

# WisdomWorks

*Organisational wisdom research project news, views and information*  
Julie Allan C Psychol, Irving Allan

## Some research suggests. . .

- **Wisdom** comes with age, but not necessarily
- **Meditation** is positively correlated with higher stages of self development
- **Cultural background** is a factor in what is perceived as wisdom. A Western view was weighted towards knowledge and experience; an Eastern view towards discretion and integrated emotion

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## (How) can a corporation be wise?

Well, times have changed since this research project started and most of us are now watching, and taking part in, a world of credit crunch and consternation. Organisations are reacting differently, and are differently capable, in the face of these challenges. I hope that yours is successfully drawing on the wisdom it can gather and create.

The pages that follow are an edited version of the first report that was circulated in full to participants, and I hope you find it interesting. There is more appetite now for the idea of a corporate wisdom rather than wisdom as the property of an individual – not before time. However, the integrated way of taking this forward in an organisational setting has yet to be grasped, even if disciplines including

psychology, anthropology, biology and economics have viewpoints to offer. A first sketch of a model to map and, in time, plan a course towards increasing



wisdom, is on page 5 of this report.

I can't help but hark back to the conclusion to Sternberg's 1990 edited text, ' . . . [with] the increasingly complex problems facing humanity. . . wisdom is not simply for wise people or curious psychologists; it is for all people and the future of the world.'

Julie Allan

## Continuing the conversation and the work

**This Phase I report** was distributed in a more extensive version to volunteer participants in the research project to identify factors supporting, and ways to develop, corporate wisdom.

A description of the research phases is on page 6. Phase I participants have been asked to continue, and if they know of others who might take part. More Phase I

participants as well as those who can take part in Phase II and beyond, are welcome.

Please do consider whether you can invest some of your time to assist. And do also consider if you think your organisation might benefit from involvement beyond just you. Contact details are on the back page.

Thank you.

## **The psychology of wisdom: a note on the field**

The psychology of wisdom, unlike many other areas of human experience, has not been extensively engaged with empirically. And what has been done is heavily oriented to the landscape of individual psychology rather than the landscape of the organisation.

There are two notable edited texts in the area. The first is Sternberg R J (Ed) 1990 *Wisdom: Its nature, origins and development*. Cambridge; Cambridge University Press. Its 13 chapters present 13 different views and approaches. The second text is Sternberg R J and Jordan J, Eds (2005) *A Handbook of Wisdom: Psychological Perspectives*, also Cambridge University Press. In her foreword to this, Monika Ardelt notes that while the 1990 book contained almost all the research being done, the 2005 text could no longer do so. This later text also contained a chapter on Foolishness and saw the addition of information on the topic of societal and organisational wisdom.

Going back to 1989, Russell Ackoff, the influential systems thinker, offered the following hierarchy (for example in the *Journal of Applied Systems Analysis* Vol 16):

WISDOM  
UNDERSTANDING  
KNOWLEDGE  
INFORMATION  
DATA

While not uncontested, it continues to serve well in drawing our attention to the distinctions we commonly experience concerning the possession of information and its application, to what end.

## **So why be concerned with corporate wisdom?**

The fact that wisdom as a topic and as a worthwhile pursuit has remained engaging to many people over many centuries, counts for something. However, its longevity isn't sufficient of itself to explain its contemporary function. My attention was caught by a hope expressed in the 1990 text referenced above:

' . . . that research on wisdom will help develop useful tools to assist world and national leaders in the increasingly complex problems facing humanity. Many crucial decisions, from nuclear waste to water use, face leaders and policy makers each day. Thus, wisdom is not simply for wise people or curious psychologists; it is for all people and the future of the world.'

In times when we increasingly acknowledge the interconnectivity of our global, national, social and business worlds, it is clear that the part played by organizations and their leaders is critical. On the most basic and immediate human level, the wellbeing of employees and their families may largely depend on the behaviour and performance of organizations. Is their wellbeing at the expense of others? Does their wellbeing extend to their wider community? Will their wellbeing be sustainable and their work contribute to a good economy, locally and globally? There are many questions that render the bottom line not as definitive as it once seemed, and recent affairs on the world's financial stage continue to highlight this.

## Views from the current study

### Who are the Phase I participants?

All participants are individuals whose role it is to influence their organizations. Included are individuals in positions of influence including people professionals, chief executives and chairs. So far there have been profit and not-for-profit but no governmental agencies. All are equivalent to 'large' organizations in falling outside the SME definitions commonly used in the UK. Represented sectors are Power, Utilities, Construction, Law and different types of Development or Aid work. So far missing, but required for Phase II and to add to Phase I, are SME and faith-based organizations.

### The study areas of enquiry

Question 1 offered a choice between phronesis and Sophia. Here is how wikipedia describes these:

**Phronesis** ([Greek](#): φρόνησις) in [Aristotle's \*Nicomachean Ethics\*](#) is the virtue of moral thought, usually translated "practical wisdom", sometimes as "[prudence](#)".

Aristotle distinguishes between two intellectual [virtues](#): *sophia* and *phronesis*. *Sophia* (usually translated "[wisdom](#)") is the ability to think well about the nature of the world, to discern why the world is the way it is (this is sometimes equated with [science](#)); *sophia* involves deliberation concerning universal truths. *Phronesis* is the capability to consider the mode of action in order to deliver change, especially to enhance the quality of life. Aristotle says that *phronesis* is not simply a skill, however, as it involves not only the ability to decide how to achieve a certain end, but also the ability to reflect upon and determine that end (this latter point is denied by some commentators, who contend that Aristotle considers the desired end, [eudaimonia](#), to be given, such that *phronesis* is merely the ability to achieve that end).

Question 2 drew on the five wisdom criteria of the Berlin paradigm. More information on these is available via [www.irvingallan.co.uk/wisdom\\_and\\_the\\_emerging\\_future.phtml](http://www.irvingallan.co.uk/wisdom_and_the_emerging_future.phtml). Two of the criteria were, overall, thought to be valued more than they were being enacted. These were relativism (understanding and valuing individual differences as long as they were in line with optimising the balance of individual and common good) and management of uncertainty (acknowledging that nothing is certain/entirely predictable, and having good ways of dealing with this).

Question 3 reflected the three factors that emerged from studying professionals engaged in what they regarded as 'good work' (high quality and socially responsible). In general, the lowest scores here were to do with the organisation engaging with the wider systemic context. This perhaps reflects the commentary by Kegan and other authors that we are 'In Over Our Heads' in our current complex world, and that we are approaching a paradigm change. More of the same, however well done, won't do the job.

Questions 4-8 explored what might count as wisdom in the participant's organisational context and whether anything was being deliberately done to nurture wisdom and why, the metrics for success, and opinions on what gets in the way. A few quotes from a diversity of opinions and experiences:

*'Wisdom involves making prudent resource decisions and creating governance structures, however it also means the capacity to interact with people in authentic ways that support right action'*

*'The application of insight and experience to current issues, which translates into effective decisions'*

*'We need new and different metrics that look at impact. . . the same action may be wise in one situation and not another, so a wider wisdom is being able to choose what is appropriate and setting up a system that allows that choice.'*

*'We have some very experienced people that hold a lot of knowledge, and while this is useful, maybe even essential, it doesn't mean that either they or the organisation are wise.'*

Getting in the way of organisations acting wisely were (and this list is just a sample):

Processes not scalable to meet new needs; Not knowing what we don't know; Governance that is so complex that resources are wasted in organising the transactions; Insufficient valuing of reflection time, of simply listening to each other; Short termism and inadequate environmental scanning; Confusion and lack of clarity over priorities; Failing to meet the expectations of Generation Y (or Z), so we won't get wisdom in future; Storing and sharing knowledge as an end, not a means.

### **Other comments indicative of further thoughts and reflections**

'The idea of a higher good, or good of any sort, isn't simple. On the one hand people behave well, the organisation evidences good behaviour. And we are competitive and client-driven, which leads to a range of behaviours to serve the client. The client is god, which might be depressing in terms of a higher good.'

'It used to be about speed of getting and imparting knowledge, but wisdom is not that, it's about application and where that knowledge leads – the how and the why.'

'I thought this might be about how the old chair gives his story to the new chair and so forth but it's much more about organisational design and development.'

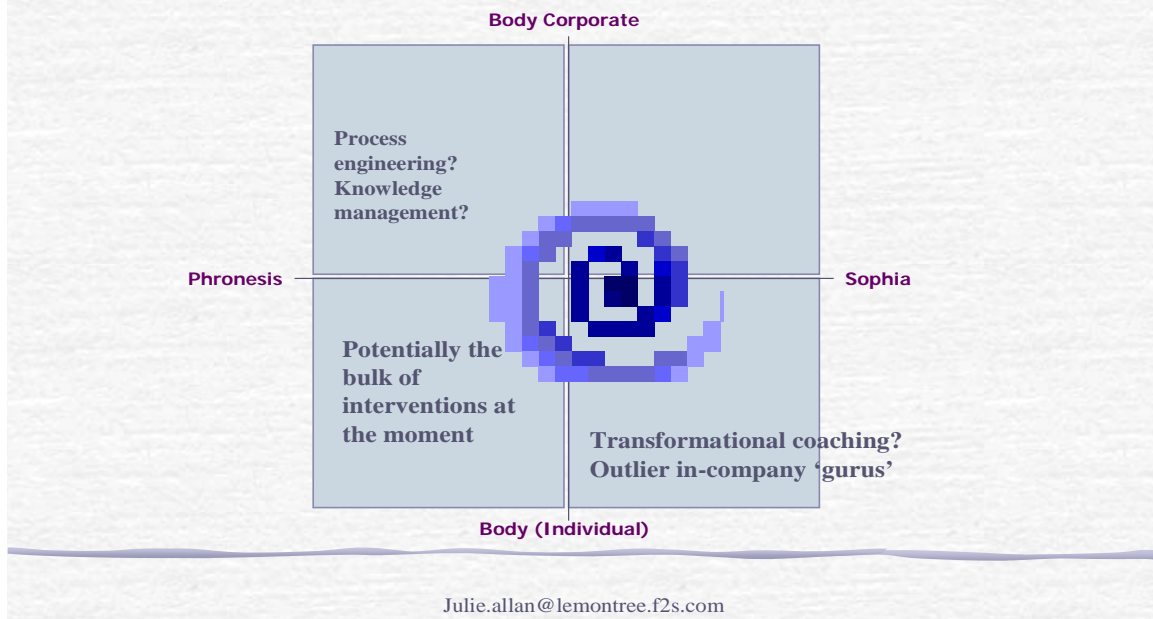
'A really valuable piece of work. We need to bring it back to the organisation.'

### **Model-building**

As a result of the Phase I enquiries, a model has been developed for review. It has key characteristics:

1. It seeks integration, as wisdom is almost universally conceived of as integrated and integrating
2. It acknowledges that while there may be corporate or organisational identities, individuals exist within these. We need to enquire about the relationship between wisdom exhibited by individuals and wisdom exhibited at the larger scale.
3. It proposes a need for both sophia and phronesis
4. It holds that each quadrant of the model requires attention and that they are mutually supportive: development in all four will produce a virtuous spiral of development towards wisdom and a zero in any quadrant will cause unsustainability.

# Mapping organisational WQ ALLAN 2008



Quadrant 1 (top left) is an organisational/group quadrant concerning practical/applied wisdom. Here, the organisation is seeking enhancement through processes of various types.

Quadrant 2 (top right) is an organisation/group quadrant concerning discernment and universal truth. Here, the organisation is seeking fundamental principles and underlying bonds.

Quadrant 3 (bottom left) is an individual quadrant concerning practical/applied wisdom. Here, the organisation is seeking enhancement through investing in individuals' knowledge and skills.

Quadrant 4 is an individual quadrant concerning discernment and universal truth. Here, the organisation is seeking to support or benefit from individuals' capability or capacities in revealing fundamental principles and underlying bonds.

While there are approaches and activities that would fit in the upper right quadrant of the model, social dreaming being an example, they are not extensively used in corporate contexts.

## Moving forwards

The research supports a view that organisations have a need for activities in each quadrant. The constituents and relative importance differ for each organisation, even for sub-groups within it, at different times. However, articulating the route by which these quadrants can be dynamically integrated will be key. The prevailing climate tends to support a view that the worlds of phronesis and sophia do not readily converse in practice, and this 'fault line' becomes increasingly fractured when juxtaposed with the systemic and complex nature of the journey from body individual to body corporate. The territory to be integrated includes adult lifespan development, complexity and organisational ecology, and the integrating spiral travelling through the quadrants is not simply a link between quadrants but a developmental thread that enables new conversations and promotes (re)generation. A major challenge is that wisdom may seem counter intuitive, and any associated process of 'unlearning', or letting go of what isn't needed, is often discomfiting. When we avoid it, we become 'wise after the event'. ■

*True wisdom comes to each of us when we realize how little we understand about life,  
ourselves, and the world around us. SOCRATES*

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*If anything in this report has sparked your interest, please do contact me: Julie@irvingallan.com. Wisdom is not a simple concept to work with, yet we are getting very strong feedback that this research is timely.*

*As a research participant you benefit from input and time to consider wisdom and its importance for your work and organisation. Organisational benefit may accrue, particularly if you can offer to partner a well-designed intervention or wider questionnaire distribution (but I can't promise—it's research!) And you will receive full research reports and involvement in further developments*

*Many thanks*

## Research phase descriptions

### Phase I

Literature search; questionnaire/interview design; telephone interview of between 10 and 20 selected individuals. Review, early stage theory-build for peer review, and development of Phase II directions.

### Phase II

Continuing literature review, including business press; revisit Phase I participants for short 'check-back' interview; questionnaire/interview design; online survey design; interview of between 5 and 12 selected individuals, to include Phase I individuals as available; distribute survey to selected audiences. Review, theory refinement and intervention design.

### Phase III

Intervention programmes, with controls, using an action research approach and partner participants.

The phases do not need to be mutually exclusive as the development of the most appropriate approaches will be partly evolutionary and some research participants may be in a position to engage in different ways at different times. This is consistent with an action research approach and an attempt will be made through the lifecycle of this enquiry to hold the enquiry true to the principles of wisdom as they evolve.

