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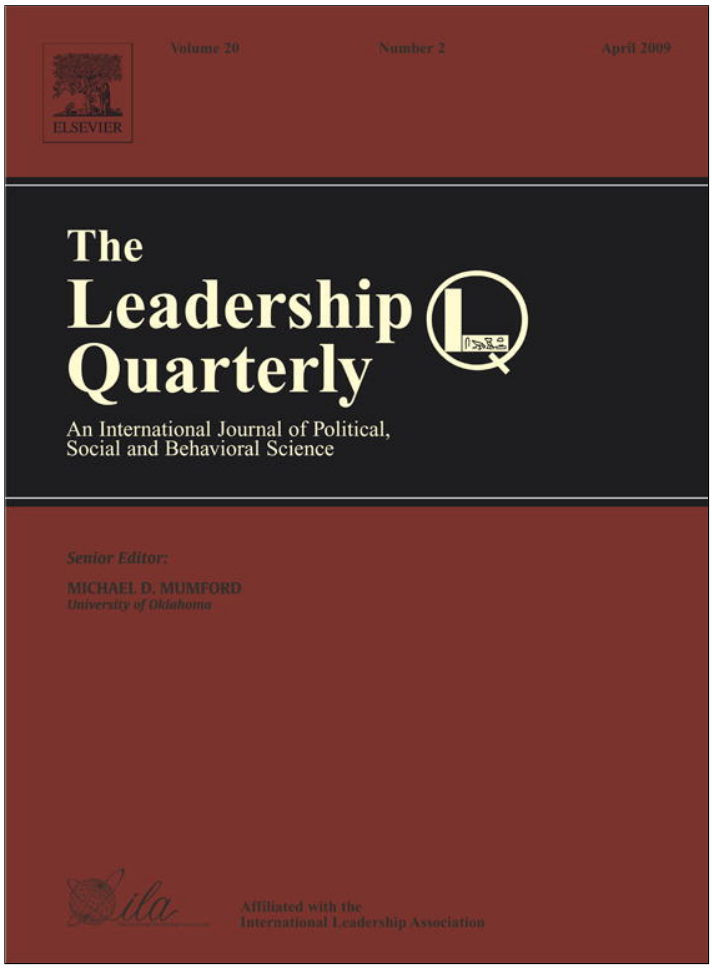

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Wisdom principles as a meta-theoretical basis for evaluating leadership

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ABSTRACT

This article responds to calls in the management and leadership literature to articulate a role for wisdom. While many talk about the role of wisdom, few people have attempted to articulate what it consists of. We suggest five principles that define wise leadership. We then position wisdom in a complex world, both within the transformational, authentic and spiritual leadership literature and the knowledge based view of organizations, and suggest how leaders should be evaluated. Finally, we suggest the need for future research directions and practical application.

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Lord give me the serenity to accept the things I can not change The courage to change the things I can

And the wisdom to know the difference

-The Serenity Prayer

The word "wisdom" is rarely seen in contemporary management or leadership discourse. This is problematic at a time when excellent judgment, insightfulness and character are needed in leaders. We argue leadership requires wisdom to provide excellence in judgment, insight and character and that if the principle features of wisdom are understood leaders can be evaluated according to a robust criteria based on these principles. By providing a conceptual foundation of wisdom principles, we hope also to ensure that an emerging wisdom discourse has sufficient integrity to avoid it falling into another stage of managerial faddism.

The purpose of this paper, therefore, is to provide clear principles that answer the question: what abilities do wise strategic leaders have and how can we recognize them? The paper begins by considering the nature of contemporary calls for wisdom in management and leadership. Then an explication of the concept, wisdom, is provided in which we identify the key characteristics of wise leadership. This provides a metatheoretical framework to evaluate the appropriateness of strategic leadership characteristics in the postmodern context. The third section considers ways in which the leadership literature is responding to contemporary conditions within which public and private organizations operate. In particular, it considers the complexities of paradox and uncertainty in contemporary social, political and economic life, including ethical issues. Finally, we briefly indicate where future research would be best directed and consider how wisdom might practically be applied.

1. Contemporary calls for wisdom

Management and leadership theorists and practitioners have increasingly become interested in wisdom. For example, Srivastva and Cooperrider (1998, p. 3) assert that the need for organizational wisdom "is higher than ever … [but] less and less available".

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Vaill (1998) and Weick (2004) claim that, because wisdom principles are characterized by flexible and intuitive methods, they are especially appropriate for our times. Bierly, Kessler, and Christensen (2000) and Brown and Starkey (2000) argue that wisdom is the key to obtaining competitive advantage from organizational learning and knowledge, and that wisdom is therefore a key strategic resource, but one that is missing as a construct in the knowledge-based theory of the firm. Ludema, Wilmot, and Srivastva (1997) call for a humanistic "vocabulary of hope" in business, based on wise and thoughtful action. Perhaps the most active consideration of wisdom is in the strategic leadership literature (Boal & Hooijberg, 2001; Korac-Kakabadse, Korac-Kakabadse, & Kouzmin, 2001; Kriger & Seng, 2005; Whittington, Pitts, Kageler, & Goodwin, 2005) where it is seen as essential for complex decision making, applying knowledge, and for welfare reasons.

2. Nature of wisdom

It is important, then, that the nature of wisdom be understood. The following principles, presented as five propositions, have been synthesized (Rooney & McKenna, 2005; Rooney & McKenna, 2007) from philosophy of wisdom (Robinson, 1989, 1990; Dunne, 1997; Hughes, 2001; Eflin, 2003), wisdom in organizational studies (Bigelow, 1992; Kriger & Malan, 1993; Malan & Kriger, 1998; Korac-Kakabadse et al., 2001; Kriger & Seng, 2005) and wisdom psychology (Baltes & Smith, 1990; Csikszentmihalyi & Rathunde, 1990; Sternberg, 1990; Baltes, Staudinger, Maercker, & Smith, 1995; Staudinger, Lopez, & Baltes, 1997; Baltes & Staudinger, 2000; Baltes & Kunzmann, 2003; Staudinger & Pasupathi, 2003; Sternberg, 2003). We present wisdom as a set of five principles to be used as a metatheoretical or *a priori* construct. Wise leaders will simultaneously balance each of these five aspects of wisdom in their day to day practice. These principles, in collectively constituting an *a priori* construct, present as an ideal or perfect wisdom that is beyond fallible humans. Leaders, therefore, will always be imperfect instantiations of wisdom (Baltes, 2004). Nonetheless, the ideal of wisdom can be aspired to and can be used as a standard to measure and evaluate. The goal for leaders, we argue, is to reinforce and enhance those practices that fulfill the five principles.

The first principle is that wise people must be able to formulate and understand logical arguments based on sound propositions. Nonetheless, wise people are epistemologically sceptical. Their "fluid intelligence" (Sternberg, 1990, p. 157) questions the knowledge inherent in propositions. Thus, a wise person needs occasionally to be sceptical of the "facts", orthodoxy, and "common sense". Furthermore, wise people focus at the right level or aspect by choosing what "facts" are salient in a given situation (Eflin, 2003, pp. 61–62). In other words, they "filter and interpret the noise from within their own organizations and determine the salient points on which to act" (Malan & Kriger, 1998, p. 246). Because wise leaders reason carefully and logically, they use good judgment to reach better decisions. We propose, therefore, that:

Proposition 1. *Wise leaders use reason and careful observation.*

- **1a** *Wise leaders make careful observations to establish facts and logical deductive explanations.*
- **1b** *Wise leaders evaluate the salience and truth-value of logical propositions when applying reason to decision-making by using clear understandings of ontological categories that theoretically describe substance, process, and quality, and so demonstrate, through logical argument, correct conclusions.*

Rather than being misunderstood as anti-rationalist and contradicting the first principle, the second principle allows for non-rational aspects to be used in the process of wise decision making. These include insight, imagination, and foresight that occur outside a consciously rational process of intersubjective verification. (Intersubjective verification is that state/process where people can reach a consensus on what the facts and the evidence are. This is usually substituted for "objective" to meet criticisms from post-modernists who argue against objectivity). Empirical evidence in brain science and consciousness studies, as well as emotional intelligence literatures (Wade, 1996; Ashkanasy, 2003), supports the proposition that sensate or "gut" level intuition can be valuable in making judgments. As well, folk-psychological approaches to wisdom manifest a "coordinated and balanced interplay of intellectual, affective, and motivational aspects of human functioning," according to Baltes and Staudinger (2000, p.123). In organizations, say Kriger and Malan (1993, p. 393), "[b]ecause much of what people experience and attempt to direct in organizations is invisible (i.e., thoughts, feelings, imagining, volitions), we ought to study and find ways to articulate and to dialogue about the soft data that are invisible and extremely relevant to the understanding of organizations and management". Such soft data might include "the ability to interpret and decode meaning (symbolism, intentional myths, constructed images, culture) and mental maps of organizational members" (Malan & Kriger, 1998, p. 248).

Because wisdom has a metaphysical quality that complements reason, it is not bound only by the rules of reason. The psychologists, Baltes and Staudinger (2000), use the concept of a "metaheuristic" instead of metaphysics to describe this feature. Good judgment, they say, often requires that a person is not bound completely by the rules of reason. Metaheuristics is really a combination of two heuristics: one that "organizes, at a high level of aggregation, the pool (ensemble) of bodies of knowledge"; and another at a more explicit or detailed level used by "individuals in planning, managing and evaluating issues surrounding the fundamental pragmatics of life" (Baltes & Staudinger, 2000, p.132). More specifically, these pragmatics include "insight into the social nature and incompleteness of human existence, the variability of life goals, knowledge about oneself and the limits of one's knowledge, and insight into how knowledge is translated into behaviour" (Staudinger & Pasupathi, 2003, p. 240). Similarly, Sternberg's (1996) "progressive style" that "implies moving beyond existing rules and being tolerant of ambiguous situations" is one of the most salient predictors of wisdom (Baltes & Staudinger, 2000, p. 129). Organizational theorists, Malan and Kriger (1998, p. 246), refer to this as a "sixth sense or … well-developed intuitive powers". Wise people have the self-belief to act on these adjuncts to reason.

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Wise people respect experience and tradition, and use this resource appropriately. Although individuals are only weak carriers of wisdom (Baltes & Staudinger, 2000, pp. 130–131), we are all able to draw upon wisdom traditions by reflexively considering issues from our cultural–historical perspective. The insights of this perspective complement the reasoning process.

Also dependent on resources beyond the realm of logic and rationality is the characteristic in wise people, particularly wise leaders, of visioning and a perspective-taking capacity that incorporates long-range goals (McKenna & Rooney, 2005). In other words, it is the capacity, where appropriate, to overcome and transcend the quotidian and ephemeral features of any judgment and to see the effect of alternative actions in the longer term, acknowledging the possibility of unforeseen circumstance. This is clearly uncharacteristic in a postmodern age in which short-term gratification may frequently take precedence over longer-term strategies (Bigelow, 1992). In allowing for the non-rational, then, a wise person will have a synoptic grasp of disparate domains (Eflin, 2003). This results from three other skills or virtues: having backgrounds of domain-specific knowledge, focusing at the right level, and making unusual associations. Included in a synoptic grasp is the ability to abstract the presuppositions that are particular to a domain and the presuppositions that domains share.

Reason-based approaches work best with established propositional assumptions (something is taken to be the case), and are less effective when the epistemic and ontological foundations of these assumptions are mutable or contested. Such a proposition lies behind Thompson and Tuden's (1959; Thompson, 1967; cf. Grandori, 1984) model of the relationship between goals and means and form and strategy. While most people prefer certainty and avoid dissonance (Aronson, Cohen, & Nail, 1999; Steele, Spencer, & Lynch, 1993), wise people, especially those who "lead", have a capacity to deal effectively with uncertainty. Wise people are aware that life is contingent, constructed from various perspectives, ontogenetic, and historically situated (Baltes & Staudinger, 2000). This awareness in wise people allows them to recognize and manage uncertainty because they are aware of the limits of reason-based cognition (Bigelow, 1992). Both Baltes and Staudinger (2000) and Sternberg (1990) assert that wise people realize the limits of human information processing and that the future cannot be predicted through technical applications (Baltes & Staudinger, 2000; Sternberg, 1990). At an organizational level, this manifests as the ability "to detect the changing patterns in organizations over time … [and] perceive rates of change occurring in the internal and external environments of the organization" (Malan & Kriger, 1998, p. 247). In other words, wise people recognize the value of excellent judgment. At an interpersonal level, this capability refers to wise people's "ability to grasp and reconcile the paradoxes, changes, and contradictions of human nature" (Bigelow, 1992, 146). At the impersonal level, such discernment requires experience (Boal & Hooijberg, 2001). In summary, wise people can grasp the meaning of "several, often contradictory signals and stimuli", they interpret them holistically, and adapt their cognitions (e.g., schema) (Malan & Kriger, 1998, p. 249). We propose, therefore, that:

Proposition 2. *Wise leaders allow for non-rational and subjective elements when making decisions.*

- **2a** *Wise leaders acknowledge the sensory and visceral as important components of decision-making and judgment.*
- **2b** *Wise leaders have a metaphysical, even spiritual, quality that does not bind them absolutely to the rules of reason thereby enabling vision, insight and foresight.*
- **2c** *Wise leaders respect and draw upon tradition as a means of apprehending who and what they are as a form of personal insight enabling them to understand the contingency of life and the constructedness of phenomena, particularly their historical and spatial contexts.*

The third proposition is absolutely fundamental because wisdom theory since Aristotle has been centrally concerned with the role of ethics and virtue (Aristotle, 1984; Crisp & Saunders, 1997). A central capacity of practical wisdom for Aristotle is ethical judgment. For him, the inclination to virtue defines our humanity: one should do "what one does just because one sees those actions as noble and worthwhile" (Hughes, 2001, p. 89). This ancient commitment to values and ethics is consistent with recent psychological theory (Sternberg & Ben-Zeev, 2001). For example, integral to Sternberg's three-part Balance Theory of Wisdom is virtue, or socially valued behavior: the "balance" that he speaks of "all hinges on values. Values therefore are an integral part of wise thinking" (Sternberg, 2001, p.231). Wisdom manifests as concern for others, being thoughtful and fair, admitting mistakes, and also learning from them (Sternberg, 1990; Baltes, Staudinger, Maercker, & Smith, 1995).

Values, whether implicit or explicit, are at the core of all organizations and work. The importance of this characteristic must not be underestimated in, for example, the international business context where cross-cultural management means, necessarily, managing across different value systems. In more general terms, Etzioni (1961) discusses organizations in terms of their instrumental, normative, or moral implications, and Selznick (1957) discusses "institutional" leadership as involving the processes that "infuse with value" beyond the technical requirements of the task at hand. The *interpersonal* leader's task is "to smooth the path of human interaction." The *institutional* leader's task, however, is "the promotion and protection of values." Much of the organizational attachment literature highlights that the normative and moral, rather than instrumental, provide the reasons that people choose to belong, help, and remain in an organization.

Proposition 3. *Wise leaders value humane and virtuous outcomes.*

- **3a** *Because wise leaders are humane, they produce virtuous and tolerant decisions.*

Aristotle argues that wisdom is essentially practical; that is, it is concerned with navigating the travails of day-to-day living and working in a way that contributes to well-being. Wise people acknowledge that decision-making is contingent and rarely involves applying absolute principles. Thus, while one should know absolute principles, one must know how and when to apply them to a complex and fuzzy reality. So important is this aspect of wisdom to management and leadership that we allocate it individual

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propositional status. The practical wisdom we describe is not, as some might characterize it, the luxury of unworldly sages. Instead, a wise person has rich factual, or declarative, knowledge about "the fundamental pragmatics of life" (explained above). This grasp of declarative knowledge provides the basis of prudence. For Aristotle, a prudent person is "one who is able to deliberate well concerning what is good and expedient for himself … which are good and expedient for living well [in general]" (Aristotle, 1984, Bk 6, 5, pp. 1140b, 105). Thus, prudence dictates a degree of worldliness that enables people to live well materially. In other words, wisdom is for making decisions and taking action in everyday life. It is also a quality of people who are engaged in worldly activities. We can, therefore, propose that:

Proposition 4. *Wise leaders and their actions are practical and oriented towards everyday life, including work.*

According to Aristotle, practically wise people can articulate their insights, but more particularly their judgment in decision-making, to others. We call this an aesthetic capacity, by which we mean that the articulation of wisdom must be elegant to the extent that it reaches out to meet the affective as well as cognitive needs of those who will be affected. Communication skill is central to wisdom. Baltes and Smith (1990, p. 95) claim that wise people provide good judgment and advice about important but uncertain matters of life. However, reinforcing the role of communication skills, Malan and Kriger (1998, p. 248) remind us of another attribute of the wise leader, which is their sensitivity and ability to "interact with people all the time and continually pick up clues and meaning from these interactions". That is, wise people must be able to relate to other people in some way so that they can better apprehend a person's often unarticulated beliefs, attitudes, values, knowledge, and understanding, as well as their capacities and incapacities. Furthermore, this communicative and sensitive capacity would manifest in, for example, wise leaders' concerns for both procedural and distributive justice. The aesthetic dimension of wisdom also relates to pleasure and reward. Thus, we argue that it is intrinsically rewarding to have the capacity to formulate wise judgment that is practical and that effects the good for all concerned. A wise person, therefore, must have aesthetic sensibilities and understand that followers have aesthetic needs too. We, therefore, propose that:

Proposition 5. *Wise leaders are articulate, understand the aesthetic dimension of their work, and seek the intrinsic personal and social rewards of contributing to the good life.*

To sum up then, wisdom is essential because we are not just conscious deciders but conscientious deciders who use active cognitive processes rather than simply habitual patterns of thought. Moreover, "The greater an enquirer's ability to move fluidly between producing alternatives and evaluating them and to operate at both levels simultaneously, the better she will be at finding valuable discoveries" (Elfin, 2003, p. 62). This agile evaluative capacity is central to Aristotle's sense of how to judge. Indeed, Eflin (2003, p. 61) argues that; "The central epistemic virtues Aristotle considers are ingenuity (which includes intellectual creativity), perceptual creativity, acuity of inference, a sound sense of relevance, and an active ability to determine the relative importance of heterogeneous and sometimes incommensurable ends". If, as our description of wisdom implies, wisdom comes into its own when leaders have to make difficult decisions, it is important to consider the context of contemporary managerial decision making.

3. Leadership responses to contemporary conditions

Although organizational leadership has always been a complex task, contemporary conditions intensify the difficulty (Mumford, Zaccaro, Harding, Jacobs, & Fleishman, 2000). Apart from the wider macro-issues of globalization, tectonic geo–political shifts (e.g., the effect of India's and China's industrial revolutions; the Islamic revival), and rapidly changing technologies, two aspects of contemporary practice illustrate this claim. First, the paradigm of technocratic rationality that characterises contemporary (post-) modern organizational practices has perhaps passed its marginal utility point: that is, more technocratic measurement and control is producing lower, even negative, returns. Technocratic rationality provides the epistemology and axiology of modern practices that are not based on humanist concerns, but the belief "that the best form of governance is rule by experts, based upon their allegedly scientific knowledge that vouchsafes to them the right way to manage society" (Spragens, 2001, p. 56). Aktouf (1992), for example, urges management practitioners and researchers to turn away from the technical, control-obsessed, short-sighted approach and turn to more people-oriented humanistic values in organizations. Mintzberg demonstrates that many managerial practices are founded on fallacies and shallow "pseudo-scientific" constructs (Mintzberg, 2000, p. 235), and that, because they rely overly on formalized procedures (p. 294), they neglect the "art" and "craft" of management.

The second aspect of contemporary circumstances that increases the complexity of organizational leadership concerns the increasing focus on ethical and environmental issues for which organizations are increasingly being held accountable. The related concepts of corporate social responsibility (Doh & Guay, 2004; Korhonen, 2002; The Economist, 2005), triple bottom line (Elkington, 2001), and sustainability (Dunphy, Griffiths, & Benn, 2003) have now become a relatively normalised part of corporate discourse. As well, organizations now contend legally and ethically with a widened range of stakeholders (Brammer & Millington, 2003; Donaldson & Preston, 1995; Ruf, Muralidhar, Brown, Janney, & Paul, 2001), and are no longer seen as isolated from the processes of social relations as social institutions (Dean, 2001; Oketch, 2004). They also increasingly must focus on establishing and maintaining an appropriate corporate image, including in their formal reporting processes (Fombrun, 1996; Hooghiemstra, 2000).

4. New paradigms of leadership

The conditions outlined above present as leadership challenges that have contributed to the need to change concepts of what leadership is. In particular, there is more emphasis on such factors as attitudes, values, and intellectual processes in leadership. In

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the past decade, transformational, charismatic, spiritual and authentic leadership scholars have dealt with issues about ethics, trustworthiness, and the capacity to contribute to the common good (Bass, 1990; Howell & Avolio, 1992; Avolio & Bass, 1995; Bass, 1997; Gardner & Avolio, 1998; Luthans & Avolio, 2003; Avolio & Gardner, 2005; Gardner, Avolio, Luthans, May, & Walumbwa, 2005; Kriger & Seng, 2005). It is important to note that while these factors are important, the primary concern in this research has, rightly, been effective strategic leadership. An attempt to pull much of this literature together is Boal and Hooijberg's (2001) Integrative Model of Strategic Leadership that strives to develop a model of strategic leadership that combines the elements of complexity as well as social, behavioral and ethical considerations. We build on Boal and Hooijberg's (2001) Integrative Model of Strategic Leadership because it specifically identifies wisdom as critical to leadership, seeks to integrate wisdom into a model of leadership and directly addresses the issue of complexity. Importantly, it attempts to bring together the vital elements of wisdom, cognition, complexity, vision, and transformational leadership. According to Boal and Hooijberg (2001), the outcome of strategic leadership is organizational effectiveness, which is induced by Strategic Leader Effectiveness. Strategic Leader Effectiveness, in turn, is determined by three factors: absorptive capacity, capacity to change, and managerial wisdom. These three factors can be understood in terms of the three emergent theories (cognitive complexity, social intelligence, and behavioral complexity) as well as three new leadership theories (vision, charisma, and transformational leadership). Although an impressive advance, this effort falls short, we believe, for three reasons: it is excessively cognitively oriented; it fails to acknowledge the role of the non-rational; and it insufficiently accounts for the ethical dimension of leadership.

While the transformational, charismatic, spiritual and authentic leadership literature deals with ethics, foresight, and symbolic labor, it does not explain adequately how wise leaders deal with the complexity that characterizes contemporary business conditions and organizations. As briefly outlined above, constant change, information overload, competing and contradictory explanations of problems, seemingly incommensurable commercial and ethical demands, and so on create an environment of ambiguity and complexity. We argue that the links between complexity and intellectual labor (in the form of making ethical decisions, using foresight, and symbolic labor) have not been adequately explained in the leadership literature. The central issue here is how effective leaders cut through this complexity. We will show how wisdom theory can guide such analysis.

Because they are integral to Boal and Hooijberg's model, we will briefly summarize the literature on transformational, authentic and spiritual leadership to further consider what might broadly be claimed as the necessary humanist elements of wise leadership as well as future orientation. These are the elements that largely fulfill the aspects of character and virtue set out in the wisdom principles. We then consider the nature of complexity and its implications for wise practice.

5. Transformational, authentic, and spiritual leadership

We begin by considering the relationship between wisdom and the literature on transformational leadership. Of particular relevance to wisdom is that it incorporates values, which are a key aspect of our wisdom theory. Transformational leadership (see Avolio & Bass, 1988; Avolio & Bass, 1995; Gardner & Avolio, 1998; Avolio, Bass, & Dong, 1999; Harvey, Martinko, & Gardner, 2006) emphasizes the ethical dimension of leadership. Leaders have a significant impact on organizational values (Gottlieb & Sanzgiri, 1996; Grojean, Resick, Dickson, & Smith, 2004). Bass and Steidlmeier (1999, p. 182) differentiate transformational from transactional leadership, with the key defining element being the ethical nature of the two leadership types. Whereas transactional leadership primarily uses contingent reinforcement (contingent reward and correction), transformational leadership sets examples to be emulated by their followers. In effect, effective leaders establish ethical behavior standards using both mechanisms. For example, Grojean et al. (2004) include setting an example, establishing clear expectations, providing feedback, and recognizing and rewarding appropriate behavior as effective means for transmitting appropriate behaviors. Authentic transformational leadership is essentially selflessly ethical in the sense that the values-base of such leadership "is connected to friends, family, and community whose welfare may be more important to oneself than one's own" (Grojean et al., 2004, p. 186). Indeed, the authentic leadership literature (Bass & Steidlmeier, 1999; Gardner et al., 2005; Harvey, Martinko, & Gardner, 2006), which might be seen as an elaboration of transformational leadership theory, has values as a core issue. It is significant that there is strong empirical evidence that transformational leadership is organizationally effective (Lowe, Kroeck, & Sivasubramaniam, 1996), an outcome that is important for practical wisdom. The major findings of these studies are that

- Transformational leaders are prepared to change the orthodox, and are not reactive, preferring to anticipate the future (Avolio & Bass, 1988).
- Followers trust and value congruence with the leader, and in doing so mediate the performance outcomes of transactional leaders (Jung & Avolio, 2000).
- The degree to which "trigger events"—unexpected and personally relevant organizational events that present the opportunity for growth or to give up (Harvey, Martinko, & Gardner, 2006)—can stimulate authentic development depends on the capacity of authentic leadership (May, Hodges, Chan, & Avolio, 2003; Harvey, Martinko, & Gardner, 2006).

Authentic leaders are defined as people "who possess self-awareness of, and act in accordance with, their values, thoughts, emotions, and beliefs" (Harvey, Martinko, & Gardner, 2006, p. 1, see also Avolio, Gardner, Walumbwa, Luthans, & May, 2004) and are future-oriented (Luthans & Avolio, 2003). More specifically, the characteristics of authenticity are self-awareness; relational transparency; authentic behavior (Kernis, 2003); and a capacity for balanced processing (Gardner, Avolio, Luthans, May, & Walumbwa, 2005). Each of these is needed for wisdom. Authentic behaviour is "behavior that is aligned with one's values, needs, and preferences" (Stajkovic & Luthans, 1998; Harvey, Martinko, & Gardner, 2006, p. 2). Balanced processing means "the unbiased collection and interpretation of self-related information, whether it is positive or negative in nature …. The leader does not distort,

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exaggerate, or ignore externally based evaluations of the self nor internal experiences and private knowledge that might inform self-development" (Gardner et al., 2005, p. 347). Authentic leaders are able to do this because they have empathy and emotional sensitivities (Michie & Gooty, 2005; Kellett, Humphrey, & Sleeth, 2006). Importantly, they are also able to connect or communicate (Gardner et al., 2005; Kellett et al., 2006) with followers and understand and communicate an attractive expression of what they see as being needed to enable well-being and happiness (Ilies, Morgeson, & Nahrgang, 2005).

As spirituality is an aspect of wisdom (see Proposition 2b above), we finally discuss contemporary spiritual leadership literature. Although notions of spiritual leadership are values-based, of more significance is that spiritual leadership literature introduces important questions about transcendence, spiritual practices that develop higher ethical sensibilities, the origin of values, contemplative wisdom, and time. Whittington et al. (2005) emphasize the value of spirituality to leadership in terms of introducing timeless qualities and considering the long-term effects of leadership. Spirituality also directs us to ask questions about responding to ethical dilemmas through transcendence and a higher purpose other than norms, and about the value of the pain felt in meeting such challenges in navigating life (Parameshwar, 2005). Dent, Higgins, & Wharff (2005) discuss spiritual practices and teaching as important in leader development. Reave (2005) points to the role of humility in leadership and followership, a point strongly made also by Collins (2001) who identifies humility as a characteristic of Level 5 leadership. Kriger & Seng (2005) discuss wisdom as balance, harmony and unity and as being an essential part of creating the inner meaning needed for a self-transcendence that is indispensable for leadership.

Clearly then, profound ethical values, selflessness, vision, and transcendent capacity are increasingly being seen as integral to business leadership. It is these characteristics that we claim must sit equally with cognitive capacity in defining wise leadership.

6. Boal and Hooijberg's strategic leadership model

The incorporation of wisdom in Boal and Hooijberg's (2001) model (Fig. 1) is a landmark in leadership studies because it attempts to incorporate the concept of wisdom into leadership theory. Since then, as we showed, wisdom has been incorporated increasingly into leadership and organizational models. We have provided a definition of wisdom based on psychological and philosophical theories. We have argued that wisdom principles are especially relevant in the complex environment to which organizations must adapt or perish. Consequently, successful leaders of these organizations will need to be wise. Evident in the literature of transformational, authentic, and spiritual leadership are those features of wisdom that leaders need. Our analysis indicates that the types of research that will most usefully contribute to successful leadership models are theory development empirical psychological studies, and sociological studies.

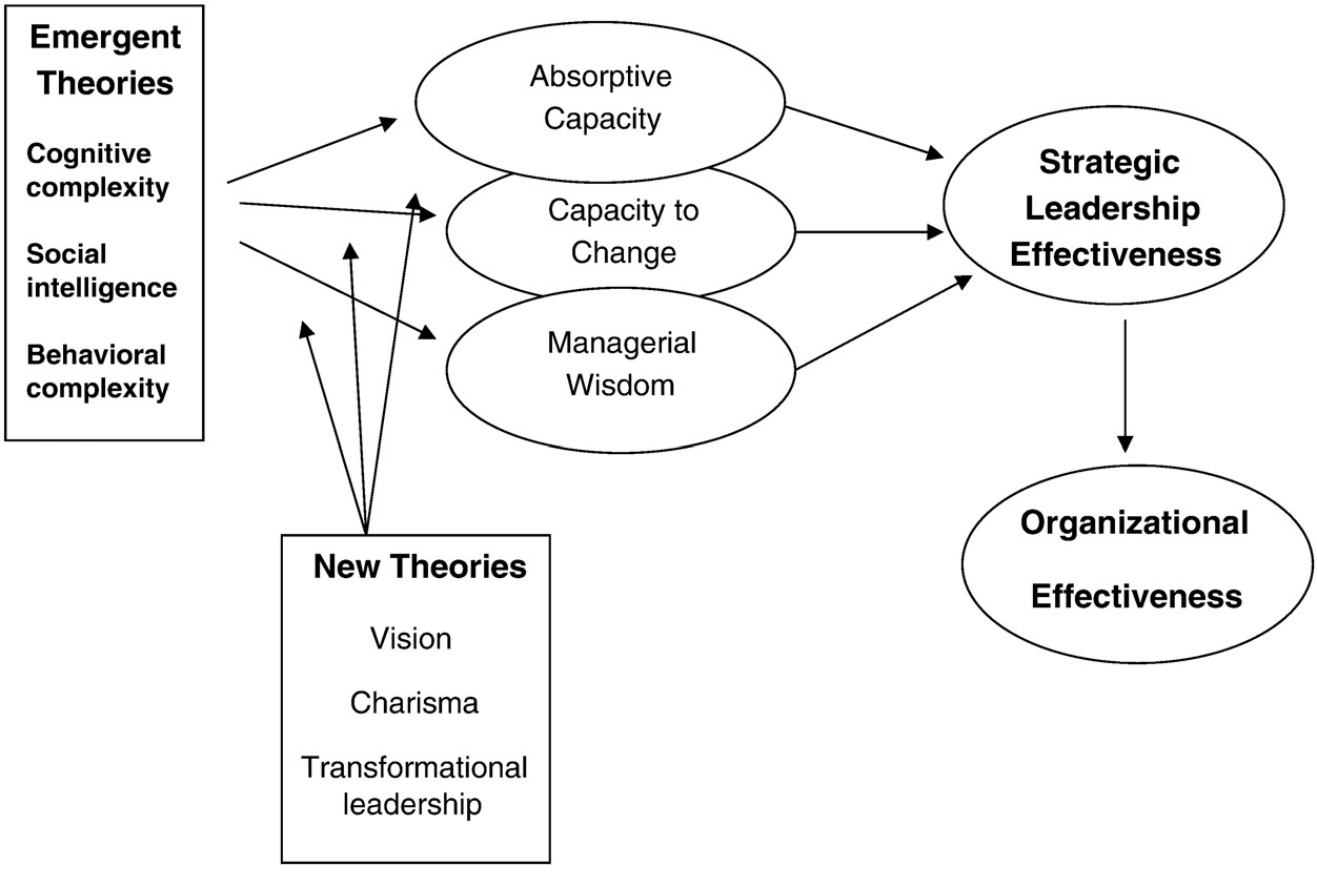

Fig. 1. Boal & Hooijberg's integrative model of strategic leadership.

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Thus wisdom is located in this model as one of three factors that determine Strategic Leadership Effectiveness. However, we wish to lift wisdom out of that model to become the primary construct that determines the appropriateness of those factors considered important for effective leadership. In this way, leadership theories can be evaluated according to wisdom criteria. For example, while charisma—whether it be visionary or crisis responsive (Hunt, Boal, & Dodge, 1999)—is characteristic of some effective strategic leaders, it is not a necessary condition. On the other hand, transformational ability—by which we mean the capacity to alter organisational cognitions and values (Yukl, 1999)—and vision (Gioia & Thomas, 1996; Nutt & Backoff, 1997) are necessary characteristics of a wise strategic leader.

Because they deal with complexity, two of the three emergent theories in the model above—behavioral complexity and cognitive complexity—are important for our discussion. We argue that much of the value of leadership and wisdom is related to successfully dealing with complexity.

7. Behavioral complexity and cognitive complexity

An essential aspect of leadership is the capacity to deal with complexity. We briefly survey the concepts of cognitive and behavioral complexity to consider their relevance to wisdom in leadership.

7.1. Behavioral Complexity

Behavioral complexity relates to how individuals as members of larger groups, organizations, even societies adapt to changing structural processes. Behavioral complexity theory, according to Satish (1997, p. 2048), "focuses on differences among individuals and on the interplay of a volatile, complex, and potentially ambiguous environment with human beings (as individuals or groups) who attempt to deal with that environment". Wise leaders need to be behaviorally complex because they need to respond to the shifting mosaic of circumstance inside, but more particularly outside the organization. Clearly then, say Boal & Hooijberg, drawing on Quinn (1988; Quinn, Spreitzer, & Hart, 1991), behaviorally complex managers have the capacity to change.

Responding to environmental complexity is dependent on continuous appraisal and re-appraisal of the assumptions that underlie the life of an organization. Excessive concern with externalities can lead to interminable change and loss of purpose, while well modulated and timely change adapts an organization to its environment enhancing its longevity and maintaining internal consistency for organizational members. An important factor in leaders being able to do this is cognitive complexity.

7.2. Cognitive complexity

Cognitive complexity is derived from psychological theories of cognition originating half a centaury ago in the work of George Kelly (1955), Walter H. Crockett (1965), Schroder, Driver, and Streufert (1967), and O.J. Harvey (Harvey, Hunt, & Schroder, 1961). Essentially, a person's cognitive complexity is determined by differentiation, the "number of dimensions used by individuals to perceive environmental stimuli", and integration, "the complexity of rules used by individuals in organizing the differentiated dimensions" (Wang & Chan, 1995, p. 35). It is an important concept in management and leadership because it refers to the capacity of a leader to adapt, think, understand, and decide about complex phenomena (Yasai-Aradekani, 1986; Bartunek & Louis, 1988). These concerns are all pertinent to understanding the value of wisdom. Cognitively simple managers tend to limit their purview of phenomena, tend to respond in traditional and rule-based ways, and have difficulty in ambiguous situations. Complex and wise managers, on the other hand, are readily able to respond to, even seek out, a broader range of environmental phenomena. In addition, they are creative or fluid thinkers, and handle ambiguity well (Schwenk, 1988; Wang & Chan, 1995). Hence they perform better as decision-makers in organizations (Goodwin & Ziegler, 1998). They perform better because of their capacity, as high level knowledge workers, to make sense of the complexities of their environment. Of course, measures of behavioral and cognitive complexity operate on a continuum and are not discrete categories. Thus, there are degrees of wisdom as the common expression "that wasn't so wise" indicates. Furthermore, wisdom is domain-specific because of different levels of cognitive complexity in different domains, and wisdom depends to some extent on experience and domain knowledge. People can act more or less wisely in different domains of activity because of varying experience, knowledge and aptitudes: thus, for example, a wise manager may not be a particularly wise parent.

Social intelligence is critical for leadership (Zaccaro, Gilbert, Thor, & Mumford, 1991). Social intelligence is regarded as important for success in negotiating one's way through life, and has been associated with wisdom in leadership (Boal & Hooijberg, 2001; Cantor & Kihlstrom, 1987). Social intelligence can be thought of as social knowledge and skill that enables people to more easily and successfully conduct themselves in social life and is, therefore, related to behavioral and cognitive complexity. Empathy and social awareness are parts of this important quality because they sensitize leaders to the dispositions and needs of others above and below them. An important aspect of social intelligence is that leaders also discern the right time to act, and that different actions may be needed at different times (Boal & Hooijberg, 2001). Social intelligence therefore depends on certain kinds of knowledge, and the ability to understand and cope with the behavior of others and to manage people (Kihlstrom & Cantor, 2000).

8. The role of knowledge in wisdom theory

In many respects, modern business leaders are knowledge workers of the highest order, and, therefore, understanding how organizational knowledge impacts on leadership is important when considering the role of wisdom. Cognitive complexity theory

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emphasizes an individual's rational thought but contemporary knowledge theory goes beyond this and sees knowledge as a socially shared resource. One of the most important challenges for leaders is to manage well in this context of shared or discursive knowledge. Thus we characterize knowledge as pluralist, socially constructed, fragmented and discontinuous, and having an axiological dimension. Disappointingly, the strategic leadership literature makes little direct comment about knowledge despite the fact that leadership constantly deals with the high-level knowledge work of, for example, analysis, synthesis, imagining and deciding. The literature suggests that there is a considerable mental load in discerning, clarifying, deciding, communicating and acting on realizations, tensions, inconsistencies and knowledge at the ontological, axiological and epistemological levels. We argue that more needs to be said about knowledge in leadership because the capacity to handle knowledge is an important component of wise leadership. That is, wisdom principles assume not just that there is a significant quantum of knowledge in leaders, but more importantly that they deal effectively with the shifting nature of knowledge. This requires artfulness, craft, and political astuteness, the wisdom characteristics implied in Proposition 5.

A strategic leader requires knowledge to do work and their work means that they create, manage, and diffuse it. Knowledge, however, is a major source of complexity and can be exploited to its maximum degree only when complemented by wisdom. Knowledge is not a unitary 'thing' but a complex network (or system) of facts, ideas, beliefs, memories and intuitions (Rooney, Hearn, Mandeville, & Joseph, 2003; Rooney & Schneider, 2005; Saul, 2001, ch. 5). Briefly, ideas need to be connected to other ideas to create meaning, to find answers to problems, and to make decisions to act. These knowledge networks are not static. Our state of knowledge is constantly changing. While knowledge helps us decide and solve, it also produces ambiguity and complexity. For example, research can produce radically different knowledge about a particular question, and people working from different perspectives can have divergent knowledge that predisposes them to taking different courses of action in similar situations. Some people who are creative and have exceptional abilities in pulling together very disparate ideas will produce knowledge that is simultaneously imaginative and insightful, but threatening to conventional assumptions. They see things we do not. Dealing with the extent and scope of knowledge systems can therefore cause as many problems as answers. From this understanding, it is self-evident that wise leaders are those who apply creativity, vision, foresight and insight to knowledge issues. Given that knowledge and ideas are socially, ethically and politically problematic, it becomes clear that considerable social, ethical and political aptitudes are needed to take good advantage of this complexity. Given the central role of knowledge in organizations, and the complex nature of knowledge, it is essential that we characterize knowledge in an organizational context that is relevant to a wisdom-oriented view of leadership.

Organizational knowledge is pluralist (Spender, 1998). That is, we take knowledge systems to be constructed of multiple and often contradictory ideas, assumptions, beliefs, intuitions, memories, cognitions, etc. but which are taken by their possessors to have socially justifiable truth values (Rooney & Schneider, 2005).

From this assumption it follows that knowledge is taken to have truth values that are (re)constructed in social relations and, specifically, through communication. This is consistent with sociologists of knowledge who see knowledge as culture or expressions of culture (McCarthy, 1996). Berger and Luckmann (1966) claim that knowledge is symbolic rather than simply explanatory and so is cultural (cf. Marshak & Heracleous, 2005). This symbolic perspective suggests that sophisticated communication is essential if knowledge is to be shared and diffused throughout an organization (Rogers, 1980; Winter, 1987; Zander & Kogut, 1995). The implication of this for leadership is that central aspects of leading are both its explanatory and symbolic communicative functions. A large part of the intellectual labor of leadership and wisdom (which they have in common with knowledge management) is the stewardship, steering and facilitating activities using organizational symbols and communication.

Much industry level concern about knowledge can be characterized as a response to dealing with risk perceptions in an environment characterized by complexity and uncertainty (Van Loon, 2005). In this uncertain environment, knowledge has been characterized as being "fragmented" and "discontinuous" such that there is much ontological and epistemic confusion (cf. Murphy, 2005). This perceived epistemic and ontological indeterminacy has helped create the conditions in which problems are seen to need solutions that go beyond the rationality of bureaucratic and instrumental rationality to judgment and insight that are part of wisdom.

Complex formal and informal social networks, through which knowledge is communicated, develop in organizations (Lievrouw, 2001). To negotiate these relationships, social intelligence and skill are essential for wise strategic leadership because knowledge is embedded in relationships and within individuals. In other words, the context in which people learn and enact knowledge is, at the very least, messy and contingent. Without wisdom, intellectual labor is compromised by complexity, and by epistemic and cognitive uncertainty, and so is more likely to lead to conflict, mistakes and confusion in some cases.

As Spender (1998, p. 246) says, the firm can be envisaged as "complex, an autonomous self-organizing system that emerges as the outcomes of the interaction of different types of knowing within a bound and deliberately created context". This context has been described variously in knowledge management as a complex distributed knowledge systems (Spender, 1996; Tsoukas, 1996; Chia, 1998; Hansen, 1999; Snowden, 2000; Schneider, 2001; Stacey, 2001); socially distributed activity system (Engestrom, 1991, 1993; Blackler, 1995); and shared contextual space or *ba* (Corno, Reinmoeller, & Nonaka, 1999; Nonaka, Toyama, & Konno, 2000; von Krogh, Ichijo, & Nonaka, 2000). In other words, knowledge is not primarily formulated in this literature in relation to facticity or content, but, rather, as flows, relations, patterns, contexts and emergence in complex systems. For leaders, the realization that knowledge is a background of complex processes should bring with it an understanding that knowledge work in leadership is a major social challenge. The extent of this challenge is only amplified by issues at the cognitive level where there are problems of incompleteness, ontological and epistemological instabilities and relativity. Simon (1955, 1987, 1991) argues that we are boundedly rational; and Berger and Luckmann (1966) argue that knowledge is subjectively constructed and partial. Wisdom is an ability that minimizes these cognitive limitations for leaders and others.

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Finally, a theory of knowledge within a broader conception of wisdom must have an axiological dimension. That is because knowledge is not necessarily benign. Indicative of this is *The Bible's* claim: "He that increaseth knowledge increaseth sorrow" (Ecclesiastes, 1:18); Sir Francis Bacon's declaration that "Knowledge itself is power"; and Samuel Johnson's averment "Integrity without knowledge is weak and useless, and knowledge without integrity is dangerous and dreadful" (in Boswell, *The Life of Samuel Johnson*, 1791). In short, knowledge can be seen, among other things, as potentially involving power, danger, risk, and threat, a line of thought elaborately developed in Foucaultian and neo-Foucaultian theory (Foucault, 1979, 1980; Sheridan, 1980). A corollary of this is that there is an imperative to use knowledge well, indeed, ethically. Thus, Tsoukas (2005, p. 31) argues that we can no longer simply ask what is knowledge (an abstract question not directly linked to an evaluative framework), we must ask what is good knowledge. Furthermore, we argue, by extension, that we should also ask who is a good (ethical and wise) knower.

9. Wisdom as complexity and discernment: a metatheory of effective leadership

Wisdom therefore is not just concerned with rational processing of quotidian knowledge; it is a process that brings together the rational and the transcendent, the prosaic and higher virtues, the short- and long-terms, the contingent and the absolute, and the self and the collective. Moreover, wisdom accepts the complex, cuts through ambiguity, and derives its energy from the tensions and uncertainties of a complex world. In short, the wise find the best possible resolutions in complex and difficult situations when others do not; this may even mean choosing the best "bad" decision in diabolical situations. Thus the seeming paradox is only so if the characteristics of wisdom were to be considered incommensurate. Wisdom brings discernment, clarity and knowledge to bear on complexity and unpredictability. This complex adaptive knowledge system is the work environment of leaders. As Tsoukas (2005) points out, complexity is best determined in relation to an observer–interpreter. A system, therefore, is more or less complex depending on how many non-equivalent descriptions of the system the observer can discern. We argue that wisdom enables the interpreter to see more complexity, because of their ontological acuity, see more clearly what the complexity means, and know how to respond in the most appropriate way. It is, perhaps, the ontological acuity that is foundational of wisdom. By this we mean the capacity to simultaneously discern the technical complexity, the social complexity, the cultural complexity, and the ethical complexity of a situation by critically understanding their ontological foundations, and to be able to integrate them all in a plausible narrative that responds to that complexity.

10. Judging effective leadership: from a wisdom perspective

Wisdom, then, is particularly appropriate to contemporary leadership. It provides a framework for dealing not just with wide-ranging and complex knowledge, but with changing ontological structures. Wisdom does this because it is a transcendent process. Furthermore, wisdom provides reassurance in an age of moral, economic, and epistemic uncertainty because of its commitment to long-term benefit and its infusion of virtue. As organizations become more complex, they demand no less than wise leadership if they are to survive. This is particularly so when leaders deal with the complex legal and ethical considerations of large corporations in our current deregulated environment. As Waldron (2006) points out, the Enron scandal revealed the potential for corrupt "leaders" to strategically leverage personal advantage to the disadvantage of others. Because issues of politics, governance, law, and ethics are complexly related, they too require wise consideration that takes into account a large stakeholder set. Wise leaders can be distinguished by their track record not so much of achievement, but of process. The processes used by wise leaders are particularly significant in those situations where organizations are committed to a course of action that seems to be failing. The decision to pull out or to continue is complicated by such factors as loyalty, self efficacy (Whyte, Saks, & Hook, 1997) and approach avoidance (Brockner & Rubin, 1985; Keil, Mann, & Rai, 2000). Because the decision to pull out may look like, or be represented as, weakness, betrayal, and lack of consideration, it requires wise judgment, as well as courage and conviction.

A wise leader will be a person who becomes a laudable, if imperfect, instantiation of the five characteristics of wisdom we have set out. Wise leaders must have cognitive complexity; a capacity to deal with complex and ambiguous phenomena in complex environments. Secondly, wise leaders must be rational and deep thinkers; having a capacity to seek out and understand the "facts" of a situation and to deal with them rationally, but also to understand and question the ontological basis of these facts. Thirdly, a wise leader displays creativity and judiciously draws on the non-rational as appropriate; having a capacity to think creatively and to acknowledge the potential worth of one's own instincts in making judgments. Fourth, a wise leader displays long-term vision and virtue; having a proven commitment to long-term welfare not just of immediate stakeholders, but of humanity in general. To care for humanity, one must be committed to virtue, that which is intrinsically decent. Finally, a wise leader is articulate; having a proven capacity to reach people through word, affect, and action.

It might be argued that these five features of a wise leader could have been devised without having to go through the theoretical processes outlined in this paper. In a sense, that is correct, because wise action is often self-evident, but usually only after the fact. However, this analysis has provided a soundly based meta-theoretical framework for understanding the nature of practical wisdom and judging wise action based on philosophical and psychological traditions. Furthermore, we have shown why such wisdom is particularly important in our contemporary circumstances, and what characteristics wise leaders must display to achieve worthwhile and virtuous outcomes in these times.

Wise leaders, then, will require each of these characteristics to varying degrees according to the circumstance. From this, we can deduce three features of wisdom in practice. Wise leadership is domain specific, or contextualized. That is, people may be wise when dealing with certain issues but less wise, even foolish, when dealing with other issues. This is evident in the common phrases about people being "wise in the ways of the world" or "wise in matters of the heart". Second, there are varying degrees of wisdom:

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a continuum of wise, wiser, and wisest. Third, the presence or absence of all five of our principles and the degree to which each principle is adhered to provide the basis for measuring wisdom empirically.

11. Implications for future research & practical applications

11.1. Research

The theoretical foundations of wisdom research include the genealogy of wisdom, the philosophy of wisdom, and the theoretical constructs underlying a psychology of wisdom. Much has already been done on the genealogy and philosophy of wisdom. However, further studies that consider the non-western genesis of the concept of wisdom (Case & Gosling, 2007; Takahashi, 2000; Takahashi & Bordia, 2000), their applications in organizational and leadership theory (Chia, 2003), as well as analyses of contemporary Eastern cultures' perspectives of wisdom (Levitt, 1999; Yang, 2001) are warranted. This is particularly so given the globalized conditions of many organizations (Soderberg & Holden, 2002).

The theoretical approaches to the psychology of wisdom seem to vary according to whether research should use implicit or explicit theories of wisdom. Implicit theories of wisdom are "based on the beliefs and mental representations that laypersons have about wisdom and wise people" (Ardelt, 2004, p. 258), whereas explicit theories of wisdom are determined by the researchers. Thus, the Berlin School asserts that wisdom is an 'expert knowledge system in the domain, fundamental life pragmatics' (Baltes & Smith, 1990, p. 95) or "an expert system dealing with the meaning and conduct of life" (Baltes & Staudinger, 2000, p. 124). Sternberg (2004, p. 287) defines wisdom as "the application of intelligence, creativity and knowledge to the common good by balancing intrapersonal (one's own), interpersonal (others'), and extrapersonal (institutional or larger interests) over the long and short terms, through the mediation of values, so as to adapt to, shape, and select environments". Although a widely accepted definition of wisdom has not yet been developed, Kramer (2000) and Ardelt (2003, p.277) claim that there is agreement that it is "multifaceted and multidimensional" (cf. Webster, 2003) and that the facets and dimensions "reinforce each other" (Baltes & Staudinger, 2000). Empirical studies tend to identify dimensions of wisdom. Webster (2003, p. 14) identifies five dimensions — experience; emotional regulation; reminiscence and reflectiveness; openness; and humour — and says that a "synthesis of at least two of these skill sets would be required for wisdom to emerge". Ardelt (2003) uses the three dimensions first devised by Clayton and Birren (1980): cognitive, reflective, and affective. She claims that all three dimensions need to be present, but the reflective dimension is regarded as "crucial" (Ardelt, 2003, p. 279). Her analysis of other models (e.g., Holliday & Chandler, 1986; Sternberg, 1990) indicates that their dimensions incorporate these three dimensions. She also asserts that the affective dimension is often overlooked (Ardelt, 2003, p. 277).

Methodologies also vary. The Berlin School tends to use hypothetical scenarios to measure wisdom. They use the "maximal-performance approach", which requires the solving of difficult problems, rather than Ardelt's 'typical performance approach' (Sternberg, 2004, p. 288), or situations from one's life. Sternberg believes that using both hypothetical and personal scenarios is appropriate for considering the wisdom of judgments in conflict resolution. When considering wisdom as a latent variable, Ardelt (2003, p. 311) claims that her *Three-dimensional Wisdom Scale* (3D-WS) "is a reliable and valid instrument and a promising scale" for evaluating large standardized samples of older populations if the latent variable wisdom is defined and operationalized as a combination of cognitive, reflective, and affective personality characteristics. Similarly, Webster (2003) has also used a Self-Assessed Wisdom Scale, which showed that gender is positively correlated with wisdom (i.e., women scored higher); and that wisdom is more cognitively oriented in men and affectively oriented in women. Consequently, predicting organizational and leader wisdom might be enhanced by further refining such studies. We agree with Ardelt (2003) that longitudinal studies of wisdom are needed: in fact, much of the earlier wisdom research concerned changing stages of life. Given that wisdom is associated with many positive characteristics (Ardelt, 2003, p. 276), further research into creating the organizational conditions that are conducive to wisdom would be warranted: this is especially so given that individuals are only weak carriers of wisdom (Baltes & Staudinger, 2000, p. 130–131). Also relevant to organizational and leadership practice are the aging phenomenon (Johnson, 1995), the type and life-span of wisdom in organizations (Baltes & Dickson, 2001), and the inter-generational transfer of wisdom in the workplace (Hammer, 2002), which should also be significant research topics. If these studies intersect with such areas as positive psychology (Csikszentmihalyi, 1996; Fredrickson, 2001; Seligman, 2002), then it is more likely that organizational wisdom will be considered within the broader context of people's lives outside of the workplace.

From a sociological perspective, research would most profitably focus on the nature of knowledge, the sociology of organizational practice, and the features of discursive frameworks (Rooney & McKenna, 2007). The sociology of knowledge would focus on the socially constructed context and patterns of organization that produce particular forms of knowledge and critically evaluate their ontological bases, particularly in instances where organizational isomorphism occurs (Dacin, 1997; Mizruchi & Fein, 1999; Küpers, 2007). Furthermore, knowledge processes affect organizational learning and the deployment of tacit and explicit knowledge (von Krogh et al., 2000), which, in turn, also affect organizational wisdom. Discourse theory, if critically oriented, assists in understanding the sociology of wisdom in terms of structure and agency because discourse links thought, ideas, ideology and power to knowledge, agency and action (Lemke, 2003; van Dijk, 1997). Specifically at an organizational level, because organizational discourse constructs reality through sensemaking (Taylor & Robichaud, 2004), it is intricately linked with knowledge. Being wise is a social practice and so is part of a discursive structure: thus, a sociology of wisdom would provide an insight into the ideational, subjective, and ethical limits within organizations (cf. Chia, 2000).

Further areas of wisdom-related research that could work across disciplinary boundaries are the areas of creativity and intuition. Sternberg (1998) claims that management is wise to the extent that it uses a blend of intelligence, creativity, experience,

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and virtue. Creativity has been extensively researched (cf. Sternberg, 2003, p. 89–105), but its role in wise practice still needs much consideration (cf. Hemlin, Allwood, & Martin, 2004). As for intuition, Malan and Kriger (1998) identify a sixth sense or well-developed intuitive powers as vital for organizational wisdom. Yet intuition is conceptually contestable.

11.2. Practice

Caution is needed in making claims about or to having wisdom. Just as the assumption that increased knowledge is intrinsically good with no downside is misguided, so also are any unquestioned assumptions about the beneficence of wisdom unwarranted. So, what is the downside of wisdom? Csikszentmihalyi and Rathunde (1990, p. 44) argue that a disorienting grandiosity and remoteness are dangers that might be associated with the pursuit of wisdom. So too is the vice of a self deluded righteousness. These can lead to complacency and a lack of humility such as believing that we are smarter than we really are, and to believing that we unquestionably know what is best for everyone and everything. Nevertheless, as Csikszentmihalyi and Rathunde (1990, p. 44) also argue:

> *What this suggests to our contemporary way of thinking is that, even under the best conditions, knowledge is dangerous. But then so is ignorance. The point is to understand what are the dangers peculiar to wisdom so that we can reap its benefits while avoiding as much as possible of its negative effects.*

Wisdom is a finely balanced, difficult, and uncertain thing in itself. This suggests that we should deal with difficult and uncertain aspects of life by relaxing our modern urges to resort to rationality and to seek to control. In other words, paradoxically, we might be more in control if we are prepared to accept less of it. While this might be a wise way of engaging with the world, it is a way of engaging it that will be hard for many to embrace. It requires faith, confidence, humility and courage.

Finally, in the hustle and bustle of everyday work, managers cannot and do not rely entirely on the power of instrumental rationality: given the observations made by Simon, Campbell, and Gebser above, this should not disturb us. Rather than bemoan the human incapacity to deal with rapid change, or, worse still, attempt to build even bigger and more arcane knowledge systems, a wisdom approach acknowledges not only human cognitive limitations, but also the relativity of knowledge, perception, and truth. Thus, wisdom presents as a major resource for management. Although many of us will not become fully wise, the raw components for wisdom reside in all of us to one degree or another. We, therefore, take an optimistic view that a better future is possible if we are able to look beyond the accumulative assumptions about knowledge (and technology) to wisdom. Wisdom requires knowledge but not necessarily a great accumulation of it. Wisdom is critically dependent on ethics, judgement, insight, creativity, and other transcendent forms of human intellection. Wisdom is concerned less with how much we know and more with what we do and how we act. Wisdom is a way of being and is fundamentally practical in a complex and uncertain world.

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