



Richard Wallace  
Managing Director

## *In Search of Executive Wisdom*

“A leader takes people where they want to go. A great leader takes people where they don’t necessarily want to go but ought to be.” ~ Rosalynn Carter, former First Lady

Every person in an executive role aspires to be wise and is expected to exercise wisdom in their decisions. Unfortunately, far too often senior leaders are more concerned with meeting the numbers and fail to come close to being astute.

The question is, can wisdom be practiced as a leadership competency in today’s incredibly complex environment of corporate governance? What are the consequences of ignoring it?

While volumes have been written about wisdom over the ages, from philosophers and theologians to psychologists, it remains hard to define. Everyone believes they know it when they see it, especially in retrospect, without being able to pinpoint how or why.

We crave wisdom and hope our decisions will be viewed that way. We strive for brilliant decision-making in business, career, and work situations, and even more so when it comes to family, community, and moral issues.

---

---

### *Defining Wisdom*

The Oxford English Dictionary (1998) states that wisdom is “the capacity of judging rightly in matters relating to life and conduct; soundness of judgment in the choice between means and ends; sometimes less strictly, sound sense in practical affairs; opposite to folly.” Thus there is a combination of judgment, decisions, and actions.

Robert J. Sternberg, the Dean of Arts and Sciences at Tufts University and a leading researcher of wisdom, sees it as the application of tacit knowledge in pursuing the goal of a common good. It requires a balance of intra-, inter-, and extra-personal interests and a balance of responses to environmental and global contexts over short and longer periods of time.

When leading others in organizations, matters of wisdom become complicated. Wisdom begins with consciousness of one’s self and deepens with the awareness of the tension between the inner “I” and the outer world. In the case of executives, the outer world includes customers, suppliers, employees, the organization, financial profits, shareholders and the environment, often globally.

According to Sternberg (2005), “Effective leadership is, in large part, a func-



ORGANIZATIONAL  
**SUCCESS**  
MANAGEMENT

Business strategy is successful only to the extent that it is achievable—and that far-reaching organizational change, while often possible, always starts with small steps.

We focus on the three fundamental elements: People, processes, and strategies. By optimally aligning these three elements, company leaders can more effectively initiate action plans for accelerating, and maintaining, measurable results.

### *OSM Solutions*

- ▶ **People** -- Coaching for individuals and groups to discover and use more of their potential in leadership, sales, and more.
- ▶ **Processes** -- Time proven methods through which organizations achieve measurable returns by increasing profits and enhancing the value of their products/services.
- ▶ **Strategy** -- Coaching for executives to define and execute a master business plan needed to drive results that are predictable and sustainable.

### *Complimentary Review*

Call or e-mail now to setup a complimentary review to discuss your opportunities or challenges.

- ▶ [richard@osmconsulting.com](mailto:richard@osmconsulting.com)
- ▶ [www.osmconsulting.com](http://www.osmconsulting.com)
- ▶ 205.757.8321

tion of creativity in generating ideas, analytical intelligence in evaluating the quality of these ideas, practical intelligence in implementing the ideas, and convincing others to value and follow the ideas, and wisdom to ensure that the decisions and their implementation are for the common good of all stakeholders.”

---

---

## *Finding Wisdom*

Fortunately, every time we think about wisdom and make an effort to pause and contemplate a potential role for true leadership in whatever we are about to say or do, we move a step closer to achieving it. But unfortunately, many leaders don't take time to consider the larger issues when short term profits are at stake.

Wisdom in the workplace typically implies two distinct areas of wise behavior:

- ▶ 1. The wisdom of corporate decision-making.
  - » a. Knowing what information to use in decision-making.
  - » b. Creating a culture of knowledge in order to acquire that information in a timely fashion.
  - » c. Assessing it in both short- and long-term frameworks.
- ▶ 2. Reaping the financial rewards that come with shrewd financial choices.

In many cases, business wisdom involves plain hard work, coupled with intelligence in several domains: knowledge, social intelligence, emotional regulation, compassion and concern for the common good.

Wisdom is more an ideal aspiration than a state of mind or a pattern of behavior that we customarily employ. The mere act of thinking about wisdom nudges us closer to it. When you encounter a problem or dilemma, if you ask yourself, “What would be the wisest thing to do here?” you increase your chances of making a judicious choice.

It's rarely that simple. How do we make complex, complicated decisions and choices in the face of uncertainty and ambiguity? What makes some of these decisions so clearly sound that we intuitively recognize them as a moment of human wisdom?

Ultimately, without an understanding of the elements that comprise wisdom, it eludes us.

---

---

## *Wisdom in Action*

Prudent decision-making lies at the heart of wisdom but it's not the whole story. In order to make a smart decision, a wise leader must draw upon intellectual, emotional, and social comprehension. To do so, one must:

- ▶ Gather information
- ▶ Discern reality from artifice
- ▶ Evaluate and edit the accumulating knowledge
- ▶ Listen with both heart and mind
- ▶ Consider what is morally right
- ▶ Weigh what is socially just
- ▶ Consider others as much as self
- ▶ Think about the here and now
- ▶ Consider future impact

In times of crisis, however, wisdom sometimes demands the paradoxical decision to resist action or judgment.

“Some of the wisest and most devout men have lived avoiding all noticeable actions.” ~ Michel de Montaigne, French philosopher

There are no workbooks that, if you buy and read them, will turn you into an outstanding leader. Reading about wisdom will certainly open your mind to many possibilities, but to read about it without taking action is a fruitless endeavor

When called upon in any challenging situation, no matter how trivial, if you slow down long enough to ask yourself the question, “What would be the wisest thing to do?” you will already be moving closer to making a more appropriate and apt decision.

The question allows you to slow down the sense of urgency long enough to consider other people, other issues, and future implications. Instead of reaching for immediate solutions to take away the burning problem, you have an opportunity to consider future needs down the road.

---

---

## *The Contradictions of Wisdom*

What are the elements that comprise wisdom? There are recurrent themes and common qualities:

- ▶ Humility
- ▶ Patience
- ▶ Clear-eyed, dispassionate view of human nature
- ▶ Emotional resilience

- ▶ Ability to cope with adversity
- ▶ A philosophical acknowledgment of ambiguity
- ▶ Recognizing the limitations of knowledge

Action is important, as well as inaction, at times. Compassion is central to wisdom, but so is emotional detachment. Knowledge is crucial, but often wisdom deals with uncertainty. These inherent contradictions are embedded in any definition of wisdom. In fact, they are the essence of what makes wisdom so critical to leaders.

---



---

## *8 Pillars of Wisdom*

In Stephen S. Hall's book, *Wisdom: from Philosophy to Neuroscience* (Vintage 2011), the author breaks the concept of wisdom into its most salient cognitive and emotional components which he calls the "neural pillars of wisdom," in order to understand the science behind each. The book is recommended for better understanding the "science of wisdom" and its philosophical and psychological roots.

- ▶ 1. Emotional regulation
- ▶ 2. Knowing what's important: values and judgment
- ▶ 3. Moral reasoning
- ▶ 4. Compassion
- ▶ 5. Humility
- ▶ 6. Patience
- ▶ 7. Altruism
- ▶ 8. Dealing with uncertainty and complexity

---



---

## *Business Intelligence*

According to Tom Davenport, professor of information technology at Babson College in Massachusetts, "Business intelligence is the systematic use of information about your business to understand, report on and predict different aspects of performance."

Davenport argues that sage leadership is the most important factor in cultivating this organizational thought process, citing as examples Jeff Bezos of Amazon.com, Inc., Gary Loveman of Harrah's Entertainments, Inc., and Reed Hastings of Netflix, Inc.

Warren Buffet, the investor, is known for his financial wisdom built upon a foundation of expert accounting knowledge. However, his true brilliance stems from a deep understanding of people and human nature.

---



---

## *Social Intelligence*

A less appreciated aspect of corporate skill is social wisdom. Often termed "human relations," understanding and incorporating the diversity of "people factors" into business decisions is usually undervalued. So much of our physical and psychic energy is depleted by conflicts, stress, and competitive interpersonal tensions in business.

We know this, yet we continue to measure business success by the usual marketplace yardsticks of sales, profits, dividends and other bottom line results. We forget the other issues, such as job satisfaction, quality of workplace, sense of personal fulfillment, and innovative and creative opportunities.

What if we exercised executive wisdom by focusing on maximizing the potentials of both the organization and its employees? How would that impact leadership decisions? How many companies have floundered by focusing on the numbers while ignoring their people?

Almost any manager knows that a major part of their time is spent soothing, inspiring and fixing social relationships in the workplace in order to improve performance. Managing with farsightedness in the workplace requires extra effort in order to keep individuals working together smoothly. Therefore the entire group unifies around a greater common goal.

---



---

## *Business Compassion*

Is compassion compatible with good business? Recent studies suggest that those businesses that maintain a right-minded and socially aware focus develop strong and healthy bottom lines. One study compared financial results of companies with higher commitments to charitable giving and found they were more profitable.

A mutual fund run by Dover Management of Greenwich, Connecticut is based on investments in companies known for charitable giving. The idea for the fund is based on the assumption that only financially healthy companies can afford to be generous. The fund exceeded the returns on the S&P 500 index in a recent year.

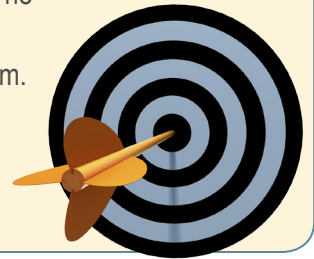
Often organizations that are characterized as other-centered are run by socially compassionate CEOs. John D. Rockefeller spent as much time making money as giving it away. Nike and Avon have turned their philanthropic initiatives into brand awareness initiatives, which seem to please both employees and customers while adding to profits.

## Developing Your Wisdom

Psychologist and author Richard R. Kilburg presents questions for improving leadership wisdom that can be reviewed in coaching sessions (Executive Wisdom: Coaching and the Emergence of Virtuous Leaders, APA, 2006).

- ▶ **1.** Take a moment to relax, then ask yourself the following questions:
  - » a. What is the stupidest thing you have ever done as a person or as a professional?
  - » b. If you are a leader in an organization, what is the stupidest decision or action you have ever taken?
  - » c. What made the decision or action stupid? When and how did you know it was stupid? What criteria did you use to judge its merits?
- ▶ **2.** Now, ask yourself,
  - » a. What is the wisest thing you have ever done as a person or as a professional?
  - » b. If you are a leader in an organization, what is the wisest decision or action you have ever taken?
  - » c. What made the decision or action wise? When and how did you know it was wise? What criteria did you use to judge its merits?
- ▶ **3.** Can you develop any internal sense of how you created, accessed, and used a sense of rightness in the situations in which you believe you acted wisely as opposed to stupidly? If so, jot down and reflect on what you think and feel went into the emergence of that sense of rightness.
- ▶ **4.** Take a few minutes to talk to someone out loud about what you have explored or, if you are reluctant to share it with another person, dictate some notes into a tape recorder and then listen to yourself afterward. The experience of giving voice to inner work can often provide additional insight and learning.

Discussing these issues with your coach will help you develop a powerful link to leading with wisdom.



- » P.O. Box 382494
- » Birmingham, AL 35238
- » [www.osmconsulting.com](http://www.osmconsulting.com)

