3 Wisdom, ethics and the postmodern organization

Bernard McKenna

Turning and turning in the widening gyre
The falcon cannot hear the falconer;
Things fall apart; the centre cannot hold;

... The best lack all convictions, while the worst
Are full of passionate intensity. W.B. Yeats

'Worn gears threaten derailment', stated the lead story in The Sydney Morning Herald (Kerr 2004). A week earlier, railway drivers had gone on strike because the rail authorities' failure to plan for driver attrition had caused a critical shortage of drivers. A concurrent inquest that found that a fatal rail accident was caused by a medically unfit driver dying at the wheel led to the disclosure that 70 per cent of country drivers were found to be medically unfit. Yet the CityRail website (http://www.cityrail.info/) tells me that it 'offers passengers one of the most cost effective, reliable, and convenient ways to travel around Sydney and beyond'; that 'All trains receive regular routine maintenance and major periodic maintenance'. They monitor their performance in three major KPIs (key performance indicators), and publish their results on the web. So, how is this relevant to wisdom and ethics? It is simply to question the wisdom and (by definition, implicitly) the ethics of a management culture within the context of a knowledge economy that supposedly delivers 'best practice' by means of auditable notions such as KPI. We need to question the very ontological and epistemological categories that underpin contemporary management practices infused with assumptions that gathering and using data improve our life.

Furthermore, I argue that we need to question the discursive inscriptions of participants in the 'new economy' organization. These two factors—a naïve management understanding of the knowledge economy and ideological inscription—I argue force management and workers into a schizophrenic set of practices based on regulation and control as oppressive at least as Taylorism (a feature of 'modern' industrial practice), while proclaiming that we are more autonomous than ever. Furthermore, I argue that valorized management practice is subject to ephemeral waves of orthodoxy. To overcome this 'widening
gyre' of managerialist illusion and disillusion, I assert that the principles of wise practice – because they are timeless – should be the foundation of management theory and practice. Because excesses of postmodern theory cripple the epistemic and ethical basis of daily life, I furthermore argue that the common sense (now), and inherent virtue, of wisdom will help to restore faith in the organization and regulation of our lives. Crucial to achieving wisdom is the capacity for reflexivity, which is the ability to understand the epistemic and ethical basis of our practice within its discursive domain.

The schizophrenia of contemporary life

We live in an age where individualism and choice at the level of subject and the significance of data and information at the level of object are esteemed in hegemonic discourse. Although these have been the politico-ethical features of western culture since the Enlightenment, the French, American and British revolutions, and the emergence of industrial capitalism, they have reached their apotheosis within the hegemonic discourses of neo-liberalism and neoclassical economics. Yet, paradoxically, more and more parts of our life are regulated by a technical rationality with which we must comply (e.g. the simple act of owning a pet – a timeless practice – must now be regulated by licences and local government laws).

Beck (Beck and Beck-Gernsheim 2002) argues that we are forced to be individuals in a neo-liberal hegemony, but that this individualization occurs in conditions that make it virtually impossible for the individual to achieve independence. In modern times (i.e. mid-nineteenth century onwards) individuals could make choices, but were restricted in the family and the workplace particularly, Beck argues, by bonds of authority and deference, tradition and customs, and institutions. Rose (1996) similarly describes the community and kinship of modernity as defining 'the identity of subjects from outside, embedded[ing] the person within a stable order of status, within a transcendental and implaceable cosmology' (p. 301). Now, though 'liberated' from these bonds, the postmodern individual is more prone to fashions, trends and markets (see also Anderson 2001). Thus, although the postmodern subject is represented as free through choice, he or she is still limited by a consciousness drawing from the contemporary hegemonies of neo-classical economics and a neo-liberal ethic. Consequently, the postmodern subject is the self-governing individual who is "formed in relation to practices of freedom and techniques of the self" (Dean 1994, p. 195). Those values most esteemed are 'autonomy, freedom, choice, authenticity, enterprise, lifestyle' (Rose 1996, p. 320), features of active agency.

Two important effects flow from this: increasing complexity and the autonomy gap. Beck and Beck-Gernsheim (2002) claims that participation in society increasingly requires individual decision-making, even when it is not required. In some significant instances, this forces responsibility onto the individual unfairly. For example, whereas in the past a person in a superannuation scheme paid their money into a fund where 'experts' invested it wisely and prudently on their behalf, the individual is often now required to make complex financial decisions for which few people are qualified. In addition, aspects of life that were never a matter of negotiation or decision have become so. This is particularly so in the 'democratizing' of relations that were formerly governed by traditional authority (e.g. parents, teachers; husband/wife; manager/worker). Some of these have been important in the liberation of people (e.g. husband-wife relations; equal pay and conditions), but they bring with them new complexifying issues. Some 'advances' are less obvious, even retrogressive (e.g. many parents suffer unnecessary angst in regulating the conduct of their children; most teachers are not allowed to discipline to curb foul behaviour by uncontrolled adolescents). Even purchasing a phone or a hamburger is laden with complex choices. The second important effect is the 'autonomy gap', which occurs whenever an institutional or societal arrangement is premised on unreasonable expectations about individuals' level of competence (Anderson 2001). Faced with this, society can either raise the level of competence or lower the level of complexity required. Unfortunately, with reduced levels of government support as the outcome of our neo-liberal hegemony; the first of these options is rarely provided, while the second might be seen as curbing the right to free choice.

In contrast to this liberatory myth (used in the Barthesian sense), rationality, codification and measurement are the technologies that supposedly deal with complexity. As Sarup (1989) points out, the 'economic and administrative rationalization and differentiation of the social world' is a feature of modernity, not postmodernity. Yet such features continue to dominate contemporary organizational and commercial culture: organizations are founded on features of 'efficiency, predictability, calculability, and substitution of technology for human involvement' (Beyer and Niño 1998). This has led, say Schön (1995) and Jacques (1996), to a current crisis of confidence in technical rationality, because clearly it has failed to produce the certainty that it claims to deliver. Nevertheless, because we have been inducted into, and inculcated with, norms of social practice based on a technocratic rationality stripped of humanist principles (Spragens 2001, p. 56), we are left floundering in the search for epistemic and ethical certitude.

In their place, I argue that a broad commitment to wise practice would be more likely not only to produce better outcomes, but also to enhance efficiency as administrative and surveillance practices are dismantled. So how do we become wise? In the first place, being wise is not some add-on to current practice. Wise practice – like unwise practice – infuses everyday life: a caveat that should act as a warning against wisdom-becoming another management
fad. In a recent paper (Rooney and McKenna forthcoming), it was argued that a distillation of the wisdom tradition (from the Old Testament and Aristotle, Aquinas and Vico) produces a similar set of characteristics for being wise as that devised more recently by psychological analysis (Baltes and Kunzmann 2003; Baltes and Staudinger 2000; Sternberg 1990; Sternberg and Ben-Zeev 2001). Such a finding should provide confidence in the efficacy of these characteristics.

**Definition of wisdom**

From a psychological perspective, wisdom can be defined as that which:

coordinates knowledge and judgments about the fundamental pragmatics of life around such properties as: (1) strategies and goals involving the conduct and meaning of life; (2) limits of knowledge and uncertainties of the world; (3) excellence of judgment and advice; (4) knowledge with extraordinary scope, depth, and balance; (5) search for a perfect synergy of mind and character; and (6) balancing the good or well-being of oneself and that of others. (Baltes and Staudinger 2000, p. 132)

Clearly, then, wisdom is more than a cognitive attribute: it also demands social, ethical and discursive competence. The nine characteristics of wisdom outlined by Rooney and McKenna (forthcoming) unmistakably imply that wise action, although reasoned, requires us to act and think outside the bounds of rationality and accepted, codified knowledge; that it is grounded in worldly day-to-day activity; assumes that life is contingent; and is virtuous and humane. By distilling the Aristotelian (Aristotle 1984, 2003) and Thomistic (Aquinas 1964) accounts of wisdom as well as Vico's (Miner 1998; Vico 1982) writing, the pre-modern wisdom tradition can be said to comprise nine elements.

1. Wisdom has a spiritual or metaphysical quality that does not bind it to the rules of reason.
2. It evaluates the salience and truth-value of logical propositions when applying reason to decision-making.
3. It acknowledges the sensory and visceral as important components of decision-making.
4. The purpose of wisdom is virtuous action.
5. It is prudent and practical, displaying a sensible worldliness.
6. Because wisdom understands the contingency of life and circumstance, and the constructedness of phenomena in a spatio-temporal location, it is not reducible to method.
7. It respects and draws upon experience and tradition as a means of apprehending who and what we are.
8. It is able to clearly articulate judgements in an aesthetically pleasing way.
9. It is tolerant, born of a natural affection for humanity.

The first three characteristics are now well established in empirical psychological research. Sternberg (1990) asserts that sagacity combines intelligence and creativity, and is ‘more than just cognitive skills’ (p. 157). The ‘attitude toward knowledge as knowledge itself’ is best described as a form of ‘fluid intelligence’, which is characterized by the capacity ‘to manipulate abstract symbols’ (Sternberg 1990, p. 323). The common understanding of wisdom, which psychological researchers call *folk or intuitive*, according to Baltes and Staudinger’s (2000) surveys, is that there are, intellectual, affective and motivational aspects of wisdom. The fourth characteristic roots wisdom in values and ethics, which is consistent also with psychological theory (Sternberg and Ben-Zeev 2001, pp. 231–6).

Wisdom is also essentially worldly, as stated in the fifth characteristic, even though the wise person is contemplative and reflective. Baltes and Staudinger (2000) describe this as having rich factual (declarative) knowledge about the fundamental pragmatics of life. A wise person knows how much the weekly shopping costs; what people are watching on television; and who are the heroes of sport and popular culture. For many, this may simply mean flicking through the *Woman’s Day or Who* while waiting at the supermarket checkout, or non-judgementally leaving the radio station on the children’s choice while driving them to sport. What distinguishes the wise person is the capacity to rise above these minutiae when necessary, but with an enhanced capacity to see the world as others see it.

The sixth characteristic, because of its epistemological and ontological implications, would be quite complex if fully elaborated. At its simplest, it says that wise people assume that any phenomenon can be ‘known’ in various ways depending on the ontological categories with which we frame and apprehend it. Wise people also know that any situation has an inexhaustible number of aspects to it, but that people have a finite capacity for information. The classic example is a school teacher who punishes a child for hitting another in full public view, but may not be aware of an ongoing, subtle harassment that the aggressor may have suffered over the previous months. Rather than giving up in the face of ontological and epistemological uncertainty, wise people make decisions that are based on a reasonable judgement of relevant information. However, wise people also know that, fundamentally, they may be understanding things from an inappropriate or wrongly based ontology within a particular paradigm. Furthermore, acknowledging the contingency of life should not preclude automatized processes. In day-to-day life, wise actions can be automatized to a certain degree. For example, in some jurisdictions doctors are required to report suspected cases of child abuse. Some may reasonably argue that such a requirement reduces a doctor’s capacity to make a judgement. However, such a rule might be justified to cover a possible Type 2 error (an error is not rejected even though it may be wrong in fact) rather
than allowing Type I errors (a true state of affairs is rejected because of insufficient proof) to be made. In other words, it might be better to investigate innocent situations, however troubling, rather than not investigate a situation because of doubt or fear of repercussions. Of course, although the issues of rights and privacy, among others, could be endlessly debated, on balance in some matters such as child abuse, it may be the wisest course of action to automatize a course of action provided the relevant issues have been thoroughly considered. In other words, automatized practices need not be mindless or authoritarian so long as they are well grounded, explicable, transparent and open to review in the light of practice.

Yet, although paradigm shifts may be completely appropriate from time to time, continual paradigmatic change is destabilizing. A good example of the appropriateness of paradigm change happened when the High Court of Australia overturned an 80-year-old precedent of *terra nullius* (empty land) to acknowledge that Australia was inhabited by indigenous people when the British colonized the land in the eighteenth century (Mabo 1992). As a consequence of this long-overdue paradigm shift, indigenous people for the first time received legal recognition for their claims to land ‘ownership’ (incidentally an ontological category that didn’t exist in indigenous relations). Consequently, wiser possibilities for justice, rather than mere legality, emerged.

Destabilizing paradigm shifts are most obvious in managerial faddism. Change management and ‘re-engineering’ have become institutionalized features of contemporary organizational practice. However, encouragingly, (critical) management theorists (but also mainstream theorists and practitioners: see Axelrod 2000) are strongly challenging this unnecessarily bewildering process. Among the criticisms are that contemporary management discourse mindlessly valorizes change within management practice (Zorn et al. 1999); that, despite claims to be democratic and responsive, it is in fact extremely conformist and authoritarian (Willmott 1993); that it is faddish (Valentine and Knights 1998; Zorn et al. 2000); and that its benefits are very dubious (Zorn et al. 1999). In this age where the maxim ‘the only certainty is change’ dominates the ethic of business practice it is crucial, indeed efficient for the organization, to know when proposals to change practice are justified. While it is certainly true, as Baltes and Staudinger (2000) argue, that a distinguishing feature of wise people is their ability to manage uncertainty (p. 126), this does not mean that wise people deliberately create uncertainty and change. It means that wise people can separate negative changes which are intended for empire building for developing and maintaining power from those that promote necessary positive change, and adapt accordingly. Often such negative changes can be as trivial as altered nomenclature (such as a university that changed its Library to a Cybrary). The no doubt well-articulated and intellectually crafted justifications for these changes are often understood only by those who made the changes, and can be used as discursive markers to identify those ‘in the know’ and those who fail the discursive entry test. In this sense, wise practice is especially relevant to our postmodern times where epistemic and axiological truths are so contested.

The seventh characteristic acknowledges the importance of tradition in deeply knowing who and what we are. In contrast to more traditional societies, including indigenous and Confucian, which are characterized by tradition, stasis and elder respect, postmodern society is characterized by a culture where youth, impermanence and change are valorized. While it is unrealistic to attempt to appropriate another cultural characteristic to implant in our own — most probably simply another fad — the likelihood of balance increases when we evaluate our own cultural characteristics and reflect on others. In fairness, it would have to be acknowledged that our western culture has delivered much that is worthwhile in consumer goods and services, medicine, education and travel. Certain groups of people thrive in the conditions of dynamic technological modernity and postmodern culture. On the other hand, we also know that these conditions also produce anomie, rootlessness, uncertainty and the spiritual vacuity of consumer culture. The Wisdom tradition understands that wise people are carriers of a tradition who can draw on the deep processes, knowledge and intuition of a reflective humanity. It is in this sense that wise people draw on other traditions. This does not mean that we simply ask a tribal elder to open the proceedings of our next conference and then get on with the real business; it doesn’t mean that we feng-shui our office, though this may be aesthetically pleasing. What it does mean is that a wise person can help to incorporate the best of the new or the ‘other’ while maintaining the best of the old.

Because wisdom is passed on, it must be articulated in a way that people understand: the eighth characteristic. This is done in two ways: explaining difficult decisions, and in transmitting folk wisdom. When wisdom is called upon in action, it is invariably to resolve a complex issue. For example, judges who decide issues of child custody and fair apportioning of income and wealth invariably do so after all the other processes of mediation and conciliation have failed and when grief and anger are profound. Such a judge must be able to deliver a fair judgment, but, as importantly, to explain this to the litigants in a way that might be understood and accepted. There are, of course, many other complex, fraught situations, such as when people lose jobs, decide about how to care for elderly, frail parents, or forgo a career to allow a partner to pursue theirs. In such situations, decision-makers need to state the issue at hand, its salient factors, the reasoning process, the human factors and the reasons for the judgement. Such a process enhances the humane — by respecting people’s
feelings – and models behaviours and processes for others to emulate. Another way to transmit wisdom is through folk wisdom. This is commonly in the form of aphorisms and sayings that are passed on from generation to generation. For example, I can still recall my Irish immigrant grandmother who raised five children as a young widow in the Depression saying ‘wilful waste makes woeful want’ as she stored bits of string and brown paper. As a young child, I didn’t actually know what *wilful* and *woeful* meant. Nevertheless, this now fully realized aphorism comes to me almost daily as a committed environmentalist living in an excessively consumerist society as a guide to action. Baltes and Staudinger’s (2000) analysis of folk wisdom reinforces the importance of this popular transmission of worthwhile behaviours. They reaffirm the claim that ‘Cultural memory is the mother of wisdom’ (p. 123. For more on this, see Clayton and Birren 1980; Csikszentmihalyi and Rathunde 1990; and Orwoll and Perlmuter 1990).

Finally, wise practice is humanistic in the sense that it is aesthetically pleasing and humane. The notion of aesthetics, initially, may seem odd. However, Vico’s concept of *Ingenium* incorporates the capacity to ‘connect disparate and diverse things’, while maintaining their proportion so that decisions are ‘apt, fitting, beautiful’ (Vico in Miner 1998, p. 69). Management icon Chester Barnard concurs, stating that good managers have a ‘sense of harmony and relevancy’ (Wolf 2002). Wisdom is also concerned with virtuous, or ethical, action. This was certainly as Aristotle understood wisdom in terms of both intellectual and moral virtues. As he states in the first lines of *Ethics*: ‘Every art and every investigation, and similarly every action and pursuit, is considered to aim at some good. Hence the good has been rightly defined as “that at which all things aim” ’ (Aristotle 2003, p. 3). Again we find concurrence between traditional wisdom and contemporary psychological theory. Sternberg (1990) identifies as characteristic of sagacity that it: ‘has concern for others; considers advice; understands people through dealing with a variety of people; can always learn from other people; is thoughtful; is fair; is a good listener; is not afraid to admit making a mistake; will correct the mistake, learn and go on; and listens to all sides of an issue’ (pp. 145–6).

**Wisdom and reflexivity**

To sum up, then, to be wise, a person needs to display the features of reason tempered by prudence and intuition, and carries this out in reflexive praxis. Reason is fundamental to a person’s capacity to deal logically and rationally with issues. To be prudent, a person must be ‘able to deliberate well concerning what is good and expedient for himself’ (Aristotle 1984, Bk 6, 5: 1140b, p. 105). Far from meaning greedy self-interest, prudence means that people arrange their lives to live comfortably and well, thus providing stability for themselves and others who are dependent on them. A wise person trusts and uses their intuition when appropriate. A wise person knows that the application of reason to knowledge quite often produces inadequate or inappropriate outcomes.

Wisdom decisions are more likely when phronesis is also applied: the practical capacity to determine the relevance of the particulars, and to identify the most relevant of these in a particular case (Dunne 1997, p. 15). Nous is also necessary because it operates at a supra-rational level in that the reasoner understands the truths that inform the foundational principles (Aristotle 1984, Bk 6, 1143b: 12, pp. 3–5). As there are no principles or processes to do this, one develops this capacity by being thoughtful and reflexive (Aristotle 1984, Bk 6, 1142b: 9, pp. 25–8). Combs (1995) states that ‘in any area of competence it is necessary to learn the requisite skills, then to learn to relax them and regain communication with our own sensitivity and intuition’ (p. 272). Phronesis must then lead to praxis, the action itself, for ultimately all wisdom must be put to worldly good. When engaged in praxis, a wise person acts publicly without ulterior purpose and without self-interest ‘to realize excellences that he [sic] has come to appreciate in his community as constitutive of a worthwhile way of life’ (Dunne 1997, p. 10).

Consequently, it is clear that a vital element of organizational wisdom is reflexivity. Essentially, reflexivity means the capacity to undertake a ‘critical ontology of ourselves’ so that real change can occur by transgressing the constraints of our own subjective construction (Chan and Garrick 2003). This implies that the wise manager knows that the process by which an organization is set up and maintained rests upon an ontological framework that constructs the real world in a way that makes sense to the organization (cf. McKenna 1997). This framework is also known as embedded knowledge, or ‘the systematic routines’ of daily practice (Blackler 1995, p. 1024). To varying degrees, employees of an organization incorporate these ontological categories in their workplace discourse. Acting reflexively in organizations requires us to go beyond instrumental critique in order to critically appraise organizational discourses. A thoroughgoing critique may be to conduct a genealogy of the issue in question by determining the context, the sets of understandings, and the rationale for something coming into existence, and then determining whether these still apply. In this way, we become autonomous, Chan and Garrick (2003) argue, by understanding, and, if necessary, disengaging from, the regulation of those internal constraints that regulate our assumptions and behaviour.

However, this supra-rational capacity is usually severely limited by the discursive constraints imposed on organizational members. That is, they simply are not allowed the discursive capacity to act in this way. For example, the concept of the balanced scorecard or balanced report card (BSC) (Banker et al. 2004; Kaplan and Norton 1998) has been widely and vigorously adopted.
Generally, it is used to evaluate four aspects of organizational performance: financial, customer, internal, learning and growth. While it may be admirable to attempt to expand the criteria by which the worth of an organization is assessed, in practice the internal lexis of BSC documents often constrains people to operate within a particular field of conduct, to speak in certain ways, and to exhibit particular dispositions. For example, in the Queensland Education Department document entitled Monitoring the Implementation of QSE-2010 Using the Balanced Report Card we are told that the report card will be a ‘driver’ of ‘change management’; that they want to establish a ‘client focus’ dealing with ‘customers’; that ‘strategies are unique and sustainable ways by which organizations create value’; that a ‘key challenge’ is ‘skilling Queensland – the Smart State’. To operate effectively in this discursive site, teachers and education officials need to articulate their fundamental practice – teaching – in such terms rather than in terms of the precious learning relationship between teachers and students who are not ‘clients’ or ‘customers’. What chance would an ordinary classroom teacher have trying to enter this discursive site? In other words, someone doing the very work that the Education Department was set up to deliver – teaching students – has to adopt the discourse of economics and commerce; has to be committed to change (when tried and true methods might be more appropriate); and has to adopt political propaganda (the Queensland government uses ‘Smart State’ as its political branding) in order simply to be heard. The potential for wisdom to emerge from this discursive constriction appears negligible because the inherent ontological structure of such documents creates a fundamental disjunction between administrative discourse and the daily processes of the classroom and playground.

Can you be wise and postmodern?

In opening this chapter, I asserted that postmodernity provided the technological and economic conditions and postmodernism provided the ethical and subjective rationale for contemporary organizational practice. I then characterized the modernist forms of organizational regulation based on technical rationality within a postmodern ideology of individual freedom as a form of social schizophrenia. In this section I will briefly elaborate those claims.

The superordinating characteristic of postmodern theorizing (as distinct from the condition of postmodernity) is rootlessness. Simulacrum signs bear no specific referents, and cyber-reality is indistinguishable from ‘reality’ (Baudrillard 1994). Grand narratives that promise advance and the transcendent meta-narrative that connects historical events according to some organizational pattern are refused (Lyotard 1989). Derrida’s (1998) deconstructive deferral of meaning ensures endless polemics. The effect of this is a disabling form of epistemic and ethical relativism. Foucault referred to this as a critical

ontology, which should be ‘conceived as an attitude, an ethos, a philosophical life in which the critique of what we are is at once and the same time the historical analysis of the limits that are imposed on us and an experiment with the possibility of going beyond them’ (Foucault 1984, p. 50). The cumulative effect of this is ongoing agnosticism, scepticism and uncertainty, which disables rather than offers freedom as is claimed.

This rootlessness provides fertile conditions for the schizophrenia of contemporary organizations where the organizational ethos is characterized by consequential pragmatism, and the organizational subject is motivated by the promise of the agency of individualism and self-interest (though this is usually far from the case). It could be argued that modern ethical (consequential) pragmatism began with Machiavelli’s (1975) statement that the successful prince will maintain himself by using knowledge ‘according to the necessity of the case’ (p. 56). This secular consequentialism facilitated the supremacy of technical knowledge (the basis of techné) over the metaphysical in worldly affairs. At its simplest, this means that technology has driven much of our contemporary circumstances because of a ‘we can therefore we will’ force often motivated by economic imperatives. The way in which GM (genetically modified) foods and stem cell research have developed despite widespread concern typifies such an approach. The primacy of individualism and self-interest is, of course, woven into Adam Smith’s justification of wealth creation for modern capitalism. However, in an age when corporate employment, not small-business ownership, is the norm, this individualism manifests itself in a different form. The ‘individualistic self-ethic’ (Heelas 1991), in our current enterprise culture, offers freedom and independence in the form of ‘individual choices exercised in the market’ (DuGay 1996, p. 77). This self-interest and consequentialism characterize the (post-)modern ethic of organizations.

Yet this apparent libertarian socio-political framework actually produces in many organizations a new kind of authoritarianism. Corporate culture, according to Willmott (1993), produces a normative environment, which he ironically describes as one ‘in which employees enjoy the security of a transcendent system of beliefs, a system that respects and indeed fosters each individual’s powers of self determination’ (p. 528; see also Rose 1999a, p. 119). In reality, Willmott says it produces a ‘dysfunctional, individualizing, segmenting’ effect (1993, p. 529).

The fundamental principle of technical rationality is the belief that ‘instrumental problem solving made rigorous by the application of scientific theory and technique’ (Schön 1995, p. 21) will solve organizational problems (see also Beyer and Niño 1998; Spragens 2001). Yet we know that technical rationality relies on ‘pseudo-scientific’ constructs (Mintzberg 2000, p. 235), and is over-reliant on formalized procedures (p. 294). A significant manifestation of this is the audit in the form of performance reviews, key indicators and the like
Wisdom, ethics and the postmodern organization

Meaningless mantras   Over time, various discourses that become fashionable in management (see Abrahamson 1999; Willmott 1993) determine managers' and workers' understandings in a cohering logic of assumptions and particular ontologies that shape work practices. For the past twenty years or so, as Rose (1999b) says, management and workers are represented as 'Free individuals', 'partners' and 'stakeholders' who 'are enwrapped in webs of knowledge and circuits of communication through which their actions can be shaped and steered' (p. 147). The discourse is infused with vague but positive terms like 'quality, excellence, efficiency, and customer service' (Cheney 1999), but invariably it involves 'change' even when existing systems are working well (cf. Zorn et al. 2000). Invariably, workers and clients become inured to the mantras and the continual change, thereby developing cynicism and 'reform fatigue'.

Continual measurement   Life has become more complex under the regulation of technical rationality. Such rationality requires measurement even when to do so is inappropriate or indeterminable. Mostly, these data are used as performance indicators even when the phenomenon being measured is difficult to operationalize. Whereas in the past many organizational practices overtly drew on reservoirs of tacit knowledge and inculcation, such practices are now codified, regulated, measured, critiqued, altered and replaced. A typical example of this is a friend who has been a library aide for the past 15 years performing very competently at several well-regarded, large schools. She is now required to gain a certificate that qualifies her for the job she has been doing extremely competently, because she needs to indicate on a performance measure that all staff have met some educational standard. Absurdly, she can avoid doing some certificate subjects if she fills in a Recognition of Prior Learning (RPL) statement. Typical of such a document is a criterion (one of about twenty) that states 'Records are created according to the standards, precedents and techniques adopted by the organization and are in accordance with industry standards' (note the lexis of control: [industry] standards, precedents). In answering this, the applicant had to provide extensive minute detail about a process that she has been performing autonomously, but nominally under the guidance of a librarian. When she completes all the requisite RPLs in her own time, taking literally hundreds of hours (that could be better spent with her grandchild or doing her skilled craftwork), she will then be formally recognized as having acquired the knowledge and skills that she and the supervisory librarian already knew that she had.

Breeds distrust   Continuous auditing actually produces serious negative outcomes. Extensive psychological analyses show this to be the case (for a good overview see Kramer 1999). For example, Cialdini (1996) found that monitoring and surveillance systems communicate to employees that the organization does not trust them. It also destroys intrinsic motivation. These are characteristics of the misanthropic organization. Power (1997) concurs, asserting that 'audits create the distrust they presuppose and this in turn leads to various organizational pathologies, if not "fatal remedies" ' (p. 136).

These technologies of governance, no matter how much they are embellished by liberatory rhetoric about 'empowerment', 'creativity', 'autonomy' and so on, are essentially wrong-headed when they are used as extrinsic negative motivators or as a means of 'proving' excellence. This is because, as Vico pointed out three centuries ago, such approaches are based on applying a 'geometrical method', and it is simply not possible to 'draw a straight line through the curves of life' (quoted in Miner 1998, p. 71). To attempt this is to become a 'rational lunatic'. Too often, the structures of technical rationality are founded on inflexible codified knowledge, and designated organizational discourse. To some extent, regulating knowledge, especially in large organizations, is necessary as procedures are codified. This codification allows organizational members to interact internally and externally according to defined parameters of appropriate action and authority. This provides uniformity, transparency, efficiency and fairness in fulfilling the organization's purpose (see Weick and Roberts 1993, on the role of the collective mind in error-free organizations). Yet we know that knowledge is incomplete and fallible. We also know that effective organizations commonly rely on tacit knowledge to put organizational codified knowledge into proper effect (Nonaka 1994); that it is highly dispersed (Tsoukas 1996); and that people work in networks of relations (McNamee 1998) where (sub-)cultures operate and sets of knowledge and dispositions reside. This is just as true for mature industries such as food production and engineering as it is for new industries in ICT and biotechnology, according to Smith (2000). The wise manager of a large organization, then, must be skilful enough to ensure that the processes of regulated knowledge (codes, organizational practices, formal information flows) operate in a way that allows the organization to get on with its primary business. However, the wise manager also builds in processes that allow those processes...
to be responsive and adaptive to particular circumstance and environmental changes.

Being wiser in the future

At the root of the postmodern dilemma in postmodernity is epistemic and ethical relativism. I contend that, broadly, the impact of these disabling concerns can be minimized by adopting a form of pragmatic relativism and by firmly asserting human (or what I would call Enlightenment) values. Regarding pragmatic relativism, philosopher C.S. Peirce’s (1960) advice seems useful. Accepting that ‘there is nothing at all in our knowledge which we have any warrant at all for regarding as absolute in any particular’, he nevertheless suggests a simple test: ‘As for those things which are known by everyday experience, let him doubt them who can lay his hand on his heart and say that he does doubt them’ (2.75, p. 39). Concerning ethical relativism, I have argued above that, within a neo-liberal hegemony, this relativism has become a form of rampant individualism that is susceptible to discursive claims of autonomy, freedom and wealth accumulation. Organizational theories founded in the myth of the triumphant individual (in reality, this is limited to the most powerful) need to be avoided, and should be replaced by principles of cooperation and collaboration (Bennis and Biederman 1997, p. 1) that admit tacit knowledge, practical considerations, and various perceptions and insights into wise management practice. Like Bennis (Bennis 1997), I would advocate a management philosophy that emphasizes humane values such as ‘integrity, dedication, magnanimity, humility, openness, and creativity’ (p. 56). Finally, it is clear that pathways must be clear so that the operation of these principles can infuse organizations: that is, there needs to be a proper context and community for wise judgement to occur and take effect. There is empirical evidence that context in the form of interpersonal, interperson and extra-personal relationships significantly contributes to people’s ability to demonstrate wise judgement (Baltes and Kunzmann 2003; Baltes and Staudinger 2000; Sternberg and Ben-Zeev 2001). This led empirical psychologists Baltes and Staudinger (2000) to conclude that ‘One of our central theoretical postures is that wisdom is a collectively anchored product and that individuals by themselves are only “weak” carriers of wisdom’ (p. 130; see also Staudinger 1996).

Technical rationality has a role to play in managing organizations. However, it is clear that orthodox contemporary practice is largely characterized by excesses of formulaic procedures, rule deontology, measurement, auditing and, contradictorily, incessant change. The wise manager for the future will be one who has the capacity to understand the secular doxology and draw from it only that which is helpful and positive; to identify the difference between ephemera and necessary change; to maintain consistent practice but to be prepared to interpret humanly and sensibly where necessary; to build trust and confidence through communicative and social practices in the workplace; to encourage themselves and their staff to use their tacit knowledge and intuition in moderation where it achieves a satisfactory outcome; to be reflexive and thoughtful not only individually but as corporate citizens; and to be joyous and positive as much as possible.

Notes

1. Neo-classical economics means here simply that the market is the primary method for determining the appropriateness of action; that government should minimize intervention in the economy; that the consumer is “theoretically” sovereign; and that “competition” should operate in all facets of service and goods delivery.

2. I am indebted to a colleague, philosopher Fred D’Agostino, for his advice in this area.

3. I am indebted to Professor Robert Sternberg of Yale University for his commentary on this issue.

4. One might well ask why it took 91 years for the wisest legal men to acknowledge the ‘bleeding obvious’.

5. For an effective defence of change management, see Tsoukas and Chia (2002); and for its significance in organizational discourse see Faber (1998).

6. It is acknowledged that Aristotle identifies two virtues, intellectual and moral (Ethics, Book III).

References


Wisdom, ethics and the postmodern economy


