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Distilling wisdom: exploring the development of individual guiding principles used by leaders in their everyday practice.

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Abstract

This paper seeks to explore theoretical concepts that surround the creation of individual guiding principles, or distilled wisdom, used by leaders in the act of leading. It is assumed that leaders develop their own guiding principles which are used when addressing difficult, or 'wicked' problems. Personal experience is often cited in the literature as being essential in the development of tacit knowledge and of wisdom (Sternberg, 2003; Yang, 2014; Kuntz & Bamford-Wade, 2013). However, this literature often takes an entitative approach, separating the act from the situation. The paper concludes by suggesting a method of research that seeks to establish how the situation and the individual come together to generate a set of guiding principles or distilled wisdom which a leader can use to deal with future problems.

Introduction

Browse any train station or airport book shop, and you will find numerous texts by well-known business leaders outlining their approach to managing and leading. These are often reflective pieces of work in which the leader distills their personal wisdom into a set of guiding principles they claim helped to make them successful. Rudolph Giuliani talks about putting first things first, preparing relentlessly, and surrounding yourself with great people (Giuliani, 2003). Meanwhile Sir Alex Ferguson is more straightforward, citing listening, instilling discipline, and proper preparation as his route to success (Ferguson, 2016).

Arguably, leaders in senior business roles have to operate in such a complex, uncertain and ambiguous situations that they develop tacit knowledge, rules of thumb or guiding principles to help make decisions and come to good judgements (Sternberg, 2003). It is also possible that these principles are derived from their direct experience, and they emerge as distilled wisdom when subject to some process of reflection. As such, the use of guiding principles may be similar to the idea of tacit knowledge (Polanyi, 1958), and the development of guiding principles similar to the ideas on how leaders develop wisdom (Sternberg, 2003; Yang, 2014; Shotter and Tsoukas, 2014).

This paper will begin with a discussion of the literature on the development of tacit knowledge and wisdom. Ideas from the leadership-as-practice and strategy-as-practice literature will be thrown into the mix, suggesting that guiding principles may be co-created in the interaction of the individual, with others, in their unique situation, and impacted by the complexity of the issue being dealt with. The paper will conclude with a proposal for a piece of PhD research into the development of guiding principles that aid individuals in the act of leading.

Tacit Knowledge and (Practical) Wisdom

We tend to consider leaders of business as problem solvers, those who can find a way through the 'wicked' problems they face (Grint, 2005). Academics and practitioners speculate that leaders need to be wise to deal with such complex problems (Korac-Kakabadse et al 2001; McKenna et al, 2009; Sternberg, 2003; Davis, 2010), and will possess a form of 'practical intelligence' which allows them to adapt themselves to a situation, to shape it, or be able to select a new situation, all of which will help to solve a problem (Sternberg, 2003: p388). This intelligence is the foundation for the development of wisdom and creativity, and is something that Sternberg suggests is developed over time and through experience, rather than being an innate trait a leader is born with.

The development of practical intelligence is linked by Sternberg to Polanyi's ideas of tacit knowledge (Polanyi, 1958) which suggest that through gaining experience, leaders may have unconsciously developed some rules of thumb or guiding principles that they employ to cope with complex problems and difficult situations. Sternberg argues that tacit knowledge is acquired through experience, and then deployed by a leader to achieve personally important goals. He claims that there is a link between gaining more experience and higher levels of tacit knowledge. The output of more tacit knowledge is wisdom, producing better or more effective leadership (Sternberg, 2003). If this is so, then perhaps guiding principles developed by leaders are in fact their personal distilled wisdom, co-created in the interactions they have had with people, problems and situations throughout their career, and made explicit in the process of reflection and writing.

However, studies show that just because people are older, and thus more experienced, they are not necessarily any wiser (Yang, 2014). By gaining experience leaders may gain more tacit knowledge, but this does not necessarily mean they distil this knowledge into wisdom. Wisdom is perhaps the most important and the rarest quality possessed by a leader (Sternberg, 2003:p393; Adair, 2005). Which is a pity, as the development of practical wisdom has long been identified as a key area of work for leadership development professionals (Adair, 2005; Grint, 2007).

Adair defines *phronesis* as "the wisdom of leaders relating to practice: what way to go, what to do next, when to do it, how to do it and with whom to do it" (Adair, 2005: 50). He proposes that practical wisdom is made up of intelligence, experience and goodness (Adair, 2005), whilst Grint suggests it is to do with moral knowledge or ethically practical action, it is context dependent, and it is focused on the collective not personal good (Grint, 2007:237).

For Ardelt (2004) wisdom is aligned to the characteristics of one's personality, and is a combination of cognitive, reflective and affective traits. Yang (2014) sees wisdom as a process, an interaction between the individual and their environment. As such Yang hypothesises that wisdom is gained through a cognitive process, reflecting on and integrating one's experiences and ideas into a something akin to a vision. This vision can only become wisdom if it influences the action of the individual, if it is embodied in their behaviour. In addition, like Adair and Grint, Yang argues that these actions can only be considered wise if they have a positive effect on the individual and others.

This concern for the common good is reflected in Sternberg's balanced theory of wisdom. He suggests a wise person will use their intelligence, creativity and experience to find a 'common good' by being able to balance the needs and desires of themselves and others, over the long and short term. Crucially the tacit knowledge used is moderated by the values of the individual to direct actions that result in some 'good' (Sternberg, 2003: p395).

These ideas, definitions, and the subsequent research are mostly from a psychological perspective, where wisdom is the product of cognitive processes (Rooney and McKenna, 2008). Wisdom is something individuals derive from experience, their own experience, and as such appears to be treated as an entity in itself, divorced from the situations in which the experience was gained. The act of leading, making judgements and taking decisions, are presented as being rational acts, and the methods of research tend towards studying the judgement of the leader apart from the situation (Shotter and Tsoukas, 2014a).

However, practical wisdom is not something that can be divorced from the details of a specific situation, or from the emotional responses of the leader to that situation. Practical wisdom involves developing a 'discerning perception', the ability to understand the specifics of a given situation. This requires the leader to be fully in the situation, observing it rationally whilst also engaging with it on an intuitive level. The leader will be fully in the situation, acting in it, reflecting on it, understanding it, assessing a personal emotional response to it and so coming to a prudent judgement on it (Shotter and Tsoukas, 2014a; McKenna et al, 2009).

Shotter and Tsoukas go on to argue that this prudent judgement is influenced by a set of virtues which a leader has developed because these virtues lead to the good life. In keeping with the idea of guiding principles, these virtues are limited in number, and as a consequence leaders make decisions and judgements from a limited range of options dictated by their virtues. In this sense, virtues act as ontological guides, allowing leaders to interpret the situation being faced, and make what the leader believes to be appropriate decisions.

However, the act of leading cannot be reduced to a set of virtues, or sentences or verbs alone that describe some kind of generalised guiding principles. In the midst of taking action and making judgements the specific situation encountered generates emotional and intuitive responses in the leader, which in turn influence the leader's response, and the responses of others (Shotter and Tsoukas (2014b); McKenna et al, 2009). To fully understand this, argue research needs to ask not only about the decision itself and the virtues or values this may be based on, but also what this act of leading actually looks like, sounds like and feels like. In other words we need to dwell in the situation, or at least encourage the participants of our leadership programmes to learn to dwell in the leadership moment, to fully embrace the situation, and to try to learn from this rich tapestry of in-situ experience.

Leadership and Strategy-as-Practice

There are similarities between the understanding of practical wisdom argued for by Shotter and Tsoukas above and the as-practice movements that have developed in the areas of

strategy and leadership. Chia and Holt (2006) argue that traditional strategy theories have implicitly viewed the strategist as separate to the world in which they are working, detached from and acting on the world, rather similar to the research that has been done on wisdom. What is needed, they argue, is a different conceptualisation of how strategy is created, one which understands that there exists a “fundamental dwelling mode” where a symbiotic relationship is created between individuals and their strategies. A co-construction occurs in the very encounters individuals have with the world, in their actions, and in their relationships (2006: p367).

This Heideggerian idea of ‘dwelling’ is useful when thinking about researching the act of leading with wisdom. It is an idea that has been explored by members of the leadership-as-practice movement (Carroll et al, 2008; Cunliffe & Hibbert, 2016; Raelin, 2016). Dwelling is described as being unintentional, unreflective action, which unfolds in response to moments encountered (Cunliffe & Hibbert, 2016). It is about dealing with the issues presented to you as a leader in an unheroic, unplanned way. Perhaps it is ‘dwelling’, or ‘non-deliberate practical coping’ (Chia & Holt, 2006: p643), that describes best how leaders deal with wicked problems and complex situations. It is from this complex set of relationships that wisdom, good judgement, and thus guiding principles emerge. If this is the case, then a method of research which captures the rich detail of the situation in which a leader comes to a decision is needed.

Future Research

So how does a researcher actually research this concept of guiding principles being a form of distilled wisdom that is created by leaders as they perform ‘non-deliberate practical coping’? Chia and Holt (2006) suggest that when in the dwelling mode, managers only reflect on their unconscious practices when faced with a situation that disrupts them and prompts some self-reflection in order to find a way to cope with what has been presented. This idea of disruption can also be seen in the ideas of how leaders learn from encountering difficult events (Bennis and Thomas, 2002; Kempster and Stewart, 2010) and this presents a possible starting point for research into the development of guiding principles.

The use of the critical incident technique (Flanagan, 1954), as advocated in the leadership-as-practice literature (Kempster, Parry and Jackson, 2016), is an approach that may help leaders identify the wicked problems they have faced, focusing particularly on moments of disruption. Drawing on the performativity approach of Shotter & Tsoukas (2014b) leaders would be encouraged to relive this lived experience, to describe the act of leading with all possible detail, in an attempt to capture as much factual, relational and emotional detail as possible.

It is hoped that a small study group will be developed from this initial set of interviews. This group will be asked to keep detailed diaries of future disruptive incidents where they are facing wicked problems which require wise judgements. It is anticipated that from the analysis of this data, the development of guiding principles may be observable.

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