CrossMark

# Applying the Practical Wisdom Lenses in Decision-Making: An Integrative Approach to Humanistic Management

Claudius Bachmann[1] · Laura Sasse[2] · Andre Habisch[2]

**Abstract** In management literature, practical wisdom is increasingly perceived as a necessary resource for excellence in judgment. However, so far, little effort has been devoted to provide substantive guidance on how to apply practical wisdom into day-to-day managerial decision-making processes. In order to close this gap, we develop an item-based guideline for self-guided decision-making, which explores the specific aspects a practically wise decision-making process inherently entails. To do so, we introduce the concept of practical wisdom, highlight its recent adaptions in management, and draw a link to self-guided decision-making. Then, we explain our methodological framework and procedure. Based on these considerations, we develop the particular items by transdisciplinary unfolding and synthesizing the main dimensions and features of practical wisdom. Finally, we discuss suggestions of application, theoretical implications, limitations, and propose avenues for further research.

**Keywords** Decision-making · Ethics · Humanistic management · Judgment · Practical wisdom · Prudence · Rubicon model

✉ Claudius Bachmann
  claudius.bachmann@uni-bonn.de

  Laura Sasse
  laura.sasse@sasse.de

  Andre Habisch
  andre.habisch@ku.de

[1] Faculty of Catholic Theology, University of Bonn, Regina-Pacis Weg 1a |, D-53113 Bonn, Germany

[2] Faculty of Economics and Business Administration, Catholic University of Eichstätt-Ingolstadt, Eichstätt, Germany

⚫ Springer

## Introduction: The Call for Practically Wise Decision-Making

In traditional management textbooks, the decision-making process is often perceived as a calculative and computing mechanism to most efficiently reach a predetermined objective with only marginal, if any, regard for human values and virtues (Melé et al. 2016). Managerial decision makers, within this scheme, are portrayed as impersonal and opportunistic maximizers whose judgment – ideally, albeit not always factually – heavily depends on or is utterly replaced by algorithm-based calculations (Dierksmeier 2011). However, in view of the increasing complexity of today's business world and the multiple interdependencies of human coexistence, mainly mechanic and technical approaches to managerial decision-making have become more and more insufficient (Eranova and Prashantham 2016; Intezari and Pauleen 2014; Melé 2010; Waddock and Lozano 2013). Even worse, some authors complain that having turned management totally into a science (Moore 2008) and thereby ostracizing the autonomous person to the margins of business theory and thus removing a concern for human flourishing from economic decision-making models, past management theories have facilitated dramatically unwise decisions in recent decades (Dierksmeier 2016; Ghoshal 2005; Pirson 2016). In this light, it seems highly advisable to better integrate the multifarious social, moral, cultural, and environmental realities and challenges that business has to meet.

This alternative and more balanced view on management has contributed to a profound paradigm shift in contemporary research on managerial judgment and decision-making. The changes are complex and include a shift from unbounded rationality towards bounded rationality, limited by the complexity of the task and the information processing capacities of decision-makers (Basel and Brühl 2013; Gigerenzer and Goldstein 1996); a shift from linear and analytic towards varying and integrative approaches (Dhami and Thomson 2012; Martin and Parmar 2012) and from quantitative towards qualitative notions of managerial freedom (Dierksmeier and Pirson 2010). Such more context-sensible views on decision-making attribute less importance to number-crunching and favor a multidimensional perspective, which employs alternative concepts, perspectives, and resources like intuition (Hensman and Sadler-Smith 2011; Salas et al. 2010), coupled with virtues (Moore 2008; Provis 2010), spirituality (Vasconcelos 2009), paradoxical thinking (Eranova and Prashantham 2016) or visionary leadership (Rialp-Criado et al. 2010). In sum, these and other related approaches adopt a more comprehensive view of the human being: a free and self-determined subject and the end of any action, equipped with inalienable dignity, having bounded rationality, and guided by purpose and values.

In the wake of this discourse about what constitutes good judgment and how to qualitatively improve decision-making, the ancient virtue of *practical wisdom* has recently conquered its territory in management literature (Bachmann et al. 2017; Beabout 2012; Intezari and Pauleen 2014; McKenna et al. 2009; Melé 2010). In this sense, Dennis Moberg (2007, p. 535) programmatically raised the question "why otherwise clever businesspeople do foolish (i.e. unwise) things". Since then, an increasing number of scientists advocate for practical wisdom in management to counteract poor decisions and unethical behavior in the future (e.g., Clark 2010; Hicks and Waddock 2016; Nonaka et al. 2014; Statler 2014). The recent VW emission scandal is illustrative. Mere technical explanations of how software was programed to manipulate nitrogen oxide emissions, or to which extent this might have increased sales rates or market share in the short-term do not even touch the surface of the underlying disastrous shortcomings in managerial

decision-making. This kind of analysis sheds light on important technical and financial aspects, but would fail to grasp the entire reality of the scandal, including its social and moral dimensions (both of which may also have strong financial implications). Most likely, the VW-managers involved were smart managers who possessed excellent engineering and financial skills. However, some decisions they made were highly *practically unwise* and entailed severe repercussions for many parties, including themselves. In contrast, a *practically wise* decision process calls for a much more comprehensive perspective, which includes – along with the undeniably important financial and technical aspects – social, personal, moral, epistemic, and practical considerations (McKenna et al. 2009; Moberg 2007; Rooney et al. 2010). Therefore, scholars advocate the point that the managerial process to make a practically wise decision or choose a practically wise strategy transcends optimizing a single function, following a blueprint, or relying on 'value free' analysis (Grassl 2010; Mumford et al. 2000).

Although the ancient concept of practical wisdom has been much discussed by scholars in recent years, no universal definition exists as of yet. Nevertheless, what extant conceptualizations share is the underlying assumption that practical wisdom brings together theoretical knowledge and practical experience with moral guidance providing the most compelling guide to action in each specific situation. This notion forms the basis of our understanding of practical wisdom, which we will enfold in more detail later on in this paper. Albeit its surge however relatively little effort has been devoted so far to provide substantive guidance on how to apply practical wisdom to management practice (cf., Bachmann 2015, p. 82; Intezari and Pauleen 2014, p. 394), and even less to examine the specific factors and conditions that foster or hinder practically wise decisions in managerial contexts. In what follows, we aim to face this desideratum through conjoining the idea of practical wisdom with managerial decision-making. Exploring which aspects a practically wise decision-making process inherently entails, we pursue the question: *How can managers lead themselves towards practical wisdom in judgment through a self-guided decision-making process?*

But why does this question matter at all? It does, we suppose, at least for the following reason: Management studies, as any social science, investigate reality through certain theoretical lenses that bias its perception in a twofold way. While heightening resolution and sharpness of certain aspects in the center of the focus, the aspects at the margins become blurred. Thus, the more crucial the issue at hand, the more thoroughly we should select the lenses we apply. In a certain sense, decision-making is the backbone of management (Mintzberg 1973). Hence, using only the lens of mechanistic decision-making theories feigns clarity at the cost of missing important alternative perspectives in the realm of management's core discipline. In contrast, employing the more variegated and comprehensive lenses of practical wisdom, which we will enfold in the course of the paper, views decision-making not simply as an economic tool or mere technique, but rather as a human activity and therefore as a complex, societal, and intentional process.

We commence by introducing practical wisdom and establishing a link to self-guided decision-making. Then, we provide a short outline of our methodological framework and procedure. Based on this, we transdisciplinarily unfold the main dimensions and features of practical wisdom in order to develop the item-based guideline. Concrete suggestions of application, significant theoretical implications, limitations, and avenues for further research are discussed.

## Practical Wisdom and Self-Guided Decision-Making: A Common Ground

Practical wisdom has enjoyed somewhat of a renaissance in many fields of study, such as in philosophy, theology, and psychology. Inspired by this research and by new adaptations, management scholars have recently also started adopting practical wisdom to various areas of management research. This fast-unfolding field of study mostly refers to the Aristotelian notion (*phronesis:* the virtue, which reinforces practical reason) and focuses on overcoming the gap between purely theoretical knowledge and practice-orientated skillfulness while simultaneously integrating moral and social aspects into management (Bachmann et al. 2017). Several authors have outlined the applicability of practical wisdom to areas as diverse as leadership (Biloslavo and McKenna 2013; Grassl 2010; Yang 2011), strategic management (Lynch 1999; Rooney et al. 2010; Statler and Roos 2006), sustainable management (Intezari 2015; Marker 2013; Roos 2017), organizational identity (Almog-Bareket and Kletz 2012; Kessler and Bailey 2007), human resource management (DeNisi and Belsito 2007; Hassi 2012), compliance management (Habisch 2012), or management education (Antonacouplou 2010; Bachmann 2014; Roca 2008; Statler 2014). In general, the aforementioned adaptions and other perceptions share the underlying assumption that practical wisdom is an important quality, which is connected to making good decisions concerning the well-being of others and of oneself. Practical wisdom guides us to reach prudential judgments through integrating ethical, social, and cultural aspects into economic decision-making (Clark 2010; Melé 2010; Small 2004). Beabout (2012, p. 419) highlights this characteristic by defining practically wise individuals as "excellent at 1) deliberating about what to do while attending to relevant particularities, 2) making […] a good judgment, and 3) carrying out such decisions in action".

This characteristic evokes strong parallels to contemporary research on self-guided, reflective, and self-aware decision-making. These approaches elaborate on the importance of critical reflection, triggered through self-evaluation and self-assessment, to achieve greater learning, dialogue, and self-awareness (Antonioni 1996) and to identify possible challenges that may get lost in day-to-day business (Franks et al. 1999). Ryan and Deci's (2000) most influential self-determination theory (SDT) highlights the importance of humans' evolved inner resources for personality development and behavioral self-regulation. SDT research shows that a process of integration and internalization of extrinsic values and regulations leads to more engagement, better performance, and lower dropout and increases behavioral effectiveness, social functioning, and personal well-being (Ryan et al. 1997). In this sense, Arnaud and Wasieleski (2014) illustrated promoting self-determination at work to be a crucial point of humanistic management. Politis (2001) provides similar findings in his empirical research on self-management oriented leadership styles, detecting that self-observation, self-goal setting, self-reinforcement, and self-criticism foster high performance coupled with job satisfaction, quality of work life, organizational commitment, and trust. Serving as a means of orientation and motivation, self-guided assessment and decision-making provide the opportunity to critically reflect upon actions and decisions in order to take away key points of learning and improvement.

Pursuing this line of thought, practical wisdom and self-guided decision-making might be considered as standing on the same ground. This interrelationship, we argue, facilitates the manifestation of practical wisdom in practice through decision-making in a threefold way:

(1)  **Intrinsic motivation:** While some scholars have outlined drawbacks of self-assessments and self-evaluations resulting from inaccuracies and limited objectivity (Franks et al. 1999; Sitzmann et al. 2010), one advantage remains unchallenged in this field. According

to various studies, self-guided assessment and decision processes may increase intrinsic motivation through the recognition of the individual's need for change (Politis 2001; Sitzmann et al. 2010; Zimmerman 1990). Experiencing self-efficacy and autonomy accompanied by an internally perceived locus of causality yields enhanced intrinsic motivation (Ryan and Deci 2000). Practical wisdom, on the other hand, is thoroughly based on intrinsic motivation. Since Aristotle, practical wisdom is attributed to the inherent inclination to virtue, which defines humanity. As a disposition toward moral excellence, practical wisdom drives us to do what is good, precisely because it is good. Hence, it is highly interwoven with the individuals' commitment and purpose addressing the motivational background of any decision.

(2) **Self-directed reflection and evaluation:** Even though practical wisdom presupposes profound knowledge and abstract reasoning, it focuses on the individual. Aristotle (2009), in his works Nicomachean Ethics (henceforth NE), acknowledged "regarding practical wisdom we shall get at the truth by considering who the persons are we credit with it" (NE 1140a22–25). There exists an immediate and inseparable connection between wisdom and the individual person as the 'carrier of wisdom' (Takahashi and Bordia 2000). This humanistic subject- and person-focused perspective can also be found in self-guided decision-making. The entire reflection and evaluation process is self-directed (as opposed to other-directed) by the decision maker's appraisal and preference to approach the issue at hand.

(3) **Particularities of a concrete situation:** Practical wisdom is never abstract but is always essentially linked to the particular circumstances of a concrete situation. According to Aristotle, practical wisdom is concerned with modifiable and contingent aspects of day-to-day life, rather than with absolute and invariable principles or causes (NE 1140b25). Hence, in order to make the best decision, practical wisdom stresses sound knowledge and comprehensive insight into the situational context. On the other hand, in their meta-analysis, Bell and Federman (2010, p. 344) suggest that self-evaluation accuracy may increase if the assessment is relative to concrete and detailed objectives. They stipulate that the more specific the questionnaire is, the less susceptible the self-guided assessment and decision-making process will be to influential factors.

To sum up, the interconnectedness of practical wisdom and self-guided decision-making can be outlined as follows:

- Practical wisdom is built on, and requires, intrinsic rather than extrinsic motivation, which, in turn, can significantly be fostered by self-guided evaluation and decision-making procedures, strengthening personal involvement, providing the autonomy of self-paced evaluation, and recognizing the individuals' need for change.
- Practical wisdom focuses on the person in a way that it defines the preference of a specific decision or action, while self-guided decision-making does likewise regarding the evaluation and consideration process.
- Practical wisdom *per se* targets realization in practice and is therefore concerned with particularities: simultaneously, it is the realm of specific evaluation objectives that appears most appropriate in terms of accuracy for self-guided decision-making.

Based on this common ground, we will propose a multi-perspective, self-guided reflection and evaluation process to seek practical wisdom in decision-making. Although, this should

certainly not be regarded as the sole means, we believe that this approach entails vital benefits and hence serves as an integral component in striving for practical wisdom.

## Methodological Framework

In what follows, we develop a guideline consisting of 18 items highlighting the inherent aspects of practically wise decision-making and enabling a multi-perspective, self-guided evaluation and reflection process on how to apply practical wisdom in judgment. We conceptualized practical wisdom in decision-making as a horizontal process of goal-oriented behavior rather than as a vertical progression from abstract, superordinate to concrete, subordinate goals. For this reason, we chose the well-established *Rubicon model* by Heckhausen (1989) and Gollwitzer (1991), a horizontal model of action, as our theoretical framework. The Rubicon metaphor alludes to Julius Caesar, who, against the explicit prohibition of the Roman senate for military leaders to do so, decided to cross the namesake North Italian river with his legions in 49 AD and thereby initiated civil war. The model highlights that decision-making is a two-stage, intentional act that demarcates a transition from the pre-decisional phase, labeled as "motivation", to the post-decisional phase, labeled as "volition" (Gollwitzer et al. 1990). Unlike other motivation theory models where intention is regarded as a behavioural attitude and which are not based on the aspect of commitment, the Rubicon model places the commitment of oneself in terms of when, where, and how a decision is made at the very core of intent (Gollwitzer et al. 1990). Our approach focuses on the decision-makers' motivational state of deliberation and on the transition from goal setting to goal striving. Thus, we seek to facilitate a self-guided reflection process, which, to take the metaphor further, will allow the decision-maker to reach and cross the Rubicon in a practically wise manner.

In developing the item-based guideline, we methodically follow the well-tried procedure of Rimann and Udris (1997, pp. 281–298). The use of personal or subjective words (e.g. I, my, etc.) was avoided in order to limit personal or social desirability. All items were formulated in a closed manner, hence providing a standardized frame for the respondent to answer. By keeping items concise and to the point, we ensured that our guideline is relatively self-explanatory and immediately induces a self-guided reflection process. Following Bell and Federman's (2010, p. 344) findings concerning the positive correlation of self-assessment accuracy and item specificity, we translated the essential features of practical wisdom into the item-based guideline as explicitly and directly as possible. Moreover, we used well-established wisdom scales such as Ardelt's (2003) *Three Dimensional Wisdom Scale* and Websters's (2003) *Self-Assessed Wisdom Scale* as a source of inspiration and orientation, as long as they appeared to tap either the normative, integrative, or cultural-heritage dimension of practical wisdom, defined below.

Finally, in order to ensure the intelligibility and accessibility of our item-based guideline, we conducted a test on a sample of eight interdisciplinary academics aged between 25 and 52. The focus group was given a complex and ambiguous case study, calling for a decision to be made. Participants were asked to put themselves in the shoes of the responsible decision-maker and to apply the preliminary guideline during their decision-making process. Afterwards, the group was engaged in a semi-structured plenum feedback discussion and prompted to comment on factors such as item clarity, wording, bias, sensitivity, etc. Vital feedback emerged from the discussion: Participants did not have the impression that items were biased or influenced their response. Moreover, no one felt that questions were too sensitive. However, concerns were voiced that some items were formulated too elusively and should be condensed

or simplified. Moreover, it was suggested that adding examples at certain points would enhance clarity. The feedback was carefully considered and several improvements, mainly in terms of item wording, were made. Examples in parentheses were added to items specified by participants (five cases, four items). This procedure resulted in a guideline of 18 wisdom items.

## Exploring Practically Wise Decision-Making

Scholars widely agree that capturing practical wisdom is quite challenging (cf. Staudinger 2008) and that it may even be impossible to measure wisdom per se through a standardized self-administered questionnaire (Ardelt 2003, p. 276; McKenna et al. 2007, p. 84). Therefore, we propose that practical wisdom can indirectly be evaluated in a self-guided, reflective process, through a matrix of indicators reflecting its essential characteristics.

### The Nature of Practical Wisdom

To do so, it is important to clearly grasp the object of inquiry itself. According to the literature, this endeavor entails a twofold challenge: First, research on practical wisdom is, to date, characterized by a vast diversity of approaches, adaptations, and interpretations, the sheer number of which may threaten the virtue to become meaningless (McKenna et al. 2007). Hence, a coherent and conclusive understanding of the concept practical wisdom is a basic requirement (Ardelt 2003, p. 277; Ferrari et al. 2011, p. 128; Intezari and Pauleen 2014, p. 394; Pellegrini and Ciappei 2015, p. 771; Trowbridge 2011, p. 150). This is, second, aggravated by the fact that practical wisdom is a complex and multidimensional issue (cf., Ardelt 2003, p. 277; Webster 2003, p. 13) crossing disciplines and centuries. Thus, a thorough review of the relevant literature reveals that practical wisdom in management appears to be a much broader phenomenon than one usually might expect at first sight (Bachmann et al. 2017). In order to overcome a merely superficial understanding, most scholars in the field argue that further research must apply an inter-disciplinary (Dittmann-Kohli and Baltes 1990, p. 76) and inter-temporal (Bright et al. 2014, p. 457) approach.

To meet these requirements, we refer to conceptualizations of practical wisdom in management recently synthesized from a philosophical, theological, psychological, and managerial perspective as our point of departure (Bachmann et al. 2017; McKenna et al. 2009). This way, we can build upon previous research which has thoroughly discussed the main definitions in breadth and depth and which has provided some insightful summary charts on the essential features of practical wisdom (e.g., Bachmann et al. 2017, p. 10–11; Waddock 2014, p. 139). These and other related approaches seek to reconcile the different lines of disciplinary research on practical wisdom. Thereby we integrate theoretical considerations from philosophy and theology concerning the meaning and integral attributes of practical wisdom, ranging from Aristotle's *phrónesis* (NE VI), or the influential ancient Chinese text *Yì Jīng*, which points out that among other virtues such as humility and morality the sense of balance between polarities is crucial for practical wise living, up to recent attempts to reformulate the concept in today's post-enlightenment environment (e.g., Ellett 2012; Long 2002). On the other side, we incorporate empirical psychological findings, which strive to identify scientific criteria for control, replication, and prediction, regarding the nature and development of wisdom (e.g., Baltes and Staudinger 2000; Birren and Svensson 2005; Trowbridge 2011). Being aware of the inevitable loss of nuance caused through our reconciling efforts, we suggest (and will unfold in detail) that practical wisdom in the modern commercial

context should entail three mutually intertwined components: (1) a *normative* dimension, comprising orientation and guidance on how to live a good and worthwhile life in general, (2) an *integrative* dimension, including deliberation, passing of judgment, balancing of tensions, critical reflection, and integration directed towards practice, and (3) a *cultural heritage* dimension, embracing established customs, beliefs, exemplary behavior, and concrete advice concerning all aspects of life, transmitted by secular and spiritual traditions. Each of these practical wisdom dimensions contain specific features (cf. Table 1):

In summary, we conceptualize practical wisdom as the emergent cohesion of three mutually interdependent dimensions and ten specific features. Furthermore, the dimensions and features are not only all linked to some degree, but, depending on the particular situation, they also need to appropriately balance. When these dimensions and features are holistically combined to a high degree in a conscious decision-making process, we recognize the result as a practically wise decision.

**Table 1** Dimensions and Features of Practical Wisdom (Source: own illustration, adapted from Bachmann et al. 2017)

| Dimensions | Features | Short Description |
|---|---|---|
| Normative dimension (comprising orientation and guidance on how to live a good and worthwhile life in general) | Moral feature | PW as the willingness to apply moral principles and spiritual values as a means of orientation for everyday behavior. |
| | Personality-related feature | PW as the capacity of acting appropriately and authentically in a self-disciplined and self-aware manner, in order to aspire to righteous, credible, inspiring, and convincing goals. |
| Integrative dimension (including deliberation, passing of judgment, balancing of tensions, critical reflection, and integration directed towards practice) | Action-oriented feature | PW as the ability to transform every manifestation of knowledge, as well as beliefs and decisions, into action. |
| | Reality-related feature | PW as the open-mindedness to receive and understand the complex realities of a given situation in their multi-layered facets. |
| | Sociality-linked feature | PW as the social competence to embrace the indispensable sociality of every human being and to intertwine one's own actions, interests, and goals with those of others. |
| | Balancing feature | PW as the capacity to establish the right balance between divergent polarities. |
| | Pluralism-related feature | PW as consideration of today's multi-layered diversity, perceptible in different parts of life and society. |
| | Limitation-related feature | PW as the awareness of limitations imposed on the human being, making leaders cautious and circumspect where and when necessary. |
| Cultural heritage dimension (embracing established customs, beliefs, exemplary behavior, and concrete advice concerning all aspects of life, transmitted by secular and spiritual traditions) | Accumulated wisdom feature | PW as the openness towards transmitted cultural heritage and the ability to adapt it to the new context. |
| | Divinity and excellence feature | PW as the humility in face of one's own achievements, knowledge, and capabilities, acknowledging wisdom as a gift and as the path to a meaningful sense of life. |

This implies, *vice versa*, that leaders may supervise, evaluate, and, if possible or necessary, improve their decision-making processes towards practical wisdom in line with these dimensions and features. In order to trigger such an evaluation and reflection process, we will now investigate the specific features of practical wisdom with regard to managerial decision-making. In this way, we generate a set of items apt to provide practical guidance for a self-guided decision-making process. For each specific feature, we proceed by providing an interdisciplinary overview of the relevant wisdom research and highlighting the particular managerial significance, before deriving the concrete items.

## Normative Dimension

**Moral Feature** Practical wisdom is overtly and thoroughly normative. It is not purely concerned with deliberating how to achieve *any* intended outcome, but how to achieve a good life in general, both for oneself and for the community. In this respect, the Roman philosopher Cicero translating Aristotle's Greek *phronesis* into the Latin *providentia* accentuated the aspect of foresight and thus included a long-term perspective into the idea of practical wisdom. Thus practical wisdom tackles the question of what ultimately orients and guides someone's actions. In the tradition of Aristotle and Aquinas, the virtue of practical wisdom drives us to do what is good just because one perceives the cause as noble and worthwhile. In order to judge options as more or less meaningful for the well-being of all affected parties, the idea of practical wisdom requires values. The practically wise person, therefore, is equipped with the required discernment, sincerity and excellence of character to define the good and right ends. Also, empirical psychological studies examining everyday beliefs and folk traditions state that a wise person adheres to, and is guided by, moral principles or religious values (Bluck and Glück 2005; Clayton and Birren 1980). By expanding the scope of deliberation to include long-term and ethical objectives, practical wisdom transcends indifferent cleverness, tactical cunningness or even immoral underhandedness. Thereby, the practically wise decision-maker has acquired the capacity of employing and integrating both consequentialist and deontological perspectives in order to deal with situations or dilemmas. Likewise, the wisdom research agrees in depicting he wise person as one equipped with the ability to couple the 'knowing that' in terms of what would be the normatively valid course of action and the 'knowing how' in regard to how to bring it about. In either scenario, practical wisdom epitomizes moral excellence by combining harmoniously different ways of moral reasoning (Bachmann et al. 2017).

Practical wisdom's commitment to moral principles and values is consistent with the managerial challenge of ethical judgment: "Economic actions are necessarily ethical and cannot help being so, for they involve choosing (which requires criteria of choice) and because all economic actions are necessarily social actions, working or exchanging with others" (Clark 2010, p. 684). Even in today's postmodern age, knowledge and intellect by themselves are not enough to produce wise leaders (Muff 2013, p. 498) but must be accompanied by resources beyond the realm of logic and rationality, such as intrinsic motivation and spiritual orientation. Prasad Kaipa, influential Silicon Valley-based CEO-advisor and coach, speaks about 'enlightened self-interest' becoming a business imperative for practically wise managers in the twenty-first century (Kaipa and Radjou 2013). Dennis Moberg (2007, p. 542) describes the motivational and moral component of practical wisdom as "a disposition toward moral excellence that is both rare and challenging to master". Moral imagination as a trait of practical wisdom enables people

to "create images of the future to illuminate the present" (Roca 2010, p. 137). Thus, it is a crucial part of practically wise management to transcend the quotidian and ephemeral everyday coping needs towards visionary perspectives (McKenna et al. 2009) and to balance short-term demands with long-term concerns, current profitability with future environmental needs that lead to human flourishing (Intezari 2015). In contrast to the ostensibly value-free and mechanistic paradigm of traditional decision-making models, this move towards practically wise decision-making brings about a reassessment and reintegration of the normative dimension of management practice. The decision-making process should encompass the above principles.

> Item 1: In the decision-making process, managers are ultimately guided by a clear vision in relation to particular moral ends, which transcends the quotidian needs.
> Item 2: Decision-makers are basing the decision-making process on universal rules, moral principles or spiritual values.

**Personality-Related Feature** For Aristotle, practical wisdom is about virtue. And a virtuous person is a person of good character. Part of his message is that good character is not only a matter of doing the right thing (cf. the moral feature above) "but also of having the right desires and emotions" (Hartman 2006, p. 70). So practical wisdom is essentially linked to personal identity: A practically wise person acts wisely, wants to do so, and thinks it good to do so. Thus, practical wisdom involves an individuals' desires, behavior and personality in a way that it does not define universally valid recommendations, but rather indicates what a specific individual *hic et nunc* should do. Practically wise decision-making, therefore, shifts from schematic third-person universalism to specific first-person personalism, tracking the very characteristics, desires, and values, which one ascribes to oneself. The reciprocity between someone's' practical wisdom and his or her character raises the question of how to act appropriately and authentically in a self-disciplined, but confident manner, in pursuit of right, credible, inspiring, and convincing goals. In various classical philosophical traditions offered by generations of moral philosophers, the concept of practical wisdom is embodied in character and intertwined with conceptions of self-control and the ability to cultivate passion and desire. There is broad consensus that appropriate emotion and good character are required to reinforce practical wisdom. In line with these philosophical perceptions, current psychological studies observe an immediate and inseparable connection between wisdom and wise persons as 'carriers of wisdom' (Takahashi and Bordia 2000).

This personality-related feature of practical wisdom corresponds with management education scholars highlighting a philosophy of whole person learning to produce well-prepared future decision-makers: "respecting a person in their mental, emotional, physical, and spiritual dimensions, and recognizing the need to develop all these aspects of the individual in order to progress towards an increasingly integrated and therefore 'whole' person" (Muff et al. 2013, p. 82). From the perspective of humanistic management, the recognition and respect of human dignity under all circumstances urgently calls for reinstating the human person throughout management theory as an active, autonomous, and responsible subject (Dierksmeier and Pirson 2010). Thus, self-awareness and self-discipline (van den Muyzenberg 2014) as well as the rightness of desires are seen as a central challenge of practically wise leadership. We propose that:

> *Item 3: Managers aiming to make a decision are reinforced by their appropriate dispositions and emotions, which go hand in hand with self-awareness and self-discipline.*

## Integrative Dimension

**Action-Oriented Feature** In contrast to (theoretical) wisdom, which is predominately geared towards intellectual recognition, practical wisdom always also targets realization in practice. Accordingly, it requires the ability to transform every manifestation of knowledge, beliefs, and experiences into action. In the Aristotelian tradition, the virtue practical wisdom is concerned with modifiable and contingent aspects, which are related to particular circumstances or occurrences that can be controlled, initiated, constructed or changed (NE 1140b25). Due to this action-oriented feature, the virtue assumed a key position in moral philosophy throughout the classical era: guiding the other virtues towards action, it became known as the 'foremost of virtues'. Nowadays, the psychological approach of the *Berlin Wisdom Paradigm* determines that a wise person must not only be equipped with procedural knowledge but also with hands-on, practical experience (Baltes and Staudinger 2000).

This action-oriented feature is highly significant for successful management and leadership (McKenna et al. 2009). Much of the relevant literature highlights that the current challenges of management are not so much related to analytic calculations and mathematics as they are to questions of action-oriented judgment (Bennis and O'Toole 2005); similarly, managers must not follow a set of laws but rather learn their trade through practice (Moore 2008). In the same sense, Mintzberg (2004) demands a management model, which is not overly analytic but rather practice-oriented. Successful managers report to rarely read, and even more seldom use, statistical models or abstract generalizations of scientific studies. Instead, they prefer concrete observations and clear action-guidelines (Malan and Kriger 1998, p. 243). This aspect is exemplified by Ben Horowitz' experience in becoming one of the most successful venture capital investors of Silicon Valley. Reflecting on his career, Horowitz (2014) stated that nothing in practice is as simple as theorists lead us to believe it to be. Thus, practical wisdom in management is by no means a purely theoretical endeavor, but rather a process of operationalization towards everyday practice. Hence, we conclude that:

> *Item 4: In the decision-making process, managers are actively considering theoretical knowledge (e.g. facts, figures, models, theories) as well as hands-on experiences.*
> *Item 5: Managers are taking de facto boundaries into account in the decision-making process; the decision is feasible in practice.*

**Reality-Related Feature** Since ancient times, practical wisdom has essentially been linked to particular circumstances or concrete occurrences of a given situation. Thus, Aristotelian *phronêsis* requires the ability to open-mindedly receive, and holistically understand, the complex reality in its mutual interdependencies (NE 1140a26). Quite similarly, in the Islamic tradition, Wisdom (*al-Hikmah*) can be described as sound judgment concerning a matter or situation through understanding the phenomena of cause and effect (El Garah et al. 2012). Thomas Aquinas (2006), who integrated ancient Greek philosophy with Christian beliefs and

traditions, described practical wisdom (*prudentia*) as comprehensive insight into the situational context, in order to choose and apply the fitting means. This contextual nature of practical wisdom, on the other hand, makes it extremely difficult to generalize or verify practically wise decision-making in the same way as theoretical propositions. Taken out of the particular context of the situation, the practical wisdom of a decision might get lost altogether.

Practical wise managerial action is determined by the ability to appropriately respond to a specific situation, while considering the contextual framework of time, space, and sociality (Malan and Kriger 1998, p. 246). Consequently, practically wise leadership cannot be purely acquired in a classroom setting. It can, however, be developed through studying real life examples or mentors, who are perceived as inspirational in both an individual and organizational context (Tredget 2010). In view of the constantly increasing complexity, information gaps, ambiguities, and unpredictability of today's business reality, contemporary management appears to be "essentially decision-making in complex situations, where no set of rules uniquely determines the right decision" (Grassl 2010, p. 711). Therefore, practical wisdom transcends the one-dimensionality of economic rationality (Kessler and Bailey 2007; Melé 2010; Nonaka et al. 2014), requires holistic models of organization and leadership (Küpers 2012; Malan and Kriger 1998), and rejects 'one size fits all' solutions (Cornuel et al. 2010; Statler 2014; Yuengert 2012). Rather, 'out of the box' thinking shaped by synthetic analysis, creativity, and insightful perception are central to practically wise management (Gibson 2008). Through thinking creatively or 'out of the box' rather than in a linear fashion, managers may be able to discover new connections or solutions to a problem, which may otherwise not emerge. Moreover, the contextual relevancy of managerial decisions and their degree of worldliness are exactly what account for the difference between good and bad management practices and what constitute the reality-related feature of practical wisdom. To sum up:

> Item 6: *Managers are illustrating holistic and open-minded judgment in the decision-making process, taking the complexities of the specific situation into account.*
> Item 7: *During the decision-making process, managers are aware of the unpredictable nature of the business environment, and are employing out of the box thinking according to the stipulations of the situation at hand.*

**Sociality-Linked Feature** Practical wisdom indispensably shows itself in the social interactions of human entities, emphasizing interdependence over independence. It constitutes the relationship between the intra-personal realm of individual preferences and the inter- and extra-personal realm of the social environment as a life led in accordance with solidarity and responsibility. Throughout the ages, philosophers have continuously underscored the extent to which the virtuous person has to prove practical wisdom within the context of the *polis* and of society. Psychological wisdom research, with its focus on interpersonal and intercultural contexts, also emphasizes the importance of a truly successful sociality (Takahashi and Bordia 2000). Following these lines of thought, practical wisdom includes self-interest but goes further towards a positive social impact (Sternberg 1998).

In this sense, Kimakowitz et al. (2011) continued the long humanist tradition of thinking about how to contribute to a world where everyone can flourish. They edited a collective work, focusing on 19 case studies of companies that are managed as integrated and responsible members of society, where the emphasis is placed on social benefit rather than on profit maximization. Successful leaders recognize that no action or decision is taken solitarily, but

rather, through an interactive process of engagement and cooperation with others (Muff et al. 2013, pp. 26–30; Waddock and Lozano 2013). Malan and Kriger (1998, p. 244) highlight that managers' "decisions are based on the knowledge they glean from a strong and constant interaction between them and their context". Thus, a practically wise manager possesses the sensitivity to relate to others and apprehend their – often unapparent or unarticulated – opinions, values, attitudes or demands. Bearing this in mind, it is hardly surprising that Lou Gerstner reportedly spent his first couple of weeks as CEO of IBM moving around the company, listening and talking to staff and employees (Kirkpatrick 1993, p. 57). On an organizational level, wise managers are able to deal successfully with conflicting stakeholder interests by involving them, as much as possible, into the making of those decisions that impact their lives (Dunham et al. 2008; Freeman et al. 2007). They explicitly reflect the cultural and societal context in which the respective corporate culture emerges (Kay 2012; Tredget 2010). Practically wise decision-makers, therefore, have the social aptness and sensibility to be aware of, and to act in congruence with, their own needs and interests, as well as with those of others and those of society as a whole. Summarizing this aspect we stipulate that:

> Item 8: Decision-makers are considering various interdependencies with other social entities such as employees, the community, or society, as well as possible externalities, in the decision-making process.
> Item 9: In the decision-making process, managers are guided by a self-interest oriented impact but strive further, towards making a positive social impact.

**Balancing Feature** The integral quality of practical wisdom is reflected in the ability of correctly balancing divergent, polar or dilemmatic tensions. Aristotle introduced it as the virtue that coordinates the mediation process between the absolute principles and moral requirements of a concrete situation (NE 1140a26). Later on, in the tradition of an Aristotelian-Thomistic ethic, practical wisdom came to be known as the *auriga virtutum*, the charioteer of the virtues, that mediates amongst the other virtues as well as between virtues and particular contexts (Schockenhoff 2006). Like in an orchestra, the symphony of different virtues requires a binding link, a conductor, in order to become more than the sum of the sound of the individual instruments. Correspondingly, psychological research perceives practical wisdom as fundamentally inherent in various kinds of integration or balancing acts, for instance, between mind and character (Takahashi and Bordia 2000), but also between affective, reflexive, and cognitive dimensions (Staudinger 2008) or between individual, collective, and environmental interests (Sternberg 1998).

Since the late 1980s, management scholars have recognized the importance of simultaneously attending to competing demands in management in order to be effective (Cameron and Quinn 1988). In this vein, Tse (2013, pp. 693-4) states that "by adopting a mindset that is necessary to confront and integrate tensions, managers should be able to build greater long-term corporate success". As organizational challenges and environments grew more global, interdependent, and dynamic, contradictory demands and tensions intensified (Smith and Lewis 2011). Badaracco (1999) highlights this by analyzing the case of Joseph Jett, former bond trader accused of destroying his firm, Kidder Peabody, by a highly complicated $30 billion assets fraud: A world of intense competition and perpetual change, the complexity of the products and the sheer volume of transactions, the force field of grand ambition, intense

self-interest, and multimillion-dollar payouts – all these pressuring factors overwhelmed Jett's judgment. In contrast, practically wise decision-makers need to find ways to keep conflicting pressures and competing interests from carrying out a takeover of their mind and judgment. Therefore, several management scientists perceive balancing and mediating multiple tensions as a core aspect of practically wise management (Bartunek and Trullen 2007; Moberg 2007; Statler and Roos 2006). A key to practically wise decision-making lies in balancing various inputs effectively – not necessarily equating them, but balancing them appropriately for the context of the particular situation. Taking this cue from wisdom research, Freeman et al. (2007) re-conceptualize stakeholder theory, which explicitly addresses the (instrumental or moral) need of balancing competing demands, as an exercise of practical wisdom. This feature refers to tensions as variegated as the ones between economic and ethical or environmental aspects (Melé 2010), individuality and personality (Alford 2010), organizational and individual interests (Kay 2012; Tredget 2010) or between ethical considerations and instrumental knowledge (Beekun 2012; Grassl 2010; Jones 2005). Practically wise leaders can grasp and reconcile several, often competing, demands, signals, and requirements in management practice. Being aware of the different aspects of practical wisdom and balancing the various considerations that these perspectives raise "offers the possibility for making wise decisions" (Waddock 2014, 132). We therefore establish that:

> Item 10: Decision-makers are capturing and balancing a variety of different, possibly conflicting, aspects, interests, and outcomes (e.g. economic, environmental, and ethical factors) during the decision-making process.

**Pluralism-related feature** In Aristotle's times, people lived in highly localized and fragmented societies. While social conflicts and differences in habits, customs, and moral perceptions already existed at that stage of history, in the context of contemporary society, cultural, socio-economic, and ideological diversity virtually exploded. Consequently, in the context of a globalized world, we are faced with a wide variety of (frequently controversial) cultures, religions, beliefs or attitudes. Therefore, post-enlightenment philosophic discourses emphasize that a modern version of practical wisdom should accept an irrevocable plurality of ways for individuals to live a reasonable life (Cooper 2012; Ellett 2012). From a psychological perspective, wisdom therefore includes heuristics on how to handle differences in values and priorities, both at an individual as well as at a social system level (Baltes and Staudinger 2000).

In the realm of management studies, corresponding issues are discussed under the widely spread notion of diversity management. Research in this area highlights that future companies have to deal with social phenomena such as individualization, pluralism, changes in values or fragmentation of life concepts (Blessin and Wick 2014, pp. 297–306). Malan and Kriger (1998, p. 245) state that "organizations exist in multiple environments with several competing values and worldviews. The answer to creating effective organizations lies in understanding the assumptions of these competing views". In the context of global markets and production sites, it is a matter of practically wise management to esteem and to adequately handle factors such as different religious traditions (Lenssen et al. 2012), conceptions on leadership styles, and cultural values (Ben-Hur and Jonsen 2012, pp. 968–9). Consequently, we propose that:

> Item 11: Managers are considering societal diversity and complexity, in terms of perception, religious, and spiritual beliefs in the decision-making process.

*Item 12: During the decision-making process, decision-makers are actively reflecting upon cultural values, especially regarding possibly divergent approaches towards leadership and management.*

**Limitation-Related Feature** Practical wisdom requires that individuals are aware of and cope with their own personal and structural limitations. In order to foster his dialogue-partners' wisdom, Socrates relentlessly questioned all assumptions and thus exposed the contingencies and limits of human knowledge. Correspondingly, psychological research in this realm (see Sternberg's 'Balance Theory of Wisdom') stresses the necessity to reflect upon the incompleteness of human existence, and on the limits of one's knowledge (Sternberg 1998).

Although confidence is a key attribute of successful management, a practically wise decision-maker is always aware of his or her own limitations and boundaries (whether explicit or implicit, self-imposed or third-party-imposed) and is sensitive of where to be cautious, circumspect, and even recalcitrant (Kaipa and Radjou 2013; McKenna et al. 2009). Statler claims that executives – regardless of age – are usually endowed with considerable intelligence, "yet … often remain tragically unaware of what they do not know" (Statler 2014, p. 411). In contrast, practically wise decision-makers realize that one's knowledge and interpretations are fallible (Beabout 2012; Intezari and Pauleen 2014) and resist the overconfidence of expertise and the hubris that often follows it (Nonaka et al. 2014). It is, as Beabout (2012, p. 424) deplores, "a common vice for an individual with expert knowledge, especially of an abstract, theoretical sort, to think one knows more than one really does". Therefore, practical wisdom calls for a spirit of open-mindedness to radically reconfigure a strategy or decision. In other words: Who never fails cannot be practically wise. Moreover, the limitation-related feature is relevant when circumspectly assessing one's own leadership qualities (Ben-Hur and Jonsen 2012) and seeking advice from others (Beekun 2012). Thereby, practically wise management defends itself from the negative impact of individual-centered leadership that might lead to elitist individualism and mystic glorification of a charismatic leading figure (Küpers 2012). The decision-making process must ensure that:

*Item 13: Managers are aware of various kinds of limiting factors (including their own boundaries) in the decision-making process.*

## Cultural Heritage Dimension

**Accumulated Wisdom Feature** The habit of delivering accumulated wisdom to posterity was common practice within nearly all cultures. The Sumerians – one of the oldest known civilizations, who flourished in ancient Mesopotamia, modern-day Iraq, over 5000 years ago – recorded philosophical reflections and practical advice for daily tasks on clay tablets. Thereby, they intended to impart their wisdom on subsequent generations. The ancient Egyptians provided paternal guidance and cultural knowledge to their descendants through means of their 'wisdom texts'; similar endeavors can be found in the Hebraic, Taoist, and Buddhist traditions. And Aristotle recommended studying practically wise people in order to grasp what practical wisdom is actually all about (NE 1140a25). Seeking to manifest their values and beliefs in their day-to-day practice, these people employed their cultural and spiritual

background as a source of practical wisdom on how to lead a good life, how to act wisely and responsibly, and how to generate social value.

The question of how to re-discover and apply this accumulated wisdom in today's management is the subject of a sizable number of recent studies (Lenssen et al. 2012; Pruzan and Pruzan Mikkelsen 2007), for instance to involve one's own tradition and culture in decision-making processes (Ben-Hur and Jonsen 2012) and to integrate cultural and religious values (Almog-Bareket and Kletz 2012; Tredget 2010). In this perspective, the fund of beliefs, examples, and role models of the multiple spiritual traditions of mankind are perceived as a source of practical wisdom, which may contribute to the humanization of business practices worldwide. However, considering and valuing the cultural and spiritual traditions as an element of practical wisdom does not mean to uncritically and indiscriminately follow age-old master doctrines. Quite to the contrary, accumulated wisdom – which emerged in highly different contexts, sometimes even centuries ago – has to be adapted to modern-day scenarios and experiences through reflective attention (Gibson 2008; Habisch and Bachmann 2016). Furthermore, practical wisdom not only draws from ancient advice and reflections but also requires studying and considering examples of well-lived lives (Beabout 2012; Jeannot 1989). Thomas J. Watson Jr., who transformed IBM into the world's largest computer company, reflects upon his management style in his autobiography: "No textbook in the world can tell you how to be the chief executive of IBM, and the most important lesson had been drilled into my head by my dad" (Watson 1990, p. 400). Practically wise decision-makers analyze the pathways of history and explore why certain strategies were successful in specific situations, while others were not (Lynch 1999). It must therefore be ascertained that:

> Item 14: In making the decision, decision-makers are open to integrate traditional day-to-day wisdom (e.g. practical advice and examples) that may provide a helpful contribution or orientation in the specific situation.
>
> Item 15: Managers are carefully considering the significant differences between the circumstances in which former experiences (e.g. spiritual advice, beliefs or commitments) emerged, and the concrete modern-day context of the specific situation in the decision-making process.
>
> Item 16: Decision-makers are reflecting on the specific traditional values that constitute their own cultural background.

**Divinity and Excellence Feature** Many traditional conceptions of wisdom have a divine implication. For Plato, only the gods could attain true wisdom while humans could merely pursue it. Hebraic wisdom literature also connected the notion of wise human behavior to a divine cosmic order. In the Islamic traditions, teaching wisdom was an integral part of the mission of the earlier Prophets. Addressing this divine aspect, many transmitted wisdom traditions convey a twofold meaning: On the one hand, they illustrate that, and how, humans should constantly strive for wisdom in all its excellence, even though it proves quite hard to attain. On the other hand, wisdom is portrayed as a divine gift, rather than a human achievement. Following this notion, wisdom can never be gained by one's own efforts alone. Hence an essential part of practical wisdom is held to be found in being humble in the face of one's own achievements, knowledge, and capabilities, forever keeping in mind that much, or all, wisdom is received as a gift.

When it comes to management, some may dismiss religious and spiritual ideas from past centuries as outdated. Being disciplined to follow 'master doctrines' and 'stolid dogmatism' has provoked a (post-) modern skepticism against an employment of religious traditions in management (cf. Habisch and Bachmann 2016, pp. 3–5). Such criticisms have much in their favor. One can, however, share those concerns without taking refuge to a radical metaphysical abstinence. Quite on the contrary, practically wise decision-making includes a self-transcendent dimension – be it theistic or not – seeking a meaningful sense of life. Human self-transcendence can be related to something or someone that transcends the individual – for many it is God or the divinity, others search for something transcendent like blissful experience (Melé 2016, p. 45). In terms of practically wise decision-making Helen Alford (2010, p. 704) stressed that "we cannot continue ignoring resources from the world's religions if they can help us come up with the best answers of which we are capable". It must be ensured that:

> *Item 17: In the decision-making process, managers are striving to pursue the most excellent, quasi-utopian solution, action, or strategy, which transcends the individual dimension and seeks for a meaningful sense of life.*
> *Item 18: Managers recognize the fact that the optimal solution can never be solely achieved by their own efforts and capabilities and take this into account in the decision-making process.*

## Theoretical Contributions and Practical Implications

Decision-making is, as Domènec Melé (2016) following management guru Henry Mintzberg (1973) concludes, the quintessence of management. Since the beginning of the century, however, a great number of well-known scandals prompted business and academic communities to critically reflect on the role mainstream decision-making theories have played in the business world (Ghoshal 2005; Pirson 2016). Against former depictions of a merely rational pursuit of utility-maximization, a host of management scholars advocate a broader set of objections, including normative ones (Dierksmeier 2016). Especially, a reformulation and embedment of managerial decision-making with humanistic principles is stressed, i.e. to evaluate decision processes "in accordance with appropriate criteria, which are not limited to technical, economic or possible social reactions, but include ethical and human evaluation" (Melé 2016, p. 51). In congruence with this appeal, we commenced this paper by asking whether and, if so, how practical wisdom might guide the managerial decision-maker towards excellence in judgment. To answer this question we explored the inherent aspects of practically wise decision-making and derived an item-based guideline (cf. Table 2) in order to facilitate a multi-perspective, self-guided evaluation and reflection process on how to apply practical wisdom in judgment.

In this way, our research provides a well-founded and application-orientated systematization of the concept of practical wisdom with regard to managerial decision-making, based on the applicable interdisciplinary literature. Our main **theoretical** contribution is to piece together the very diverse strands of literature to more completely explore which aspects a practically wise decision-making process inherently entails. This examination of the multi-layered, hitherto unchartered landscape thus provides original insight into the phenomenon of practical wisdom in managerial judgment in order to make progress in decision-making theory.

🖄 Springer

**Table 2** Item-based guideline for practically-wise decision-making in management (source: own illustration)

| Item Wording | Feature of Practical Wisdom |
|---|---|
| **Normative Dimension of Practical Wisdom** | |
| Item 1: In the decision-making process, managers are actively considering theoretical knowledge (e.g. facts, figures, models, theories) as well as hands-on experiences. | Moral feature |
| Item 2: Decision-makers are basing the decision-making process on universal rules, moral principles or spiritual values. | |
| Item 3: Managers aiming to make a decision are reinforced by their appropriate dispositions and emotions, which go hand in hand with self-awareness and self-discipline. | Personality-related feature |
| **Integrative Dimension of Practical Wisdom** | |
| Item 4: In the decision-making process, managers are actively considering theoretical knowledge (e.g. facts, figures, models, theories) as well as hands-on experiences. | Action-oriented feature |
| Item 5: Managers are taking de facto boundaries into account in the decision-making process; the decision is feasible in practice. | |
| Item 6: Managers are illustrating holistic and open-minded judgment in the decision-making process, taking the complexities of the specific situation into account. | Reality-related feature |
| Item 7: During the decision-making process, managers are aware of the unpredictable nature of the business environment, and are employing out of the box thinking according to the stipulations of the situation at hand. | |
| Item 8: Decision-makers are considering various interdependencies with other social entities such as employees, the community, or society, as well as possible externalities, in the decision-making process. | Sociality-linked feature |
| Item 9: In the decision-making process, managers are guided by a self-interest oriented impact but strive further, towards making a positive social impact. | |
| Item 10: Decision-makers are capturing and balancing a variety of different, possibly conflicting, aspects, interests, and outcomes (e.g. economic, environmental, and ethical factors) during the decision-making process. | Balancing feature |
| Item 11: Managers are considering societal diversity and complexity, in terms of perception, religious, and spiritual beliefs in the decision-making process. | Pluralism-related feature |
| Item 12: During the decision-making process, decision-makers are actively reflecting upon cultural values, especially regarding possibly divergent approaches towards leadership and management. | |
| Item 13: Managers are aware of various kinds of limiting factors (including their own boundaries) in the decision-making process. | Limitation-related feature |
| **Cultural Heritage Dimension of Practical Wisdom** | |
| Item 14: In making the decision, decision-makers are open to integrate traditional day-to-day wisdom (e.g. practical advice and examples) that may provide a helpful contribution or orientation in the specific situation. | Accumulated wisdom feature |
| Item 15: Managers are carefully considering the significant differences between the circumstances in which former experiences (e.g. spiritual advice, beliefs or commitments) emerged, and the concrete modern-day context of the specific situation in the decision-making process. | |
| Item 16: Decision-makers are reflecting on the specific traditional values that constitute their own cultural background. | |
| Item 17: In the decision-making process, managers are striving to pursue the most excellent, quasi-utopian solution, action, or strategy, which transcends the individual dimension and seeks for a meaningful sense of life. | Divinity and excellence feature |
| Item 18: Managers recognize the fact that the optimal solution can never be solely achieved by their own efforts and capabilities and take this into account in the decision-making process. | |

When considering managerial decision-making **practice**, this paper particularly contributes by answering the question: How can managerial decision-makers lead themselves towards practical wisdom in judgment? Of course, any decision-making process begins with the recognition that a decision should be made. Rather than simply jumping into a purely technological analysis, however, we propose a self-guided deliberation against a matrix of the three mutually interdependent dimensions and ten specific features that we unfolded as the essential characteristics of practical wisdom. Due to the contextual and integrative nature of practical wisdom, such a deliberation process not only has to combine the various, possibly conflicting, inputs that these perspectives provide, but also needs to balance them in accordance with the particularities of the given situation. We suggest that using these variegated practical wisdom lenses enables a much deeper insight into the nature of a concrete problem and its possible solutions than the reliance on a merely technical lens commonly adopted in economic theory.

Concretely, managers may consider key elements of practical wisdom as a way of inspiration or orientation in a situation where a complex decision needs to be made. Moreover, the item-based guideline may be applied in a more granular sense through reflecting on the various wisdom items during the decision-making process. This way, a managerial decision process may be optimized in terms of practical wisdom. The normative, integrative, and cultural heritage dimension of practical wisdom – all three of which are regarded not as extrinsic addendum but as inherent aspects of the decision-making process – might be mapped as the three axes of a diagram visualizing how practically wise the intended decision might be: the larger the area, the wiser the decision.

At this stage, three misunderstandings should be forestalled. First, practical wisdom may rarely be achieved in pure form and state. Rather, decision-makers should continuously evaluate whether and how any of the proposed wisdom-related qualities can be improved in their day-to-day practice. Additionally, certain dimensions may be more relevant or affected than others and might therefore be prioritized. Second, decision-making is an ongoing, evolving process, and includes a wide variety of factors, which may even be overwhelming (Mumford et al. 2000). Thus, it appears to be unrealistic that managers will completely remove themselves from business operations in order to undergo a large-scale, self-guided procedure. However, exactly for this reason, we deem this item-based guideline to be a basis for a straightforward and easy to follow orientation in complex decision scenarios. Third, others might critically regard the proposed items as a hindrance to practical wisdom. For instance McKenna et al. (2007, p. 84) write: "In spite of all managerial pretensions to it, wisdom is not something that can be easily measured or that comes linearly." Who ever heard of a wise person following a detailed questionnaire? Therefore, our guideline should neither be misunderstood as a mere process of ticking the boxes, nor as a contest of points. On the contrary, our aim is to stimulate rather than stifle a self-guided decision-making process of careful reflection that increases self-awareness concerning the own motivational process of deliberation, while also incorporating and enabling the entrepreneurial momentum of subjectivity and spontaneity. Quoting David E. Lilienthal (1967), one of the antecedents of the humanist management movement (Melé 2016), this process could best be described as "a Humanist art" rather than as a mechanic sequence.

## Limitations, Further Research & Conclusions

In parts, our research calls for further development and empirical verification. First, we inter-disciplinarily synthesized and unfolded practically wise decision-making as an emergent cohesion of three dimensions and ten specific features. However, such a synthesizing effort inevitably correlates with a loss of some important aspects. Therefore, further theoretical discussions on how to adequately conceptualize the virtue of practical wisdom could be addressed in future research (Alzola 2015).

Second, our paper seeks to integrate ethics into any management decision, thereby overcoming the so-called "separation thesis" (Melé and Dierksmeier 2012). Our proposition of practically wise decision-making advocates a more comprehensive view of the person, while seeking profits for higher human ends. According to Aristotle, the *phrónemoi* of ancient times proved their practical wisdom within the context of the *polis*. Nowadays, practically wise leaders make their decisions not as animated maximization-algorithms but in deep and manifold relation with their sociocultural contexts. Hence, building on our work, the future litmus test of practically wise decision-making theory is the reconceptualization of decision processes towards a more humanistic perspective, i.e. towards the service of human dignity and the flourishing of human life.

Third, our approach answers recent calls to bring clarity and synergy to the research on the role of practical wisdom in managerial decision-making and thus visualizes the interplay of the various wisdom dimensions. However, what happens when conflicts and tensions between the heterogenic features of practical wisdom arise? Particularly since there are calls for more empirical research on practical wisdom in management (Alammar and Pauleen 2016), more in-depth analysis (e.g. multivariate contingency analysis) of the relation between the particular features of practical wisdom as categorical variables might allow a more detailed description of the mutual interdependencies and situational hierarchies (cf. Pirson and Langer 2015). Which variables and which specific circumstances carry more weight and are thus more relevant levers for transformative management practice? Which other variables may be important for practically wise decision-making? In this way, we want to provide the requisite bedrock from which more rigorous theory building, further analysis, and empirical testing on practical wisdom in decision-making can emerge.

Fourth, over the last decades the increasing field of behavioral economics has explored the bounds of rationality of managerial decision-makers and the cognitive mechanisms that drive economic decisions (Simon 1955). Incorporating insights from related disciplines like neuro-science and behavioral psychology, scholars revealed that cognitive biases affect all decision-makers (cf. Kahneman 2011). While some studies on behavioral psychology examine wise behavior, the question of how the practically wise decision-maker might deal with cognitive bias could only be touched upon briefly in this paper and calls for further investigation.

Finally, in terms of management practice, Badaracco's (1999) essay on the former bond trader Jett provides a practical view on decision-making through illustrating how a highly qualified person of sound values, intense work ethic, and independent spirit made decisions to conceal $30 billion in assets – and ruined his career. This case study exemplarily highlights the many ways in which the realities of organizational life and interpersonal relationships might impede the efforts of individuals to make wise decisions based on their values and ideals. Our paper seeks to contribute in this regard to a, perhaps somewhat abstract, but highly relevant, concept becoming more easily accessible to practitioners. Once trained to focus on one-dimensional success metrics and short-term profits, practically wise decision-makers are

now challenged to display multi-dimensional perspicuity and to consider long-term consequences. Thus, further cross-sectional investigations ought to be conducted on how the set of wisdom lenses proposed in this paper pass the test of application on a wider level.

Decision-making has always been one of the most challenging tasks of managerial activity. In times, however, when the need for holistic and more humanistic decision-making appears to be higher than ever (Dhami and Thomson 2012; Eranova and Prashantham 2016; Melé 2016; Pirson 2017; Waddock 2016), practical wisdom proves a most promising resource for management (Grassl 2010; Intezari and Pauleen 2014; Melé 2010; Moberg 2007; Rooney et al. 2010). Despite the increasing publications on the topic, there seems to be a lack of developed theory that examines the inherent aspects of practically wise decision-making and provides guidance on how to apply it to judgment.

We have aimed to bridge this gap through carving out the variegated practical wisdom lenses, pooled as an item-based guideline presented in this paper. According to the guideline, practically wise decision-making amounts to a self-guided, rational choice in a more integrative, humanistic, and realistic sense. It rejects the mechanistic underpinnings of neoclassical economics and is instead oriented at deliberative judgment, which not only considers technical and financial data, but also includes specific cultural aspects, as well as relevant social and moral concerns. While technological innovations of the last decades have continually enabled the development of increasingly effective decision-making tools, they can never totally substitute the practical wisdom of humans in complex situations. It is high time, therefore, that the complex dimensions of practically wise decision-making also be reflected in the research agenda, theory, and pedagogics of economics and management studies. We hope that our paper provides a welcome stepping-stone for such endeavors.

**Compliance with Ethical Standards**

**Conflict of Interest**   On behalf of all authors, the corresponding author states that there is no conflict of interest.

**Ethical Approval**   This article does not contain any studies with human participants or animals performed by any of the authors.

# References

Alammar, F., and D. Pauleen. 2016. Exploring managers' conceptions of wisdom as management practice. *Journal of Management & Organization* 22 (4): 550–565.

Alford, H. 2010. The practical wisdom of personalism. *Journal of Management Development* 29 (7/8): 697–705.

Almog-Bareket, G., and P. Kletz. 2012. Jethro's understanding of administration and the convergence of inter-organizational goals. *Journal of Management Development* 31 (9): 889–900.

Alzola, M. 2015. Virtuous Persons and Virtuous Actions in Business Ethics and Organizational Research. *Business Ethics Quarterly* 25 (3): 287–318.

Antonacouplou, E.P. 2010. Making the Business School More 'Critical': Reflexive Critique Based on Phronesis as a Foundation for Impact. *British Journal of Management* 21: 6–25.

Antonioni, D. 1996. Designing an effect 360 degree appraisal feedback process. *Organizational Dynamics* 25: 24–38.

Aquinas, T. 2006. *Summa theologiae, Secunda Secundae 47–56. Translated by T. Gilby O. P (Vol. 36).* Cambridge: Cambridge University Press.

Ardelt, M. 2003. Empirical Assessment of a Three-Dimensional Wisdom Scale. *Research on Aging* 25 (3): 275–324.

Aristotle. 2009. *The Nicomachean Ethics, D. Ross (Trans.), Oxford World's Classic*, Oxford University Press. New York.

Arnaud, S., and D. Wasieleski. 2014. Corporate humanistic responsibility: social performance through managerial discretion of the HRM. *Journal of Business Ethics* 120 (3): 313–334.

Bachmann, C. 2014. Can practical wisdom be taught in business schools? An inquiry-based learning approach for management education. In *Inquiry-Based Learning for the Arts, Humanities, and Social Sciences: A Conceptual and Practical Resource for Educators*, ed. P. Blessinger and J.M. Carfora, 277–302. Bingley, UK: Emerald Group Publishing Limited.

Bachmann, C. 2015. Praktische Weisheit als Leitbild eines integralen Verständnisses von moderner Führungs- und Entscheidungspraxis in der Wirtschaft. *Journal of Markets and Ethics* 5: 76–100.

Bachmann, C., A. Habisch, and C. Dierksmeier. 2017. Practical Wisdom: Management's No Longer Forgotten Virtue. *Journal of Business Ethics*. First Online: 12 January 2017. https://doi.org/10.1007/s10551-016-3417-y.

Badaracco, J.L., Jr. 1999. How Free Are Free Agents? *Harvard Business Review* 77 (6): 169–175.

Baltes, P.B., and U.M. Staudinger. 2000. Wisdom: A Metaheuristic to Orchestrate Mind and Virtue Toward Excellence. *American Psychologist* 55 (1): 122–136.

Bartunek, J.M., and J. Trullen. 2007. Individual Ethics–The Virtue of Prudence. In *Handbook of Organizational and Managerial Wisdom*, ed. E.H. Kessler and J.R. Bailey, 91–107. California: Sage Publications.

Basel, J.S., and R. Brühl. 2013. Rationality and dual process models of reasoning in managerial cognition and decision making. *European Management Journal* 31 (6): 745–754.

Beabout, G.R. 2012. Management as a domain-relative practice that requires and develops practical wisdom. *Business Ethics Quarterly* 22 (2): 405–432.

Beekun, R.I. 2012. Character centered leadership: Muhammad (p) as an ethical role model for CEOs. *Journal of Management Development* 31 (10): 1003–1020.

Bell, B.S., and J.E. Federman. 2010. Self-Assessment of Knowledge: Where Do We Go From Here? *Academy of Management Learning and Education* 9 (2): 342–347.

Ben-Hur, S., and K. Jonsen. 2012. Ethical leadership: lessons from Moses. *Journal of Management Development* 31 (9): 962–973.

Bennis, W.G., and J. O'Toole. 2005. How business schools lost their way. *Harvard Business Review* 83 (5): 96–104.

Biloslavo, R., and B. McKenna. 2013. Evaluating the process of wisdom in wise political leaders using a developmental wisdom model. In *A Handbook of Practical Wisdom: Leadership, Organization and Integral Business Practice*, ed. W. Küpers and D.J. Pauleen, 111–132. Farnham: Gower Publishing Limited.

Birren, J. E., & Svensson, C. M. 2005. Wisdom in History. In R. J. Sternberg, & J. Jordan (Eds.), *A Handbook of Wisdom. Psychological Perspectives* (pp. 3–31). New York: Cambridge University Press.

Blessin, B., and A. Wick. 2014. *Führen und führen lassen*. 7th ed. Konstanz: UVK Verlagsgesellschaft mbH.

Bluck, S., and J. Glück. 2005. From the Inside Out: People's Implicit Theories of Wisdom. In *A Handbook of Wisdom. Psychological Perspectives*, ed. R.J. Sternberg and J. Jordan, 84–109. New York: Cambridge University Press.

Bright, D.S., B.A. Winn, and J. Kanov. 2014. Reconsidering Virtue: Differences of Perspective in Virtue Ethics and the Positive Social Sciences. *Journal of Business Ethics* 119: 445–460.

Cameron, K.S., and R. Quinn. 1988. Organizational paradox and transformation. In *Paradox and transformation: Toward a theory of change in organization and management*, ed. R. Quinn and K.S. Cameron, 1–18. Cambridge, MA: Ballinger.

Clark, C. 2010. Practical wisdom and understanding the economy. *Journal of Management Development* 29 (7/8): 678–685.

Clayton, V.P., and J.E. Birren. 1980. The Development of Wisdom Across the Life Span: A Reexamination of an Ancient Topic. In *Life-span Development and Behavior*, ed. P.B. Baltes and J.O.G. Brim, vol. 3, 103–135. New York: Academic Press.

Cooper, J.M. 2012. *Pursuits of Wisdom. Six Ways of Life in Ancient Philosophy from Socrates to Plotinus*. Princeton: Princeton University Press.

Cornuel, E., A. Habisch, and P. Kletz. 2010. The practical wisdom of the Catholic social teachings. *Journal of Management Development* 29 (7/8): 747–754.

DeNisi, A.S., and C.A. Belsito. 2007. Wisdom and Human Resource Management. In *Handbook of organizational and managerial wisdom*, ed. E.H. Kessler and J.R. Bailey, 295–325. Thousand Oaks, CA: Sage Publications.

Dhami, M.K., and M.E. Thomson. 2012. On the relevance of Cognitive Continuum Theory and quasirationality for understanding management judgment and decision making. *European Management Journal* 30 (4): 316–326.

Dierksmeier, C. 2011. The freedom-responsibility nexus in management philosophy and business ethics. *Journal of Business Ethics* 101 (2): 263–283.

Dierksmeier, C. 2016. What is 'Humanistic' About Humanistic Management? *Humanistic Management Journal* 1: 9–32.

Dierksmeier, C., and M. Pirson. 2010. The Modern Corporation and the Idea of Freedom. *Philosophy of Management* 9 (3): 5–25.

Dittmann-Kohli, F., and P.B. Baltes. 1990. Toward a neofunctionalist conception of adult intellectual development: Wisdom as a protypical case of intellectual growth. In *Higher stages of human development*, ed. C.N. Alexander and E.J. Langer, 54–78. New York, NY: Oxford University Press.

Dunham, L.C., J. McVea, and R.E. Freeman. 2008. Entrepreneurial Wisdom: Incorporating the Ethical and Strategic Dimensions of Entrepreneurial Decision-Making. *International Journal of Entrepreneurship and Small Business* 6 (1): 8–19.

El Garah, W., R.I. Beekun, A. Habisch, G. Lenssen, and C.R. Loza Adaui. 2012. Practical Wisdom for Management from the Islamic Tradition. *Journal of Management Development* 31 (10): 991–1000.

Ellett, F.S. 2012. Practical Rationality and a Recovery of Aristotle's 'Phronesis' for the professions. In *Phronesis as Professional Knowledge. Practical Wisdom in the Professions*, ed. E.A. Kinsella and A. Pitman, 13–33. Rotterdam: Sense Publishers.

Eranova, M., and S. Prashantham. 2016. Decision Making and Paradox: why study China? *European Management Journal* 34 (3): 193–201.

Ferrari, M., A. Kahn, M. Benayon, and J. Nero. 2011. Phronesis, Sophia, and Hochma: Developing Wisdom in Islam and Judaism. *Research in Human Development* 8 (2): 128–148.

Franks, D., E. Ferguson, S. Rolls, and F. Henderson. 1999. Self-assessment in HRM: an example from an assessment centre. *Personnel Review* 28 (1/2): 124–133.

Freeman, R.E., L. Dunham, and J. Mc Vea. 2007. Strategic ethics - strategy, wisdom and stakeholder theory: a pragmatic and entrepreneurial view of stakeholder strategy. In *Handbook of Organizational and Managerial Wisdom*, ed. E.H. Kessler and J.R. Bailey, 151–180. Thousand Oaks, CA: Sage.

Ghoshal, S. 2005. Bad management theories are destroying good management practices. *Academy of Management Learning & Education* 4 (1): 75–91.

Gibson, P.S. 2008. Developing practical management wisdom. *Journal of Management Development* 27 (5): 528–536.

Gigerenzer, G., and D.G. Goldstein. 1996. Reasoning the Fast and Frugal Way: Models of Bounded Rationality. *Psychological Review* 103 (4): 650–669.

Gollwitzer, P.M. 1991. *Abwägen und Planen: Bewusstseinslagen in verschiedenen Handlungsphasen*. Göttingen: Hogrefe.

Gollwitzer, P.M., H. Heckhausen, and H. Ratajczak. 1990. From Weighing to Willing: Approaching a Change Decision through Pre- or Postdecisional Mentation. *Organizational Behavior and Human Decision Process* 45: 41–65.

Grassl, W. 2010. Aquinas on management and its development. *Journal of Management Development* 29 (7/8): 706–715.

Habisch, A. 2012. The broken tables of stone: a decalogue approach to corporate compliance practice. *Journal of Management Development* 31 (9): 912–924.

Habisch, A., and C. Bachmann. 2016. Empowering practical wisdom from religious traditions: a ricoeurian approach. *International Journal of Corporate Social Responsibility* 1 (10): 1–9.

Hartman, E.M. 2006. Can We Teach Character? An Aristotelian Answer. *Academy of Management Learning & Education* 5 (1): 68–81.

Hassi, A. 2012. Islamic perspectives on training and professional development. *Journal of Management Development* 31 (10): 1035–1045.

Heckhausen, H. 1989. *Motivation und Handeln*. Berlin: Springer.

Hensman, A., and E. Sadler-Smith. 2011. Intuitive decision making in banking and finance. *European Management Journal* 29 (1): 51–66.

Hicks, D., and S. Waddock. 2016. Dignity, Wisdom, and Tomorrow's Ethical Business Leader. *Business & Society Review* 121 (3): 447–462.

Horowitz, B. 2014. *The Hard Thing About Hard Things. Building a Business When There Are No Easy Answers*. New York: HarperCollins Publishers.

Intezari, A. 2015. Integrating Wisdom and Sustainability: Dealing with Instability. *Business Strategy and the Environment* 24: 617–627.

Intezari, A., and D.J. Pauleen. 2014. Management Wisdom in Perspective: Are You Virtuos Enough to Succeed in Volatile Times? *Journal of Business Ethics* 120 (3): 393–404.

Jeannot, T.M. 1989. Moral Leadership and Practical Wisdom. *International Journal of Social Economics* 16 (6): 14–38.

Jones, C.A. 2005. Wisdom Paradigms for the Enhancement of Ethical and Profitable Business Practices. *Journal of Business Ethics* 57 (4): 363–375.

Kahneman, D. 2011. *Thinking, fast and slow*. New York: Farrar, Straus and Giroux.

Kaipa, P., and N. Radjou. 2013. *From Smart to Wise: Acting and Leading with Wisdom*. San Francisco: Jossey-Bass.

Kay, A. 2012. Pursuing justice: workplace relations in the eyes of Jewish tradition. *Journal of Management Development* 31 (9): 901–911.

Kessler, E.H., and J.R. Bailey. 2007. Introduction-Understanding, Applying, and Developing Organizational and Managerial Wisdom. In *Handbook of Organizational and Managerial Wisdom (xv–lxxiv)*, ed. E.H. Kessler and J.R. Bailey. California: Sage Publications.

Kimakowitz, E.V., M. Pirson, H. Spitzeck, C. Dierksmeier, and W. Amann. 2011. *Humanistic management in practice*. Houndmills: Palgrave-Mac Millan.

Kirkpatrick, D. 1993. Lou Gerstner's first 30 days. *Fortune, May* 31: 57–62.

Küpers, W.M. 2012. Die Bedeutung von praktischer Weisheit für die integrale Führungs- und Organisationspraxis. *Wirtschaftspsychologie* 3: 46–57.

Lenssen, G., T.R. Malloch, E. Cornuel, and A. Kakabadse. 2012. Practical wisdom in management from the religious and philosophical traditions. *Journal of Management Development* 30 (10): 989–990.

Lilienthal, D.E. 1967. *Management: a Humanist Art*. New York: Carnegie Institute of Technology.

Long, C. P. 2002. The ontological reappropriation of phronesis. *Continental Philosophy Review* 35 (1): 35–60.

Lynch, R.G. 1999. Seeking practical wisdom. *Business and Economic History* 28 (2): 123–135.

Malan, L.-C., and M.P. Kriger. 1998. Making Sense of Managerial Wisdom. *Journal of Management Inquiry* 7 (3): 242–251.

Marker, A.W. 2013. The development of practical wisdom: its critical role in sustainable performance. *Performance Improvement* 52 (4): 11–21.

Martin, K., and B. Parmar. 2012. Assumptions in Decision Making Scholarship: Implications for Business Ethics Research. *Journal of Business Ethics* 105 (3): 289–306.

McKenna, B., D. Rooney, and R. ten Bos. 2007. Wisdom as the Old Dog … With New Tricks. *Social Epistemology* 21 (2): 83–86.

McKenna, B., D. Rooney, and K. Boal. 2009. Wisdom principles as a meta-theoretical basis for evaluating leadership. *The Leadership Quarterly* 20 (2): 177–190.

Melé, D. 2010. Practical wisdom in managerial decision making. *Journal of Management Development* 29 (7/8): 637–645.

Melé, D. 2016. Understanding Humanistic Management. *Humanistic Management Journal* 1: 33–55.

Melé, D., and C. Dierksmeier. 2012. *Human Development in Business. Values and Humanistic Management in the Encyclical 'Caritas in Veritate' (Humanism in business series)*. New York: Palgrave Maymillan.

Melé, D., Rosanas, J. M., & Fontrodona, J. 2016. Ethics in Finance and Accounting: Editorial Introduction. *Journal of Business Ethics*. DOI 10.1007/s10551-016-3328-y (Published online: 28. Sept. 2016).

Mintzberg, H. 1973. *The nature of managerial work*. Englewood Cliffs: Prentice-Hall.

Mintzberg, H. 2004. *Managers, not MBAs: A hard look at the soft practice of managing and management development*. San Francisco: Berrett-Koehler Publishers.

Moberg, D.J. 2007. Practical Wisdom and Business Ethics. *Business Ethics Quarterly* 17 (3): 535–561.

Moore, G. 2008. Re-imagining the morality of management: a modern virtue ethics approach. *Business Ethics Quarterly* 18 (4): 483–511.

Muff, K. 2013. Developing Globally Responsible Leaders in Business Schools. *Journal of Management Development* 32 (5): 487–507.

Muff, K., T. Dyllick, M. Drewell, J. North, P. Shrivastava, and J. Heartle. 2013. *Management Education for the World*. Gloucestershire, UK: Edward Elgar Publishing Limited.

Mumford, M.D., S.J. Zaccaro, F.D. Harding, T.O. Jacobs, and E.A. Fleishman. 2000. Leadership Skills for a Changing World: Solving Complex Social Problems. *The Leadership Quarterly* 11 (1): 11–35.

Nonaka, I., R. Chia, R. Holt, and V. Peltokorpi. 2014. Wisdom, management and organization. *Management Learning* 45 (4): 365–376.

Pellegrini, M.M., and C. Ciappei. 2015. Ethical judgment and radical business changes: The Role of entrepreneurial perspicacity. *Journal of Business Ethics* 128 (4): 769–788.

Pirson, M. 2016. Editorial: Welcome to the Humanistic Management Journal. *Humanistic Management Journal* 1 (1): 1–7.

Pirson, M. 2017. In a Time of Global Upheaval-Humanistic Management Thinking Needed More Than Ever. *Humanistic Management Journal* 1 (2): 155–157.

Pirson, M., and E. Langer. 2015. Developing the Langer Mindfulness Scale. *Academy of Management Proceedings* 15 (1): 154–159.

Politis, J.D. 2001. The relationship of various leadership styles to knowledge management. *Leadership & Organization Development Journal* 22 (8): 354–364.

Provis, C. 2010. Virtuous Decision Making for Business Ethics. *Journal of Business Ethics* 91 (S1): 3–16.

Pruzan, P., and K. Pruzan Mikkelsen. 2007. *Leading with Wisdom*. Sheffield, UK: Greenleaf Publishing.

Rialp-Criado, A., I. Galvan-Sanchez, and S.M. Suarez-Ortega. 2010. A configuration- holistic approach to born-global firms strategy formation process. *European Management Journal* 28 (2): 108–123.

Rimann, M., and I. Udris. 1997. Subjektive Arbeitsanalyse: Der Fragebogen SALSA. In *Unternehmen arbeitspsychologisch bewerten. Ein Mehr-Ebenen-Ansatz unter besonderer Berücksichtigung von Mensch, Technik und Organisation*, ed. O. Strohm and E. Ulich, 281–298. Zürich: vdf Hochschulverlag.

Roca, E. 2008. Introducing Practical Wisdom in Business Schools. *Journal of Business Ethics* 82 (3): 607–620.

Roca, E. 2010. The exercise of moral imagination in stigmatized work groups. *Journal of Business Ethics* 96 (1): 135–147.

Rooney, D., B. McKenna, and P. Liesch. 2010. *Wisdom and Management in the Knowledge Economy*. New York: Routledge.

Roos, J. 2017. Practical wisdom: Making and teaching the governance case for sustainability. *Journal of Cleaner Production* 140: 117–124.

Ryan, R.M., and E.L. Deci. 2000. Self-Determination Theory and the Facilitation of Intrinsic Motivation, Social Development, and Well-Being. *American Psychologist* 55 (1): 68–78.

Ryan, R.M., J. Kuhl, and E.L. Deci. 1997. Nature and autonomy: Organizational view of social and neurobiological aspects of self-regulation in behavior and development. *Development and Psychopathology* 9 (4): 701–728.

Salas, E., M.A. Rosen, and D. DiazGranados. 2010. Expertise-based intuition and decision making in organizations. *Journal of Management* 36 (4): 941–973.

Schockenhoff, E. 2006. Klugheit. In *Lexikon für Theologie und Kirche*, ed. W. Kasper, vol. 6, 3rd ed., 151–152. Freiburg: Herder.

Simon, H.A. 1955. A Behavioral Model of Rational Choice. *The Quarterly Journal of Economics* 69: 99–118.

Sitzmann, T., K. Ely, K.G. Brown, and K.N. Bauer. 2010. Self-Assessment of Knowledge: A Cognitive Learning or Affective Measure? *Academy of Management Learning & Education* 9 (2): 169–191.

Small, M.W. 2004. Wisdom and now managerial wisdom: do they have a place in management development programs? *Journal of Management Development* 23 (8): 751–764.

Smith, W.K., and M.W. Lewis. 2011. Toward a Theory of Paradox: a Dynamic Equilibrium Model of Organizing. *Academy of Management Review* 36 (2): 381–403.

Statler, M. 2014. Developing wisdom in a business school? Critical reflections on pedagogical practice. *Management Learning* 45 (4): 397–417.

Statler, M., and J. Roos. 2006. Reframing strategic preparedness: an essay on practical wisdom. *International Journal of Management Concepts and Philosophy* 2 (2): 99–117.

Staudinger, U.M. 2008. A Psychology of Wisdom: History and Recent Developments. *Research in Human Development* 5 (2): 107–102.

Sternberg, R.J. 1998. A Balance Theory of Wisdom. *Review of General Psychology* 2: 347–365.

Takahashi, M., and P. Bordia. 2000. The concept of wisdom: A cross-cultural comparison. *International Journal of Psychology* 35 (1): 1–9.

Tredget, D.A. 2010. Practical wisdom and the Rule of Benedict. *Journal of Management Development* 29 (7/8): 716–723.

Trowbridge, R.H. 2011. Waiting for *Sophia*: 30 Years of Conceptualizing Wisdom in Empirical Psychology. *Research in Human Development* 8 (2): 149–164.

Tse, T. 2013. Paradox resolution: a means to achieve strategic innovation. *European Management Journal* 31 (6): 682–696.

Van den Muyzenberg, L. 2014. The contribution of Buddhist wisdom to management development. *Journal of Management Development* 33 (8/9): 741–750.

Vasconcelos, A.F. 2009. Intuition, prayer, and managerial decision-making processes: a religion-based framework. *Management Decision* 47 (6): 930–949.

Waddock, S. 2014. Wisdom and Responsible Leadership: Aesthetic Sensibility, Moral Imagination, and Systems Thinking. In D. Koehn and D. Elm (Eds.), *Aesthetics and Business Ethics*: 129-147. Dordrecht et al.: Springer.

Waddock, S. 2016. Foundational Memes for a New Narrative About the Role of Business in Society. *Humanistic Management Journal* 1: 91–105.

Waddock, S., and J.M. Lozano. 2013. Developing More Holistic Management Education: Lessons Learned From Two Programs. *Academy of Management Learning & Education* 12 (2): 265–284.

Watson, T.J., Jr. 1990. *Father Son & Co.: My Life at IBM and beyond*. New York: Routledge & Kegan Paul.

Webster, J.D. 2003. An Exploratory Analysis of a Self-Assessed Wisdom Scale. *Journal of Adult Development* 10 (1): 13–22.

Yang, S.Y. 2011. Wisdom displayed through leadership: Exploring leadership-related wisdom. *The Leadership Quarterly* 22 (4): 616–632.

Yuengert, A.M. 2012. *Approximating Prudence: Aristotelian Practical Wisdom and Economics Models of Choice*. Gordonsville, VA: Palgrave Macmillan.

Zimmerman, B.J. 1990. Self-regulated learning and academic achievements: An overview. *Educational Psychologist* 25: 3–17.