

PRACTICAL WISDOM AND BUSINESS ETHICS
Presidential Address to the Society for Business Ethics
Atlanta, August 2006

Dennis J. Moberg

Abstract: Practical wisdom has received scant attention in business ethics. Defined as a disposition toward cleverness in crafting morally excellent responses to, or in anticipation of, challenging particularities, practical wisdom has four psychological components: knowledge, emotion, thinking, and motivation. People's experience, reflection, and inspiration are theorized to determine their capacity for practical wisdom-related performance. Enhanced by their abilities to engage in moral imagination, systems thinking, and ethical reframing, this capacity is realized in the form of wisdom-related performance. This can be manifested either in wise business decisions or through their performance as mentors, advice givers, or dispute handlers.

People are naturally curious about wisdom. Philosophers love it. Native peoples revere it. Seekers devote their lives to it. And old people savor it. Wisdom's allure is its elusive quality. One may never completely attain wisdom, although everyone has had the experience of seeing wisdom in another person, if only for a moment. There is also an undeniably moral facet to wisdom. It appears in virtually every religious text ever written, and wisdom is among those special human qualities that serve both individual and collective good ends.

Commercial affairs appear much too down-to-earth for such a lofty idea. The drudgery, competition, and time pressure so common in modern work life encourage foolishness not wisdom. Yet, as Aristotle reminds us, wisdom has two faces—one concerned with understanding the profound truths of life and the other with the practical judgments that all of us must make every day. And it is this practical side of wisdom that is so relevant to contemporary business. In fact, most modern companies accord special esteem to leaders by virtue of their practical-wisdom-related talents of “experience” and “good judgment.”

Over the past fifteen years, I have become fascinated with the topic of wisdom, more particularly with practical wisdom as a key to understanding ethical behavior in business. I have found myself writing on the outskirts of the subject, grappling with topics like moral imagination, mentoring and advice-giving, and with the general question of why otherwise clever businesspeople do foolish (i.e., unwise) things. Unfortunately, the amount of work in these areas remains thin.

A couple of factors account for the stunted development of work on practical wisdom in business ethics. First, the subject has not been adequately anchored by contemporary work in its two parent disciplines: philosophy and psychology. While we have a great tome like Rawls's *A Theory of Justice*, no one has yet produced a work of equal stature on wisdom (cf. Kekes, 1995). Similarly, MacIntyre's *After Virtue* is known more for reclaiming virtue ethics than for situating practical wisdom at its core. In addition, while research on the psychology of wisdom has exploded in the last decade, work there has been devoid of any substantive consideration of morality (cf. Sternberg, 1998). As such, the psychology of wisdom looks more like the psychology of everyday prudence than that of practical wisdom as classically understood. Without the scaffolding from philosophy and psychology, there has been little work by business ethicists on the subject of practical wisdom (cf. Jones, 2005; Moberg, 2002b). I find myself in total agreement with Gary Weaver who wrote recently that "more attention . . . needs to be paid to the notion of practical wisdom" (Weaver, 2006: 358).

The other factor that accounts for the lack of attention to practical wisdom in business ethics is the practitioner world. What executives want from business ethics are systems that *prevent* ethical misbehavior not ones that *promote* ethically excellent behavior (Higgins, 2000). Within this frame, business ethics has naturally become more oriented to the etiology of abuse than it has to the modes of encouraging morally exemplary behavior.

Practical Wisdom Defined and Described

One impediment to the development of scholarly work on practical wisdom in business ethics is the lack of a standard definition. The *Oxford English Dictionary* defines wisdom as "the ability to judge rightly in matters relating to life and conduct," and that is a reasonable starting point. However, that definition gives inadequate emphasis to the moral dimension of the term. Inspired mostly by the work of Aristotle, I define practical wisdom as *a disposition toward cleverness in crafting morally excellent responses to, or in anticipation of, challenging particularities*. As such, practical wisdom differs from a disposition toward cleverness in *non-moral* realms like in the solving of crossword puzzles. It also differs from a disposition toward cleverness in crafting morally excellent actions in the face of *unchallenging* particularities like helping a lost child find his parents at a Disney amusement park. The verb *crafting* in the definition reminds us that there is more than one morally excellent response to a given set of particularities, and that persons may have their own individual "wisdom response style." The phrase *morally excellent* in the definition is somewhat problematic in that it implies a universal standard of moral excellence which obviously does not exist for all people at all times. For Aristotle, it was enough for communities to determine these standards if such communities were themselves moral and comprised of persons who reflected on the relationship between moral excellence and human flourishing. While Aristotle's

requirements may not be satisfactory in every case, determining what constitutes moral excellence may not be as big a problem as determining what constitutes the moral minimums. Psychologists tell us that when diverse juries are asked to come up with morally exemplary traits, their list is virtually identical to the cardinal virtues celebrated for millennia (Dahlsgaard, Peterson, & Seligman, 2005; Walker & Pitts, 1998). Finally, the phrase in the definition *responses to or in anticipation of* was chosen deliberately to convey the proactive as well as reactive attribute of practical wisdom. Practical wisdom occasionally involves acting *before* a challenging situation has actually materialized. Indeed, the wisdom of some actions is appreciated only after it is clear that they pre-empted a problematic situation. The practical wisdom of Martin Luther King and George Marshall is celebrated not only for what these honorable men accomplished, but for what would have occurred if they had not taken the action they did.

Generic Business Contexts for Practical Wisdom

Challenging particularities come in several general forms. Some are common to different business functions (accounting, marketing, etc.), and some are associated with different business issues (mergers and acquisitions, international trade). Many of these fall into four broad categories if one considers their essential structure relative to the existence of ethical norms (Moberg, in press; cf. Krebs and Denton, 2005).

Information Uncertainties and Ambiguities

One often needs more information than is available to conscientiously apply ethical norms to business situations. In order to advance justice one needs a keen sense of intentions. Acting to bring about a good outcome requires predictions about the future. And decisions often have to be made without the benefit of knowing historical precedents that morally bear on a particular case. Making this even more challenging is that in a work organization almost all of a person's information is socially transmitted and much of it (e.g., the intentions of the actors) is unknowable. Add to this the complexities of organizational context which make responsibility difficult to ascertain, and it is clear that one must often make moral decisions under conditions of uncertainty and ambiguity (Green, 2004).

Let's say that you own a ten-million dollar electrical component reselling business. One of your suppliers (a company owned by a woman you know only slightly) is a firm facing dire financial difficulties. Credible rumors are that the employees of the firm have not been paid for weeks and that the company's president has been selling her personal assets to meet loan payments. You are approached by two of the supplier's employees who promise that if you hire them, they will provide you with inside information that will benefit your firm. From their perspective, the non-disclosure agreements they have signed were nullified when the supplier did not meet its payroll.

What is the morally excellent thing to do? At one level, you are considering a predatory human resource maneuver promising financial advantage based on inside,

and potentially tainted, information. On the other hand, you may be providing a moral solution to the supplier's wronged employees and a cost-saving way for the failing supplier's existing customers to have an uninterrupted supply of product.

A business friend of mine faced exactly this situation. Key to his approach was a great deal more information gathering. He tried to contact the owner of the supplier, but she was apparently "hiding out" to avoid creditors. Under the press of time, he drew three company names from the list of the supplier's customers (provided by the employees as a sample of those they might provide). He contacted an official from each to discern how much harm each would experience with the demise of the supplier. In the final analysis, he decided to back away from the deal with the disgruntled employees on the basis that it was too contaminated by bad business judgment. His assessment proved prescient as the supplier's financial demise was so prolonged that no business advantage could have been gained and the supplier's customers adjusted nicely. Ultimately, the supplier's employees proved no "bargain" as industry rumors revealed that their lack of business acumen was a big factor in the supplier's downfall.

Execution Binds

These present themselves as choices in which one alternative is more ethical than others but also significantly costly to oneself or to one's close associates. Here the challenging particularities are not so much in identifying the best option but in executing it so it is directed at the right person at the right time in the right way and for the right purpose. Different execution binds concern the temptation to cut corners, to cover up for a friend or authority figure, or to join in an ongoing practice that is ethically defective (cf. Mobley, Humphreys, Brown, Frank, Narayandas, & Rousseau, 2006). Again, the challenge is not in picking the right move; it is implementing that selection well.

For example, let's say a Mabel has a poor relationship with her boss Fred, a vain and absent-minded man who takes little interest in Mabel and never gives her credit or support. One afternoon, Mabel tells you how she "really put one over on Fred." Immediately before a meeting in which he was to make a complicated presentation to the executive staff, Mabel took his briefing notes off his desk and threw them in the trash when he wasn't looking. Mabel heard later that Fred had stumbled and stammered through the presentation, and that he was consequently quite embarrassed. In talking with Mabel about the problems he had in the presentation, Fred attributed his not having his notes to absent-mindedness, and Mabel said nothing to the contrary. What is the morally excellent thing you should do about this situation?

There are, of course, many possible answers to this quandary, but practical wisdom demands that whatever is done is morally excellent. Imagine some possibilities. You could take the position of a strict moralist and immediately report the breach to Fred. Alternatively, you could try to convince Mabel to come clean with Fred about her evil deed and about the resentment that she is harboring. You could

encourage Fred to be more supportive. A friend of mine who faced this situation adopted a two-prong approach that impressed me a great deal. First, he purloined Mabel's copy card so she couldn't use the departmental machine to make copies, and then he asked her to drop everything she was doing and make copies of a document right away. My friend then interrupted her panic by producing the card and linking her panic with Fred's. His second approach was with Fred. During a conversational opening, my friend asked him pointedly what level of social capital he thought he had in the workplace. And, when Fred indicated self-satisfaction, my friend merely stated that he thought Fred had a problem in this area. He went on to say that he had observed that unnamed others were not inclined to give Fred their full support.

Moral Dilemmas

A third broad context for practical wisdom is a moral dilemma, a choice required from among two or more morally valued alternatives such that all cannot be chosen (Badaracco, 1997). Often the trade-off is between justice and mercy, short- and long-term consequences, self and community, or truth and loyalty (Kidder, 1995). Practically wise responses to such dilemmas often go beyond a simple weighing procedure although ultimately it may seem to come down to that.

You face a moral dilemma with Allen, one of your subordinates in a fast-paced high-technology firm. A newly widowed father of two children in pre-school, Allen has recently developed a serious attendance problem. As a result, his co-workers begrudgingly cover for him to maintain your department's performance levels. Your dilemma is defined in part by your sense of being pulled in three directions. You know you have a responsibility to your employer to maintain satisfactory departmental performance because falling behind is simply not an option in the business. However, you feel that you should treat Allen with compassion and that you should do something to shield Allen's co-workers from having to cover for him.

What would a morally excellent response be to this situation? Again, much depends on additional particularities in the situation (Moberg, 1990). However, a particularly sage manager I know approached a similar situation by calling a team meeting and doing an inventory of all the resources each member had that they were willing to commit to a solution to this problem without feeling pressure or guilt. From this list, a solution was designed that drew mostly on the manager's resources, but also on some of the group's as well. In the end, a solution resulted that, from my perspective, was both just and merciful. In addition, this approach enabled the manager to discern what level of solidarity existed in the team itself—an important benchmark for future leadership.

Ethical Leadership Predicaments

A final context requiring practical wisdom occurs when people act to better align others' actions with their moral commitments. Most dramatic of these are situations of principled dissent in which an employee objects to official organizational practices or the behaviors of people in authority (Graham, 1986). In extreme cases,

this may lead to whistle-blowing (Miceli & Near, 2002), but this is by no means a practically wise choice in all instances. More common are ethical leadership predicaments involving advancing a right rather than correcting a wrong (Treviño, Hartman, & Brown, 2000). Thus, ethical leadership includes actions by leaders to guide an organizational community toward action consistent with moral norms and outcomes.

You are the director for a community theater company that presents contemporary plays in a summer resort location where many socially conservative people vacation. Off-season you teach theater at a local college and in that latter role you see countless young people who suffer vocationally because there are so few roles that fit their physical appearance. For example, if a young actor is African-American, there are but a handful of parts available in a standard Shakespearian play. The situation is even gloomier if the young actor is Asian, physically handicapped, or has an unusual appearance. Accordingly, you decide to change the casting policy so that greater consideration is given to actors that do not fit physical type.

The difficult questions here include not only what that new policy should be but how it should be implemented. At some point, many others need to be convinced of the prudence of whatever policy is chosen, and the conservative-leaning community will also have to be included in this since audience tastes and continued community financial support and sponsorship are critical. One theater director I know took an incremental approach to this problem, testing community sensitivities with plays that included unfamiliar roles where he could insert actors that did not fit type. Simultaneously, he began experimenting with make-up and scenic design to disguise the “troublesome” physical features of certain cast members. Ultimately, he was able to accommodate virtually all of the actors in his company in spite of their appearance and without any significant objection by audience members.

Conceivably, he might have taken a bolder approach. He could have merely declared his resolve to cast actors regardless of their appearance and urged the community to support the virtue of that policy. However, when ethics leadership is necessary in the face of expected political resistance, a more deliberate system of action may generally be more prudent (Meyerson, 2003).

Structure of Practically Wise Responses

Morally excellent action requires doing the right things in the right way to the right extent addressed to the right person at the right time for the right reason. It also includes inaction as action, that is, it may be that circumstances are such that the wisest action is no action at all (Tykocinski & Pittman, 1998; Tykocinski, Pittman, & Tuttle, 1995). For example, there may be certain moral dilemmas that age well in the sense that the passing of time reveals which of the conflicting options is best.

The Psychological Components of Practical Wisdom

Identifying clever and morally exemplary responses within an array of challenging particularities is daunting, and doing it well requires four psychological processes.¹ Together, these determine a person's capacity for practical wisdom. I describe each below.

Knowledge Component of Practical Wisdom

Arriving at a practically wise response requires three types of knowledge. First, one must be familiar with the normative standards and paradigms that are applicable to the situation. In most instances, this involves some facility with formal ethical analysis although it seems possible to master this type of knowledge in tacit form without formal schooling. In any event, this is the only knowledge base associated with practical wisdom that can be formally taught; the other two are learned principally through experience. The second type is knowledge concerns an appreciation of the particularities in a specific context of the issue or problem. If one is making decisions about a possible reduction in workforce, one needs to know, among other things, something about how alternative schemes might affect costs, employee satisfaction, competitiveness, and other contextually relevant consequences and considerations. Aristotle recognized both these requisite knowledge bases: The person of "practical wisdom . . . requires not only knowledge of universals [i.e., ethical norms], but also familiarity with particulars, which only become familiar from experience" (Aristotle, 1985: 126). The third type of knowledge implicated in practical wisdom is procedural. It is made up of what might be called ethical know-how, and it includes how to craft responses, to whom to address them and when to act them out. In other words, this base of knowledge provides the necessary elements in the structure of practically wise action. This procedural knowledge reminds us that knowing ethics and doing ethics are quite different, and like knowledge of particularities, procedural knowledge is best developed through experience (Leonard & Swap, 2005).

The conceptual scheme that best fits this procedural component of practical wisdom is one developed by a group of developmental psychologists in Germany. Defining wisdom as a form of expertise in the pragmatics of life, these scholars have developed a rich set of instruments and associated empirical work resulting in two major findings to be reported later (Baltes & Staudinger, 2000). Like one's knowledge of particularities, this procedural knowledge element is tacit, meaning that it is acquired primarily through experience (Polanyi, 1966; Sternberg, Wagner, Williams, & Horvath, 1995).

Thinking Component of Practical Wisdom

Supplementing the knowledge component of practical wisdom is a thinking element. In this respect, practical wisdom requires a tentative or provisional thinking style best described as a middle ground between knowing and doubting (Meacham, 1983; 1990). Thus, the practically wise person steers a course between confidence

and cautiousness, not unlike the wise demeanor of Socrates. When exposed to the beliefs, values, knowledge and information that describe a situation, the practically wise person's tendencies are to question if these are necessarily true and to doubt if these are exhaustive of all the important features that could be true.

Wisdom is an attitude taken by persons toward the beliefs, values, knowledge, information, abilities, and skills that are held, a tendency to doubt that these are necessarily true or valid and to doubt that they are an exhaustive set of those things that could be known. (Meacham, 1990)

Emotional Component of Practical Wisdom

To some, practical wisdom connotes a kind of cool detachment in which the person maintains emotional distance in order to be free from the temptations of sentimentalism. However, practically wise persons must have well-schooled emotions that enable them to take in all the available information in a situation and to help them gauge a fully human reaction to them (Kunzmann & Baltes, 2003). Practical wisdom requires the accurate discernment of the emotional climate on a particular matter and the ability to draw from a complete spectrum of emotional responses to craft one that both brings about good outcomes and is good itself.

Psychologists have repeatedly demonstrated that our emotions play a large role in ethical decision-making (e.g., Haidt, 2001). Stunningly, life's most important decisions are apparently best made within an internal state in which one's deliberative powers are suppressed allowing one's emotions to determine the choice. That includes major financial investment decisions and decisions about one's love partner (Dijksteruis, Bos, Nordgren, & Van Baaren, 2006; Wilson & Kraft, 1993). With emotions playing such a strong guiding force in action, the practically wise person must be able to accurately perceive emotions in others and to express them in comprehensible ways. This may be particularly so with the so-called moral emotions like shame, embarrassment, pride, and guilt and also awe, love, sympathy, and gratitude. Perhaps the psychological construct of emotional intelligence is a significant component of practical wisdom (Druskat, Sala & Mount, 2006, cf. Kristjánsson, 2006).

Motivational Component of Practical Wisdom

The motivational component of practical wisdom has a firm foundation—the desire for moral excellence. The practically wise person must be singled-minded in counting moral considerations above all others in decision making. One way of conceiving of such motivation is that the person has a strong moral self, i.e., the person highly values integrity as a self construal (Aquino & Reed, 2002; Blasi & Globis, 1995). Beyond this foundation, practical wisdom demands a disposition to take responsibility for the good in situations. Together, the knowledge, thinking, emotional and motivational components of practical wisdom all work to produce a disposition toward moral excellence that is both rare and challenging to master.

Major Findings about Practical Wisdom

Philosophers and psychologists view virtues like practical wisdom quite differently. As early as the 1920s, psychologists began questioning the existence of character traits (Hartshorne & May, 1928). Drawing upon largely experimental evidence, others have argued that there is little evidence that supports the existence of moral virtues (Doris, 1998; Harman, 2000). These conclusions have been effectively challenged (e.g., Sreenivasan, 2002), and today psychologists continue to look for intersections between behavior and the virtues (e.g., Peterson & Seligman, 2004).

One reason behind the lack of support for the existence of the virtues in social psychological experiments is the assumption that traces of the virtues will show up in the behavior of ordinary people. However, when placed in demanding (strong) situations, such people's virtuous dispositions become dormant. One way around this is to distinguish between virtuous character and virtue-related performance. This approach has been adopted by psychologists studying wisdom. In order to capture how normal people manifest their virtue of wisdom, these researchers make the useful distinction between wisdom and wisdom-related performance (Baltes, Staudinger, Maercker, & Smith, 1995; Staudinger & Baltes, 1994). Indeed, if we were to conceive of the virtue of wisdom at one end of a scale and the vice of foolishness on the other, most people would fall between these extremes (see Figure 1). Their responses to the cases I described earlier would be less than clever or inconsistently clever from a moral standpoint. Such an approach would enable us to study how practical wisdom is distributed in an organization and how it develops.

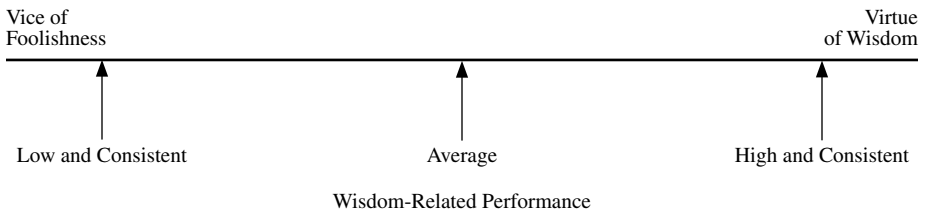


Figure 1. Virtue and Behavior

On the other hand, if the focus is on ordinary wisdom-related performance, some of our expectations from virtue ethics may not necessarily hold. For example, virtue theory holds that being virtuous will enable one to live the good life. Yet, longitudinal studies which have followed women over decades show that those whose lives demonstrate wisdom-related performance experience *less* life satisfaction measured broadly than more conventional women (Helson & Srivastava, 2001). Although people who have attained the virtue of practical wisdom may flourish, the same cannot be said for those striving for it. A similar contradiction between the predictions of virtue theory and empirical findings on wisdom-related performance concerns the prediction that the virtuous person has a vision of the good life *and* lives it. In

contrast, evidence suggests that some persons with wisdom-related performance are better able to give good advice than follow it themselves (Brown, 2000).

A person can be wise with regard to the life and problems of other people and can be sought out for advice from others because of her wisdom but the very same person does not necessarily have to be wise about her own life and problems. (Staudinger & Kunzmann, 2005: 324)

Finally, while an element of virtue theory known as “the unity of the virtues” requires that practically wise persons are uniformly virtuous in other ways; this has not been found in research into wisdom-related performance (Sternberg, 2002). While on a trajectory toward virtuous practical wisdom, persons may morally fall short in all the ways various psychological experiments have detected (e.g., Darley & Batson, 1973). Clearly, just because a person once fails to help to a distressed person while rushing to a class does not mean he or she will never attain the virtue to stop and give him succor. It merely means that such a person’s character has not yet attained the status of a genuine virtue.

The Measurement of Practical Wisdom-Related Performance

There are two ways one might measure practical wisdom. One is to measure it *as a process* by aggregating the four components (knowledge, emotion, thinking, and motivation). Scales of all these components are readily available although some may have to be modified slightly to correspond to a business or organizational context. Starting with these scales, a measure of practical wisdom could be constructed and validated (cf. Ardel, 2000). A second approach would be to measure the construct *as an outcome* by directly assessing people’s handling of challenging cases. This approach has been used in testing practical intelligence (Sternberg et al., 1995; Sternberg & Wagner, 1986). Basically, it involves identifying people thought to be practically wise and then looking to see what they do about challenging particularities. Then, one would use their responses as benchmarks in assessing others’ approaches to the same situations. This is quite consistent with Aristotle who resorted to what virtuous people do as the standard of virtuous action.

Most of the empirical research on practical wisdom to date has focused on the knowledge component of wisdom. Taken together with what is known about wisdom’s other components, existing evidence supports several conclusions.

Finding 1. Practical Wisdom Does Not Decline with Age in Adulthood

In several studies focusing on the knowledge component of practical wisdom, wisdom-related performance showed no relationship with age (Baltes & Staudinger, 1993; Staudinger & Baltes, 1994). This makes practical wisdom quite a remarkable biological attribute. Most all mental talents decay after the age of about twenty-five, so practical wisdom’s resistance to decline is extraordinary (Colonia-Willner, 1999). In fact, some of the highest scores ever obtained on wisdom-related performance have been among the very old (Baltes et al., 1995; Smith & Baltes, 1990). This

is echoed by research into the thinking-component of practical wisdom. Unlike young adults, older people show a greater tendency than the young to deny their own wisdom, signifying a balance between doubt and confidence (Clayton & Birren, 1980). Similarly, the emotional component of practical wisdom (emotional intelligence) shows no diminishment with age (e.g., Van Rooy, Alonso, & Viswesvaran, 2005). Finally, there is the motivational component of practical wisdom. If anything, morality becomes a more central feature of the self as adults grow older, again indicating that aging brings with it no diminishment in this component of wisdom (Moberg, 2001a).

Wisdom is not the only cognitive skill that is impervious to aging. In fact, older people actually outperform younger ones in ways that seem related to wisdom. For example, older persons are better at avoiding irrational preferences (Kim & Hasher, 2005; Tentori, Osherson, Hasher, & May, 2001) and are better able to accurately attribute the causes of other's behavior (Happe, Winner, & Brownell, 1998). Moreover, brain activity is more complex in older than younger people, so even though intellectual activity diminishes, the hardware that houses wisdom-related knowledge apparently does not undergo normal decay (Ardelt, 2000). It is not known for certain whether these specific cognitive elements that are enhanced by aging constitute wisdom resources, but they certainly might.

An association between wisdom and aging is consistent with historical and cultural archetypes that define wisdom figures as aged or age-less: as old men with flowing white beards, as aging gurus who speak in riddles, and as elderly goddesses who are the source of all wisdom. Indeed, conventional wisdom holds that aging makes people more perceptive and sagacious (Heckhausen, Dixon, & Baltes, 1989). Psychoanalyst Erik Erikson theorized that the human life span is divisible into periods or epochs and that middle and late adulthood are characterized by the centrality of moral concerns and the desire to invest their wisdom in the next generation (Erikson, Erikson, & Kivnick, 1986).

Finding 2. The Knowledge Component of Practical Wisdom Is Enhanced through Social Interaction

Empirical work has shown that when people experience fundamental life problems, they generally turn to other people for guidance and advice (Staudinger, 1996). Rather than thinking about it themselves or consulting books or other media, most people prefer consulting other people. This common practice apparently stimulates the creation of wisdom, for in a series of studies, when individuals had an opportunity to discuss problems with people they knew, the decisions they arrived at revealed a wiser knowledge base than when they made such decisions without interaction (Staudinger & Baltes, 1996). Apparently, some types of discussion and interaction arouse the retrieval of knowledge and stimulate collective thinking conducive to wisdom. This "two heads are better than one" phenomenon is not found in all forms of problem-solving, but it is apparently the case with wisdom. Interestingly, dialogic

interaction was central to Aristotle’s notion of practical wisdom as taking place in the space between the individual, the household, and the city-state.

What are the business implications of this “wisdom through interaction” effect? First, it is clear that there are many types of social interaction, and some hold more promise for the creation of wisdom-related knowledge than others. Jurgen Habermas (1998) has developed theoretical grounding to support empirical research along these lines.² Second, “wisdom through interaction” does not imply that ethical decisions are best made in collectives. It means only that morally clever alternatives are much more likely to surface through interaction than through solitary reflection (Athanasios & Nigh, 1999). If ethical help-lines are staffed with persons good at social interaction, wise help is likely to be manufactured through give-and-take. Finally, it may be that occupations that involve a great deal of social interaction may be better incubators for people with wisdom-related knowledge than occupations involving solitary work. Along these lines, it is instructive that among the professions that show the highest level of wisdom-related knowledge are clinical psychologists—a field that cannot be practiced without interaction (Smith & Baltes, 1990; Smith, Staudinger, & Baltes, 1994; Staudinger, Maciel, Smith, & Baltes, 1998).

New Propositions about Practical Wisdom

Based upon existing research in both philosophy and psychology, a number of propositions can be put forth that have theoretical grounding. These are summarized in Figure 2.

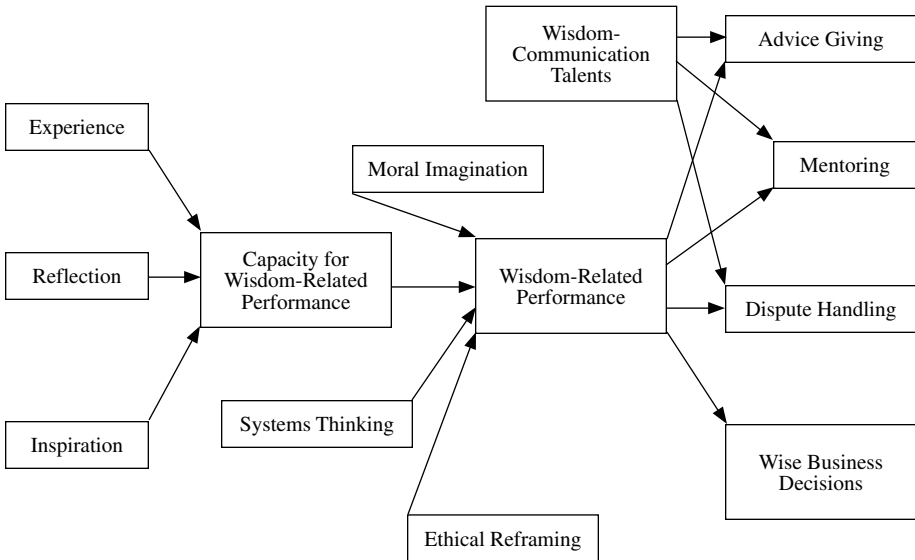


Figure 2. Practical Wisdom

Proposition 1. One's Capacity for Wisdom-Related Performance Is Developed through Experience, Reflection, and Inspiration

Narratives of practically wise persons often show a distinctive background of experience, a reflective demeanor, and a biography punctuated by inspirational events (McAdams, de St. Aubin, & Logan, 1993; Sternberg, 2002).

Experience

Experience probably has its strongest effect on the knowledge component of practical wisdom. Know-what, know-how, know-when, and know-who all accumulate through experience, especially if that experience is representative of the sorts of moral problems one is called upon to solve. The ethical issues in the finance function of an enterprise are different than the ones found in marketing, and it seems unlikely that one accumulates the knowledge necessary to be practically wise in each of these functions without specific practical experience in them. Similarly, there are ethical issues in some industry-specific contexts (e.g., bridge construction) requiring experience within that milieu.

The knowledge component of practical wisdom mentally accumulates in two principal forms: behavior-consequence learning and narrative learning. People learn by seeing the results their actions produce, and people learn when information is conveyed in narrative or story forms. In either event, people become practically wise much the same as how people progress from novice to expert in any field. Patterns are increasingly recognized, more complex mental models of situations are developed, more time is spent representing problems and planning than executing, and only high-quality alternatives are considered (Ericsson & Lehmann, 1996). Estimates based on studies of experts indicate that it normally takes at least ten years of exposure and practice to acquire the experience necessary to become an expert in a field. While over-learning (Gabarro, 1985; Langer, Blank, & Chanowitz, 1978) or unrepresentative-learning (Reynolds, 2006) can be a problem, a decade of experience may be a useful benchmark for what it takes for someone to attain the knowledge necessary to be practically wise in a specific context (Leonard & Swap, 2005).

Reflection

Reflection is a long revered practice in the cultivation of wisdom. The Sage's admonition, "know thyself," and Socrates' contention that "the unexamined life is not worth living" both support the enduring supposition that reflection is an essential process by which wisdom is acquired. In spite of this tradition, reflection has received little attention in the business literature (Seibert & Daudelin, 1999). One reason is that work organizations are settings notoriously hostile to reflection (Comeau-Kirschner & Wah, 2000). At the same time, more reflection goes on than most people know, much of it while the work is proceeding (Schön, 1983; 1987). The subject of reflection most conducive to the accumulation of wisdom is probably the relationship between one's self and one's actions (Argyris & Schön, 1996).

Such reflection confronts the possibility of self-deception about the lack of consistency between one's espoused values and one's behavior, and it also reveals areas for improvement in one's character and behavior. Specifically, effective reflection results in a careful assessment about how one is doing from a moral standpoint. Without such feedback-seeking, one may never learn whether one has attained the standing of being practically wise.

To become an expert driver, one should feel fear, not elation, as he or she skids around a curve. Likewise, to acquire ethical expertise, one must . . . have the sensibility to experience the socially appropriate sense of satisfaction or regret at the outcome of one's action. (Dreyfus & Dreyfus, 2004: 254)

Meaningful reflection does not focus only on the self. The practically wise person also reflects on what constitutes human flourishing. Such reflection enables the individual to appreciate the diversity of lives that differ from one's own and to discover alternative forms of the good life (e.g., Staudinger, 1997).

Inspiration

The word "inspiration" derives from the Latin word *inspirare*, to breathe into, to be filled, or to inflame. In an attempt to better understand the process, one psychologist studied the inspiration of seventy individuals and came to several conclusions (Hart, 1998). First, inspiration requires some sort of receptiveness; peak experiences only pique the prepared mind. Second, inspiration involves heightened sensory awareness and a perception of social connectedness. Whether one experiences the awe in nature or as the result of a sudden insight, inspiration often stimulates a rush of clear perception and a sense of profound social interdependence. Finally, inspiration is an emotional event, often accompanied by exhilaration and joy.

The type of inspiration relevant for our purposes typically begins with a precipitating event and results in a sudden increase in practical wisdom. A number of events potentially fit this profile: mystical transformations (e.g., epiphanies, near-death experiences), role and life-style changes (e.g., retirement, twelve-step programs, parenthood), therapeutic and educational changes, and post-traumatic growth. The typical insights that follow such events reflect the thinking style associated with practical wisdom. Namely, inspiration often results in a more constructive set of priorities. Following inspiration, individuals spend more time on their close relationships and find more pleasure in the mundane aspects of life. They are perceived as kinder, more empathetic, and more sensitive (Janoff-Bulman, 1992). Hassles and minor frustrations no longer derail them. They become more prudent and constructive thinkers when faced with frustrating situations (Miller & C' de Baca, 2001).

Sometimes, the precipitating event is not a phenomenon but a person. Role models can be quite rousing, and some inspire us with their practical wisdom. Most of the narratives of virtuous business people in David Bollier's classic book, *Aiming Higher* (1996), have that effect. All things considered, people find role models most inspiring when they are *demographically similar*, when the tasks they have

mastered are *relevant*, and when the role model's level of performance is perceived to be *attainable* (Moberg, 2000).

Proposition 2: Wisdom-Related Performance Is Enhanced by Moral Imagination, Systems Thinking, and Ethical Reframing.

Aristotle emphasized the importance of both universals (the standards of moral excellence) and particularities (the defining features of the situation) in practical wisdom. Merely knowing the facts of the situation is insufficient, as is merely knowing the ABCs of moral theory. Practical wisdom demands working with this raw material in ways that create morally graceful and elegant moves. Two capabilities that enhance practical wisdom by working on the raw particularities are moral imagination and systems thinking. And, the capability associated with working with the raw universals in a situation is a process I call ethical reframing. These three talents enhance wisdom-related performance.

Moral Imagination

Defined most simply as “the capacity to empathize with others and to discern creative possibilities for ethical action” (McCullough, 1991: 16), moral imagination is the ability to vary the cognitive construction of the particularities of the situation resulting in fresh viewpoints of the situation (Werhane, 1999). This might involve a mental reconfiguration of the details of the situation according to various kinds of cognitive maps or mental models (Johnson, 1993). Alternatively, it might involve imagining the situation from the outlook of the parties involved (Moberg & Seabright, 2000). What makes moral imagination creative is its divergence from the ordinary or conventional way in which particularities are examined.

Moral imagination is facilitated by features in the immediate work environment (Moberg & Seabright, 2000). Ethical work cultures have been found to activate the moral imagination (Caldwell & Moberg, in press). Moreover, moral imagination is associated with engaged membership in heterogeneous work groups, particularly when led by participative leaders (Somech, 2006). Bringing diverse groups of people together exposes the process to alternative models of the situation, thus stimulating the morally imaginative process (Schneider & Northcraft, 1999). Perhaps this is the reason that the knowledge component of practical wisdom is facilitated by social interaction. And finally, exposure to the arts has long been considered to play an important role in stimulating the moral imagination (Nussbaum, 1990; Pardales, 2002).

Systems Thinking

“At its broadest level, systems thinking encompasses a large and fairly amorphous body of methods, tools, and principles, all oriented to looking at the interrelatedness of forces, and seeing them as part of a common process” (Senge, Kleiner, Roberts, Ross, & Smith, 1994: 63). I will define it as the ability to perceive any object as influenced by an interrelatedness of forces, arising from within and outside the

object. Here the object is not to discern how the situation is viewed from alternative viewpoints or cognitive schema, but rather how putting these views together systematically enables the decision-maker to identify creative options.

System thinking is not simply another cognitive schema that might be considered by a morally imaginative person. Instead, it is a creative mode of inquiry that pulls together different views and abstract ideas into a unified whole. In so doing, systems thinking results in “(1) an understanding of the relativistic, non-absolute nature of knowledge; (2) an acceptance of contradiction as part of reality; and (3) an integrative approach to thinking” (Kramer, 1983: 91–92; cf. Rakfeldt, Rybash, & Roodin, 1996).

This makes systems thinking a useful tool to enhance practical wisdom. For example, systems thinking refocuses consideration from stakeholders one at a time to combinations of stakeholders. Thus, instead of calculating the effect of an action on three community groups independently, the practically wise system thinker would consider the interactive effects of the three groups (Werhane, 2002). Such a thinker would also prefer improvisation and in-process adjustments to grand plans that are boldly implemented (Moberg, 2001b). Although work on systems thinking is still in its infancy, there have been some attempts to measure it as an acquired capacity (Maani & Maaraj, 2004).

Ethical Reframing

Frames are well-learned sets of assumptions and conceptual associations that focus people’s attention on, interpret, and label some aspects of a situation to the exclusion of others (Bateson, 1972; Minsky, 1974; Goffman, 1974). Each major ethical theory carries with it its own frame. Utilitarians focus on consequences. Casuists compare cases. Deontologists look at actions. Feminists consider relationships. And, virtue ethicists inquire into character. Ethical reframing involves the ability to mentally shift from one ethical frame to the next to build a composite view that incorporates multiple ethical frames. Since any two are incommensurable, the resultant view is not only more complete, but it often surprising (Bartunek, 1988; Watzlawick, Weakland, & Fisch, 1974).³ Essentially, ethical reframing is like viewing the heavens through a telescope with multiple lenses, each with a different focal length. When the viewer builds a composite as the result of looking through one at a time, an image of the universe emerges that is both inclusive and ingenious.

Ethical reframing is a capability that probably requires more mental attention when one is unfamiliar with ethical reasoning than when one is an expert. As Dreyfus and Dreyfus (2004) assert, “principles and theories serve only for early stages of learning; no principles or theory grounds an expert’s ethical response any more than being in chess a theory or rule that explains a master-level move” (Dreyfus and Dreyfus 2004: 258). Those who have mastered applying ethical models to situations engage in ethical reframing rather intuitively and effortlessly. Only when they perceive a situation as novel or intuitively vexing would experts resort to conscious and deliberate ethical reframing.

Proposition 3. The Quality of Advice-Giving, Mentoring, and Dispute Resolution, if Accompanied by Wisdom-Communication Skills, Is Enhanced by Wisdom-Related Performance.

As ethical considerations are not restricted to any domain of business decision making, practical wisdom is a universally applicable business virtue (Freeman, 1994). When Sternberg asked business professors to describe how wisdom is manifested in business decisions, their list contained several universal elements:

. . . maturity of judgment, understanding of the limitations of one's actions and recommendations, knowing what one does and does not know, possession of a long-term perspective on things, knowing when not to act as well as when one should act, acceptance of reality, good decision making, the ability to distinguish substance from style, and appreciation of the ideologies of others. (Sternberg 1985: 624)

At the same time, there are certain social business contexts in which particularly complex ethical cases naturally arise: social situations calling for advice-giving, mentoring, and dispute resolution. Accordingly, we would expect that if one's performance in these contexts was measured, individuals high in practical wisdom-related performance would perform these tasks particularly well.

Advice-giving, mentoring, and dispute resolution are all social processes, and as such they capitalize on the positive effects of interaction on the knowledge component of practical wisdom (Finding 2). This implies that through the interaction among advice givers and receivers, mentors, and protégés, and among those who handle disputes and the disputants themselves, practical wisdom actually can be manufactured (Baltes & Staudinger, 1996).

In spite of this potential, practical wisdom is not the only talent necessary to be effective in these roles. Recall from our earlier discussion that research has shown that some people are much more effective giving wise advice than internalizing wisdom in their own lives. One reason is that there is a knowledge base that is independent of that associated with wisdom-related performance that is required if one is to communicate wisdom for the benefit of others. I will call this wisdom-communication knowledge. Unless one is additionally talented within this wisdom-communication knowledge base, one will not be able to translate one's own wisdom-related performance for the benefit of others through advice-giving, mentoring, and dispute handling.

The Wisdom-Communication Knowledge Relevant to Advice Giving

It is one thing to make a practically wise decision and quite another to offer someone else guidance about how they should make one. In organizations, advice giving is a common element in the exercise of supervisory authority, and it is also a common feature of a great deal of lateral communication (Moberg, 2002a). Yet, if one examines uncommonly wise advice, that is, the kind of advice that people say transformed their life for the better, the messages themselves are pretty hum-drum (Knapp, Stohl, & Reardon, 1981). Memorable messages are usually the same as

one finds in widely known proverbs and maxims that tout the importance of family, the value of education, and the importance of self-knowledge (Kastenbaum, 1997). Clearly, something happens that makes advice wise besides the message itself. The message “what’s done is done” seems pallid in the abstract, but it may be the single most poignantly wise message for a particular person facing a particular situation.

According to the research evidence, the wisdom-communication knowledge of advice-giving has three common features. First, in order to be wise, advice must be carefully attuned to the relationship between provider and recipient. For example, poorly calibrated advice can be seen as rude “butting in” by the receiver (Wilson, Aleman, & Leatham, 1998). Similarly, unsolicited advice or advice given by an individual whose credibility is limited is likely to be ignored (Brown & Levinson, 1987; Deelstra, Peeters, Schaufeli, Stroebe, Zijlstra, & van Doornen, 2003). Second, the advice message must be well-suited to the recipient’s problem. Some problems are conducive to the wise message actually being incomplete, allowing the receiver to fill the details (He, 1994). Others require extensive communication and dialogue for advice to be slipped in by way of a story, a metaphor, or perhaps a parable (Hunt & Weintraub, 2002). And third, some research indicates that although there is no one message that is transformative, there is a powerful template for wise advice that indicates how it ought to be framed:

- a. advice should be tailored to the advisee’s place within the life span;
- b. advice should reflect tolerance of value differences; and
- c. advice should aid the advisee in the management of uncertainty. (Baltes & Staudinger, 2000)

It is possible for someone to master the wisdom-communication knowledge of advice-giving and still give foolish advice. Wisdom-communication knowledge results in wise advice only if the advisor has the capacity for wisdom-related performance.

The Wisdom-Communication Knowledge Relevant to Mentoring

Mentoring is a relationship between a senior and junior member of a community that has the purpose of advancing the development of the junior member as a member of that community (Kram, 1985). Besides advice-giving, mentoring generally involves coaching, tutoring, and providing developmental assignments and support (Landau & Scandura, 2002). The superior power of the mentor is a defining feature of the relationship (Auster, 1984). Mentors typically control the process, and they are the parties principally and ethically responsible for its outcomes (Moberg & Velasquez, 2004).

At their best, mentoring relationships involve significant mutuality (Allen & Eby, 2003). Protégés and mentors share interests, provide validation and support to one another, and find each other’s company satisfying (Johnson, 2003). For mentoring to achieve this potential, mentors must assume both a directive role and

supportive communication posture. Mentors should be directive in assuring that protégé expectations are aligned with what the mentor can and will provide. And mentor supportiveness is among the most important of all determinants of the effectiveness of the relationship (Young & Perrewé, 2000).

Mentors must also assume responsibility for the temporal development of the relationship (Chao, 1997; Furlong and Maynard, 1995). Early on, trust is the focus of communication in the relationship. Later, as mutual experiences accrue, communication typically entails the transformation of the protégé's professional identity from relative novice to full colleague. Learning occurs via instructions from the mentor and also through how the mentor acts as an ideal model for the protégé. Finally, as the relationship approaches maturity, communication themes center on gratitude and separation.

The mentoring process is highly subject to unfulfilled expectations no matter how well wisdom-communication knowledge is mastered. Minor relationship problems can easily escalate into mistreatment, and such problems are certainly not that unusual. One study of 156 former protégés found that fully 54 percent of them had been in at least one negative mentoring relationship (Simon & Eby, 2003; cf. Kalbfleisch, 1997).

Dispute Resolution

The story of King Solomon in the Old Testament of the Bible is perhaps the Western World's most venerable tale of practical wisdom (I Kings 3:25–27; Manz, Manz, Marx, & Neck, 2001). Solomon's masterful handling of the dispute between the two harlots is often held up as a paradigmatic case for how workplace disputes should be handled. After all, the issue involved considerable uncertainty, the king's actions were indeed clever, and his cleverness seems to have served the interests of morality. At the same time, dispute resolution is probably the most difficult of all challenges to practical wisdom.

Handling employee conflicts is a regular part of every manager's experience (Moberg, 2003). In fact, contemporary managers spend as much as twenty percent of their time dealing with such contested issues as employee complaints over a coworker's job performance, disagreements over a policy, and alleged discrimination or harassment of one employee by another (Lissak & Sheppard, 1983; McElhaney, 1996; Thomas & Schmidt, 1976).

The wisdom-communication knowledge associated with handling disputes involves three important considerations. First, disputes require an open-minded investigation. Practically wise dispute handlers realize that formulaic resolutions rarely work and that the particularities in the conflict are extremely important (e.g., Brady, 1987). Thus, even if a person has an initial impression of a practically wise resolution to a conflict, he or she should suspend that judgment until the context is fully understood. Second, the best mode of intervention depends on the precise situation, the disputant's history, expectations, likely settlement, and so forth (e.g., Elangovan, 1995). Some of the options include a judge-centered arbitration, a

disputant-centered mediation, or a frank appeal to the parties to resolve the dispute themselves. Clearly, each of these modalities requires their own set of communication motifs. And finally, wise conflict resolution requires respect for the due process rights of the disputants (Moberg, 2003). Statements of certainty must be measured, and considerable patience must be employed. In all, the case of Solomon falls short as a model for how wisdom should be communicated. His resolution was obviously clever, but he apparently based it on an incomplete investigation of the facts of the situation. Moreover, if the rights of the two disputants were considered, it certainly was not evident in Solomon's decisive manner.

Wise advice-giving, mentoring, and dispute resolution require much more than the application of a series of communication principles governing each talent. Each requires experience (ten years of advice-giving), reflection (e.g., "am I modeling what I want my protégé to master?"), and inspiration (e.g., "how would Justice Marshall handle this dispute?") to animate the capacity to be wise.

Conclusion

Becoming practically wise involves a lengthy process requiring experience, reflection and inspiration. It is a process in which one's knowledge, thinking, emotion, and motivation may not develop at the same rate. A person might, at a given moment, have the motivation and emotional make-up of a virtuously wise person but be struggling with insufficient knowledge of a context or with mastering the balance between timidity and temerity that defines a wise thinking style. In business ethics, we have too often embraced moral development as though it were represented in a stage model anchored by vice-ridden egoists at one extreme and people conceptually nimble with abstract norms on the other (Lapsley, 2006). As an alternative, I propose that we study the behavioral traces of pre-virtuous character. These traces may not come in stage-like bundles, but studying them will enable us to gauge progress toward genuine moral excellence.

Practical wisdom enables people to make tough moral choices from among an almost limitless series of possibilities. As the sage noted, one does not attain wisdom by mouthing the words of the wise. At the same time, there is certainly room to develop theories of how practical wisdom might be developmentally stimulated and nurtured (Hartman, 2006). Indeed, I find the challenge of constructing a practical wisdom academy invigorating. My sense at the outset is that it would look far different than the standard business ethics course, and the ideas in this paper offer ample clues about what may be required.

Whether this address ends up defining the structure for a theory of practical wisdom in business does not concern me. What does concern me is that we begin studying the nascent and fallible forms that pre-virtuous behavior take and that we start with practical wisdom.

Notes

1. These processes are highly interdependent both biologically and functionally. For example, emotions can play a vital role in motivation.
2. For example, Habermas posits a norm for communication that demands intelligibility, warrant, ratification, and sincerity.
3. Recent research in the neurosciences suggests that the application of each of these ethical paradigms may involve different biological processes in the brain. See Greene, Sommerville, Nystrom, Darley, & Cohen, 2001; and Borg, Hynes, Van Horn, Grafton, & Sinnott-Armstrong, 2006.

References

- Allen, T. D., & Eby, L. T. 2003. Relationship effectiveness for mentors: Factors associated with learning and quality. *Journal of Management*, 29: 469–86.
- Aquino, K. F., & Reed II, A. 2002. The self-importance of moral identity. *Journal of Personality and Social Psychology*, 83: 1432–40.
- Ardelt, M. 2000. Antecedents and effects of wisdom in old age. *Research on Aging*, 22: 360–94.
- Argyris, C., & Schön, D. A. 1996. *Organizational learning II*. Reading, MA: Addison Wesley.
- Aristotle. 1985. *Nicomachean ethics*, trans. T. Irwin. Indianapolis: Hackett.
- Athanassiou, N., & Nigh, D. 1999. The impact of company internationalization on top management team advice networks: A tacit knowledge perspective. *Strategic Management Journal*, 19: 83–92.
- Auster, D. 1984. Mentors and protégés: Power-dependent dyads. *Sociological Inquiry*, 54: 142–53.
- Badaracco, J. L., Jr. 1997. *Defining moments: When managers must choose between right and right*. Boston: Harvard Business School Press.
- Baltes, P. B., & Staudinger, U. M. 1993. The search for a psychology of wisdom. *Current Directions in Psychological Science*, 2: 75–80.
- Baltes, P. B., & Staudinger, U. M. (Eds.). 1996. *Interactive minds: Life span perspectives on the social foundation of cognition*. New York: Cambridge University Press.
- Baltes, P. B., & Staudinger, U. M. 2000. Wisdom: A meta-heuristic (pragmatic) to orchestrate mind and virtue toward excellence. *American Psychologist*, 55: 122–36.
- Baltes, P. B., Staudinger, U. M., Maercker, A., & Smith, J. 1995. People nominated as wise: A comparative study of wisdom-related knowledge. *Psychology and Aging*, 10: 155–66.
- Bartunek, J. M. 1988. The dynamics of personal and organizational reframing. In R. E. Quinn & K. S. Cameron (Eds.), *Paradox and transformation: Toward a theory of change in organization and management*: 137–62. Cambridge, MA: Ballinger.
- Bateson, G. 1972. *Steps to the ecology of the mind*. San Francisco: Chandler.
- Blasi, G., & Globis, K. 1995. The development of identity: A critical analysis from the perspective of the self as subject. *Developmental Review*, 15: 404–33.

- Bollier, D. 1996. *Aiming higher: 25 stories of how companies prosper by combining sound management and social vision*. New York: AMACOM.
- Borg, J. S., Hynes, C., Van Horn, J., Grafton, S., & Sinnott-Armstrong, W. 2006. Consequences, action, and intention as factors in moral judgments: An fMRI investigation. *Journal of Cognitive Neuroscience*, 18: 803–17.
- Brady, F. N. 1987. Rules for making exceptions to rules. *Academy of Management Review*, 12: 436–44.
- Brown, P., & Levinson, S. 1987. *Politeness: Some universals in language use*. Cambridge: Cambridge University Press.
- Brown, W. S. 2000. Wisdom and human neurocognitive systems: Perceiving and practicing the laws of life. In W. S. Brown (Ed.), *Understanding wisdom: Sources, science and society*: 193–213. Philadelphia: Templeton Foundation Press.
- Caldwell, D. F., & Moberg, D. J. In press. The effect of ethical culture and moral identity in activating moral imagination. *Journal of Business Ethics*.
- Chao, G. T. 1997. Mentoring phases and outcomes. *Journal of Vocational Behavior*, 51: 16–28.
- Clayton, V., & Birren, J. E. 1980. The development of wisdom across the life span: A reexamination of an ancient logic. In P. B. Baltes & O. G. Brim (Eds.), *Life-span development and behavior*, vol. 3: 103–35. New York: Academic Press.
- Colonia-Willner, R. 1999. Investing in practical intelligence: Ageing and cognitive efficiency among executives. *International Journal of Behavioral Development*, 23: 591–614.
- Comeau-Kirschner, C., & Wah, L. 2000. Who has time to think? *Management Review*, 89: 16–23.
- Dahlsgaard, K., Peterson, C., & Seligman, M. E. P. 2005. Shared virtue: The convergence of valued human strengths across culture and history. *Review of General Psychology*, 9: 203–13.
- Darley, J., & Batson, C. 1973. “From Jerusalem to Jericho”: A study of situational and dispositional variables in helping behavior. *Journal of Personality and Social Psychology*, 27: 100–08.
- Deelstra, J. T., Peeters, M. C., Schaufeli, W. B., Stroebe, W., Zijlstra, F. R., & van Doornen, L. P. 2003. Receiving instrumental support at work: When help is not welcome. *Journal of Applied Psychology*, 88: 324–31.
- Dijksteruis, A., Bos, M. W., Nordgren, L. F., & Van Baaren, R. B. 2006. On making the right choice: The deliberation-without-attention effect. *Science*, 311: 1005–07.
- Doris, J. 1998. Persons, situations, and virtue ethics. *Nous*, 32: 504–30.
- Dreyfus, H. L., & Dreyfus, S. E. 2004. The ethical implications of the five-stage skill-acquisition model. *Bulletin of Science, Technology & Society*, 24: 251–64.
- Druskat, V. U., Sala, F., & Mount, G. (Eds.). 2006. *Linking emotional intelligence and performance at work: Current research evidence with individuals and groups*. Mahwah, NJ: Lawrence Erlbaum Associates Publishers.
- Elangovan, A. R. 1995. Managerial third-party dispute intervention: A prescriptive model of strategy selection. *Academy of Management Review*, 20: 800–30.

- Ericsson, K. A., & Lehmann, A. C. 1996. Expert and exceptional performance: Evidence of maximal adaptation to task constraints. *Annual Review of Psychology*, 47, 273–305.
- Erikson, E. H., Erikson, J. M., & Kivnick, H. Q. 1986. *Vital involvement in old age: The experience of old age in our time*. New York: Norton.
- Freeman, R. E. 1994. The politics of stakeholder theory: Some future directions. *Business Ethics Quarterly*, 44: 409–24.
- Furlong, J., & Maynard, T. 1995. *Mentoring student teachers*. London: Routledge.
- Gabarro, J. J. 1985. When a new manager takes charge. *Harvard Business Review*, 63 (3): 110–23.
- Goffman, E. 1974. *Frame analysis: An essay on the organization of the experience*. New York: Harper Colophon.
- Graham, J. W. 1986. Principled organizational dissent. In L. L. Cummings & B. M. Staw (Eds.), *Research in organizational behavior*, vol. 8: 1–52. Greenwich, CT: JAI Press.
- Green, S. P. 2004. Moral ambiguity in white collar criminal law. *Notre Dame Journal of Law, Ethics, and Public Policy*, 18: 501–19.
- Greene, J. D., Sommerville, R. B., Nystrom, L. E., Darley, J. M., & Cohen, J. D. 2001. An fMRI investigation of emotional engagement in moral judgment. *Science*, 293: 2105–08.
- Habermas, J. 1998. *On the pragmatics of communication* (M. Cooke, Ed.). Cambridge, MA: MIT Press.
- Haidt, J. 2001. The emotional dog and its rational tail: A social intuitionist approach to moral judgment. *Psychological Review*, 108: 814–34.
- Happe, F. G. E., Winner, E., & Brownell, H. 1998. The getting of wisdom: Theory of mind in old age. *Developmental Psychology*, 34: 358–62.
- Harman, G. 2000. The nonexistence of character traits. *Proceedings of the Aristotelian Society*, 100: 223–26.
- Hart, T. 1998. Inspiration: Exploring the experience and its meaning. *Journal of Humanistic Psychology*, 38: 7–35.
- Hartman, E. M. 2006. Can we teach character? An Aristotelian answer. *Academy of Management Learning & Education*, 5: 68–81.
- Hartshorne, H., & May, M. A. 1928. *Studies in the nature of character, vol. 1: Studies in deceit*. New York: Macmillan.
- He, A. 1994. Withholding academic advice: Institutional context and academic practice. *Discourse Processes*, 18: 297–316.
- Heckhausen, J., Dixon, R. A., & Baltes, P. B. 1989. Gains and losses in development throughout adulthood as perceived by different adult age groups. *Developmental psychology*, 25: 109–21.
- Helson, R., & Srivastava, S. 2001. Three paths of adult development: Conservers, seekers, and achievers. *Journal of Personality & Social Psychology*, 80: 995–1010.
- Higgins, E. T. 2000. Making a good decision: Values from fit. *American Psychologist*, 55: 1217–30.
- Hunt, J. M., & J. Weintraub. 2002. How coaching can enhance your brand as a manager. *Journal of Organizational Excellence*, 10: 39–44.

- Janoff-Bulman, R. 1992. *Shattered assumptions: Toward a new psychology of trauma*. New York: Free Press.
- Johnson, M. 1993. *Moral imagination: Implications of cognitive science for ethics*. Chicago: University of Chicago Press.
- Johnson, W. B. 2003. A Framework for conceptualizing competence to mentor. *Ethics and Behavior*, 13: 127–51.
- Jones, C. A. 2005. Wisdom paradigms for the enhancement of ethical and profitable business practices. *Journal of Business Ethics*, 57: 363–75.
- Kalbfleisch, P. J. 1997. Appeasing the mentor. *Aggressive Behavior*, 23: 389–403.
- Kastenbaum, R. J. 1997. Lasting words as a channel for intergenerational communication. *Ageing and Society*, 17: 21–39.
- Kekes, J. 1995. *Moral wisdom and good lives*. Ithaca, NY: Cornell University Press.
- Kidder, R. M. 1995. *How good people make tough choices*. New York: Morrow.
- Kim, S., & Hasher, L. 2005. The attraction effect in decision making: Superior performance by older adults. *Quarterly Journal of Experimental Psychology A: Human Experimental Psychology*, 58A, 1: 120–33.
- Knapp, M. L., Stohl, C., & Reardon, K. K. 1981. “Memorable” messages. *Journal of Communication*, 31 (4): 27–41.
- Kram, K. E. 1985. *Mentoring at work*. Glenview, IL: Scott Foresman.
- Kramer, D. A. 1983. Post-formal operations? A need for further conceptualization. *Human Development*, 26: 91–105.
- Krebs, D. L., & Denton, K. 2005. Toward a more pragmatic approach to morality: A critical evaluation of Kohlberg’s model. *Psychological Review*, 112: 629–49.
- Kristjánsson, K. 2006. Emotional intelligence in the classroom: An Aristotelian critique. *Educational Theory*, 56: 39–56.
- Kunzmann, U., & Baltes, P. B. 2003. Wisdom-related knowledge: Affective, motivational, and interpersonal correlates. *Personality and Social Psychology Bulletin*, 29: 1104–19.
- Landau, M. J., & Scandura, T. A. 2002. An investigation of personal learning in mentoring relationships: Content, antecedents, and consequence. *Academy of Management Journal*, 45: 779–90.
- Langer, E. J., Blank, A., & Chanowitz, B. 1978. The mindlessness of ostensibly thoughtful action. *Journal of Personality & Social Psychology*, 36: 635–42.
- Lapsley, D. 2006. Moral stage theory. In M. Killen & J. G. Smetana (Eds.), *Handbook of Moral Development*: 37–66. Mahwah, NJ: Erlbaum.
- Leonard, D., & Swap, W. 2005. *Deep smarts: How to cultivate and transfer enduring business wisdom*. Boston: Harvard Business School Press.
- Lissak, R. I., & Sheppard, B. H. 1983. Beyond fairness: The criterion problem in research on conflict intervention. *Journal of Applied Social Psychology*, 13: 45–65.
- Maani, K. E., & Maaraj, V. 2004. Links between systems thinking and complex decision making. *System Dynamics Review*, 20: 21–48.
- Manz, C. C., Manz, K. P., Marx, R. D., & Neck, C. P. 2001. *The wisdom of Solomon at work: Ancient virtues for living and leading today*. San Francisco: Berrett-Koehler.

- McAdams, D. P., de St. Aubin, E., & Logan, R. L. 1993. Generativity among young, midlife, and older adults. *Journal of Personality & Social Psychology*, 64: 221–30.
- McCullough, T. E. 1991. *The moral imagination and public life*. Chatham, NJ: Chatham House.
- McElhaney, R. 1996. Conflict management in nursing. *Nursing Management*, 27 (3): 49–50.
- Meacham, J. A. 1983. Wisdom in the context of knowledge: Knowing what one doesn't know. In D. Kuhn & J. A. Meacham (Eds.), *On the development of developmental psychology*: 111–34. Basel: Karger.
- Meacham, J. A. 1990. The loss of wisdom. In R. J. Sternberg (Ed.), *Wisdom: Its nature, origins and development*: 181–211. New York: Cambridge University Press.
- Meyerson, D. E. 2003. *Tempered radicals: How everyday leaders inspire change at work*. Boston: Harvard Business School Press.
- Miceli, N. S., & Near, J. P. 2002. What makes whistle-blowers effective? Three field studies. *Human Relations*, 55: 455–79.
- Miller, W. R., & C' de Baca, J. 2001. *Quantum change: When epiphanies and sudden insights transform ordinary lives*. New York: Guilford Press.
- Minsky, M. 1974. *A framework for representing knowledge*. Cambridge, MA: MIT Artificial Intelligence Laboratory.
- Moberg, D. J. 1990. Helping subordinates with their personal problems: A moral dilemma for managers. *Journal of Business Ethics*, 9: 519–31.
- Moberg, D. J. 2000. Role models and moral exemplars. *Business Ethics Quarterly*, 10: 675–96.
- Moberg, D. J. 2001a. The aging workforce: Implications for ethical practice. *Business & Society Review*, 106: 315–29.
- Moberg, D. J. 2001b. Diagnosing system states. *Emergence*, 3 (2): 19–36.
- Moberg, D. J. 2002a. Giving business ethics advice: A praxis. *Professional Ethics*, 10: 3–38.
- Moberg, D. J. 2002b. Managerial wisdom. In J. Dienhart, R. Duska, & D. Moberg (Eds.), *The next phase of business ethics*: 377–96. New York: American Elsevier.
- Moberg, D. J. 2003. Managers as judges in employee disputes: An occasion for moral imagination. *Business Ethics Quarterly*, 13: 453–78.
- Moberg, D. J. In press. Best intentions, worst results: Grounding ethics students in the realities of organizational context. *Academy of Management Learning and Education*.
- Moberg, D. J., & Seabright, M. 2000. The development of moral imagination. *Business Ethics Quarterly*, 10: 845–84.
- Moberg, D. J., & Velasquez, M. 2004. The ethics of mentoring. *Business Ethics Quarterly*, 14: 95–122.
- Mobley, M. E., Humphreys, J., Brown, J., Frank, K., Narayandas, D., & Rousseau, D. 2006. How low will you go? *Harvard Business Review*, 84 (4): 33–44.
- Nussbaum, M. C. 1990. *Love's knowledge*. Oxford: Oxford University Press.
- Pardales, M. J. 2002. So, how did you arrive at that decision? Connecting moral imagination and moral judgment. *Journal of Moral Education*, 31: 423–37.

- Peterson, C., & Seligman, M. E. 2004. *Character strengths and virtues: A handbook and classification*. Washington, DC: American Psychological Association.
- Polanyi, M. 1966. *The tacit dimension*. Garden City, NY: Basic Books.
- Rakfeldt, J., Rybash, J. M., & Roodin, P. A. 1996. Affirmative coping: A marker of success in adult therapeutic intervention. In M. I. Commons & J. Demick (Eds.), *Clinical approaches to development*: 295–310. New York: Oxford University Press.
- Reynolds, S. J. 2006. Moral awareness and ethical predispositions: Investigating the role of individual differences in the recognition of moral issues. *Journal of Applied Psychology*, 91: 233–43.
- Schneider, S. K., & Northcraft, G. B. 1999. Three social dilemmas of work force diversity in organizations: A social identity perspective. *Human Relations*, 52: 1445–67.
- Schön, D. A. 1983. *The reflective practitioner*. New York: Basic Books
- Schön, D. A. 1987. *Educating the reflective practitioner*. San Francisco: Jossey-Bass.
- Seibert, K. W., & Daudelin, M. 1999. *The role of reflection in managerial learning*. New York: Quorum Books.
- Senge, P. M., Klein, A., Roberts, C., Boss, R. B., & Smith, B. J. 1994. *The fifth discipline fieldbook: Strategies and tools for building a learning organization*. New York: Doubleday.
- Simon, S. A., & Eby, L. T. 2003. A typology of negative mentoring experiences: A multicultural scaling study. *Human Relations*, 56: 1083–1106.
- Smith, J., & Baltes, P. B. 1990. A study of wisdom-related knowledge: Age/cohort differences in responses to life planning problems. *Developmental Psychology*, 26: 494–505.
- Smith, J., Staudinger, U. M., & Baltes, P. B. 1994. Occupational settings facilitating wisdom-related knowledge: The sample case of clinical psychologists. *Journal of Consulting and Clinical Psychology*, 62: 989–99.
- Somech, A. 2006. The effects of leadership style and team process on performance and innovation in functionally heterogeneous teams. *Journal of Management*, 32: 132–57.
- Sreenivasan, G. 2002. Errors about errors: Virtue theory and trait attribution. *Mind*, 111: 47–68.
- Staudinger, U. M. 1996. Wisdom and the social-interactive foundation of the mind. In P. B. Baltes, & U. M. Staudinger (Eds.), *Interactive minds: Life span perspectives on the social foundation of cognition*: 276–315. New York: Cambridge University Press.
- Staudinger, U. M. 1997. Cultural psychology and the art of life: Some thoughts on the work of Ernst E. Boesch. *Culture & Psychology*, 3: 299–314.
- Staudinger, U. M., & Baltes, P. B. 1994. The psychology of wisdom. In R. J. Sternberg (Ed.), *Encyclopedia of intelligence*: 1143–52. New York: Macmillan.
- Staudinger, U. M., & Baltes, P. B. 1996. Interactive minds: A facilitative setting for wisdom-related performance? *Journal of Personality & Social Psychology*, 71: 746–62.
- Staudinger, U. M., & Kunzmann, U. 2005. Positive adult personality development. *European Psychologist*, 10: 320–29.
- Staudinger, U. M., Maciel, A. G., Smith, J., & Baltes, P. B. 1998. What predicts wisdom-related performance? A first look at personality, intelligence, and facilitative experiential contexts. *European Journal of Personality*, 12: 1–18.

- Sternberg, R. J. 1985. Implicit theories of intelligence, creativity, and wisdom. *Journal of Personality & Social Psychology*, 49: 607–27.
- Sternberg, R. J. 1998. A balance theory of wisdom. *Review of General Psychology*, 2: 347–65.
- Sternberg, R. J. 2002. *Why smart people can be so stupid*. New Haven, CT: Yale University Press.
- Sternberg, R. J., & Wagner, R. K. (Eds.). 1986. *Practical intelligence: Nature and origins of competence in the everyday world*. New York: Cambridge University Press.
- Sternberg, R. J., Wagner, R. K., Williams, M. W., & Horvath, J. A. 1995. Testing common sense. *American Psychologist*, 50: 912–27.
- Tentori, K., Osherson, D., Hasher, L., & May, C. 2001. Wisdom and aging: Irrational preferences in college students but not older adults. *Cognition*, 81: B87–B96.
- Thomas, K. W., & Schmidt, W. H. 1976. A survey of managerial interests with respect to conflict. *Academy of Management Journal*, 19: 315–18.
- Treviño, L. K., Hartman, L. P., & Brown, M. 2000. Moral person and moral manager: How executives develop a reputation for ethical leadership. *California Management Review*, 42 (4): 128–42.
- Tykocinski, O. E., & Pittman, T. S. 1998. The consequences of doing nothing: Inaction inertia as avoidance of anticipated counterfactual regret. *Journal of Personality and Social Psychology*, 75: 607–16.
- Tykocinski, O. E., Pittman, T. S., & Tuttle, E. E. 1995. Inaction inertia: Foregoing future benefits as a result of an initial failure to act. *Journal of Personality and Social Psychology*, 68: 793–803.
- Van Rooy, D. L., Alonso, A., & Viswesvaran, C. 2005. Group differences in emotional intelligence scores: Theoretical and practical implications. *Personality and Individual Differences*, 38: 689–700.
- Walker, L. J., & Pitts, R. C. 1998. Naturalistic conceptions of moral maturity. *Developmental Psychology*, 34: 403–19.
- Watzlawick, P., Weakland, J., & Fisch, R. 1974. *Change: Principles of problem resolution*. New York: Norton.
- Weaver, G. R. 2006. Virtue in organizations: Moral identity as a foundation for moral agency. *Organization Studies*, 27: 341–368.
- Werhane, P. H. 1999. *Moral imagination and managerial decision making*. New York: Oxford University Press.
- Werhane, P. H. 2002. Moral imagination and systems thinking. *Journal of Business Ethics*, 38: 33–42.
- Wilson, S. R., Aleman, C. G., & Leatham, G. B. 1998. Identity implications of influence goals. *Human Communication Research*, 25: 64–96.
- Wilson, T. D., & Kraft, D. 1993. Why do I love thee? Effects of repeated introspections about a dating relationship on attitudes: Toward a relationship. *Personality and Social Psychology Bulletin*, 19: 409–18.
- Young, A. M., & Perrewé, P. L. 2000. What did you expect? An examination of career-related support and social support among mentors and protégés. *Journal of Management*, 26: 611–32.

