Practical Wisdom and Serious Play

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Abstract

While ancient Greek philosophers saw scientific understanding and practical wisdom as distinct, yet complementary forms of knowledge, contemporary management theory has focused almost exclusively on the discovery of abstract, scientific laws and principles. This essay shows however that the ethical normativity, aesthetic judgment and embodied experience associated with practical wisdom are becoming increasingly relevant to management theory, and it identifies serious play as an experiential process that can contribute to the development of practical wisdom in organizations.

To begin, a rough genealogy: the classical Greek philosophers appear generally to have accepted science (*episteme*) and practical wisdom (*phronesis*) as distinct forms of understanding, each with a unique relevance for human life.[3] Following Aristotle's formulation of this distinction, scientific knowledge pertains to those beings in the world that are governed by the immutable laws of nature, follow those laws by necessity, and thus can be known with certainty by reason. By contrast, practical wisdom pertains to those beings in the world (i.e., humans) that are governed by tradition and convention, choose to follow contingent paths of action, and thus remain subject to judgment, including affirmation or rejection as 'good' or 'bad'.

These two distinct forms of understanding continued to co-exist in a more or less complementary relationship from classical Greece through the Middle Ages and into early modern times.[4] With the rise of the Enlightenment however, *episteme* began to take a dominant position, and the twentieth-century rise of the rational, objective 'social sciences' definitively marked the eclipse of *phronesis* as a privileged from of understanding, including

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[1] (1997: 254).

[2] (1997: 302).

[3] Of course, there was a great deal of debate in the ancient world about the precise logic of this distinction, as well as the methods by which it should be drawn (e.g., by poetry or by philosophy). For an excellent account of the different positions on the matter taken by Aeschylus, Sophocles, Plato, Aristotle and Euripedes, cf. Nussbaum (2001).

[4] Again, this genealogy does not adequately trace the various ways in which this distinction unfolded within the philosophical tradition, though two well-known examples indicate the range of possibilities that remain available for our consideration today. Aristotle's concern for the political fate of humankind was not shared by Aquinas, who shaped who the Christian metaphysical tradition by claiming that *phronesis* involves only choosing the means by which to achieve ends that are divinely prefigured. Machiavelli by contrast emphasized the human determination of ends, as well as the justification of the means used to achieve them, and therefore raised practical reason above theoretical, scientific understanding.

all the normative, aesthetic and embodied dimensions of human experience associated with it. Indeed, the contemporary study of management and organizations has, like the studies of culture, personality, and history, been significantly shaped by the drive to generate objective, value-neutral knowledge about the purportedly necessary laws and principles of the human social world.

It would be both foolish and counterfactual to deny the various ways in which this drive has, over the last few centuries, contributed to human well-being. And yet, in our contemporary milieu, where increased complexity, uncertainty, and speed confront seekers of knowledge as well as seekers of power and material gain, the limitations of this drive are becoming increasingly apparent. People in organizations confront one such limit condition whenever a change occurs that contradicts or calls into question the assumptions that previously had guided their strategic analyses. In this relatively familiar case, people must manage their budgets tactically and without the benefit of 'the facts' in hopes of reaching performance targets. But a similar limit condition is confronted even when exponentially increased computational power enables the creation of real-time, agent-based modelling systems that help to predict the effects of catastrophic events (such as currency collapses and terrorist attacks) on complex social systems (such as economies and international relations). In this more extreme case, the modelling system itself remains constrained by parameters that have been determined by people in reference to irreducibly normative considerations.

Thus in one instance, the limits of *epistemic* understanding are approached as it were from without, as change in the environment becomes complex, even chaotic, and overwhelms the capacity for analysis and prediction. In the other instance, the limits are approached from within, as the definition of the environment as such is shaped by subjectively- and intersubjectively-determined, qualitative judgments about what *should* be considered, and *why.*

The point of these epistemological reflections is not to trace absolute or immutable limits around management understanding as such, as if it were a unified, static entity rather than a dynamic, unfolding process. Instead the point is to signal, in reference to exemplary organizational phenomena, that the time has come to renew the complementary relationship

between *episteme* and *phronesis,* to de-emphasize the generation of objective, value-free knowledge of necessary laws and principles in management as well as management studies, and to shift the focus of management discourse and practice toward the development of practical wisdom that draws on the normative, aesthetic and embodied dimensions of human experience.

At one level, this shift involves a recognition of the intrinsic normativity of all organizing practices. In this light, business ethics appears not just as a matter of compliance and liability reduction, but also as an integral aspect of strategy, finance and marketing. And perhaps more importantly, the notion of rational, disembodied self-interest maximization that has guided these same management disciplines appears as an ideological construct with an ongoing historical development involving emotions and aesthetic judgements on the part of all those people who participate in it. Thus at another level, this shift involves a recognition of the intrinsic normativity of all organizing theories. *Homo economicus* may well turn out to be a kind of idol, or minor deity, whose iconic attributes and supporting doctrines (e.g., agency theory, transaction cost economics, shareholder value maximization) are accepted as articles of faith by the acolytes of liberalism.[5] And in turn, the caricatured portrait of the business strategy professor as econometrician-cum-commanding general may come to appear as fraught with flaws and absurdities as "the ruthlessly hard-driving, strictly top-down, command-and-control focused, shareholder-value-obsessed, win-at-any-cost business leader of which Scott Paper's 'Chainsaw' Al Dunlap and Tyco's Dennis Kozlowski are only the most extreme examples" (Ghoshal, 2005: 85).

But again, the point of these reflections on the practices of management and management scholarship is not to condemn or praise specific individuals or schools of thought per se. Instead the point is to illustrate, by reference to exemplary behaviors and ideas, the extent to which the normative, aesthetic and embodied dimensions of human experience already impact those practices. And while managers and scholars alike tend to denigrate these dimensions of experience as biases, disturbances and obstacles to

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[5] As R.H. Nelson has argued in *Economics and Religion* (2001)*,* "The closest predecessors for the current members of the economics profession are not scientists such as Albert Einstein or Isaac Newton; rather, we economists are more truly the heirs of Thomas Aquinas and Martin Luther" (cited in Ghoshal, 2005: 83)

effectiveness, this tendency rests on the dual assumption that it is both possible and desirable to eliminate their effects on knowledge and action.

If however it remains impossible to overcome the limitations outlined above, *phronetic* understanding can complement *epistemic* understanding in management theory and practice by bringing a greater sensitivity to values, emotions and perceptions. Such a sensitivity might support the humanistic affirmation of organizational well-being, but it might also extend to include what Pierre Bourdieu has called a "realpolitik of reason" (1998: 127) in which the interests vested in the dominance of objective, value-free 'management science' are subjected to critique. Indeed, the goal of overcoming the limitations outlined above may on reflection appear undesirable, and not just because it involves the systematic elimination of the various, incalculable 'soft' factors from management theory, but additionally because it leads to a "pathological spiralling relationship" (Ghoshal, 2005: 85) in which those same factors qualitatively deteriorate in the context of management practice. In this sense, *phronetic* understanding can complement *epistemic* understanding by raising new questions about the value and quality of organizational life, thereby opening up new horizons for exploration and innovation while re-framing governance in terms of stewardship (cf. Davis et al, 1997), profit in terms of sustainability (cf. Hart & Milstein, 2003), and performance in terms of stakeholder well-being that includes not only the satisfaction of material needs but also the protection of rights and freedoms (cf. Sen, 1987).

Significant elements of this shift toward *phronesis* are already in motion. In his remarkable essay, "Bad Management Theories Are Destroying Good Management Practices", published in the *Academy of Management Learning & Education* journal (2005), Sumantra Ghoshal cites as evidence of the move away from value-free science the stream of research focused on welfare economics that has grown up around Nobel laureate Amartya Sen, as well as the Positive Organizational Scholarship network initiated by Kim Cameron, Jane Dutton and Robert Quinn at the University of Michigan Ross School of Business. To this list, I would add the growing network of researchers and artists interested in organizational aesthetics;[6] the community of scholars concerned with the everyday

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[6] Cf. AACORN – the Arts, Aesthetics, Creativity & Organization Research Network (http://aacorn.net/index.htm); also, the Art of Management and Organization Conference series

processes, practices and activities involved in the making of strategy;[7] and the emerging research in various social science traditions that focuses directly on practical wisdom itself.[8] These manifestations of research interest in the normative, aesthetic and embodied dimensions of organizational life have emerged alongside similar trends in management education and development[9] and public policy.[10] While these various examples do not all directly or explicitly address *phronesis* as such, they do indicate that practical wisdom may be emerging from its modern (and post-modern) eclipse and returning to the status as a distinct form of understanding with unique relevance to human life that it held among the ancient Greeks.

In closing, the pragmatic question concerning how best to enable the development of practical wisdom in contemporary organizational contexts remains open for debate, in part because the epistemological ambiguity that confronts organizational decision-makers also confronts management researchers and educators. If however we continue to be inspired by the ancient Greeks, we may find ourselves adopting a very particular set of process techniques to deal with such circumstances. Plato's embrace (in the *Republic*) of music and gymnastics as the methods most appropriate for the education of virtuous leaders and Aristotle's analysis (in the *Poetics*) of the importance of the cathartic function of drama for democratic political systems both suggest that one particularly effective means by which to develop the habits of mind and body associated with practical wisdom may be *to play*.

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organized by the Essex Management Centre.
(http://www.essex.ac.uk/AFM/emc/second_art_of_management_and_org.shtm)
[7] Cf. (http://www.strategy-as-practice.org/)
[8] An excellent snapshot of current debates in psychology concerning practical wisdom can be found in a recent issue (2004, #47) of *Human Development* – in that issue, cf. especially the articles by Baltes & Kuntzman; Sternberg; and Ardelt. Organizational researchers have also begun to take up the concept: cf. Calori (2002); Clegg and Ross-Smith (2003); Eikeland (2003); Flyvbjerg (2001); Tsoukas & Cummings (1997); and Wilson and Jarzabkowski (2004). And while the concept has remained quite prominent in ethical philosophy since Aristotle, its contemporary relevance for the social sciences has been dealt with perhaps most extensively in the work of Gadamer (1962) and Ricoeur (1986).
[9] Cf. IMPM – the International Master's Program in Practicing Management (http://www.impm.org/); also, the leadership development programs at the Banff Centre for the Performing Arts (http://www.banffcentre.ca/departments/leadership/programs/)
[10] Cf. the Ethical Globalization Initiative sponsored by the Aspen Institute (http://www.realizingrights.org/); as well as the vast number of corporate social responsibility initiatives such as the one at Harvard's Kennedy School of Government (http://www.ksg.harvard.edu/cbg/CSRI/about.htm).

The more contemporary findings of Piaget, Sutton-Smith, Huizenga, Bateson, Turner, Callois, Spariosu and Czikszentmihalyi indicate that play involves the imaginative creation of a frame within which the meaning of experience is qualitatively different from 'normal' intersubjective reality (recalling Bateson's famous definition: 'in play, a bite delivers the meaning of a bite without delivering the pain of a bite'). At the same time, play involves more than just frivolous fantasy, since the frame is both structured and constituted by rules that must be respected, the most basic of which may be 'to keep imagining the frame' (recalling Carse's notion of the 'infinite game'). Furthermore, while play may be associated with certain impacts or outcomes, those outcomes cannot serve as the instrumental goal of the activity itself because play remains, strictly speaking, autotelic (i.e., an end in itself, pursued for its own sake). In view of these defining characteristics however, it may seem paradoxical to claim that play can provide a means of developing *phronesis* in organizations. If we play with the intent to develop practical wisdom, then does the play not become work, and is not work all too constrained by the 'normal' prejudice against normativity?

The concept of 'serious play' has provided one way around this paradox since Plato used it to describe the process of Socratic dialogue (cf. Freydberg, 1997). While 'serious' outcomes can emerge from dialogue, because these outcomes are themselves not determined in advance, and because the questioning process does not necessarily produce them, the process itself can remain 'playful', that is, affirmed as an autotelic end in itself.[11] This process description has more recently been applied in the organizational context of strategy-making: "[w]hen we engage in serious play, we create the conditions for the possibility of the emergence of new forms of meaning and new patterns of action" (Jacobs & Statler, 2005: 51; cf. also Roos, Victor & Statler, 2004). Thus when people in organizations play seriously, although they may not know in advance what will emerge from their activities, they can engage in the activity nevertheless with the intention to make such emergence possible.

In this sense, the experiential process of serious play may help to develop the "attitude of wisdom" needed in a "fluid world" where people recognize that they cannot ever "fully understand what is happening right now, because they have never seen precisely this

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[11] Socrates' claim that he is wise because 'he knows that he knows nothing' provides the most succinct, and most well-known expression of this serious playfulness.

event before" (Weick & Roberts, 1993). And reflecting on the project from which this edited volume has emerged – *Product & Vision* – seriously playful interpretations of the 'aesthetic schwung' (Guillet de Monthoux, 2004) between art and economy may provide one particularly meaningful way for management scholars and practitioners in our contemporary milieu to cultivate *phronetic* understanding.

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