood and assess eco-friendly behavior pattern.

(Continued)

Table 2.1 (Continued): Description of the 9 domain

Domains	Definition
Good Governance	Evaluates the level of participation in government decisions at the local level and the presence of various rights and freedom. It also assesses the level of efficacy, honesty and quality within government.

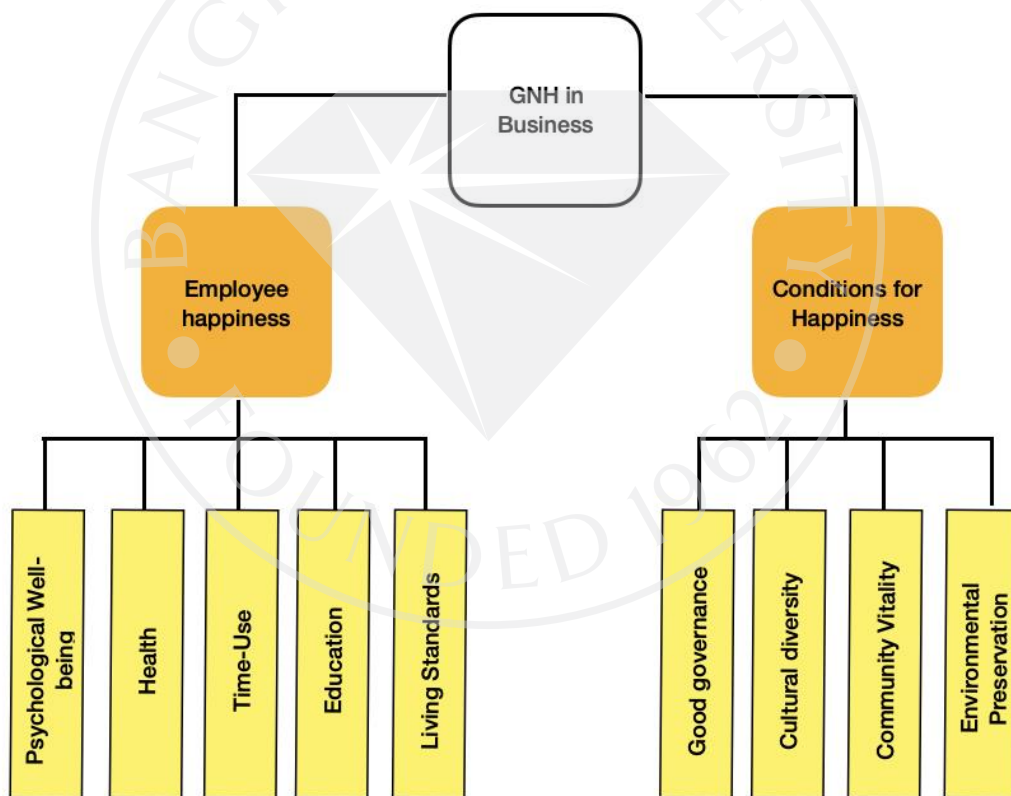
Source: GNH Centre Bhutan. (2021). *The 9 Domains of GNH*. Retrieved from <https://www.gnhcentrebhutan.org/what-is-gnh/the-9-domains-of-gnh/>.

2.3.3 GNH Certification

In order to implement the principles of Gross National Happiness in a Business context, the Royal Government of Bhutan established the Proposed GNH of business tool to systematically assess individual companies within the Kingdom. As a result of ongoing global issues in recent times such as climate change, environmental degradation, and mental health awareness, communities and societies expect businesses and corporations to be more socially ethical, and environmentally friendly. Like the GNH screening tool model in businesses is the Triple Bottom Line approach, requiring a business to balance both their profits, as well as ecological and social responsibility. The TBL is a business framework that uses three dimensions of performance: social, environmental, and financial (Slaper & Hall, 2011). Comparably, the Proposed GNH of Business is a tool for collecting information to determine whether businesses demonstrate their commitment towards initiatives and engagements in the improvement of societal wellbeing, and the main objective of the tool is to motivate the business sector to align goals along with GNH values (Zangmo, etl al., 2017). Firstly, it is important to note that while GNH is part of the very fabric which governs Bhutanese society, the concept is in the infantile stage of its implementation in the business world. This GNH assessment and certification tool at present is merely a proposed concept developed by the Centre for Bhutan Studies and GNH, which is in the process of eventually being introduced as a mandatory requirement for starting new businesses, and the operation of existing ones within

Bhutan. The proposed idea enables certification for businesses to obtain the required approval of the government to commence with their intended activities, all while adhering to the principles and ethos of GNH. The assessment tool and subsequent certification for businesses aim to monitor and evaluate business operations using GNH indicators, by increasing transparency and accountability in business by disclosing social, environmental, and other impacts, and help in monitoring and holding businesses accountable should they breach certain standards (Zangmo, et al., 2017).

Figure 2.4: GNH output and Impact



According to the Centre of Bhutan Studies (2018) the certification and compatibility of a given business in lieu of the principles of GNH is processed in 6 steps:

- 1) Screening
- 2) Planning

- 3) Data Collection
- 4) Analysis
- 5) Reporting
- 6) Certification

Furthermore, in conformity with the 9 domains of Happiness, Bhutan has developed 38 sub-indexes, 72 indicators and 151 variables that are used to define and analyse the happiness of the Bhutanese people (GNH Centre Bhutan, 2021.). This is also applied in a business context, and all businesses must look towards meeting the criteria of the 9 domains: Psychological wellbeing, Health, Time Use, Education, Living Standards, Good Governance, Cultural Diversity and Resilience, Community Vitality, and Ecological Diversity.

2.4 GNH in Business

In his research on the potential for a GNH supported economic growth, Ukai (2016) argues that despite the popular discourse of the GDP vs GNH debate magnified by media outlets, Bhutan has steadily been progressing into a dialogue of how to continue to channel GNH into specific initiatives and policies, rather than a nebulous goal (Ukai, 2016). The paper recognises that Bhutan primarily relies on the public sector for the bulk of its economic progress and that the country's future economic growth is dependent on the potential to implement GNH principles in the private sector. Furthermore, Ukai (2016) recommends the establishment of a stabilisation fund in the country. Essentially speaking, GNH is congruent with what is known as a "mixed economy", the idea that market forces could do many things well – but not everything. This will require government and all actors in the economy to reclaim responsibility for their lives and start defining economic objectives in more human terms (Tideman, 2011). Whilst acknowledging the undeniable importance of the economy Tideman (2011) argues that GNH can be seen as more or less a balancing act which is essentially designed to bring inspiration to those involved in the running of the economy as well as prioritising the collective social responsibility of the population.

Under the tutelage of the Monarchy and the integration of GNH within daily life in the Kingdom, Bhutan has seen reductions in poverty, improvements in basic

health, the environment, sanitation, education, road and mobile connectivity, gender equality, and access to justice (Brooks, 2013). Brooks (2013) notes that several examples are manifesting the philosophy of GNH within the largest sectors of Bhutan's economy, namely in hydroelectric power, agriculture, and tourism. For instance, Bhutan produces hydropower through run-of-the-river dams with a lessened impact on the ecosystem as opposed to larger and potentially more lucrative dams. Furthermore, the Kingdom pledges to progress towards a 100% organic agricultural sector, as well as maintaining its renowned high value, low impact approach towards tourism (Brooks, 2013).

Zsolnai & Valcsicsak (2017) describe GNH as providing an alternative framework that can help enterprises to develop broader, more inclusive business models that aim to serve the greater good of society. Their study focuses primarily on the rating method of GNH in a business context within Bhutan, with a scheme/scale ranging from 1-4 stars. Essentially, GNH with a 4-star index rating for a business means that the given enterprise satisfies the basic criteria of environmental conservation, equitable socio-economic development, good governance, and cultural preservation (Zsolnai & Valcsicsak, 2017). It is therefore a necessity for any potential business or project in Bhutan wishing to commence with operations to adhere to the GNH checklist and ensure that certain criteria set by the government are met. Furthermore, Ukai (2016) points out that under the constitution of Bhutan, the economic growth strategy in Bhutan must both address the typical challenges faced by other countries and be well-integrated into the country's overall guiding principle of GNH. In other words, economic development and the focus on the GDP remain important, but the principles of GNH must be adhered to at an equal level.

In a research paper comparing the concepts of CSR and GNH, Sebastian (2015) adopted a grounded theory approach by interviewing 15 prominent business leaders in Bhutan, in order to understand how the concept of happiness was implemented. The study also analysed the similarities and differences both theoretically and in the personal opinions of business leaders, between GNH and Corporate Social Responsibility (CSR). Her research study findings showed that many of the interviewees considered the ideologies of GNH to be a part of the culture and tradition long before the actual formulation of the philosophy, and that evidence

suggests that these values are deeply embedded into society, the business leaders, and the government officials in the country (Sebastian, 2015). Her findings pointed that most the interviewees felt that adopting the values of GNH in their business decisions enabled them to strike a balance between competing priorities. One of the main points in her findings was that business leaders highlighted how GNH could get compromised to stay competitive in an international market and that the concept's implementation in a business sense may only work in smaller countries with less competitive markets (Sebastian, 2015). Due to similarities in the research topic and intended purpose of this particular study, it presents a valuable opportunity for the author to evaluate an existing body of research on the strengths and limitations of implementing GNH in business. Furthermore, Sebastian (2018) also found that the main challenges faced by Bhutanese businesses were in competitive environments in international markets. According to her findings, GNH sets very high expectation of businesses especially for young entrepreneurs and there is currently no culture of GNH reporting among businesses in Bhutan (Sebastian 2018).

2.5 GNH and Selected Similar Business/Development Concepts

This part of the literature review aims to address the similarities and differences between GNH and related concepts of Corporate Social Responsibility and Sustainable Development.

2.5.1 GNH and Corporate Social Responsibility (CSR):

With the principles of GNH and sustainable development at the forefront of Bhutan's domestic policies and business sector, it is imperative to understand the current state of Corporate Social Responsibility (CSR) within the Kingdom of Bhutan and its connection with the values of Gross National Happiness. As awareness has increasingly spread over both environmental and societal concerns in recent years, businesses face increasing pressures to show transparency and have an ethical approach to develop more ecologically responsible propositions to their operation methods. Hence, it is crucial for businesses, including those in Bhutan to adopt socially conscious and sustainable approaches to generate profit.

Corporate Social Responsibility can be defined as a process of treating the stakeholders of a company ethically or in a responsible manner, with the wider aim

being to achieve sustainable development (Hopkins, 2006). CSR essentially refers to the general notion that business organizations' have a responsibility to society, including the consumers, the employees, the community, and the natural environment (Carroll, 2008), which makes it interchangeable with the values and principles of GNH. CSR incorporates the 3P's theory, which consists of Profit, People, and Planet, which highlights economic, social, and environmental responsibility (Książka & Fischbach, 2017). The concept of CSR through a primarily philanthropic focus is particularly noticeable in Bhutan, yet the values of GNH offer a more holistic perspective that considers economic equality, ecological preservation, cultural diversity, and governance issues as equally important (Sebastian, 2018). In comparison, most of the four pillars that make up the GNH principles (sustainable development, the environment, and good governance) are all in tandem with those of CSR. However, it is the customary aspect and the holistic approach of cultural preservation and promotion that are unique to the Bhutanese philosophy of GNH.

Two of the most relevant and extensive studies conducted on the interrelation between the concepts of CSR and GNH for business entities in Bhutan were conducted by Wangdi (2004) and Lhaden (2010) respectively. Wangdi (2004) identified that three of the four pillars of GNH were connected to the CSR's concept of the 3 P's, but the contrast between the two concepts was evident in the idea of cultural preservation. The study called for the establishment of a department within the department of industry in Bhutan to oversee CSR in the country, as well as developing CSR principles in line with those of GNH (Wangdi, 2004). Another master thesis study comparing the similarities and differences between the two concepts was conducted by Lhaden (2010). The study used a survey to gather data from a variety of public/state-owned organizations, with questions mainly focusing on ethical business practices, employee benefits, the community, environment, and the preservation and development of the Bhutanese culture. Her research concluded that CSR would be immensely beneficial to the country's efforts in maintaining a GNH standpoint from both a policy and business context, subsequently suggesting that CSR would assist in issues regarding self-regulation of businesses, codes of conduct, health and safety, environment, and social preservation, and increased efforts of philanthropy (Lhaden, 2010).

2.5.2 GNH and Sustainable Development:

Across multiple academic sources that were assessed, a common theme was identified essentially connecting the concept of GNH to that of sustainable economic development. The idea of sustainable development and GNH go together, and it is perceptible that the concept of GNH has been primarily modelled around the principles of sustainable development, but from a particularly Bhutanese perspective based on their own specific traditional Buddhist values. Møller (2016) considers that the philosophy of GNH is directly interchangeable with sustainable development as a concept and philosophy. Additionally, GNH can also be used as a model of sustainable development in a more holistic sense, since it places human wellbeing at the centre of development policy while broadly considering all the subjective and objective conditions which ensure human flourishing in a given cultural context (Møller, 2016). In his paper on alternatives to unsustainable Western economic systems, Dixon (2009) outlines several key recommendations to help develop a strategy to achieve GNH goals. The recommendations include minimizing the need for foreign exchange, developing effective and sustainable business models, prohibiting western forms of advertising, and sustainable means of developing infrastructure (Dixon, 2009).

It is evident that the core principles and domains of the GNH concept all promote the sustainable development of the Kingdom from a human-centred approach. For instance, the GNH philosophy is derived through the deep connection between the Bhutanese people and their Vajrayana Buddhist faith, whereby harmony with oneself and coexistence with nature is seen as being of the utmost importance to sustain a healthy living standard. The GNH principles centre on the importance of equitable socio-economic development, ecological conservation, and promotion of culture through good governance, which are all similar to the basic pillars of Sustainable Development, namely the importance of the environment, society, and the economy (Gupta & Agrawal, 2017). In other words, GNH and Sustainable Development are “compatible in that sustainable development is a subset of GNH, just as how democracy is a subset of GNH two are congenial in how they are conceptualized and how sustainability of development is addressed” (Penjore, 2017). Perhaps as Yangka, Newman, Rauland, & Devereux (2018) suggests, the GNH

approach through its aspirations of balancing material and spiritual aspects of society, is a simpler way of understanding sustainability and the Sustainable development goals.

The ultimate success of GNH as a tool for sustainable development is evident in the balance that Bhutan has struck between modernization and the preservation of its culture and environment. In tandem with the principles of GNH, the constitution of the Kingdom mandates that forest cover throughout the country must be permanently maintained above 60%. Subsequently, the low levels of industrial activity, a focus on ecological preservation, and the focus on hydroelectric power have resulted in Bhutan being declared as a carbon-negative country (Munawar, 2016). Thus, it is arguable to a certain extent that following a path of sustainable development in the field of agriculture, hydropower, and tourism, the country is rightfully moving toward a direction of achieving economic growth and happiness for its citizen (Banerjee & Singh, 2013). Sustainable development aligns itself seamlessly within the framework of GNH as they share values relating to balance and harmony for future generations.

Furthermore, as Ura (2015) points out: "a major success criteria for GNH as a development framework would be that Bhutan so far has remained a reasonably equitable and sustainable society where the proportion of unhappy people are very low, for the given level of per capita income" (Ura, 2015). According to an official Government report on Sustainable Development and Happiness, Sustainable Development finds a natural place within the GNH framework by sharing a common vision of prosperity, peace, and harmony (Royal Government of Bhutan, 2018). Subsequently, the report points out the fact that a separate department or institution for implementing Sustainable Development Goals in the country as being necessary, due to the 'indivisibility of GNH and SDG' (Royal Government of Bhutan, 2018).

This essentially points out that both concepts are directly interlinked, with the only difference being the holistic approach of GNH which encompasses cultural promotion and preservation.

2.5.3 Comparison Table

Table 2.2: Comparing GNH with CSR and SD

Parameters	Gross National Happiness	Corporate Social Responsibility	Sustainable Development
Values	<ul style="list-style-type: none"> - Balance and socio-economic development - Holistic and spiritual - Compassion - Societal Happiness and wellbeing - Buddhist principles - Preservation of culture - Environmental Preservation 	<ul style="list-style-type: none"> - Ethical business - Societal contribution - Philanthropy - Environmental responsibility - Balance between society, environment, and profit - Sustained profit and growth 	<ul style="list-style-type: none"> - Equality and Freedom - Solidarity - Control of population growth - Respect for the environment - Resource management - Limiting ecological waste - Community participation
Stakeholders	All sentient living beings	Corporate business leaders and society as a whole	Governments and society as a whole

Drawing on the comparisons in Table 2.2, it is evident that the philosophy of GNH incorporates and shares multiple similarities to the frameworks presented by SD and CSR. While the three concepts align in many of their core principles and values, arguably the primary difference is that GNH revolves around a more spiritual and holistic approach to development. As Sebastian (2018) suggests, this may be because GNH is based on relational values and ethics and is grounded in an interdependent

worldview which ultimately believes that all living beings and components in a socio-ecological system are related.

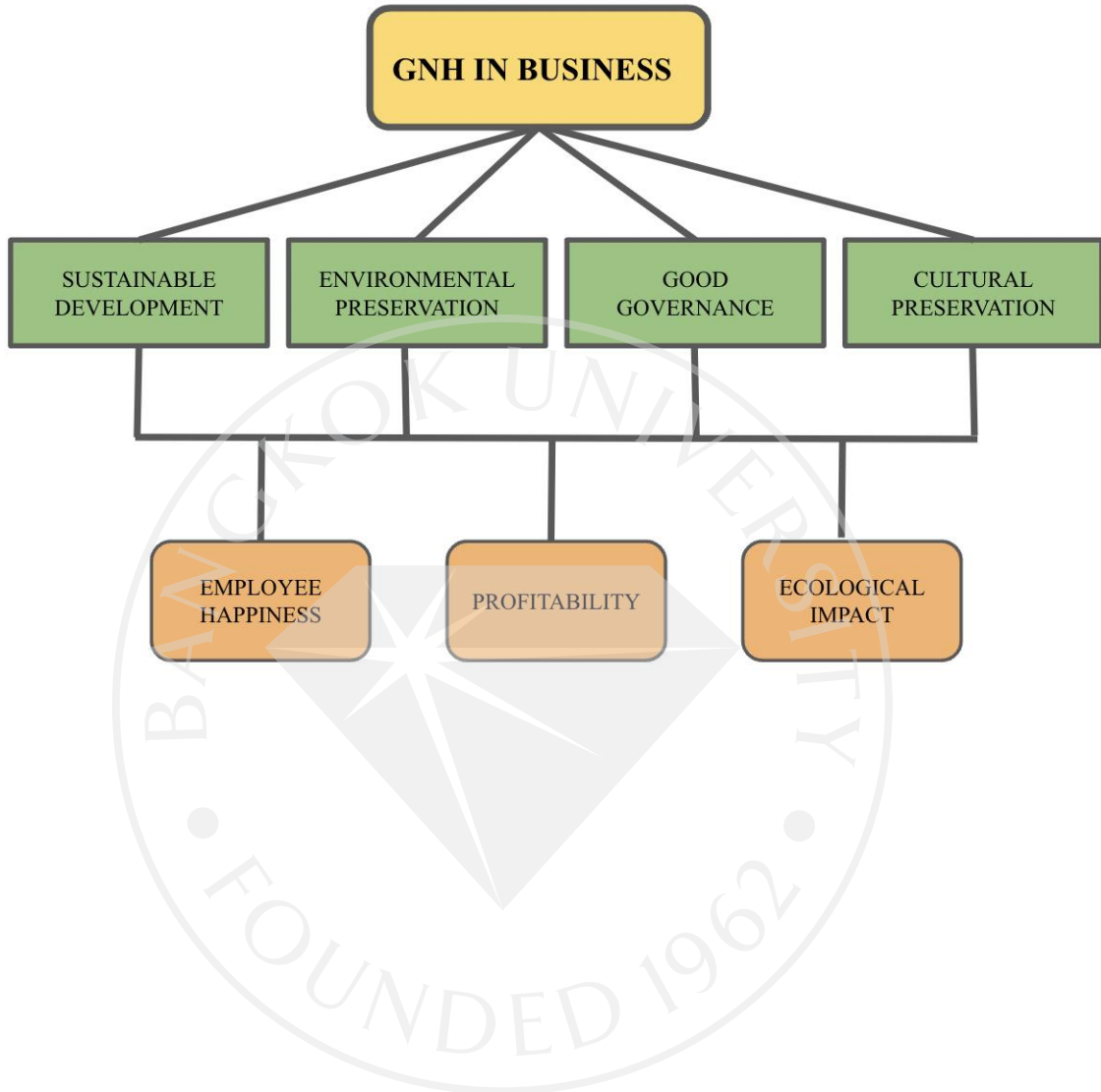
2.6 Literature Review Conclusions

The literature review provides an overview and analysis on the research results for existing material in relation to the research topic and questions. The literature review being the secondary source for data collection will also be used in the methodology to help generate findings, conclusions and recommendations for this paper. The literature review looked at the macroeconomic indicators and economic overview of Bhutan, the GNH concept in a business sense, the GNH certification process, GNH measurement tools, and a comparison between GNH, CSR, and SD. By segregating the different aspects into subsections, we can gather information on the different aspects of GNH and how it can address the research objective of finding out how GNH is implemented in a business context, followed by the relationships between GNH, profitability, and employee happiness in Bhutan. Analysing existing data from academic sources provides an understanding and an appreciation for what GNH has achieved, and the potential for it to be adopted further in a business context.

2.7 Research Framework

Using the preexisting information obtained from the secondary academic sources in the literature review, a research framework was constructed to provide an analytical structure on the steps taken throughout the study. GNH in business is the centerpiece focus of this study, and it is linked directly to the four pillars of the concept which are Sustainable development, Environmental preservation, good governance, and cultural preservation. The 4 pillars of GNH were selected as the main constructs for this study as they are the key factors that businesses in Bhutan must fulfil when applying for a license to operate and to gain approvals on prospective new projects. In turn, the 4 pillars determine the overall happiness of employees within a business, their profitability after implementing the GNH principles, and the level of ecological impact that they produce, which are 3 elements that are key to this research study.

Figure 2.5: Research Framework



CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research Method

The paradigm of this research paper incorporates the use of both primary and secondary sources from a variety of references. An explorative research method was selected for this particular study by following an inductive approach to look into a topic that is in its preliminary stage of maturity, mainly due to a lack of research to GNH in business. Subsequently, as this research paper is qualitative in its nature, it is frequently descriptive in its attempt to address the research topic and questions. Whilst there is an abundance of existing material available on the subject of GNH, the majority is an analysis of the meaning of the concept as opposed to its application within a business sense, hence the reason for selecting an interpretive method of research.

Verbatim transcription was subsequently used to record all parts of the interview dialogue into documents. The transcribed verbatim was coded based on the four pillars of GNH according to the theoretical framework of the research. Thematic coding was the method selected in the coding process, in which the author identified, analyzed, and interpreted patterns and themes that were consistently prevalent in the responses of the interviewees.

3.2 Research Design

To implement the exploratory research approach to this study, the author collected primary data by conducting a series of semi-structured interviews primarily consisting of open-ended questions with several business owners and managers from local Bhutanese enterprises and organizations. All interviews were conducted in English, were recorded, and then transcribed into a document. Finally, these transcripts were then analyzed and interpreted with the help of the research-guiding framework to generate the findings and identify key commonalities and unifying insights that appeared throughout most of the interviews.

3.2.1 Primary Source

The primary source of data was collected from a set of semi-structured interviews using a literature-developed interview guideline with open-ended interview questions, followed by an analysis of the obtained data. Nine interviews with business owners or senior executives were conducted and recorded online the time period of October-November 2021 using the Zoom platform. The business background of the interviewees ranges from a variety of industries in Bhutan, including Travel and Tourism, Hospitality, Manufacturing, and Food distribution. The findings will then be obtained and analyzed using a coding system to identify patterns and similarities in the responses of the research participants. The resulting key terms/words will subsequently be presented in a transcript form for viewing and analysis.

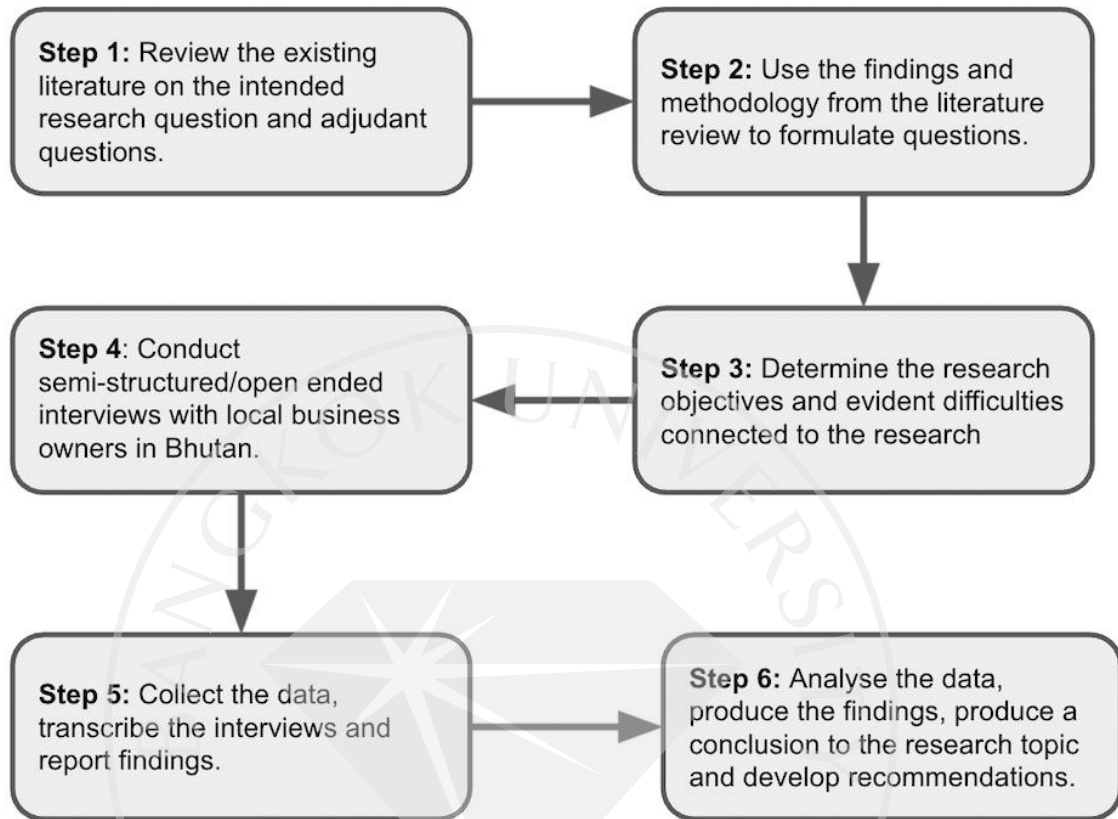
3.2.2 Secondary Source

The secondary sources are from the findings of the literature review and consisted primarily of referenced existing academic research on the research question and sub-questions, specifically from online academic papers, books, publications, and websites. Along with the findings from the primary sources, the reviewing of existing literature will aid in formulating the final thoughts, conclusions, and recommendations for the research topic and questions.

3.2.3 Research Methodology Structure

The intended method for the research is as followed on the figure below:

Figure 3.1: Research Methodology Structure



3.3 Data collection and Analysis

As this research study is qualitative in its nature, a set of 18 open-ended interview questions were formulated and designed based on aspects and information obtained from the literature review, and research objectives and questions. To gather the data, questions were split into three separate parts, the first of which focused on the company and interviewees profile, the second on the GNH concept, and the third entering on the implementation of GNH in their respective businesses. The questions focused primarily on their understanding of the concept of GNH, their existing policies in the workplace to comply with the GNH principles, the happiness of the employees, the impact of the concept on profitability, and their respective opinions on the future of the concept regarding business in Bhutan. 8 of the 9 respondents were business owners, executives or senior managers with existing and operating organizations in Bhutan. One of the interviewees represented a company which is in

the final stages of obtaining the required licensing and approvals to begin business operations. As a result, two of the interview questions, which were deemed irrelevant to their new company were altered. These were questions 16 and 17 which were regarding the overall ‘happiness’ of their staff and on the profitability of a company adhering to GNH requirements.

Due to logistical reasons and the travel restrictions related to the COVID-19 pandemic, all 9 interviews were conducted online between September and October 2021. All interviews were conducted in English and transcribed in document format for viewing. The interviews are done in line with the theoretical framework of this research paper. 8 of the interviews we’re conducted with existing businesses within the country with 1 of them being a prospective newly formed company which is very close to beginning their operations. Findings from the interview conversations and the subsequent transcriptions into word format were then used to analyse the data, report the findings in the discussions and to produce the potential recommendations and conclusions.

CHAPTER 4 RESEARCH FINDINGS

4.1 Demographics of Respondents and Company Profile

The results and findings present the data obtained from the 9 interviews conducted from a variety of industries. All 9 interviewees were asked a total of 18 questions, divided into 3 sections based on the application of GNH in their respective companies. The interviewees were split almost equally in terms of gender, with 4 respondents being male and 5 females, and all were either managers or senior executives within their companies.

Table 4.1: Gender of the Respondents

Demographic Variable	Item	Number	Percentage
Gender	Male	4	44.44%
	Female	5	55.56%

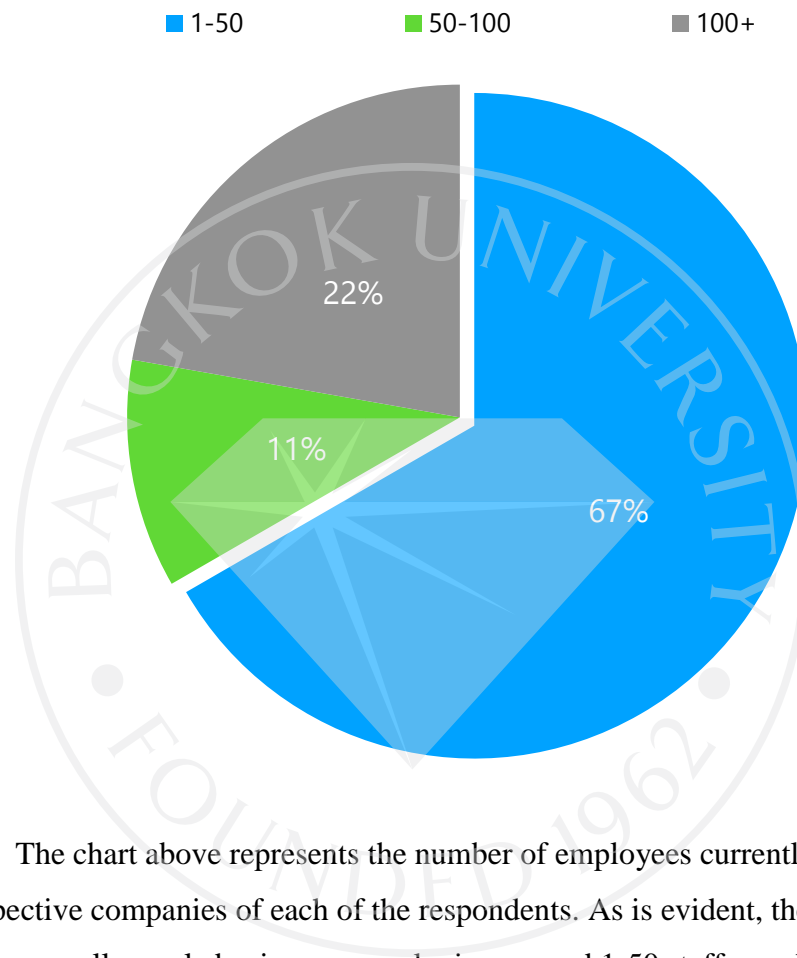
Table 4.2: Industries of the Respondents

Demographic Variable	Item	Number	Percentage
Industry	Hotel	2	22.2%
	Restaurant (Food & Beverage)	1	11.1%
	Alcohol Brewery	1	11.1%
	Tourism	1	11.1%
	Food Production & Distribution	2	22.2%
	Manufacturing Factory	2	22.2%

As is evident from the above table, the respondents came from a variety of different industries and business backgrounds, including Tourism, Hotels, Restaurant (F&B), Food production and distribution, Alcohol (brewing), and manufacturing factories. Although the overall number of interviewees was only 9 individuals, the variety of their professional fields provides added viability and support to the

discussions, recommendations and conclusions that can be formulated in the subsequent chapter.

Figure 4.1: Number of Employees in each Business



The chart above represents the number of employees currently employed at the respective companies of each of the respondents. As is evident, the vast majority (67%) are smaller scale businesses employing around 1-50 staff members. It was noted in the interviews that the circumstances created from the pandemic had a big impact on the number of staff. Most of these businesses reported to have lost several employees to avail the financial burdens. Additionally, 1 of the respondents, representing 11% of the interviewees employees between 50-100 staff members, representing a medium to large scale business. Finally, 22% of the respondents had over 100+ staff members at their company, which were the only two large scale enterprises that were recorded for this study.

4.2 The Concept and Understanding of GNH

The second part of the interview focused on the comprehension of GNH and the general understanding of the philosophy. 5 questions were asked in this section, ranging from the personal understanding of what GNH meant, the importance of GNH in starting businesses, compliance with GNH assessment tools, opinions on environmental preservation and the key motivators for businesses in Bhutan. For the question on the understanding of GNH, the most prominent recurring phrases from the respondents were of an ‘alternative’ to the concept of measuring progress through financial development, and one which seeks a ‘balance’ between societal wellbeing and monetary development.

“Gross National Happiness is an alternative Index to the Gross Domestic Product that is unique to the Kingdom of Bhutan. This alternative measure gives importance and takes into consideration the importance of non- economic measures such good governance, sustainable socio-economic development, cultural preservation and environmental conservation. The government is creating the conditions for happiness where citizens will play its own role to become happy. It is like the government creating & providing a very high-quality canvas where each can take a brush and work on a satisfactory painting” (Male CEO, Adventure Travel Agency, personal communication, October 18, 2021).

In terms of the importance of complying to GNH when obtaining licenses to operate, all respondents more or less stated that it was an important factor, albeit indirect. Nearly all respondents acknowledged that while there is no direct specific GNH enforcement department which oversees the rigid implementation of the philosophy within a business, they would have to deal with government ministries and departments in order to obtain operating certificates or licenses. All these ministries and departments are founded based on the pillars and domains of GNH and are thus highly relevant in determining the ultimate success or failure of a business.

“Compliance with GNH principles as per the guidelines of the GNH commission is very important for all business entities in Bhutan, both with existing companies and those that are looking to start. The GNH principles have been developed by the government in order to ensure happiness and an easier way of living for all citizens, and this has to be implemented both for the general public through

policies and for businesses.” (Male CFO, Flour Mill Factory, personal communication, October 19, 2021)

According to the responses of the interviewees, the government agencies and departments most mentioned include the following: National Environmental Commission, Ministry of Economic Affairs, Bhutan Standards Bureau, Anti-Corruption Committee, Ministry of Trade, Ministry of Forestry and Agriculture, and the Tourism Council of Bhutan.

Echoing this view, another respondent highlighted the importance of complying to the principles of GNH, particularly in the requirement in submitting a list of documents in the project report of a new business to gain approval: These were listed as

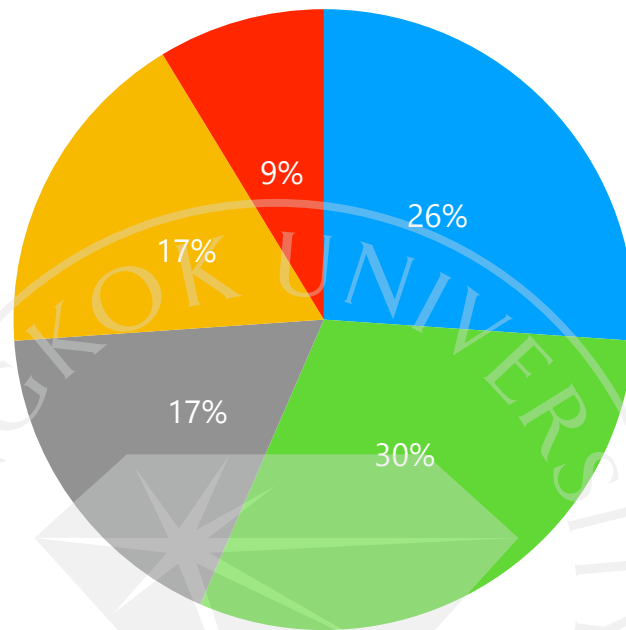
“architectural plans to ensure that construction will cause the least amount of damage to the surrounding environment, an environmental plan to ensure proper management of resources and proper disposal of waste, and a health and safety plan to ensure that employees are not put in dangerous environments and/or situations” (Female General Manager, Brewery, personal communication, October 18, 2021).

All respondents unanimously acknowledged the importance of complying with GNH for companies in the country to prosper, albeit being done so via various Government ministries and departments rather than an outright and direct GNH enforcing wing of the RGOB.

“I wouldn’t say it’s a direct GNH guideline we must follow as managers or business owners, but its more so indirect formalities that we must abide by in the form of government departments and obtaining licenses to operate. These government institutions generally are formed on the principles of GNH, so it is possible to say that starting a business in Bhutan requires more adherences to GNH principles”. (Male General Manager, Napkin/Tissue Factory, personal communication, October 19, 2021).

Figure 4.2: Government Ministries and Departments Responsible for Issuing Licenses for Business

■ NEC ■ MoEA ■ BSB ■ MoAF ■ TCB



As is evident with the chart above, 30% of the respondents highlighted the crucial role that the Ministry of Economic Affairs (MoEA) played in enabling a business to begin operations regardless of industry or size. Secondly, 26% pointed out the importance of the National Environmental Commission in being a determining factor for a business to operate, and with it also being a backbone of the GNH philosophy. 17% of the interviewees highlighted the Ministry of Agriculture and Forests (MoAF) in being an important agency, specifically via the food regulatory authority. Similarly, another 17% of the respondents pointed out the importance of complying with the regulations set by the Bhutan Standards Bureau (BSB). Lastly, 2 of the respondents representing 19%, stated of the importance of the Tourism Council of Bhutan in being pivotal towards gaining approval to operate particularly in the Hotel and tourism industries.

In addition, when asked about the GNH assessment tool in a business context, the most common response was that it was primarily constructed and orchestrated for the general public, specifically during the population census in the

county. This was a response mutually shared by all respondents, several of whom claimed to have no prior knowledge of it at all. The findings based on the responses on the second part of the interview suggests that the idea of GNH is very much at its earliest stage in a business context, despite existing as the governing philosophy for the general public since the 1970s. Bhutan only recently opening its borders to international trade may be one of the reasons why GNH has not completely found its path into policing the way in which business is conducted in the Kingdom. The unanimous response of all respondents regarding the assessment tool can be linked back to the literature review, whereby the assessment and certification of GNH in a business sense is a proposed concept which is in development to be introduced sometime in the next few years.

Subsequently, all respondents were concordant in their belief that environmental preservation and waste reduction was a top priority within their establishments. The environment and waste management are a highly prominent theme throughout this paper and is a key pillar of the GNH concept, hence why it was specifically chosen as one of the questions. Rather than present all the responses on this question, one answer is chosen which both summarizes the shared views of all interviewees while also providing details on their contributions in environmental preservation.

“We make use of an ETP to ensure that all wastewater is cleaned before entering natural streams, our spent grain is distributed to the farmers of neighbouring villages to be used as cattle feed, and we submit a yearly report to the National Environment Commission so that they can make sure we are complying to our environmental plan. Our environmental plan is updated every 5 years to ensure we are operating under the rules and regulations of RGOB. We worked closely with Niagara College’s Brewing school to measure our carbon footprint. Though the study is currently being reviewed for publication, it has found that Ser Bhum Brewery is a carbon negative business”. (Female General Manager, Brewery, personal communication, October 18, 2021).

The final question for part two was regarding the opinions of the respondents on the key motivators of businesses in Bhutan. As is evident from the table below, the general consensus of the interviewees was that despite profitability and financial

incentives being the ultimate objectives for any business, the way in which this is accomplished is important. Essentially, there was a mutual claim from almost all respondents that the pillars of GNH serve as an important tool for businesses to adopt in their attempt to run successful companies. The most common answers from the respondents revolved around the need to be socially responsible, provide a good standard of living for staff, limit ecological damage and waste, implement ethical and sustainable practices, promote and preserve the culture, ensuring employee mental and physical wellbeing, and to achieve balance between business and positive contributions to the country. Perhaps it is evident from this shared perspective that the values presented within the philosophy of GNH are deeply rooted within the thought process of individuals in Bhutanese society. As was reported earlier in the findings, there is no outright legal GNH department which oversees the implementation of its policies within a business context, except for various Government agencies and ministries that are formed on the foundations of the concept. While the Government is reportedly looking to have a GNH certification and legal assessment process for businesses in the near future, it is perhaps arguable that based on the responses from the interviews, it would be relatively easy to implement and would in fact be a welcome proposal by the private sector in the Kingdom. The reason for this openness is that GNG is not an alien concept, but one that has been historically and culturally woven into the Bhutanese way of life for centuries.

Table 4.3: Key Motivators of the Respondents

Demographic Variable	Key Motivators for business in Bhutan
Yangphel Adventure Travel (Mr. Karma Lotey)	General Happiness and well-being of employees, and inevitably profitability.
The Little Kitchen Restaurant (Ms. Khandu Wangmo)	- Limit ecological damage, cultural promotion, development by a sustainable means. - Balance between profit and sustainability.

(Continued)

Table 4.3 (Continued): Key Motivators of the Respondents

Demographic Variable	Key Motivators for business in Bhutan
Dralha Flour Mills (Mr. S.K.Tarafdar)	- Profitability is always the most important end goal for any business to survive and develop. - But this must be achieved through ethical practices based on GNH.
Bhutan Bamboo (Mrs. Deki Choden)	Finding a balance between monetary gain and being socially responsible as a business.
Serbhum Brewery (Ms. Pema Choden)	- Self-sustainability, equity and equal distribution of resources. - Establishing a skilled workforce.
Dralha Napkin Factory (Mr. M.D. Shamser Alam)	- Ecofriendly practices, social responsibility, staff happiness and wellbeing, and profit/expansion.
Khang Residency (Ms. Deki Selden)	Positively impact the culture, environment and give back to society.
Shangrila Enterprise (Ms. Eden Lhamu Hing)	Monetary gain through ethical and sustainable means. Helping to improve society and reducing waste.
Hotel Dralha (Mr. Meyo Rabsel)	To gain profits but comply with the 9 domains and 4 pillars of GNH.

4.3 Implementation of GNH in Businesses

When asked about their personal opinions on the importance of implementing GNH in the practices of their respective companies, the responses were also unanimous. All agreed that orchestrating their company service rules and daily activities based on the principles of GNH would be mutually beneficial to both the development of Bhutan and to their own business organizations. Perhaps this way of thinking stems from the fact that the concept is a pillar in itself of Bhutanese culture and is thus not a foreign or alien concept.

“From a personal point of view, and the standards set by our owners at the restaurant, implementing GNH practices are very important. We must make sure that we look after our staff, our community, help the community through employment and enable workers to make a good standard of living for themselves and their families”. (Female General Manager, Restaurant, personal communication, October 21, 2021).

These points were shared by another respondent, who also echoed similar views regarding employee happiness and ensuring sustainable practices.

“It is very important to have a healthy and motivated working environment amongst the staff and employees at the hotel. Also, it is important that we are fair as managers and give bonuses and incentives for employees that have worked hard and deserve recognition or added benefits. Sustainable operations and managing our waste output to not damage the environment is also a very important aspect for me personally as a general manager, to the entire management team in our company, and to respect the wishes of our Monarch”. (Male General Manager, Hotel, personal communication, October 21, 2021).

Interestingly, one of the respondents agreed on the importance of implementing GNH in their respective business but had a contrasting perspective in terms of the challenges associated with maintaining and measuring happiness within the workplace.

“GNH practices are important to us, however, are not strictly implemented. Although we strive to create a healthy workplace environment, it is challenging to assess the employee’s level of happiness and job satisfaction on a consistent basis”. (Female General Manager, Hotel, personal communication, October 20, 2021).

The table below presents the responses to the question on how the principles of the concept are implemented within the respective companies of the respondents:

Table 4.4: How GNH is Implemented in each Business

Demographic Variable	How GNH is implemented in the company
Yangphel Adventure Travel (Mr. Karma Lotey)	<ul style="list-style-type: none"> - Using the company service rule incorporating all the values of GNH. - Not focusing on profits but on quality and contribution to society
The Little Kitchen Restaurant (Ms. Khandu Wangmo)	<ul style="list-style-type: none"> - Motivating and ensuring staff happiness - Distribution of deserved bonuses, salary raises and incentives - Paid holidays/leaves, and rotating system - Using eco-friendly packaging for take-away boxes and dining utensils. - Cultural preservation: Strict dress code (National dress) and fully Bhutanese team
Dralha Flour Mills (Mr. S.K.Tarafdar)	<ul style="list-style-type: none"> - Ensuring a policy of no discrimination - Equal pay, gratuities, bonus incentive, and paid leave for all staff - Placing importance on psychological wellbeing of staff - Strict safety precautions - Waste and emission limitation and eco-friendly machinery
Bhutan Bamboo (Mrs. Deki Choden)	<ul style="list-style-type: none"> - A service rule to implement all pillars of GNH - Transparency in communication and a safe working environment - Limiting environmental impact

(Continued)

Table 4.4 (Continued): How GNH is Implemented in each Business

Demographic Variable	How GNH is implemented in the company
Serbhum Brewery (Ms. Pema Choden)	<ul style="list-style-type: none"> - Self-sustainability, equity and equal distribution of resources. - Equal employment opportunities - Cultural promotion and preservation (Bhutanese workforce) - Establishing a skilled workforce - Environmentally conscious
Dralha Napkin Factory (Mr. M.D. Shamser Alam)	<ul style="list-style-type: none"> - Ecofriendly practices, social responsibility, staff happiness and wellbeing through incentives and regular meetings.
Khang Residency (Ms. Deki Selden)	<ul style="list-style-type: none"> - Encourage communication between staff - Safe workplace with flexible hours - Monthly staff meetings - Acknowledging achievements and performances - Provident funds provided
Shangrila Enterprise (Ms. Eden Lhamu Hing)	<ul style="list-style-type: none"> - Focusing on mental and physical wellbeing of staff - Eco friendly practices including educating the staff, limiting waste, and using eco-friendly storage and packaging materials.
Hotel Dralha (Mr. Meyo Rabsel)	<ul style="list-style-type: none"> - Contribution to society and the wellbeing of the staff - Psychological and physical wellbeing of the staff - Environmental and cultural preservation and promotion

It is again interesting to note that despite the lack of a GNH enforcing agency within the business world, all respondents seemed to echo their sentiments on the importance of GNH and in their willingness to adopt its values in their businesses. As is evident, the key themes all Centre around the 4 domains of GNH, mainly in

environment considerations, employee happiness and motivation, societal contributions, and transparency.

The succeeding question asked the interviewees to list any programs or training methods they had in place to train new employees or managers on the principles of GNH. The findings showed that despite having training for the specific policies of their respective companies, the vast majority did not have any training programs that specifically catered towards educating new employees on the principles of GNH. 2 of the 9 respondents representing 22.2% the findings claimed to have had training programs that prioritized educating new staff and managers on aspects such as environmental considerations and sustainability. 66.6% however reiterated that no training based on GNH was adopted within their organizations, with only one of the respondents being unable to directly answer the question as they are a business in the process of officially opening. The following response is from one of the businesses that do not have specific GNH based training for new employees:

“At present we do not have any specific training geared solely towards GNH implementation methods at the hotel. As a management team we do however tend to keep the basic ethos of GNH as the guiding principle when making important decisions. Also, GNH is a concept widely taught throughout the education system in the country and is a constant message echoed by the government, which I believe gives all Bhutanese citizens a general understanding of what the principles are and what they can do to contribute to a happier nation”. (Male General Manager, Hotel, personal communication, October 21, 2021).

4.4 Impact of GNH on Employee Satisfaction and Profitability

Subsequently, the following set of questions were regarding the overall ‘happiness’ of the employees at each of the respondents’ businesses, the importance of staff happiness within the businesses, and if there were any policies in place to ensure happiness was maintained.

Firstly, all respondents universally agreed that happiness amongst the workforce, including their physical safety, psychological well-being; living standards and motivation were key aspects. The consensus was that a motivated and happy workforce usually results in better performances and success for the business. Again,

all respondents claimed to believe that the staff at their companies were relatively 'happy' and motivated for the most part, citing low turnover rates and regular staff meetings as being reasons for maintaining equality, transparency and airing out grievances amongst the staff. Furthermore, giving deserved rest with paid holidays and special considerations, organizing staff bonding sessions, providing bonuses, pay rises, gratuities, promotions, and free housing were some of the common responses that arose when the interviewees were asked about how employee happiness/satisfaction was ensured in their respective establishments.

However, all responses indicated that there were no measurement tools available to know the exact level of happiness amongst the staff.

As one respondent put it:

“It is hard to measure happiness among a collective group, but I would say they are relatively happy. Of course, it's not possible for everyone to be happy all the time at the workplace, but since we have a low turnover rate of staff and haven't experienced too many issues, I would say that our staffs are quite satisfied for the most part”. (Female CEO, Meat distributing agency, personal communication, October 20, 2021).

Interestingly enough, this reverts to both the earlier findings and the literature review which indicated that the GNH measurement tools and the GNH index currently in place only serves as a census for the general population and not for a business or organisation. There were no respondents who said happiness was measurable in their workplace and this perhaps presents an area of improvement once GNH policies are enforced directly into businesses organizations.

The final question of part 3 asked the respondents how the implementation of GNH based policies impact their ability to obtain profit as a business. It was intriguing to note that there were a variety of differing responses to this particular question. 4 of the interviewees stated to have noticed a rather negative or challenging impact that the implementation of the policy had on their profitability. Unsurprisingly 2 of these were both Hotels claimed that GNH policies does in fact present many difficulties and challenges for businesses in their industry to make profit. The main reasons for this were the High-value, Low-impact policy enforced by the RGOB and

the Tourism Council of Bhutan which attempts to ensure a sustainable form of eco-tourism in the country:

“As a hotel, our business is heavily reliant on the number of tourists visiting Bhutan. The more tourists permitted to enter the country, the higher the business and profitability of hotels. Bhutan, however, seeks to promote “High value, low impact” tourism which means fewer tourists being permitted to enter the country at a higher price. This is because tourism is seen as a threat to the pillars of GNH. Hence the implementation of GNH does not work in favor for most hotels as a limited number of tourists would mean only a limited number of hotels in business. In addition to that, Bhutan has been facing an unsustainable increase in hotels over the last few years”. (Female General Manager, Hotel, personal communication, October 20, 2021).

Similarly, another respondent cited the reasons for the impact on profitability in being the requirements for businesses to follow the strict guidelines set by the NEC. Environmental considerations were a key part in any business being able to operate successfully in the country and having to use eco-friendly alternatives in manufacturing and distribution generally tends to be more expensive.

“Our Premium tissue and napkin products, we use the best quality materials that are all biodegradable and eco-friendly, but it is significantly more expensive to acquire compared to regular quality tissues and napkins from our suppliers. As a result, we must price it at a higher range, and I personally believe that the general public at the moment would still prefer cheaper options that we have or that our competitors offer in the market”. (Male General Manager, Napkin/Tissue Factory, personal communication, October 19, 2021).

A further two respondents insinuated that the impact on profitability was minimal and was mainly evident in the mandatory compliance with the various Government Ministries and Departments that are not directly a GNH enforcing agency.

“I think the implementation of GNH in businesses is a very new concept and there is not really a strict Government or GNHC guideline or checklist that we necessarily have to strictly abide by the main things that may impact profitability is abiding by regulations set by the NEC, the anti-corruption commission, the BSB, and

the FCB for our company, all of which are Government offices that are governed by GNH principles” (Male CFO, Flour Mill Factory, personal communication, October 19, 2021).

Two of the remaining three respondents claimed to not be interested in focusing primarily on profitability, but rather on the overall mission of their respective companies and the societal contributions that they hoped to accomplish. To an extent, this is arguably the closest form of GNH that can be implemented in a business context, by focusing purely on the quality and ethics of contribution and impact as a business which in turn tends to result in a sustained stream of income. For instance, one of the respondents reported the following:

“We strive not to be pennywise and pound foolish. The bigger picture of employee contentment and sustainability of the company is KEY to eventually be modestly profitable.” (Male CEO, Adventure Travel Agency, personal communication, October 18, 2021).

Finally, only one of the respondents claimed to have benefitted positively in terms of profitability after adopting the principles of GNH within their organisation.

“The implementation of GNH policies have had a positive impact on our profitability. Much of our production capacity is dedicated to exports. A product that is from Bhutan is differentiated in the international market because it is from Bhutan. Thus, being in line with Bhutan’s strong cultural identity is very important in a product’s recognition”. (Female General Manager, Brewery, personal communication, October 18, 2021).

The said respondent also explained that maintaining an image of an eco-friendly company has brought many benefits from the Government, including gaining access to fresh Himalayan Spring water streams for their brews, a key aspect that differentiates them from competitors in the international market. Furthermore, this respondent also stated that

“Consciously ensuring that our products have a strong cultural background and identity has helped us build a strong brand”. (Female General Manager, Brewery, personal communication, October 18, 2021).

To end the interviews, the final question asked the respondents on their opinions about the future of GNH in the lens of a business context in a rapidly

developing Bhutan. Unsurprisingly, all 9 interviewees expressed their belief that the concept would persevere as the guiding principle for society in the country and reiterated their personal commitments to ensuring the sustainability of the concept. As it was confirmed in the findings of the literature review, the holistic nature of the philosophy is deeply rooted within the fabric of every individual in the Kingdom, and as a local concept that is derived from the very culture and faith that Governs Bhutanese society, its continued usage as a measurement for development in Bhutan is not in question. Respondents did however insist that although certain tweaks and adaptations to future scenarios and circumstances may be necessary, the core ideology and core principles would remain intact. As one of the respondents put it:

“The four pillars of GNH principles broadly cover everything that is needed. However, it may be necessary to fine tune the understanding of the pillars to different groups to make it a success in the implementation. Adaptation is KEY and as a nation we need to heed to the needs of changing times. The age-old culture and tradition habits may change a bit and that is reality as an example”. (Male CEO, Adventure Travel Agency, personal communication, October 18, 2021).

CHAPTER 5

DISCUSSIONS AND CONCLUSION

This chapter presents a summary of all the findings from this research study along with the findings of the secondary sources from the literature review. This summary will address the main research question regarding the extent to which GNH is implemented in businesses within Bhutan, and subsequently provide recommendations based on the results of the research.

5.1 Research Findings Summary

The study essentially found that the implementation of GNH within business organizations in Bhutan were still at a preliminary stage, with the country only recently opening its borders to international trade and business. Although all Government Ministries and Departments in the country are founded and guided on the principles of GNH, there is no direct GNH enforcing or overseeing department to ensure that the philosophy is strictly adhered to in private sector establishments. According to Zangmo, et al. (2017), these governmental bodies along several nongovernmental organizations (NGOs) and civil society organizations (CSOs) also adopt similar initiatives and align their vision and mission towards improving societal wellbeing.

These findings revert to the literature review which confirmed that no enforcing or overseeing department is currently in place to ensure that the principles are adhered to in the business world. This is reiterated in a study by Zangmo, et al. (2017), who found that despite a plan for GNH certification and mandatory implementation currently being developed by the Royal Government of Bhutan, “there is currently no unified social standard for GNH practice in business in Bhutan”. However, any potential new business looking to obtain licenses to operate must follow a stringent criterion to obtain approvals from these Ministries and Departments. Since all Ministries and Government departments in the country are founded on the core principles of GNH, it is indirectly a necessity for businesses to abide by regulations based on these principles. The results obtained from the interviews indicated that the most prominent of these ministries and departments were

the National Environment Commission, the Ministry of Economic Affairs, Tourism Council of Bhutan, the Ministry of Agriculture and Forests and the Bhutan Standards Bureau. Again, all these departments along with every other wing of Government in the Kingdom are all governed strictly by the principles of GNH. Of these, the National Environment Commission (NEC) is the domineering force behind the implementation of GNH principles for businesses, albeit indirect. Being one of the major pillars of the concept, it is unsurprisingly that the preservation of the environment is of paramount importance to the Government.

The findings also provided evidence that all 4 pillars of GNH (good governance, sustainable socio-economic development, cultural preservation, and environmental consideration) were evident among the businesses of the respondents. Moreover, employee satisfaction and happiness were key points that were unanimously stressed by all respondents as being crucial to business efficiency. All respondents confirmed the positive impact of GNH in business concept on employee satisfaction and happiness. Despite not having an official tool available to measure the happiness of the employees, most respondents claimed that the working environment, transparency, communication and low turnover rates amounted to a general feeling of happiness and contentment among their staff. This finding is similar to the qualitative data obtained in a study by Sebastian (2015), confirming that “the four pillars and nine domains of GNH inform business leaders thinking. However, the GNH index does not seem to have influence on the business sector in Bhutan at this stage”.

Regarding the question on the connection between implementing GNH principles and business profitability, the responses were mixed. Four companies reportedly experienced negative or hindering impacts on profitability after adopting the principles of GNH into their businesses, with three being more neutral, one indifferent and only one claiming the concept to have had a positive impact on monetary gains.

Interestingly, two of the four GNH principles identified in the GNH concept, and the research-guiding framework of this study (sustainable development, environmental preservation) align with one of the key drivers of the Sixth Wave of disruptive innovations (resource efficiency) as identified by Moody & Nogrady (2010). This focus on greater resource efficiency may also lead to a wider adoption of

the related supportive concepts such as GNH/SD/CSR/Sustainability in business. Moreover, the related trend towards more sustainable innovation (Boons, Montalvo, Quist, & Wagner, 2013) in business also perfectly aligns with the GNH philosophy.

The following table summarizes the impact of GNH on business profitability, and employee satisfaction based on each business. It is important to note however, that the lack of further samples means that it is difficult for those interviewed to represent all businesses in the country. This is also stressed in the limitations of the research.

Table 5.1: GNH Impact on Profitability & Importance of Employee Satisfaction

Company	GNH impact on profitability	Importance of Employee Satisfaction
Khang Residency (Hotel)	Negative	✓
Little Kitchen Restaurant	Neutral	✓
Serbhum Brewery	Positive	✓
Shangrila Enterprise (Meat & Poultry distributor)	Negative	✓
Yangphel Travel Agency (1)	Neutral	✓
Dralha Napkin Factory	Negative	✓
Dralha Flour Mills (Mill/Factory)	Neutral	✓
Hotel Dralha	Negative	✓
Bhutan Bamboo Ltd. (Factory)	Indifferent	✓

Additionally, there are several other key findings that were gathered from the interviews.

1) GNH is engrained in Bhutanese culture and society, so it is not an alien or new concept. While it was a term that was officially coined and labelled as a philosophy in the 1970s, the general idea or ethos is very much a part of the Bhutanese culture and way of life. As previously mentioned in Chapter 1, the earliest

evidence of the GNH concept can be traced back to the legal code of the 1600's, long before the official coining of the philosophy. The concept itself is not only noticeable in Bhutanese culture and heritage, but it very much a significant part of Vajrayana Buddhism, which is the dominant religion in the Kingdom. Hence, while the findings of this paper indicate that no GNH enforcement is directly set forth for businesses by the Government, the mindset of most business leaders and the working culture of business environments in the kingdom are heavily influenced by these principles.

2) In contrast, GNH in *business* is a very new concept. It has been around as a concept for a while but mainly for the general public, but it is only in recent years that the concept is being discussed for implementation in business in the form of concrete practices and principles.

3) The GNH index and assessment tool is mainly for the Government to measure happiness amongst the general population and is regularly conducted during the population census that is held every few years in the country. The majority of respondents claimed that they believed their employees were happy at their working environment, however there is currently no measurement tools available to measure the satisfaction and wellbeing of their employees.

4) Subsequently, none of the interviewees had GNH based training programs available at their establishments for existing and potential new employees. Despite this, the respondents maintained their commitment towards ensuring the philosophy was included in their company service rules, with all 9 interviewees highlighting a variety of ways that GNH is incorporated in the running of their respective businesses. Much of this included placing importance on staff mental and physical wellbeing, adhering to environment preservation efforts, preserving and promoting the cultural heritage of the kingdom, and contributing positively to Bhutanese society.

5.2 Recommendations

In recent years, the Gross National Happiness Commission have officially been tasked with establishing a task force to ensure the philosophy is stringently and directly implemented in the business context. While this is still a work in progress, the findings of this study suggest that it would be a welcome addition in the private

sector. For the continued development of Bhutan while maintaining and preserving its unique culture, the concept will play a crucial role in the future. Development essentially starts with infrastructural and economic progress, and it is critical that the values of GNH are strictly enforced in the way businesses conduct their operations, and in the way they are structured. What is clear is that both the Royal Government of Bhutan and many Bhutanese business leaders are in mutual agreement on the need to apply the principles and pillars of GNH stringently into all business establishments in the country.

Based on the findings from both the literature review and the interviews, the following are a set of recommendations that the author believes would help in the implementation of GNH in the business field and the ultimate survival of the concept in the long run:

1) Firstly, there is a perceptible need for a systematic institution or organisation directly responsible for monitoring and evaluating businesses in Bhutan based on the principles of GNH. This governing body of GNH should have the power and jurisdiction equivalent to that of the various Government Ministries and departments and should have the authority to approve of licenses to operate and to revoke licenses of businesses that have failed to apply GNH indicators in their operations. Through strong leadership, planning, research and evaluation, this GNH department must ensure that all domains and pillars of GNH are adhered to by providing guidelines or a checklist for both potential new business projects and for existing businesses.

2) Following the establishment of a governing body of GNH, a concise system to gain certification and licenses for business operation should be developed and introduced in the private sector. The GNH certification process should incorporate workers benefits and happiness, environmental preservation, social contributions, cultural preservation, a transparent working environment, and equal opportunities on its agenda. In order to ensure that GNH is fully engrained in businesses in Bhutan, the permit to operating a business should come down to their ability to meet the criteria and obtain a certificate from the GNH department.

3) Despite strict regulations on the proposed certification process, the procedure in obtaining a GNH license itself should be clearly outlined, succinct,

simple and practical and be applicable for all industries and various fields of business. The new GNH regulations in business must not be impractical or unnecessarily resource and time consuming for prospective new businesses.

4) Once businesses successfully obtain a license to operate, the process of monitoring their activities by the GNH department must continue to ensure that they maintain their commitment to the philosophy. Their licenses should require a mandatory renewal and review every several years in order to obtain a recertification of their initial license.

5) The Royal Government of Bhutan should either produce a set of guidelines or provide a training institution for all businesses leaders, so that they may be trained in the process of implementing GNH within their respective organisations. This in turn will enable the executives and managers to provide GNH based training programs for their employees.

6) Once certified by the GNH department, any Bhutanese businesses applying their trade internationally should receive extended support from the RGOB. Possible subsidies and tax exemptions should be enabled so that they are able to maintain a GNH approach whilst competing.

7) A networked learning strategy should be incorporated by the GNH body in order to connect leading business organizations in the country and for their respective leaders to hold regular discourse about GNH in business.

8) The Government should look to promote and assist citizen-driven innovative project plans that may help the rural and poorer communities in the country. While GNH is engrained in schools and amongst the educated, introducing its principles through community driven business programs will help spread the understanding of it throughout all walks of life within the country. This is echoed by a recent study conducted by the UNDP in Bhutan, which ultimately seeks to provide funding in accelerating innovative methods of sustainable socio-economic progress under the lens of GNH. The UNDP study conducted by UNDP Bhutan (2019), suggests that funding grassroots innovative programs along with tech-parks and startup business would help people assimilate the people with the concept of innovation and GNH to a greater extent, thus including them in the discourse for a national innovation policy.

9) Lastly, the education system must take centre stage and become responsible for the spreading of GNH values for future generations. While the principles are already evident in the schooling system in the country, further evaluation and reforms will enable all young adults into obtaining a better understanding of the philosophy and for tertiary education institutions to introduce GNH implementation in business as a subject.

5.3 Discussion and Conclusion

In summary, the evidence from the findings suggests that the cultural heritage of the Kingdom directly dictates shapes the thought process and orchestrates the way in which business leaders and owners manage their respective organizations. According to Sebastian (2018), “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”. Yet despite the global recognition and adulation that the concept has received, it is not without its own critics and potential areas for improvement. Although Bhutan’s strategy under GNH is successful and innovative within its own country, the question arises on whether the country can serve as a role model for the development of similar philosophies in other countries (Stiftung, 2013). Some of the shortcomings or loopholes within the philosophy at present include the difficulties in problems with measurement, defining happiness, the practicality of carrying out surveys, cultural differences, limitations in indicators, and international comparisons (Daga, 2014). Most of these issues were highlighted in the responses of the interviewees, particularly concerning the issues with measurement, training and with the lack of a direct GNH department in the business sector. The latter presents the biggest challenge for the Government, as the private sector represents a vital part of the country as a whole and stringent implementation of GNH policies in businesses will ensure the survival of the philosophy for years to come.

Perhaps a further criticism of the concept is evident in the context in which it has been deemed successful. Bhutan is a tiny country with less than 750,000 people and minimal resources, thus making it easier to implement the ethos and principles of GNH as opposed to doing so in a much larger and economically developed nation. Additionally, “GNH emphasizes sufficient happiness and how people do well in the

nine domains, but it neglects how happiness is distributed among people and that inequalities in society may affect happiness” (Chen, 2015).

Nevertheless, despite the underlying challenges with the concept, most of these can be overcome through strong leadership, a sense of unity, education and regular discourse between leaders and academics alike. While the concept is not without its critics, GNH has ultimately provided a profoundly unique way in which both developing and developed nations can look towards an alternative process of development. The concept introduced by the 4th King of Bhutan has essentially guided a developing nation to strive for balance between modernity and tradition, between societal wellbeing and monetary gain, and between infrastructural development and ecological preservation. As Ura (2015) states, “A major success criteria for GNH as a development framework would be that Bhutan so far has remained a reasonably equitable and sustainable society where the proportion of unhappy people are very low, for the given level of per capita income.” While happiness in general is an ephemeral concept that is difficult to precisely measure, the very thought of a state prioritising the happiness and wellbeing of its population over profitability is noble and virtuous. According to Tideman (2004), “We are moving towards a new economic paradigm, one that is not based on maximizing ownership and profits or boosting abstract statistics such as GNP, but concerned with managing creativity and knowledge, and improving the quality of our lives and children's future”. GNH has successfully gained much international adulation and praise, and its integration into the business sphere may be the next step required for the philosophy to evolve and perhaps gain further international support. While business and financial development is integral for an economy to survive, it can be detrimental for the wellbeing of society if unethical practices are allowed to take hold. GNH implementation in business offers a platform for Bhutan to showcase a positive influence on the rest of the international community and set an example in the way to collectively aim for development but in a conscious way which emphasizes the wellbeing of society and the environment above all else.

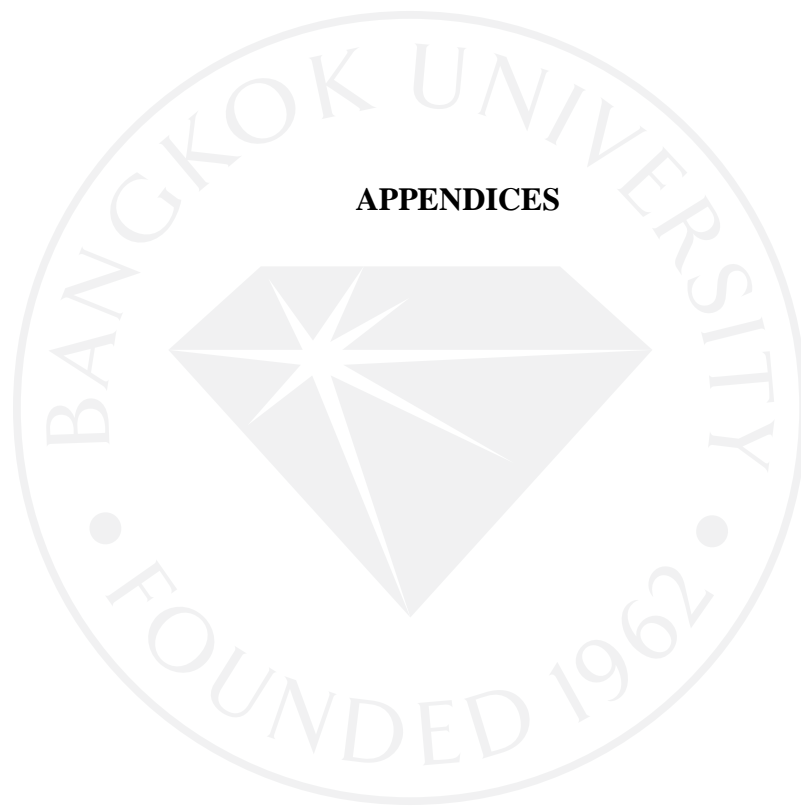
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Appendix A

Interview Questions for Independent Study Thesis

Part 1: Company Demographics

1. Can you please introduce yourself and your role in the company?
2. What is your current management position?
3. What field of work are you in?
4. How many workers are employed in your company?

Part 2: GNH Concept in General

5. There has been a lot of emphasis recently on the concept of GNH in Bhutan. Could you please explain to the best of your knowledge, what is your understanding of the concept?
6. To what extent does the success or failure in starting and operating businesses in Bhutan depend on a company's compliance with the GNH principles?
7. To what extent are you aware of the GNH index and assessment tools developed by the RGOB/GNHC? How far does your company comply with these assessment tools?
8. Based on the principles of GNH, what do you believe are the key motivators and the ultimate goal for businesses in Bhutan?

Part 3: Implementation of GNH concept in your company

9. How important is it for your company to ensure GNH practices are maintained and implemented?
10. In order to start a business in Bhutan, are there any GNH measurement or screening tools in place from the government that companies must abide by? If so, how often must a company update the RGOB on their compliance with GNH principles?
11. How is the concept of GNH implemented within the working environment and amongst the workers in your organisation?
12. Environmental preservation is a key principle of GNH. How important is environmental preservation and sustainability in your company?

13. What type of programs, if any, do you have in place to help train new managers or employees on the principles of GNH?

14. To what extent does employee satisfaction matter to the management in your company?

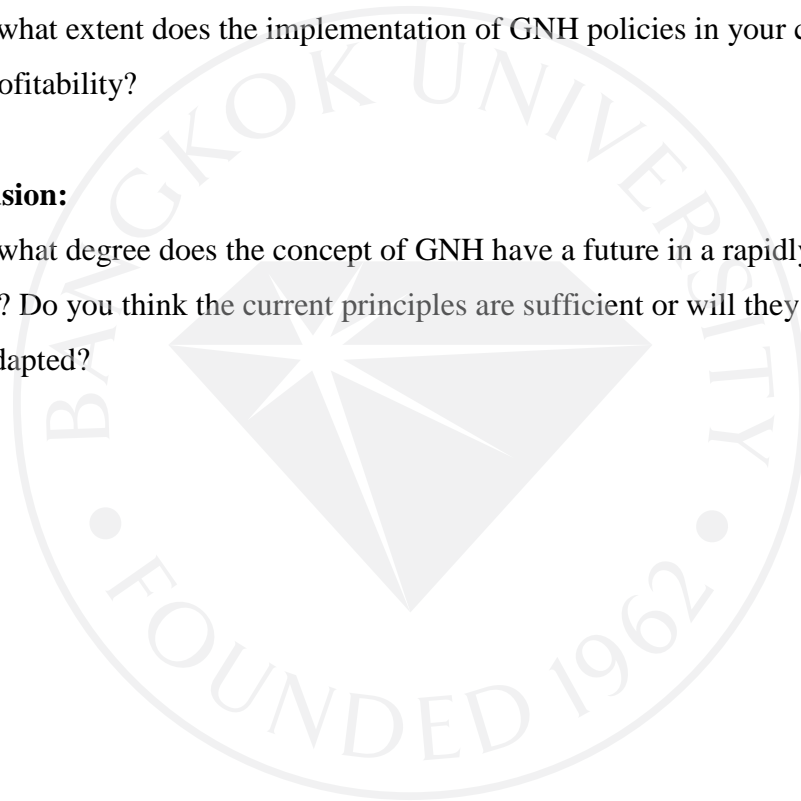
15. Do you have any policies and programs in place to ensure their happiness and motivation are prioritised?

16. How 'happy' would you say your employees are in your company? How do you know? How do you measure it?

17. To what extent does the implementation of GNH policies in your company impact your profitability?

Conclusion:

19. To what degree does the concept of GNH have a future in a rapidly developing Bhutan? Do you think the current principles are sufficient or will they have to change or be adapted?



Appendix B

Abbreviations

GNH: Gross National Happiness

CSR: Corporate Social Responsibility

GDP: Gross Domestic Product

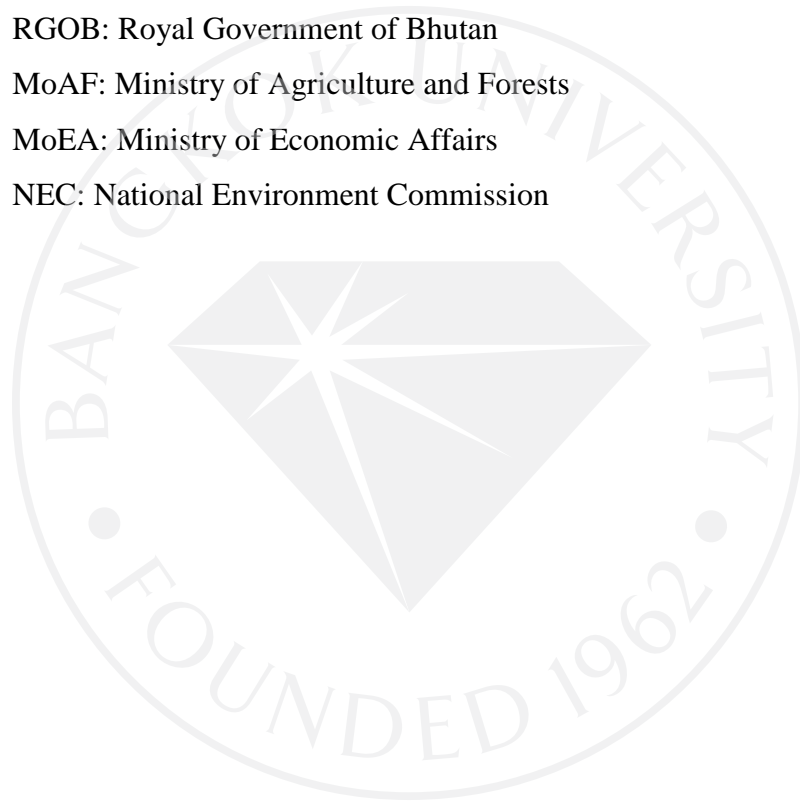
SD: Sustainable Development

RGOB: Royal Government of Bhutan

MoAF: Ministry of Agriculture and Forests

MoEA: Ministry of Economic Affairs

NEC: National Environment Commission



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