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Phronetic Workplace: A Step Forward into a Practically Wise Company*

Ambiente de trabajo *fronético*: Un paso adelante para ser una empresa sabia en la práctica

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Abstract

Phronesis (practical wisdom) is introduced in the management field as a possible solution to the problems associated with wild capitalism. Although its highly sustainable performance characterizes a phronetic company through innovativeness and shared value creation, there is yet a gap in the literature concerning workplace phronesis' perspective in management. We propose integrating organizational spirituality and organizational phronesis theories in management research to address the phronetic workplace. This study contributes to shedding light on the understanding of phronesis in management addressing group behavior and how individual phronesis spreads into the workplace towards the phronetic organization.

> Keywords: Organizational spirituality, phronetic workplace, practically wise workplace, practically wise leader, workplace spirituality.

Resumen

La frónesis (sabiduría práctica) se introduce en el campo de la gestión como una posible solución a los problemas asociados con el capitalismo salvaje. Si bien su desempeño altamente sustentable caracteriza a una empresa fronética a través de la innovación y la creación de un valor compartido, todavía existe una brecha en la literatura sobre la perspectiva de la frónesis en la gestión del lugar de trabajo. Proponemos integrar las teorías de la espiritualidad organizacional y la frónesis organizacional en la investigación gerencial para abordar el lugar de trabajo fronético. Este estudio contribuye a arrojar luz sobre la comprensión de la frónesis en la gestión que aborda el comportamiento grupal y cómo la frónesis individual se difunde en el lugar de trabajo hacia la organización fronética.

Palabras clave: espiritualidad laboral, espiritualidad organizacional, líder prácticamente sabio, lugar de trabajo fronético, lugar de trabajo prácticamente prudente.

1. Introduction

Society needs to reinvent capitalism (Bratianu, 2015b; Nonaka & Takeuchi, 2011, 2021; Porter & Kramer, 2011), and organizations have the power to bridge society and business again (Porter & Kramer, 2011). Academics of the management field recommend phronesis (practical wisdom) as a possible solution to the problems associated with wild capitalism (Nonaka & Takeuchi, 2011, 2019, 2021). Aristotle states that phronesis is "a reasoned and true state of capacity to act with regard to human goods" (2009: 106 - VI.5, 1140b, 20-21); and it is "concerned with things human and things about with it is possible to deliberate" (2009: 106 – VI.5, 1141b, 8-9). The solutions provided by practical wisdom in organizations, among others, are the enhancement of efficiency and effectiveness (Pinheiro, Raposo, & Hernández, 2012), diminishment of errors in decisionmaking (Calderón, Piñero, & Redín, 2018), innovation (Mora Cortez & Johnston, 2018), firm product innovativeness (Akgün, Keskin, & Kırçovalı, 2019), and leadership (McKenna & Rooney, 2019; Nonaka & Takeuchi, 2011; Yang, 2011). There has been a shortage of investigation on practical wisdom at departments and workplaces (Erden, von Krogh, & Nonaka, 2008; Rocha & Pinheiro, 2021).

World-level economic crises highlighted that the amount of knowledge held by an organization does not guarantee better problem-solving nor success (Nonaka & Takeuchi, 2011, 2019; Rooney & McKenna, 2007). This hole between applying organizational knowledge and strategic decisions (Choi & Lee, 2002; Rooney & McKenna, 2007) is also associated with organizational values. Companies' success should be making better use of the knowledge possessed and considering what is needed to the organization and society (Bierly, Kessler, & Christensen, 2000; Davenport & Prusak, 1998; Kessler, 2006). Hence, unless organizations create shared

value (Porter & Kramer, 2011) alongside economic value, they will not have long-term sustainable success (Nonaka & Takeuchi, 2011, 2019, 2021). Approaching businesses focusing on shared values and socio-economic benefits have been growing in recent decades with research on organizational spirituality (Benefiel, 2003; Kolodinsky, Giacalone, & Jurkiewicz, 2008; Rocha & Pinheiro, 2021).

We address the gap in the management literature concerning workplace *phronesis*. Our goal is to grasp this construct that can be one of the paths to the change that business needs to reconnect with society. Supported by the Aristotelian construct, we intend to raise the discussion to assist companies to develop practically wise workplaces; much more than creating a concept, we want to understand how a workplace can be practically wise. Therefore, the development of *phronesis* in the workplace ought to be investigated to enable an understanding of how the individual level of practical wisdom spreads throughout the company to the achievement of a practically wise company. It requires glue for individual practical wisdom to grow into the organizational level. We argue that enhancing workplace spirituality provides glue by gathering practically wise individuals by their spiritual knowledge once they share values, vision, mission, and goals.

We propose integrating organizational spirituality and organizational *phronesis* theories in management research to address the *phronetic* workplace by combining perspectives from different fields (Snyder, 2019; Torraco, 2005b, 2005a) (knowledge management, organizational practical wisdom, and organizational spirituality). We organized this research as detailed hereafter. Following the introduction, we present the methodology used in the integrative review. Afterward, we provide the theoretical background, and in the fourth topic, we deal directly with *phronesis* in the workplace. Based on the discussion, we offer suggestions for future research. Finally, we conclude with the contributions and limitations of this study.

2. Method

We conducted an integrative review to support a new perspective (Snyder, 2019; Torraco, 2005b) about *phronesis* (practical wisdom) in the workplace. The integrative review is a literature review that is made by theoretical selection. In cases of emerging topics, it is the ideal method for preliminary conceptualization. This review integrates theoretical perspectives to create a different point of view (Torraco, 2005b).

Hence, this research combines perspectives from different fields (knowledge management, organizational wisdom, and organizational spirituality). Concerning practical wisdom in management, the guiding theories are Bierly *et al.* (2000) and Nonaka and Takeuchi (2011, 2019, 2021). They guided their approach on Aristotle's *Nicomachean Ethics.* Whereas concerning organizational spirituality, the level analyzed is the workplace spirituality, we used Ashmos and Duchon's (2000) approach.

The subsequent criteria were used to select theories for the review (an adaptation of Torraco, 2005a):

- The theory's purpose includes both epistemological and ontological explanations regarding *phronesis* (practical wisdom).
- The theory's purpose includes an epistemological explanation regarding the dimensions of workplace spirituality.
- The theory's purpose includes an epistemological explanation regarding collective knowledge.

The following table synthesizes articles, themes, and authors used in the investigation.

Construct	Themes	Authors
Practical wisdom	Leadership	Nonaka and Takeuchi (2011)
	Organizational	Nonaka and Takeuchi (2019, 2021) Bierly <i>et al</i> . (2000)
	Individual	Aristotle (2009) Aquinas (1912)
Spirituality	Workplace	Ashmos and Duchon (2000) Gotsis and Kortezi (2008)
	Individual	Elkins <i>et al.</i> (1988)
	Organizational	Rocha and Pinheiro (2021)
Knowledge Management	Collective knowledge	Cook and Brown (1999) Erden <i>et al.</i> (2008)
	Knowledge/ Knowing	Cook and Brown (1999) Bratianu (2015b)
	Knowledge Dynamics	Bratianu (2015a) Bolisani and Bratianu (2018) Bratianu and Bejinaru (2019a, 2019b)

Table 1. Literature used in the integrative review

3. Theoretical background

Some clarifications are necessary. As human beings, organizations also are systems with an "emergent quality". That quality refers to the whole being an entity unique, different from its constituents (Broad, 1925: 61). To understand the whole (a practically wise organization), one of the essential processes is understanding how its components behave separately (members, individually and collectively, in the workplace) (Broad, 1925). This theoretical background encompasses the whole (practically wise organization) and the principal component (practically wise leader). Concerning spirituality, we approach three levels, individual, workplace, and organizational. Accordingly, we include in this topic the most representative approaches to these themes in management.

We elucidated concepts and perspectives in this topic because practical wisdom and spirituality are floating signifiers. Both have an undetermined quantity of signification and are highly variable (Lévi-Strauss, 1987) arose from social creations (Berger & Luckmann, 1991). Collective knowledge, expertise, cognitions, and practical skills are also generated through social interactions (Cook & Brown, 1999; Erden *et al.*, 2008). As a result of this conceptual volatility, each culture and society perceive such constructions differently as each company. Only with further empirical research can we assess their idiosyncrasies and refine the theory.

* 3.1. Virtues

Aristotle offers modifications to the four fundamental virtues presented by Plato in *Laws* (1961: 5-9 – I, 631c) – practical wisdom (*phronêsis*), fair-mindedness (*dikaiosunê*), courage (*andreia*), and moderation (*sôphrôn*) (Hughes, 2013: 57). Aristotle (2009) distinguishes virtues in intellectuals (of the mind) and morals (of character) (Hughes, 2013). Aristotle defined moral virtue as "a state of character concerned with choice, lying in a mean, i.e., the mean relative to us, this being determined by reason, and by that reason by which the man of practical wisdom would determine it" (2009: 31 – II.6, 1106b, 36 - 1107a, 2).

Moral virtue is rationally guided and "involve[s] a particular pattern of emotional response to situations" (Hughes, 2013: 54). The state of character is a pattern of behavior (hexis), an emotional response, and can be developed through exercise and training (Hughes, 2013). This pattern should be appropriate to be a virtue; hence it depends upon circumstances. It is "a state of character concerned with choice, and choice is deliberate desire" (Aristotle, 2009: 22-23 –VI.2, 1139a, 22–23). So, people can train to possess moral virtues (Hughes, 2013: 53) by subjecting their feelings and emotions to rational evaluation. Therefore, the virtues are defined in terms of judgment; for this reason, the outcome of virtue should be analyzed together with the person's valuation about their action (Hughes, 2013).

The intellectual virtues embrace intuitive reason (*nous*), artistic or technical knowledge (*techne*), scientific knowledge (*episteme*),

practical wisdom (*phronesis*), and philosophic/theoretical wisdom (*sophia*). Intellectual virtues are necessary to develop moral virtues (Aristotle, 2009). The knowledge about the functioning of the world, natural and social (*episteme*), and intuitive reasoning (*nous*), together with the technical knowledge (*techne*), form the basis for practical wisdom (*phronesis*) in management.

Aristotle (2009) differentiates *sophia* (theoretical/philosophical wisdom) from *phronesis* (practical wisdom or prudence), explaining that each one deals with a distinct part of the soul. "Then, that philosophic wisdom is scientific knowledge, combined with intuitive reason, of the thing that are highest by nature" (Aristotle, 2009: 108 – VI.8, 1141b, 02 - 1141b, 04). Sophia is the combination of *nous* and *episteme* (Aristotle, 2009). Practical wisdom (*phronesis*), as we stated before, is "a true and reasoned state of capacity to act with regard to things that are good or bad for man" (Aristotle, 2009: 106 – VI.6, 1140b, 04 - 1140b, 06) it is "consider[ed] the all-important virtue of the mind" (Hughes, 2013, p. 52). Therefore, practical wisdom, *phronesis*, or prudence is an intellectual virtue related to human affairs and situations requiring deliberations (Aristotle, 2009). One ought to have all the character virtues to become a person of practical wisdom (*phronimos*) (Hughes, 2013).

Aristotle's *Nicomachean Ethics* greatly influences Saint Thomas Aquinas' *Summa Theologiae* (Hoffmann, 2013). As a reinforcement of what we have stated about *phronesis*, we briefly present St. Thomas's thoughts. Aquinas (1912) states that practical wisdom (*prudentia*) is "the right reason of things to be done" (*S. Th.* I-II, q. 73, a. 1, ad 3). He proposes prudence as the principle of stoicism's four cardinal virtues (prudence, justice, temperance, and fortitude) (Pigliucci, 2019). Although it is an intellectual virtue, practical wisdom is classified among the moral virtues, and practical wisdom is even included in the concept of moral virtue. It is "a virtue of the practical intellect that depends in a special way on the moral virtues" (McInerny, 1999). Thus, practical wisdom is not distinguished from moral virtues (Aquinas, 2005: 82).

The owner of cardinal virtues is good, as is their work. Then, prudence is a means to an end (Aquinas, 1912). Therefore, the main

elements for the development of practical wisdom are a) knowing the purpose (*telos*) of roles and objectives; b) perception, to identify how to act in certain situations; c) knowledge about the world and particularities of human relations; d) experience, because it is not enough to read something, it is necessary to experience the situation in order to learn how to act, that is, experience is a process to earn practical wisdom e) ability to deliberate, to know how to weigh the options and consequences of decisions; and, above all, f) to put into practice, to act based on all the above components (Aquinas, 1912).

Then, a *phronetic* (prudent) person is the one who can measure decisions, foresight regard to ones' own life. Those require experience with decisions related to the person's fields and what is reasonable to the situation (Aristotle, 2009). It is de capacity to respond appropriately in different circumstances (O'Grady, 2019) to the purpose of a good life (Calderón *et al.*, 2018), fulfillment, and well-being (Bredillet, Tywoniak, & Dwivedula, 2015a). *Phronesis* ensures that the right means are used for the right purpose. So, *phronesis* is requisite to moral virtues to establish what is right, and the moral virtues set the principles of *phronesis* (Aristotle, 2009).

Philosophical wisdom (sophia) is the highest of human beings' faculties. Practical wisdom (phronesis) would only be the same faculty as wisdom if indeed humankind was the best of all parts of the universe (Aristotle, 2009: 108 – VI, 7, 1141a, 22-24). In sum, the scope of philosophical wisdom concerns "a correct understanding of why things are as they are" (Hughes, 2013: 118), the noblest nature, intimate freedom, substantial, challenging, complex, and uncertain matters of the human condition (Aristotle, 2009; Gugerell & Riffert, 2011). Conversely, practical wisdom is the construct that meets the needs of transformation in management, once that is the intellectual virtue that is related to human affairs, deliberations, and practice (Aristotle, 2009). It is the "right reason applied to the art of living" (Pigliucci, 2019: 89). Consequently, based on Aristotelian concepts of philosophical wisdom and practical wisdom (Aquinas, 1912; Aristotle, 2009), the most suitable concept to management research is practical wisdom (phronesis) (Rowley & Gibbs, 2008).

❖ 3.2. Other pertinent approaches to practical wisdom (phronesis)

Following Aristotle and St. Thomas Aquinas, academics continue to study the virtues, specifically practical wisdom. In this topic, we present recent theories about it. In the area of psychology, for example, the advance has been remarkable. Baltes and Staudinger (2000: 132) suggest that wisdom is a metaheuristic, both cognitive and motivational, beneath the Berlin wisdom paradigm. That is, wisdom would coordinate (choosing and applying) the bodies of knowledge and action about accomplishing a good life. They define "wisdom as an expertise in the conduct and meaning of life" (Baltes & Staudinger, 2000: 124). They also point out that it is probable that the antecedents of wisdom are rooted in the organization of some characteristics, among them the interpersonal and probable spiritual.

Monika Ardelt uses a definition of an ideal type of personality (2003: 277); wisdom is "an integration of cognitive, reflective, and affective dimensions". She explains that those dimensions ought to be together to consider someone wise. The affective dimension is related to feelings, sympathy, compassion, empathy, and relation with others. The reflective extent will foster the development of others (Ardelt, 2003: 279).

The three-dimensional wisdom scale of Ardelt (2003) is a self-reported measure, whereas the Berlin wisdom paradigm of Baltes and Staudinger (2000) is a performance-based measure (Glück *et al.*, 2013; Swartwood, 2020). Another difference between them is that the Berlin wisdom paradigm measures "general wisdom" (world in general). In contrast, the three-dimensional wisdom scale measures "personal wisdom" (personal experience) (Glück *et al.*, 2013).

3.3. Practical wisdom approaches in management

In this topic, we present the various approaches to practical wisdom in the management field. Practical wisdom in management is approached and worded in distinct ways: wisdom, organizational wisdom, managerial wisdom, wise organization, wise companies, *phronesis*, and *phronetic* leaders/leadership (i.e. Bachmann, Habisch, & Dierksmeier, 2018; Nonaka & Takeuchi, 2019). It is presented on two levels, individual and organizational (Nonaka & Takeuchi, 2011,

2019; Zaidman & Goldstein-Gidoni, 2011). The leader's practical wisdom stands out (Küpers & Statler, 2008; McKenna, Rooney, & Boal, 2009; Nonaka & Takeuchi, 2011; Yang, 2011).

In management, practical wisdom ought to be practice in the generation of social well-being; it must provide outcomes (Rooney & McKenna, 2008). Thus, wisdom is beyond scientific knowledge since it considers the whole, not only the "I am capable of doing", but also the "I must do" because it incorporates the value in judgment (Rowley, 2006). Acquiring wisdom is not just one path or a linear journey; it is transformation through learning and practicing key wisdom values (Spiller *et al.*, 2011). It is achieved through the practice of ethical and intellectual virtue on particular occasions (Bredillet *et al.*, 2015b). The systemic and hierarchical thinking, as well as the complexity of the human mind, needs reflection (Hays, 2007), prudence (Calderón *et al.*, 2018; Kessler, 2006), and discernment (Bennet & Bennet, 2008) in the use of knowledge. Therefore, it involves emotional, personal, moral, social, and religious aspects (Bennet & Bennet, 2008).

For Ostenfeld (2003), wisdom is knowing how to apply knowledge correctly and make appropriate judgments concerning life and conduct; thus, it is more than doing what is right. The wise act cautiously and prudently in appreciating the context, answering complications in contentious situations in a far-sighted and proper manner, and caring about and preparing for a future that matters (Hays, 2007). One should possess the knowledge and, above all, know when and how to use it. As well, such a decision does not depend only on rationality, logic, and predictability, but on emotional (Rooney & McKenna, 2007), psychological and spiritual aspects that must be considered (Izak, 2013), as well as the unpredictable and illusory nature of control (Hays, 2007).

Nonaka and Takeuchi (2011, 2019, 2021) state the need for Aristotle's practical wisdom in organizations. It is more than acting morally, more than a process of decision make and reflection (Antonacopoulou *et al.*, 2019). With a similarly practical approach, Bierly *et al.* (2000) conceptualize it as applying knowledge to solve organizational problems of a practical nature. It is the ability to solve

problems and perform new tasks that influence the organization's efficiency and effectiveness (North & Pöschl, 2003; Pinheiro *et al.*, 2012). It is the ability to select the most efficient and beneficial knowledge to be used in a specific situation and put it into practice (Rowley, 2006; Hays, 2007; Bennet and Bennet, 2008; Nonaka and Takeuchi, 2011) by doing the least harm possible (Hays, 2007).

Bierly et al. (2000) support our approach concerning practical wisdom in management; they propose three essential elements for developing individual wisdom to build a practically wise organization: experience, passion for learning, and spirituality. They are sensory, intuitive, and unscientific because the experience is the integration between a piece of old knowledge with new knowledge; it is the gathering of knowledge beyond the situation of that issue that helps in decision making. Spirituality develops the understanding of the position in the universe, the soul, leads to self-reflection and formulation of deeper goals. Passion, promoted by spirituality, is a confidence in the significance of work that the force of belief makes it happen.

3.3.1. Leaders' practical wisdom

Leaders and practical wisdom have a long tradition of association in religious contexts, but the organizational perspective on managerial practical wisdom is recent (Rowley, 2006). Managerial wisdom is part of strategic leadership, with the absorptive capacity and the adaptive capacity. Being wise is beyond possessing knowledge and knowing how to use it (Bierly et al., 2000; Rooney & McKenna, 2007; Rowley, 2006). It involves the leaders' discernment of environmental variance and stakeholders (Boal & Hooijberg, 2000). Therefore, wise leaders have a personality type, with emotional intelligence, mentorship, experience, knowledge, and flexibility, among other features. They apply non-rational and subjective expertise to decision-making; they use their spiritual qualities (McKenna et al., 2009). They consider another person before making decisions, explain the decision to the people involved (Alammar & Pauleen, 2015), and tell the truth (Bouilloud, Deslandes, & Mercier, 2019). A wise leader has a moral and spiritual education through the Platonic Forms (Peltonen, 2019). There is a considerable similarity between being transformational leaders and wise leaders (Rowley, 2006).

Even the experience should be together with the reflection to bring wisdom (Hays, 2007), *phronesis* (Antonacopoulou *et al.*, 2019). The given situation must be looked at critically, and the established routines must be questioned so that a new understanding emerges and the same mistakes are not made (Antonacopoulou *et al.*, 2019). The *phronetic* leader sees their leadership as a labor of love as a process of a search for meaning and purpose (Antonacopoulou, 2018). Practical wisdom leads the managers to accomplish their purposes and weigh if their goals achieve the common good (Beabout, 2012). The search for practical wisdom helps managers in situations where they must decide how to be both effective and moral (Bardon *et al.*, 2017).

The wisdom of the leader is operationalized in seven dimensions by Schmit *et al.* (2012): i) reflective, is the ability to learn with the past, to reflect on the weak and strong points to mitigate and fortify, respectively; ii) openness, concerns imagination, creativity, and intellectual curiosity that drives the sage to be more open-minded of other points of view; iii) interactive attitude, is the skill to regulate their own emotions and expressions, in addition to understanding the behavior and emotions of others; iv) practice, know which and why to apply a principle, know how to filter what is dispersed in the organization and focus on the relevant points; v) ethical sensitivity, refers to the capacity for ethical judgment, values, concern for the other; vi) paradoxical tolerance, the ability of the wise leader to visualize in the long term, to know to be tolerant of uncertainty: and vii) experience, not any experience, but those morally challenging that allow the development of wisdom.

The integration and sharing of wisdom among organizational members are vital to organizational wisdom (Bierly *et al.*, 2000; Nonaka & Takeuchi, 2011). Practical wisdom nurtures some characteristics in managers, such as openness to new ways of thinking; know how to balance diverse needs; the ability to transcend divisions; the appreciation for teamwork; trust-based and legal relationships; ability to balance social good and self-interest; the commitment to

continued learning, knowledge sharing, and mutual improvement (Chen & Miller, 2010: 22).

Nonaka and Takeuchi (2011, 2019) support our approach concerning the practically wise leader; they provide six skills of phronetic leaders, i) wise leaders can judge goodness (for the company and society) and put it into action in a given situation; ii) wise leaders can grasp the essence of events and people quickly before deciding; iii) wise leaders create contexts of sharing among members (construct new meaning through human interactions); iv) wise leaders communicate the essence, they are able to be understood, as they are able to use figures of speech (metaphors), stories, and historical imagination; v) wise leaders exercise political power, they are able to bring the knowledge and efforts to achieve their goals; vi) wise leaders foster practical wisdom in all members of the organization through apprenticeship and mentoring. The authors believe that the future is organizations practicing wisdom. It will result from the metamorphosis of the organizations that create knowledge today through the wise leader's pragmatical act in pursuit of realizing their dreams and ideals (Nonaka & Takeuchi, 2011, 2019).

3.3.2 Organizations' practical wisdom

Organizational practical wisdom reflects applying all kinds of knowledge, individual and collective, and external and internal knowledge, to different contexts. When the organization faces an issue, the cooperation among members results in organizational wisdom (Pinheiro *et al.*, 2012; Kessler, 2006). Thus, to build organizational wisdom, firms experience a mutually reinforcing relationship between knowledge dimensions and learning (Scott-Kennel & von Batenburg, 2012), an arduous process (Pope & Burnes, 2013) that is not fully clarified yet (Antonacopoulou, 2018). Therefore, we support our approach concerning the practically wise organization on Rowley and Gibbs (2008), a practically wise organization is a virtuous learning organization.

A practically wise organization has an ambiance and leadership that foster members knowledge to grow as wise, making good decisions to sustain organizational integrity and possess seven pillars, five them of the learning organization: deliberating towards ethical models; developing personal wisdom competency; understanding dynamic complexity; embodied learning; deliberated praxis; refreshing shared sustainable vision; and group wisdom dynamics (Rowley & Gibbs, 2008). Thus, organizational wisdom is beyond organizational learning beyond organizations doing the right things but doing what is right (Hays, 2007).

Employees' emotional intelligence is vital to forming organizational wisdom (Pinheiro *et al.*, 2012). Older employees have capabilities related to soft and social skills, resilience, emotion regulation, creativity, innovation, solving problems, motivation, and search to continuously inner development. Such capabilities, skills, and expertise are also traded as wisdom capital (Vasconcelos, 2018).

Spirituality is part of wisdom; its connection is in the metaphysical aspect. That is the part that does not fit in positivistic rules (Kessler, 2006). Organizational spirituality impacts organizational wisdom because it leads to self-reflection, reflection on failures and successes, and formulation of deeper goals, as well as knowing how to differentiate the right from the wrong, and the development of a sense of integrity, truth, understanding the position, and unity between the members. Spirituality also provides hope, faith, and courage to members, making wise decisions and actions more natural (Bierly *et al.*, 2000; Rowley, 2006).

3.4. Spirituality

Spirituality is still hard to comprehend because it has several definitions (Elkins et al., 1988; Giacalone & Jurkiewicz, 2003; Rocha & Pinheiro, 2020). Practical wisdom is a frequent topic in research concerning spirituality (Izak, 2013). Its traditions are a source of many constructs of spirituality in management (Pandey, 2017). "Both wisdom and spirituality share elusive qualities and metaphysical nuances while being frequently deliberated themes in ancient treatises" (Takahashi, 2019: 626). Individual spirituality is a persons' state of mind, a manner of awareness of the transcendent dimension, a way of being (Elkins et al., 1988). Spirituality is a reason for the moral

and emotional evolution of the sense of integrity, truth, and understanding of the organization's members (Rowley, 2006). It also provides faith, courage, and hope, making wise decisions and actions easier (Bierly *et al.*, 2000; Rowley, 2006). In the management field, spirituality is investigated on three levels, individual, workplace, and organizational (Pawar, 2017; Rocha & Pinheiro, 2021). The leader's spirituality stands out (Lean & Ganster, 2017; Mubasher *et al.*, 2017; Pawar, 2014; Pruzan, 2008).

In this research, we ground our understanding of secular spirituality (the focus is non-religious) as a way of being and experiencing that emanates about through an awareness of a transcendent dimension. Certain identifiable values characterize that concerning self, others, life, environment, and whatever one considers to be the Ultimate (Elkins et al., 1988: 10). Based on this definition, there are nine components of spirituality: i) transcendent dimension, is the belief that there is more than we can see; ii) meaning and purpose in life, is the belief that life is meaningful and each one has a purpose; iii) mission in life, is the sense of responsibility and vocation in life; iv) the sacredness of life, is the belief that life is all, that there is no dichotomy into secular or sacred, holy or profane; v) material values, is the certainty that one can appreciate the material good without seeking satisfaction from them; vi) altruism, is to be aware of the human pain, is the commitment with social justice because of the sense that we all part of humankind; vii) idealism is one commitment with high ideals to the betterment of society; viii) awareness of the tragic, is the consciousness death, pain, and suffering that elevates one appreciation of life; ix) fruits of spirituality, one spirituality is borne fruit, it affects the relationship with themselves, others, life itself, nature, and what them considers to be ending of the journey (Elkins et al., 1988: 10-12).

Given the components we have described above, spirituality is present in people's consciousness and actions. So that spirituality is responsible for framing, shaping, actions. Even within companies, in problem-solving, spirituality will affect how the individual perceives the problem and the possible solutions. Meaning is crucial to knowledge; values and purpose are the cornerstones of knowledge creation

and practice. "Whether you are aware or not, you always create and practice knowledge for a certain end and based on certain values" (Nonaka & Takeuchi, 2019: 154). "People are knowledge seekers because they have to solve problems in conditions of uncertainty and incompleteness information" (Bolisani & Bratianu, 2018: 27).

Knowledge can be understood as energy if we adopt a metaphorical approach, manifesting itself in different statuses, and each status can transform into another (Bolisani & Bratianu, 2018; Bratianu, 2015a; Bratianu & Bejinaru, 2019b, 2019a). Considering three fields, i) rational knowledge equivalent explicit knowledge, ii) emotional knowledge as the reaction to the ambiance, outcoming of feelings and emotions, and iii) spiritual knowledge as ethical principles and values, a persons' future vision, it is complementary to the others fields (Bolisani & Bratianu, 2018). "Spiritual knowledge is essential in decision making since rational arguments are strongly influenced by the value settings" (Bolisani & Bratianu, 2018: 19).

3.4.1. Workplace spirituality

Workplace spirituality is members' spiritual experience at work (Pawar, 2017). The company environment will determine which practices could be adopted to provide this experience (Giacalone & Jurkiewicz, 2003). For workplace spirituality to be a topic of interest to organizations, it is necessary to demonstrate the practical implications of spirituality and how the variables impact enterprise practices (Giacalone & Jurkiewicz, 2003). It is a construct that has three significant perspectives, human resources (employee well-being), philosophical (meaning and purpose), and interpersonal (sense of community and interconnectedness) (Ashmos & Duchon, 2000; Karakas, 2010). We use this approach on our integration between workplace practical wisdom and workplace spirituality, "Workplace spirituality is a framework of organizational values evidenced in the culture that promotes employees' experience of transcendence through the work process, facilitating their sense of being connected to others in a way that provided feelings of completeness and joy" (Giacalone & Jurkiewicz, 2003: 13). It also can be a new form of organizational culture (Joelle & Coelho, 2019b), requiring alignment with organizational values (Crossman, 2016).

From the philosophical perspective, Gotsis and Kortezi (2008) advocate that a Kantian deontological or a virtue ethics basis supports most spiritual values, such as honesty, forgiveness, compassion, hope, humility, gratitude, and integrity. From the members' perspective, workplace spirituality is an experience of personal wholeness, interconnectedness, transcendence, and bliss (Gotsis & Kortezi, 2008). Members who are aware of these guidelines grow interconnectedness, mutuality, personal completeness, transcendence, joy, and virtues, for example, prudence (Gotsis & Kortezi, 2008). The most common components of workplace spirituality in the literature are finding meaning and purpose at work, interconnectedness, recognizing and nurturing the inner life of members, sense of community, and experience of transcendence (Pandey, 2017). Workplace spirituality outputs are related to knowledge sharing (Khari & Sinha, 2018), learning (Pandey et al., 2016), and group innovative behavior (Pandey et al., 2019).

3.4.2 Organizational spirituality

Organizational spirituality is an intrinsic aspect of the organization's socio-psychological conjuncture that can be transformative in organizations (Peltonen, 2019). It has been studied from several angles (Poole, 2009; Rocha & Pinheiro, 2021). The perspective that most fits this research is present in the concept mentioned hereafter. Approaching its components, in the individual and workplace level, and its outputs: "is an organizational identity resulting from its values, practices, and discourse that is composed of workplace and individual spirituality guided by the leader and other members and influenced by the environment, organizational culture, and knowledge management. This spirituality generates value and social good that is visible in the organization's image, mission, vision, and organizational values" (Rocha & Pinheiro, 2021). Organizational spirituality has unique characteristics, raised from its components (leader, members, and workplace spirituality), that company stakeholders perceive (Rocha & Pinheiro, 2021).

Notwithstanding positive statements about spirituality, we ought to recognize some issues. Spirituality in business is often described as a steward of capitalistic spheres (Ul-Haq, 2020). Spirituality rhetoric use in organizations raises mistrust and prejudice about it. Then, members tend to marginalize or reject spirituality in organizations (Zaidman & Goldstein-Gidoni, 2011). The mysticism surrounding spirituality is another issue when it comes too close to the transcendental approach, distancing excessively from its day-to-day operations (Friedman *et al.*, 2005).

4. Workplace phronesis

Based on the review, we approach four dimensions of a *phronetic workplace*, namely, i) workplace spirituality, ii) leadership, iii) groups and teams, and iv) shared context. We argue that spirituality supports the *phronetic* workplace. The argument is based on the workplace spirituality three dimensions further discussed.

* 4.1. Workplace spirituality

As we have seen in the theoretical background, spirituality is a construct related to the way of living and perceiving life through high-level values recognizing transcendence. Spirituality affects all workplaces, leaders, members, and shared contexts. An inclusive approach to *eudaimonia* (fulfillment) will have to be several answers to "what is a fulfilled life?" because each person will have his/her own *telos* (*raison d'être*). The fulfillment that everyone seeks will not be found in money because money has no value in itself; it is only worth what it can bring (Hughes, 2013: 22). The fulfilled life is related, at least, to a set of things and attitudes that express the good character one has a life lived virtuously. Therefore, *eudaimonia* is the ultimate *telos* (Hughes, 2013: 28); the fulfilled life represents a living for this, being an enjoyable life worth living (Hughes, 2013). Practical wisdom is a construct related to *eudemonia*, fulfillment, and the flourishing of life (Hughes, 2013). We argue that a high level of

spirituality assists in the unfolding of practical wisdom, mainly in its role in finding the fulfillment and flourishing of one's life.

People spend about a third of their day working and an additional hour or so thinking about work. Members of organizations are sickened by the demands of work, burnout, anxiety, depression, alcoholism, high blood pressure, and various work-related illnesses continue to grow (Leitão *et al.*, 2021; Maslach *et al.*, 2001; Parker & DeCotiis, 1983; Sanne *et al.*, 2005; Ul-Haq, 2020). The lack of alignment between the company and its members (Crossman, 2016) and the lack of meaning about work (Molloy & Foust, 2016) brings problems to companies. The related problems are employee turnover, absenteeism, lack of commitment, and job satisfaction. Developing the dimensions of spirituality in the workplace appears to be one solution to these recurring problems (Joelle & Coelho, 2019a; Rego & Pina e Cunha, 2008; Thakur & Singh, 2016).

Regarding workplace spirituality dimensions, they can have a significant effect on nurturing workplace practical wisdom. Each dimension of workplace spirituality supports the embodiment of practical wisdom in a different way. This section presents the dimensions of workplace spirituality introduced by Ashmos and Duchon (2000) integrated into the *phronetic* workplace.

A) Meaningful work: In the *phronetic* workplace, members perceive meaning even in small tasks because they believe in it as part of the main purpose, telos, job, and company. "Since meaning is essential to knowledge, purpose and values are central to knowledge creation and knowledge practice. Whether you are aware or not, you always create and practice knowledge for a certain end and based on certain values" (Nonaka & Takeuchi, 2019: 154). Therefore, applying knowledge requires meaning and is embedded in the person's values.

The *phronetic* leader is the actor that bridges the purpose of the company and the meaning of members' works (Nonaka & Takeuchi, 2011, 2019). The collective knowledge will be the means to achieve it. Since members' intentions will be towards the collective, and the group will commit to common goodness (Erden *et al.*, 2008). Once the *phronetic* workplace is a part of a practically wise company, its

members feel that their work is meaningful to them, society, and future generations. Nonaka and Takeuchi (2011, 2019) provide examples, such as the Honda engineers' case in the development of less polluting cars with the purpose of doing less harm to society and future generations. Each of them did their part, as small as possible, and all of it matters to fulfill the bigger purpose (contribute to a less polluted environment while the company makes a profit).

B) Sense of community and belonging: In the *phronetic* workplace, workplace spirituality contributes to increasing trust among members, crucial to the collective feeling of belonging. They feel like one with other members in the workplace (Ashmos & Duchon, 2000). Members' idiocrasies are both respect and celebrate. Members' differences are favorable to the workplace, and every form to search for inner growth is valid. The group knows each other emotional and intellectual strengths and weaknesses (Erden et al., 2008). Members behave as a unity because they have the same goal and shared knowledge (Erden et al., 2008). They share their interpretations, perceptions, intuitions, and judgment so the collectivity can understand situations (Erden et al., 2008). Imagine a company that wants to internationalize, entering a country they do not operate in yet. Some details may go unnoticed by those who are unaware of the culture of that society. They will have different outputs in this expansion if they have members with knowledge and experience in that society. These members are familiar with those details and will avoid unnecessary conflicts and provide opportunities for differentiated action and increased chances of success in this internationalization.

The sense of connection comprises both work and coworkers (Ashmos & Duchon, 2000). Groups and their members ought to have and apply similar values in the *phronetic* workplace. The previous topic example also enriches this topic once those engineers align with the organization's values (Nonaka & Takeuchi, 2019). Both the organization and its members had similar values concerning their work as the desired outputs for society and future generations (Nonaka & Takeuchi, 2011, 2019). This identity and shared goals help the group to think collectively (Erden *et al.*, 2008). It is a sense of

belonging to a group with similar values and sharing a way of living through what they believe. Once more, the *phronetic* leader bridges organizational and individual values in the organization (Nonaka & Takeuchi, 2019). For instance, in the food industry, some companies are committed to the production of biological food. In those cases, the *phronetic* workplace has members who believe in and promote healthy food habits with less environmental pollution.

C) Opportunities for the inner life, such as a purposeful life: Workplace spirituality enhances the opportunities for individual and collective spiritual evolution, achieving a transcendental way of living and conquering one purpose. Furthermore, this is related to offering something good to society, giving themselves to a shared goal. The transcendental viewpoint is believing and going beyond the material realm into the spiritual realm. *Phronetic* leaders foster the development of emotional intelligence and practical wisdom of workplace members. Workplaces that stimulate learning by doing, reflecting, and learning from mistakes contribute to members' personal growth. Once that in the *phronetic* workplace, members manage themselves (Erden *et al.*, 2008), their spirituality and process of personal development are an opportunity for the group to learn other ways to develop their inner growth (Ashmos & Duchon, 2000).

The most significant opportunity for inner growth in the work-place with high-level spirituality is embracing the opportunities to learn continuously. That will improve personal and collective emotional response patterns to challenging situations. For instance, when there are opportunities for inner improvement in the work-place, all situations are a learning source and a chance for the next experience to have an even more satisfying result. Therefore, members embrace feedbacks so that besides the supplier and receiver of the feedback, other members can also learn from that experience. It is worth mentioning other methods of providing opportunities for inner improvement of members, such as mentorship and apprentice programs, space and time for reflection, meditation and prayer, and creative labs.

* 4.2. Leadership

The *phronetic* leader is the driver of a *phronetic* workplace. Leaders are an example to their followers and a promoter of the organizational values, including practical wisdom in others (Nonaka & Takeuchi, 2011, 2019). The *phronetic* leader stimulates the development of shared contexts for interaction between members, rise and deployment of practical wisdom in the workplace. Practical wisdom should be spread among all organization leaders (i.e., executives, middle managers, and informal leaders) (Nonaka & Takeuchi, 2019). So, the *phronesis* will attain all levels of the organization. The *phronetic* leader will continually help other members improve their inner growth and forget the older habits (Nonaka & Takeuchi, 2019). They also create opportunities and contexts for members to learn with each other because they make themselves present in the most diverse shared contexts in the workplace (Nonaka & Takeuchi, 2019).

The *phronetic* leader ought to mentor and tutor their members (Nonaka & Takeuchi, 2011, 2019), so they act based on the practical wisdom acquired. Phronetic leaders ought to select members to be apprentices, learn, develop, apply, and spread practical wisdom. These members will be actors in the diffusion of practical wisdom in teams, groups, and the entire workplace (Nonaka & Takeuchi, 2019). The leader will provide conditions and foster workplace spirituality and workplace practical wisdom dimensions by the individuals and groups. Thus, the leader will be sensitive to the needs of the followers in terms of the development of virtues through training, as advocated by Aristotle (2009). The training goes beyond; they are also about scientific and practical knowledge of the area and the possible ways to express individual spirituality. The learning environment depends on the culture of the members and the ways of creating shared contexts. Such contexts are essential to enable the group to gather and share how they see and respond to events in the workplace.

4.3. Collective: groups and teams

In this topic, we approach perspectives of collective *phronesis* in the workplace. It is obtained from collective practices that empower the group to decide and act in specific situations (Erden *et al.*, 2008).

The collective action is gained by converting individual intentions to collective intentions, deciding based on the values, grasping the essence in specific situations, looking for the common good, and managing itself (Erden *et al.*, 2008).

Members have their singularity (i.e., background, knowledge, skills, personality, and ideas) respected and celebrated in the *phronetic workplace*. They have the opportunity to learn with their differences and innovate (Nonaka & Takeuchi, 2019). The conversion of individual intention to collective acts occurs because members share their perceptions and intuitions (Erden *et al.*, 2008). There are often programs to leverage members' interaction and development of trust at the phronetic workplace, such as games, happy hours, and gatherings. Inclusively in other places and contexts, like barbecues and weekend trips (Nonaka & Takeuchi, 2019).

If the researchers and practitioners treated individual and group knowledge as distinct forms of knowledge, we would clearly understand companies' dynamics (Cook & Brown, 1999). Erden et al. (2008: 11-12) adapt the concept of phronesis to a whigh quality collective tacit knowledge» achieved by the group practical experiences that allow the team to take action appropriately in specifics contexts guide by members shared goals, values, and culture. Individual and collective knowledge also have epistemological differences in their possession and practice (knowing) (Cook & Brown, 1999). Thus, since the possession and practice of knowledge are crucial to the development of practical wisdom (Erden et al., 2008; Nonaka & Takeuchi, 2019, 2021), distinguishing between individual and collective knowledge dynamics is also part of the distinction between the individual and collective phronesis dynamics (Erden et al., 2008).

Concerning individual and collective *phronesis*, it is a matter of ownership and appropriate applications. Then, it is linked to contingency and to the one who acts (Erden *et al.*, 2008; Nonaka & Takeuchi, 2019). There is the same relationship between knowledge and knowing. Knowledge is a means, a tool that disciplines knowing (action). That is, knowledge provides form and discipline to knowing (Cook & Brown, 1999). Knowledge without action is static, whereas knowing is a dynamic human interaction between the knowers and

the world (physical and social) concerning innovative ways to apply the knowledge possessed (Cook & Brown, 1999). The action of both individual and group has contextual meaning (Cook & Brown, 1999). The group as a unity possesses an amount of knowledge perceived in its actions (knowing) because knowledge is part of it. Its work is different from the individual work of its members. Once each group has its ways of knowing, groups and teams are the unity of analysis (Cook & Brown, 1999) in the investigation concerning the *phronetic* workplace.

Cook and Brown (1999) defend that there are explicit and tacit dimensions of group knowledge. The tacit dimension of group knowledge is named "genres". The genres (memo, e-mail, note, letter, gathering, and others) are unique, contextualized, with appropriate communication means in the organization. It is an often unspoken agreement inside the group concerning its daily dialog. The mission of the organization is a common sense held by the group. The explicit dimension of group knowledge is named "stories". The group's memory results from the group learning process; it is the metaphors and narratives that help coordinate the group work. Information technologies can be used as a means for the group to access past events (Erden *et al.*, 2008) and a tool in the present to share knowledge and ways of knowing used by the group.

* 4.4. Shared Contexts (ba)

Since sharing contexts are relevant and permeate the entire work-place and spirituality, we have already mentioned it in the previous topics. We have seen how important the ambiance is for developing spirituality and the awareness of a transcendent vision of the work-place. We also mentioned how the leader must provide and foster the shared contexts for the members to enable them to build up collective knowledge. In this topic, we will discuss in more depth the shared contexts.

The *phronetic* workplace has many shared contexts for interaction (*ba*) developed and in constant adaptation to the members' intangible desires. The *phronetic* leader creates and fosters the progress of shared contexts (Nonaka & Takeuchi, 2019). Members have the

same purpose in a shared context (Nonaka & Takeuchi, 2019). They voluntarily adhere to the sharing contexts that are most meaningful to them. As we see before, the meaning and purpose are the glue of collective knowledge and spirituality in the workplace. Members need time and an appropriate climate for strengthening the sharing context (Nonaka & Takeuchi, 2019). They continually foster the shared context and apply *phronesis* in the workplace.

Meetings, gatherings, cafeterias, social media, company systems, reading rooms, and others can be a shared context. Each group can have its shared contexts. It is related to the function and environment division in the company. Members give it the purpose of share to create knowledge, share best practices, and solve problems (Nonaka & Takeuchi, 2019). The development of external shared contexts fosters internal shared contexts because of the increase of openness and trust (Nonaka & Takeuchi, 2019). In these contexts, members feel trust, love, care, and commitment (Erden et al., 2008; Nonaka & Takeuchi, 2019). The shared contexts are crucial to spreading individual phronesis among members at the workplace and the rise and development of collective phronesis. These contexts are physical, virtual, mental, or combinations (Erden et al., 2008; Nonaka & Takeuchi, 2011, 2019) and suitable for disseminating practical wisdom (Nonaka & Takeuchi, 2019). Some examples are its departments, where there are smaller shared contexts, shared contexts among members of different departments when they meet for a coffee at lunchtime, or several departments work together on a joint project.

To summarize, the *phronetic* workplace has individual and collective dimensions. The *phronetic* workplace has a shared context composed of *phronetic* leaders, members, and groups. It has workplace spirituality highly developed and an advanced shared context for learning, interaction, and engagement. Its members share the same purpose and act properly on behalf of it. It is a context in constant evolution and innovation that treasures the inner life of all. Its outputs are the efficiency and efficacy in collectively applying possessed knowledge, the unstoppable search for new learning methods, enhancing members' inner life, and the common good.

A *phronetic* workplace is a step from individual practical wisdom forward into the development of a *phronetic* organization. That is, individual practical wisdom is part of a *phronetic* workplace. Teams and groups work as a unit, applying *phronesis* inside of the organization. However, the *phronetic* workplace is more than the sum of the members' practical wisdom, as human beings are not simply the sum of their organs.

Having a shared meaning and purpose, the commitment to the common good, the capacity to grasp the essence of situations, and self-management are characteristics of *phronesis* at a group level (Erden *et al.*, 2008). We argue that a high level of spirituality will foster this *phronetic* workplace's characteristics. Then, practical wisdom goes from the individual into the groups in direction to the whole organization. The outputs of a *phronetic* workplace are related to its members and their daily tasks and challenges. Whereas the *phronetic* workplace is fulfill settled, the outcomes will reach the entire organization.

* 4.5. A phronetic workplace future research agenda

We propose a future research agenda to pave the way for empirical studies to ground the theory and lead organizations to achieve their highly sustainable performance through innovativeness and shared value creation. Still, in the theoretical field, we recommend using other theories and approaches to address the integration between spirituality and practical wisdom in the workplace. Religion-based approaches, for example, can offer valuable insights. The integration of practical wisdom in companies also needs to be analyzed in conjunction with other constructs, such as innovation, sustainability, entrepreneurship, logistics, marketing, strategy, knowledge management, and finance.

Turning from the theoretical sphere into empirical studies, we suggest making extensive use of qualitative methodologies because it is necessary to analyze actions before considering views. First, empirical qualitative research on the ontological dimensions of *phronesis* in the workplace establishes crucial issues and the role of each actor. Second, *phronetic* leaders and their spirituality remain

an important subject. Third, cultural influence and how companies manage these differences in the workplace should be investigated and faced. Fourth, a longitudinal methodology would be valuable to identify the process of developing, maintaining, and spreading practical wisdom in the workplace. Fifth, addressing the changes in perception and collective behavior at the level of small groups. Sixth, the differences in the development of phronesis among departments of the same organizations should be investigated. Seventh, empirical investigations to perceive how clients behave in pursuing a spiritual alignment while acquiring a product and service. Also, the integration of organizational learning theory would be of great value to the study of workplace practical wisdom. Therefore, for the phronesis in the workplace to be empirically tested and thoroughly understood, case studies (successes and failures), experimentation, research action, and ethnographic research will significantly assist the understanding of the several possible routes for enhancing phronesis in the workplace.

Prior to developing purely quantitative research, researchers should conduct mixed methods studies. Regarding quantitative analysis, researchers need to develop and validate scales of practical wisdom in organizations, for instance, in the workplace, organizational, individual for members, and one for leaders. Ashmos and Duchon's (2000) scale of the workplace spirituality and the Organizational Spirituality Value Scale of Kolodinsky *et al.* (2008) could be used in the process of scale construction (DeVellis, 2017).

Companies are interested in reaching the new consumer seeking to acquire products and services aligned with their spiritual values, even if they are interested in low prices. These new consumers require companies prepared to innovate in the process of competing. Hence, future research should also understand consumers' perceptions about their decisions in purchasing products and services. In addition, cooperation and coopetition networks should also be researched. Understanding whether competing companies that cooperate have higher levels of organizational practical wisdom could bring significant results for practitioners.

5. Conclusions

This research addressed the gap concerning the *phronetic* workplace through an integrative review combining perspectives from different fields. It is pioneering in integrating organizational spirituality and organizational practical wisdom at the workplace level. We approached four dimensions of a phronetic workplace, namely, i) workplace spirituality, ii) leadership, iii) groups and teams, and iv) shared context, contributing to a comprehensive understanding of practical wisdom (phronesis or prudence) in management. We clear the way with the first steps to understanding the relationship between spirituality and practical wisdom in organizations. The future research agenda provides guidance for researchers to identify strategies and means to incorporate practical wisdom into companies. It is a path that needs to be researched, understood, and implemented. Leaders and organizations can make the necessary shift in the capitalism paradigm towards creating shared value through a holistic view of business, integrating society, future generations, and stakeholders, both internal and external.

Regardless of the contributions above, there are limitations. Although spirituality and practical wisdom are ancient subjects in other areas, such as philosophy and psychology, they are recent topics in management, so there are still endogenous issues that need to be considered, such as polysemy. We should also consider the possibility of employing other theories and approaches to discussing practical wisdom in the workplace. While necessary, the generalizations we used are constraints, evidencing the compelling demand for qualitative empirical studies to understand the origin and development of a phronetic workplace in more depth.

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