

**Solomons for our times:**  
**Wisdom in decision-making in organizations**

A. R. Elangovan  
*arelango@uvic.ca*  
Peter B. Gustavson School of Business  
University of Victoria

Roy Suddaby  
*rsuddaby@uvic.ca*  
Peter B. Gustavson School of Business  
University of Victoria  
&  
Business School  
Newcastle University

***(In Press - Organizational Dynamics; 2018)***

---

*We are grateful to Werner Auer-Rizzi, Robert Bauer, Jamie Cassels, Gerhard Reber, and Ye He for their thoughts and suggestions. Special thanks are due to Anirban Kar for his invaluable assistance and insightful comments on the paper.*

**Solomons for our times:  
Wisdom in decision-making in organizations**

Abstract

The focus of this paper is on the need for and nature of wisdom in decision-making in organizations. We argue that our current (prescriptive) models of decision-making with their partiality to data-centric, rational approaches are limited in their effectiveness in tackling the "wicked problems" that we increasingly encounter. We put forward 'wise decision-making' as a step up on the evolutionary ladder from rational decision-making and describe its grounding in logicity, empathy and ethicality (paralleling Aristotle's three appeals to persuasion - *logos*, *pathos* and *ethos*). As part of this conceptualization, we highlight the central role of integration and syncretization in the process of making a decision. In the practice section of the paper, we address some of the barriers to wise decision-making in organizations, offer suggestions for cultivating wisdom in organizations by helping its decision-makers develop the pre-requisite skills, and explore the notion of organizational wisdom and how it may come to be.

*Tim Cook, the CEO of Apple, had a decision to make.*

*On 2<sup>nd</sup> December 2015, 14 people were killed and 22 were seriously injured in a terrorist attack at the Inland Regional Center in San Bernardino, California. The perpetrators, Syed Rizwan Farook and Tashfeen Malik, had targeted a San Bernardino County Department of Public Health training event and Christmas party of about 80 employees.*

*In the investigation that followed, the FBI asked Apple to make it possible for them to hack into Farook's iPhone 5C to extract information stored in it. Realizing that Farook had activated a security feature making an iPhone inoperable after 10 failed attempts to log in, the FBI wanted Apple to write a new operating system that would bypass the 10-attempt limit on the security code and other security measures. While this would help the FBI break into Farook's phone, it would also make it possible for them to break into other iPhones - the new operating system would be a backdoor for the FBI (and other security agencies with whom the FBI may share this system) to access all private information stored on such phones.*

*The FBI argued that it was an issue of national security and that the phone may contain information that could help prevent another terrorist attack. While empathizing with these concerns, Cook and his colleagues at Apple were concerned that such a move on their part would undermine the security of their phones and violate the privacy of the users. Despite the government's claims, the fight over Farook's iPhone was also seen as a test case over whether technology companies could be forced to develop computer code to assist in a criminal investigation. While the law enforcement agencies and authorities argued that national security trumped all else, the technology industry and civil liberty activists championed the rights of privacy and protection from governmental over-reach. The media and the public were split and Tim Cook's decision not to accede to the FBI request unleashed a nation-wide controversy.*

What would you have done in Tim Cook's shoes? The case highlights the kind of difficult, messy and complex decision situations that often place leaders in

a real bind and where the problem itself is ill-formulated to facilitate any kind of orderly search for answers. In addition, there are numerous stakeholders with an array of interests and diverse set of values, multiple "right" yet contradictory arguments, a lack of clarity about what the solutions may be (or even if there are any), inadequate information to assess the possible options, and uncertainty about how any decision may play out. Such 'wicked' problems are becoming increasingly commonplace. At the international level, we have the refugee crisis in Europe, the economic stagnation around the world, the climate change challenge, and the ISIS-related conflicts in the Middle East to name a few. At the organizational level, decision-makers encounter situations that are embedded in unique contexts that reflect "never-seen-this-before" type developments in the economic, political, social, and international landscape; where not only is information to guide the decision-making lacking, but also clarity regarding the kind of information needed in the first place to make a sound decision is elusive; where there is vagueness about the implications and the appropriate trade-offs among possible outcomes; and where multiple interests (corporate, government, shareholders, employees) seem pitted against each other. How would our current models of decision-making guide leaders in such situations? Are these models up to the task of accommodating the 'wicked' problems that decision makers increasingly face in current times?

Research on decision-making in organizations has yielded a treasure trove of knowledge including models that aim to describe the underlying processes and offer insights into the dynamics and complexities involved. As a

result, there is no shortage of advice and guidance for leaders in making decisions in organizations, the cognitive traps to avoid, and the prescriptions to embrace for optimizing outcomes. The primary thrust of the advice has generally leaned towards adopting a rational approach to making decisions that is anchored in rigorous and logical analyses. Such an emphasis on and a wholehearted embrace of rationality in decision-making is not surprising given its bedrock status and role in (and contribution to) scientific inquiry and the development of systems that characterize progress and modernization.

While such models of decision-making are indeed useful, they are limited in addressing the complexities inherent in 'wicked' problems (i.e., problems that are ill-formulated and characterized by confusing and incomplete information, multiple stakeholders with conflicting values, and a lack of clarity in understanding the ramifications of any solution). Rational-choice models tend to rely on analytical intelligence rather than the practical intelligence necessary for dealing with such situations and adopt a linear approach to 'breaking-down' these problems; they are limited in their capacity to optimize more than one set of interests; and, they are geared towards the more tangible and measurable outcomes in their analyses over the softer, not-easily-measurable implications. Missing from these models is the emphasis on wrestling with the different thrusts, pulls and uncertainties to make a decision that is, 'all things considered', optimal. These models are not up to the task of capturing the messiness, vagueness, fluidity, non-linearity and open-endedness of decision situations that make them so 'wicked'. There is a fundamental *indeterminacy* (different from undetermined

or under-determined) inherent in 'wicked' problems that makes it impossible to fully define or understand these problems without first attempting to "solve" them, and renders them unique, novel and one-shot operations.

Yet, models underpinned by rational choice theory as a normative ideal and reference point continued to be implicitly peddled as the desired approach to making decisions in all types of situations. This bias is further fueled by a dismissive attitude towards alternate ways of knowing and relegating anything that falls outside the domain of the analytical and propositional thought to the dust heap of superstition and fanciful thinking. Despite numerous warnings about and our own acknowledgment of the limits of the rational choice models, we succumb to their siren calls that lure us into an illusory certainty when a critical examination of such models in the bright daylight of organizational realities reveals their deficiencies. We pay lip service to the plea to embrace alternate modes of knowing and deciding but revert back to the comfort zone of hard data, empiricism, reductionism, and rational approaches to decision-making under all circumstances that has only served to impoverish our processes. Such a starry-eyed aspiration to be as "rational, clear-minded and hard-headed" as we can is worrisome for even if we were to miraculously be so, we are likely to be disappointed when we witness how ill-equipped the rational choice perspective is in coping with 'wicked' problems.

The concern then stems from the limitations of rational choice models themselves as well as our over-reliance on these models. In other words, rational choice models have an important place in our portfolio of decision-

making approaches but they ought not make up the whole portfolio. So what should decision-makers do when they face 'wicked' problems? Even though we have made significant progress since the early days of championing clean-cut prescriptive models of decision-making rooted in the rational choice perspective as the panacea to faulty decisions, there is a dearth of approaches to decision-making that are holistic and integrative of different traditions of knowledge. We contend that what is required is wisdom in dealing with such difficult and complex situations, i.e., they need to learn to decide wisely. In this paper, we put forth an approach that we call 'wise decision-making' and highlight the two key parts in such a process. We also address some of the barriers to wise decision-making in organizations, offer suggestions for cultivating wisdom in organizations by helping its decision-makers develop the pre-requisite skills, and explore the notion of organizational wisdom and how it may come to be.

### **Wisdom in Decision-making**

Wisdom has been a topic of interest and inquiry across the centuries - it has drawn attention from ancient philosophers such as Plato and Aristotle to modern-day thinkers and social scientists, including management scholars. As a result, the body of work on this topic is vast, diverse and fragmented. But what the findings to date collectively suggest are the following: (a) wisdom has more to it than being rational; (b) wisdom is a way of approaching the world and acting in it; (c) wisdom often means dealing with numerous disparate aspects that are cognitive, affective, ethical and behavioral in nature; (d) wisdom entails adopting a holistic orientation in making judgments in complex, ambiguous situations; (e)

wisdom involves "judging rightly" - being able to discern between right and wrong; and (f) wisdom can be interpreted as an expertise or a competency or a skill which means it can be cultivated.

We define wise decision-making as *an approach to making decisions that integrates logicity, empathy, and ethicality relevant to the decision and syncretizes the dualities within each of these spheres*. In other words, we contend that a decision is wise if it is rooted in the logic of the field, shaped by empathy towards other stakeholders, and anchored in an ethical principle deemed legitimate in that culture. Arriving at such an integration, however, is preceded by syncretizing - making congruent - different dualities within each of these spheres. In the section below, we discuss the two key parts of this approach - the integration of the three spheres and the syncretizing of dualities within each sphere.

### **Integrating Spheres**

The three spheres that need to be integrated for decision-making to be considered wise are loosely modelled after Aristotle's three appeals to persuasion. Aristotle highlighted *logos*, *pathos* and *ethos* as the primary modes of persuading an audience to embrace a particular point of view. *Logos* is the appeal to logic and involves persuading the audience through reasoned arguments, evidence, information and data. The focus is on highlighting the internal consistency of the arguments and ensuring clarity. *Pathos* refers to the appeal to emotion and involves convincing the audience by evoking feelings of anger, fear, pity, joy, pride, etc. The focus is on tapping into the audience's



capacity for empathy and surfacing their values and beliefs. *Ethos* is the appeal to ethics and involves persuading the audience by focusing attention on the character and credibility of the speaker. The emphasis here is on the person and not his/her arguments; it is based on the notion that if the audience were to believe that the speaker has good moral character and goodwill in general, then the audience would believe his/her message. In modern times, the emphasis on ethos often takes the form of establishing the expertise and status of the speaker to build his/her credibility which, in turn, makes what he/she says persuasive.

Aristotle's focus on these three appeals to persuasion reflects the primary filters that we use to accept and embrace a viewpoint or a decision as credible and desirable. While each of these appeals on its own would be sufficient to persuade the listeners, an approach that employs all three appeals would undoubtedly have a powerful impact on the audience and invoke a strong sense of commitment. The audience would recognize that the data aligns with the case being made by the speaker and see the merits of his/her position, feel a personal ownership of and affinity with the viewpoint espoused by the speaker as they empathize with the implications of his/her arguments, and be impressed with and even inspired by the speaker as they note his/her moral authority to speak on that matter. In short, they would come to view the arguments put forth by the speaker as making good sense, respectful and sensitive to the people involved, and reasonable and fair. And, if those arguments were to be the basis of a decision being made or advocated by the speaker, then the decision would be considered logical, empathetic to the others, and principled, i.e., wise.

Prior research on this topic certainly backs the interpretation of wisdom as the integrating of the cognitive, affective and behavioral aspects of human abilities to optimally deal with life's tasks and problems. Thinkers like Csikszentmihalyi frame this as the "height", "width" and "depth" qualities essential for fully understanding a problem and deciding on a wise course of action. So individually Aristotle's three appeals may have been intended for persuasion, but collectively - integrated - they serve as a useful foundation for wise decision-making.

### **Syncretizing Dualities within Spheres**

Integrating the three spheres, however, is easier said than done for within each sphere are different dualities that first need to be addressed. Wisdom entails syncretizing the different dualities inherent in each sphere. It is in the struggle with these dualities, which manifest themselves as paradoxes and dilemmas in the context of decision-making, that the challenges of wise decision-making become apparent. While prior thinking on wisdom has noted some dualities, the emphasis has been on balancing the two extremes of each duality. The term 'balancing', however, connotes striking a middle ground between two opposing states so that neither state is unduly favoured over the other. Such a compromise positioning may indeed be the preferred solution for some dualities (e.g., 'knowing' vs. 'doubting') but not for others (e.g., 'empathy' vs. 'detachment'). For the latter, what is needed is not a moderate amount of empathy or detachment but a healthy dose of both at the same time, i.e., having deep empathy for the other's hardships without being personally crushed by it. In such

situations, the duality needs to be viewed not as opposite ends of a continuum but as two seemingly incompatible states that need to be held concurrently. To reflect the idea that not all dualities need to be balanced, we use the term *syncretize* - make congruent - in our paper. Syncretizing may mean holding, balancing, reconciling or co-optimizing depending on the duality. The ability to syncretize dualities requires a certain cognitive sophistication that renders wise decision-making a much sought after but not easily attainable skill. In the rest of this section, we explore the different dualities inherent in these three spheres.

### Logicality

There is a high degree of convergence in the research on wisdom on the central role of thinking clearly and rationally about the situation at hand. Wise decision-making involves a process of critical reflection and sound judgment, and calls for having a logical mind and using excellent reasoning and problem-solving abilities. This emphasis on being scientific and systematic in the interest of a logical analysis is not recent. In fact, it is consistent with one of the five senses of wisdom as the ancient Greeks conceptualized it - *episteme* - that comes closest to what we would call scientific knowledge. Aristotle described *episteme* as a form of universal knowledge derived through deduction and from empirical observation; geometry is an illustration of this type of knowledge. In the context of decision-making, such knowledge is often represented in models and principles that extol the virtues of hard-data, place primary emphasis on tangible evidence, use unambiguous rules for processing, and apply 'objective' standards. The idea has been that such a rigorous and rational approach to decision

situations would help tackle the messiness inherent in the complex world we inhabit.

But there are two dualities within the sphere of logicity that need to be addressed. The first duality is that of explicit versus tacit knowledge. In our society, there is a significant value placed on scientific reasoning and being systematic in taking into account the relevant data and facts, drawing conclusions, and making decisions from these analyses. But the emphasis is almost always on explicit knowledge - knowledge that can be codified, articulated and transferred. The tangible nature of such knowledge is very reassuring for decision-makers as they attempt to be 'hard-nosed, objective, practical, no-nonsense' in their approach. Such a profile sells well in the media and plays to the "tough decision-maker" image so proudly worn by senior executives.

Logicity, however, does not mean limiting the rational analysis to tangible pieces of data and information. The emphasis on "hard-data" and clearly articulated models for analysis ignores that there is much knowledge that is tacit. Tacit knowledge - knowledge that we know but can't tell - adds richness to our analyses, orients our decision-making in the right direction, contributes to making better decisions, and plays a critical role in ensuring effectiveness and success in performance. In its absence, there is a poverty of meaning to the analysis and the decision sits on a weaker foundation.

But tacit knowledge is often misconstrued and dismissed as just "gut feel", "intuition", and "instinct", and not scientific. The value of such knowledge is downplayed, underweighted or disregarded completely in the tendency to be

over-reliant on tangible data when making decisions. Such a bias against knowledge that cannot be directly accessed by the senses is not new. There is a naiveté in thinking that complex, messy problems that organizations face can be solved by relying solely on empirical data.

Aristotle astutely observed that a wise individual has knowledge that goes beyond the material or formal causes behind events. *Techné*, the second of the five senses of wisdom as conceptualized by the ancient Greeks and a form of practical knowledge based on “craft” or “art”, highlights this tacitness. The essence of *techné* is captured in the oft-used phrase of ‘skilled practice’ and defines work that requires a combination of abstract or scientific knowledge alongside an equal component of tacit or contextual knowledge. It implies a notion of hands-on engagement in, and experience of, the daily practice of a unique and local context. *Techné* is the foundation of reflective practice and such tacit localized knowledge is critical to successful decision-making practice - the art of decision-making needs to complement the science of decision-making.

In essence, wisdom is rooted in the tacit knowledge that the decision maker possesses of the domain(s) relevant to the decision; in the absence of such knowledge, he/she would lack the fertile foundation for making decisions that reflect a holistic and ‘thick’ understanding of the situation. So wise decision-making requires taking into account both the explicit and tacit knowledge and fusing them seamlessly into an integrated sense-making of the situation. And when the accounts implied by these two different types of knowledge are inconsistent with each other, the wise decision-maker is called upon to make

congruent these conflicting 'stories', i.e., to reconcile what the data tell us with what our instincts and years of experience tell us.

The second duality within the sphere of logicity that one needs to syncretize is that of knowledge versus doubts. Prior research has noted that a key aspect of being wise is being aware of one's own limitations and knowing that one does not know everything; it entails a recognition of the implications of limited knowledge for solving ill-defined problems. Wise decision-making involves acknowledging that we may not know everything, that everything that we know may not always be right, and that there are limits to what we could know. In other words, it is not just about doubting *what* one knows, but also about doubting that one *knows* in the first place. Such an awareness is reflected in another of the five senses of wisdom - *sophia*. *Sophia* refers to one's attitude toward knowing and marks an appreciation for the fallibility of knowledge, the need for skepticism, and not being afraid to admit to making a mistake and feeling one can learn from other people.

So wise decision-making requires that the decision-maker make congruent the certainty that comes with a systematic and rational analysis of the situation at hand with the quiet, constant questioning and doubting that accompanies openness and humility in understanding what one knows and how one came to know it, i.e., to know without being overly confident or too cautious.

### Empathy

Empathy is the second sphere of wisdom. The different writings on wisdom invariably include notions of 'goodness', 'benevolence', 'humaneness',

etc., in their conceptualization of the construct. Such an emphasis implies an understanding of those we engage with, having a positive orientation towards them, and feeling for their concerns. In the context of decision-making, the focus is on the different stakeholders impacted by the decision and taking their interests into account to attain the wisest course of action.

The emphasis on empathy is also reflected, although indirectly, in *nous* - one of the five senses of wisdom as conceptualized in Greek philosophy. *Nous* refers to a higher order of knowledge of universal truths that permit us to make intellectual judgements on what is true or real in human experience. *Nous* appeals to our sense of aesthetics and a general humanistic understanding of how to live a good life; the central logic is exemplified by the question "is it beautiful?". This emphasis on aesthetics signals, albeit indirectly, an inherent interest in and a benevolent orientation and graciousness in conduct towards others. The question "Is it beautiful?" implores us to pay attention to adding value to the human condition, which presupposes a value being placed on human beings themselves. In other words, we would need to care about people in the first place to even care about or aspire to having their lives infused with beauty. So to ask "Is it beautiful?" is to implicitly declare that beauty is worth having in our lives and our lives are worth having beauty in them. And to value people means being able to appreciate how they think and feel and to experience life as they would, i.e., empathize with them.

So wise decision-making involves empathy - which includes having an understanding of the needs, interests and motives of the different stakeholders

impacted by the decision as well as caring enough about their well-being or having goodwill towards them. While empathy can be celebrated as a desired virtue in its own right, it also contributes to the long term commitment to the decision shaped by it as it "sits better" with the different stakeholders, especially the ones who could have been potentially negatively impacted. So Nelson Mandela's decision to embrace the Truth and Reconciliation Commission route to addressing the grave injustices of the apartheid era demonstrated extraordinary empathy towards his former tormentors. The decision to forgive allowed South Africa to move forward as it engendered broad commitment across the country; any other decision would have likely evoked crippling resistance from different segments of the population.

But these strong emotions of empathy with stakeholders need to be reconciled with a sense of detachment or a somewhat disinterested approach that is also an essential aspect of wise decision-making. At first blush, the notions of empathy and detachment seems inherently contradictory and mutually exclusive. In other words, there is a duality here that needs to be addressed and syncretized. But a look at the lives of some of history's well-known humanitarians like Albert Schweitzer, Mahatma Gandhi, and Mother Theresa shows they managed to make congruent these seemingly opposite qualities. Known as they were for their deep empathy and unbounded compassion, they nonetheless did not drown in and were not overwhelmed by the suffering of and the burden carried by those they attended to and cared for. They had an innate ability not to be crushed by the weight of any one individual's suffering even as



they empathized with his/her condition - as though theirs was a 'detached compassion' that could fuse an emotional distance with a personal touch and understanding.

So wise decision-making in the organizational context involves being able to empathize with the different stakeholders impacted by the decision without allowing one's emotions to be hijacked by the impact on any particular set of stakeholders, placing undue weight on one kind of impact over others, pushing too hard to prevent any negative impact on stakeholders or to ensure only positive ones, or assigning unwarranted blame to oneself for any difficulties that may arise from the decision. Wise decision-making entails being a bit detached from the overtly emotional undercurrents that bubble up in the situation and the potential ripple effects of the decision even as one attempts to understand and empathise with the stakeholders.

### Ethicality

Wise decision-making also means approaching and making sense of the decision situation through the lens of an ethical principle that is considered legitimate in that specific context. Identifying and using an ethical principle as an anchor signals a more holistic approach that goes beyond just technical expertise and material aspects in making the decision. It suggests the inclusion of considerations that reflect the moral realities inherent in the situation and calls for exercising sound judgment in the face of ambiguity and complexity. Research in both philosophy and psychology has noted the inclusion of ethics or sound moral judgment in our understanding of wisdom; being able to offer solutions that entail

a sense of being on the side of right and in the service of truth is part of wise decision-making.

Such an emphasis on ethicality can be discerned in the works by Aristotle in his conceptualization of wisdom. For example, *phronesis* means “practical wisdom” and captures the subjective and interpretive elements of knowledge that are absent in *episteme* and less prominent in *techné*. It refers to a specific type of understanding of the process by which humans construct meaning over objects, situations and other elements of their environment. It incorporates connotations of “mindfulness” and “judgment” and “social skill” but also contains an ethical component that involves an appeal to “character” and a moral sense of what is “good” or “right”. *Phronêsis* refers to sound judgement that one acquires as a result of a high degree of social sensitivity to human nature and lived experience. It was a healthy dose of *phronêsis* that gave Solomon the insight to determine the true mother of an infant son by ordering that he be cut in two, with each woman who claimed him to receive half. The focus on ethicality in wise decision-making pays heed to the invisible role of intuition, contextual sensitivity and social skill in management decision-making practice.

A similar emphasis on ethicality can also be detected in *nous* (one of the senses of wisdom discussed earlier). The essence of *nous* plumbs our sensibilities regarding beauty and emphasizes aesthetics as part of wisdom. There is certainly a connection between beauty and empathy (as discussed in the previous section), but aesthetics also contains within it ethics as a central building block. Aesthetics, as an element of wisdom, subsumes both economics

and ethics as subsidiary components of ways of ordering human existence in order to collectively live the good life. To appreciate an object aesthetically means to grasp its essence in an integrative fashion that combines notions of efficiency, economy, profitability, and *ethics* in a subjectively integrative way. *Nous*, thus, connotes an ideal form of understanding and holistic way of knowing based on universal categories of, what today, would be described as virtues (e.g., truth, justice), and appeals to ethics as part of living a good life.

The duality inherent in the ethicality sphere is often the clash between two (sometimes more than two) ethical principles. Wise decision-making requires the decision-maker to first tease out the ethical principles underlying the decision - these may not be immediately obvious or identifiable. The onus is on the decision-maker to sift through the layers of the decision situation and imagine it through a range of angles covering most, if not all, possibilities to recognize the principles at play. He/she would then be called up on, in the context of wise decision-making, to syncretize the different principles. In the Apple-FBI case, for example, the two ethical principles at play were the right to privacy (freedom) and the desire to be protected from harm (safety). In other words, Tim Cook was called upon to decide between two equally fundamental values for the people in the United States - "to be free" or "to be safe".

But, if a situation were to occur where only one principle was at stake, then there is nothing to be made congruent. It is also possible that some decision situations, while being complex, do not necessarily pose a blatant tension between ethical principles or jeopardize one. Or, there may even be situations

where self-interest as a guiding principle for making decisions is deemed perfectly consistent with the norms and mores of that culture and situation. But even here, the essence of wise decision-making would lean in favor of an "enlightened self interest" that stems from a holistic sense-making and a moral high ground.

### **Wise Decision-Making in Practice**

How prevalent is wise decision-making in organizations? While we need empirical studies to shed credible light on this question, it is sobering to ponder the anecdotal data that we can compile. When people are asked to identify colleagues at their workplaces they would consider wise (regardless of how they may interpret the term), the usual results are very illuminating. There is never a rush to rattle off the names or even a long list of names of those who are considered wise - and this seems to be the case regardless of the size of the organization or the work experience of the respondent. To the contrary, most, if not all, of them struggle to identify even a few colleagues and leaders in their organizations they would consider wise. The general sense one gets is that wise decision-making is a rarity and that organizational pressures and constraints act as barriers to it becoming more prevalent. How can organizations and leaders tap into, cultivate, and grow the capacity for wisdom in their decision-makers? Does the notion of organizational wisdom make sense? We tackle these issues in the next few sections.

## **Barriers to Wise Decision-Making**

The three "S"s of modern organizational life - short-termism, siloism, and speed - plus employee turnover and poorly-designed reward systems often act as significant barriers to wise decision-making.

Short-termism: The pressures on leaders to show glowing short term results (quarterly results, stock prices, industry wins, etc.) is very disruptive to the holistic balanced thinking that wise-decision-making calls for. In public sector organizations and for governments the equivalent would be the need to add lustre to their performance narratives before key events such as elections, budget approval hearings, public inquiries, and organizational audits and reviews. Wisdom entails taking long term implications into account and being willing to make decisions that generate short term pain for long term gain.

Siloism: The tendency for departments and divisions in an organization to function as silos prevents decision-makers from understanding and appreciating diverse viewpoints and getting practice in grappling with dilemmas and paradoxes and reconciling differences. Without experiencing and struggling with the complexities and challenges that come from stepping outside one's own silo, it is difficult to master the skills of integration and syncretization that are critical to wise decision-making.

Speed: Similarly, the emphasis on speed in modern day organizational life leaves limited room for the kind of deep reflection, comprehensive thoughtfulness and measured reasoning that underpin wise decision-making. Mostly as a result of the constant progress in information technologies, our

connectivity to the endless cycle of events is almost instantaneous, which translates into unrelenting expectations for leaders to move rapidly in making decisions to deal with these events. In the scramble to keep one's head above the waters, leaders are urged and expected to decide quickly and then shift their attention to the next pressing issue. Wise decision-making entails marching to a different drumbeat than the rhythm that seems to accelerate the pace of decision-making in most organizational contexts.

Employee Turnover: Another impediment to wise decision-making in organizations stems from employee turnover. Most organizations have a few wise decision-makers but this wisdom is lost when they leave the organization unless it has been captured and built into organizational routines (see the point below). So organizations with high turnover not only run the risk of losing their limited reservoir of wisdom, but they also suffer from the disruptions to any learning that may be in progress between these wise decision-makers and others.

Reward Systems: The reward systems of the organization can play a key role shaping analyses and pushing decision makers to pay attention to certain criteria more than others. Even a cursory analysis of the scandals at Volkswagen and Enron highlight the impact of incentives and associated organizational norms on the making of disastrous, unwise decisions. Reward systems that favour short-termism and speed combined with organizational cultures that eschew ambiguity, balancing acts and nuanced interpretations are of no help in promoting wise decision-making in organizations.

## **Cultivating Wisdom**

What can be done to cultivate wisdom in organizations? Are there certain practices that can aid leaders in making decisions wisely? Wise decision-making requires the ability to integrate (the three spheres) and to syncretize (the dualities within each sphere). As such, any organizational initiative that fosters such abilities ought to help in cultivating wisdom.

Diversify Role Experiences: The abilities to successfully integrate and syncretize are strengthened by meaningful exposure to and an understanding of different domains, a tolerance of ambiguity, critical and creative thinking, and practice in grappling with dilemmas and paradoxes. Organizational initiatives such as secondments, job-rotation, liaison roles, boundary spanning roles, and multi-functional taskforces and teams are tailor-made for fostering the ability to approach a decision from multiple angles and reconcile differences and contradictions. Being immersed in or having consistent exposure to other departments and functions in an organization widens one's perspective, prompts respect for others' insights and empathy for their interests, and helps one acquire a basic level of expertise in those functions. The cognitive complexity and dexterity developed through such experiences and practice would contribute significantly to efforts to integrate the three spheres and syncretize dualities. At a broader level, the thinner the boundaries between departments and the more mobile their members, the better the chances for cultivating wisdom. Integration is necessary not just to balance out the differentiation in the organization, but

also to promote the skills of integrating that are so central to wise decision-making.

Train for "Imaginization": In a similar vein, training for skills like storytelling and seeing "negative space" may help decision-makers develop the abilities to integrate and syncretize. Story-telling requires a holistic sense of the pieces that make up the story and the multiple layers of subtext and an intuitive grasp of the possibilities that can be inspired in the imaginations of the listeners. It calls upon the storyteller to be skilled in getting the listeners to read between the lines, conjuring up images, drawing out the nuances, weaving in the subplots, and hinting at the importance of what's left unsaid. As such it cultivates the habit of holistic integrated thinking and appreciating the diverse frames and angles that can be employed to make sense of the decision situation (story).

In the field of art, much importance and relevance is attached to being able to draw "negative space" - drawing the space between the objects rather than the objects themselves to give shape to the objects. It turns the normal process of drawing upside down and stimulates a fresh and different approach towards the same end goal (drawing objects). In the context of decision-making such a skill would prompt the decision maker to engage in an array of "what if I came at it this way" approaches that bode well for efforts to enrich the sense making of the decision situation and syncretize dualities.

### **Organizational Wisdom**

Does the notion of 'organizational wisdom' make sense in the context of decision-making? We can interpret organizational routines as potential wisdom



code carriers. In other words, if the decision-making acumen of a few wise leaders in the organizations were to be systematized and formalized, to the extent possible, in organizational routines, then it would appear as though the organization as a whole is conducting its affairs with a certain integrity, thoughtfulness and effectiveness, i.e., wisdom. Such an aura of wisdom and enlightened leadership is likely to be enhanced further if these routines end up shaping the culture of the organization. These routines would then help the organization avoid "unwise" decisions and come to be seen as a key competitive advantage for the organization. This is especially important in this day and age where organizations are increasingly in the spotlight thanks to the potent mix of ethical trip wires that run through most decisions, the 'wicked' nature of these problems, and the ever 'present' social media that can turn a leadership misstep into a corporate disaster.

In conclusion, the 'wicked' problems that confront organizational leaders make it imperative that we move beyond the narrow confines of rational-choice models (in the prescriptive sense) and explore wise decision-making as an alternative. It is time for the Solomons (men and women) in our midst to come to the fore - we need leaders with a good head on their shoulders (logicality), a big heart (empathy), and a solid backbone (ethicality), and who can make congruent (syncretize) the dilemmas and paradoxes inherent in making major decisions.

## SELECTED BIBLIOGRAPHY

For research on decision-making and the bias in favor of the rational choice perspective see: L. Cabantous & J. Gond, 2011, "Rational decision making as performative praxis: Explaining rationality's eternal retour", *Organization Science*, 22(3), 573-586; H. Simon, 1955, "A behavioral model of rational choice", *The Quarterly Journal of Economics*, 69(1), 99-118; H. Simon, 1987, "Making management decisions: The role of intuition and emotion", *The Academy of Management Executive*, 1(1), 57-64; H. Simon, 1991, "Bounded rationality and organizational learning", *Organization Science*, 2(1), 125-134; J. March, 1997, "Understanding How Decisions Happen in Organizations", in *Organizational Decision Making*, Z. Shapira (Ed.), New York: Cambridge University Press, 9~32; S. Miller & D. Wilson, 2006, "Perspectives on Organizational Decision-Making", in S. R. Clegg, C. Hardy, T. B. Lawrence, & W. R. Nord (Eds.), *The SAGE Handbook of Organization Studies* (pp. 469-484). London: Sage; M. Bazerman & D. Moore, 2013, *Judgment in Managerial Decision Making*, 8th Edition. NJ: John Wiley & Sons; J. Pfeffer & G. Salancik, 1974, "Organizational decision making as a political process: The case of a university budget", *Administrative Science Quarterly*, 19(2), 135-151.

For information on 'wicked problems' see: Churchman, C.W., 1967, Wicked Problems, *Management Science*, 14 (4), No. 4, pp. B141-B142; Buchanan, R., 1992, Wicked Problems in Design Thinking, *Design Issues*, 8(2), pp. 5-21; Rittel, H. & Webber, M., 1973, Dilemmas in a General Theory of Planning, *Policy Sciences*, 4, 155-169.

To learn more about wisdom see: R. Sternberg, 1998, "A balance theory of wisdom", *Review of General Psychology*, 2(4), 347-365; P. Baltes & J. Smith, 1990, "Toward a psychology of wisdom and its ontogenesis", in R. J. Sternberg (Ed.), *Wisdom: Its nature, origins, and development* (pp. 87-120). New York: Cambridge University Press; P. Baltes & U. Staudinger, 1993, "The search for a psychology of wisdom", *Current Directions in Psychological Science*, 2(3), 75-80; P. Baltes & U. Staudinger, 2000, "Wisdom: A metaheuristic (pragmatic) to orchestrate mind and virtue toward excellence", *American psychologist*, 55(1), 122-136; J. Birren & L. Fisher, 1990, "The elements of wisdom: overview and integration", in R. J. Sternberg (Ed.), *Wisdom: Its nature, origins, and development* (pp. 317-332). New York: Cambridge University Press; M. Csikszentmihalyi & K. Rathunde, 1990, "The psychology of wisdom: An evolutionary interpretation", in R. J. Sternberg (Ed.), *Wisdom: Its nature, origins, and development* (pp. 25-51). New York: Cambridge University Press; P. Arlin, 1990, "Wisdom: The art of problem finding", in R. J. Sternberg (Ed.), *Wisdom: Its*

*nature, origins, and development* (pp. 230-243). New York: Cambridge University Press; S. Holliday & M. Chandler, 1986, "Wisdom: Explorations in adult competence", in J. A. Meacham (Ed.), *Contributions to human development* (Vol. 17, pp. 1-96). Basel, Switzerland: Karger; J. Meacham, 1990, "The loss of wisdom", in R. J. Sternberg (Ed.), *Wisdom: Its nature, origins, and development* (pp.181-211). NY: Cambridge University Press; G. Labouvie-Vief, 1990, "Wisdom as integrated thought: Historical and developmental perspectives", in R. J. Sternberg (Ed.), *Wisdom: Its nature, origins, and development* (pp. 52-83). New York: Cambridge University Press; D. Robinson, 1989, *Aristotle's Psychology*. New York, NY: Columbia University Press; D. Robinson, 1990, "Wisdom through the ages", in R. J. Sternberg (Ed.), *Wisdom: Its nature, origins, and development* (pp. 13-24). New York: Cambridge University Press; J. Rowley, 2006, "What do we need to know about wisdom?", *Management Decision*, 44(9), 1246-1257; J. Pascual-Leone, 1990, "An essay on wisdom: toward organismic processes that make it possible", in R. J. Sternberg (Ed.), *Wisdom: Its nature, origins, and development* (pp. 244-278). New York: Cambridge University Press.

For more information on tacit knowledge see: M. Polanyi, 1966, *The tacit dimension*, London, UK: Routledge & Kegan Paul; M. Polanyi, 1969, *Knowing and being*, Chicago, IL: University of Chicago Press; M. Polanyi & H. Prosch, 1975, *Meaning*, Chicago, IL: University of Chicago; S. Berman, J. Down & C. Hill, 2002, "Tacit knowledge as a source of competitive advantage in the National Basketball Association", *Academy of Management Journal*, 45(1), 13-31; H. Tsoukas, 2003, "Do we really understand tacit knowledge?", in M. Easterby-Smith & M. Lyles (Eds.), *The Blackwell Handbook of Organizational Learning and Knowledge Management* (pp. 410-427). Oxford: Blackwell. For academic treatment of art, see: N. Adler, 2015, "Finding beauty in a fractured world: Art inspires leaders—leaders change the world", *Academy of Management Review*, 40(3), 480-494. For more information on organizational routines see: R. Nelson & S. Winter, 1982, *An evolutionary theory of economic change*. Cambridge, MA: Belknap Press.