Why we need wisdom in knowledge intensive organisations: When theory goes bad

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ABSTRACT

This paper considers why wisdom is important in knowledge-intensive service sector organisations. The paper argues that although wisdom necessarily has links to knowledge, knowledge does not necessarily have links to wisdom. The paper also argues that a distinguishing feature of knowledge economies is the extent to which abstract forms of knowledge, particularly theory, are used for commercial purposes in the service sector. The commercial application of abstract knowledge presents particular challenges for managerial and organisational wisdom. An analysis of Enron’s failure as an abstract knowledge and innovation intensive organisation that lacked wisdom is provided to illustrate this point. Finally, the paper considers particular organisational communication processes that facilitate wise organisational behaviour that will enable better use of abstract knowledge.

Keywords: philosophy, wisdom, knowledge

This paper discusses wisdom and management in the context of knowledge-intensive organisations and takes knowledge to not be the same thing as wisdom (Aristotle, 1984, pp., VI 1138b, 1120-1130; Vico, 1948). Wisdom is a way of being or a mode of social practice rather than simply a way of thinking. For Aristotle (1984) practical wisdom (phronesis) combines experience and knowledge, and reason and intuition for application in living and working to support human flourishing. The central concerns of the paper are to consider the implications of knowledge in the absence of wisdom and to argue that while wisdom necessarily has links to knowledge, knowledge does not necessarily have links to wisdom. In this vein, I argue that a knowledge-intensive organisation is not necessarily a wise place. In particular, I suggest that intensive application of abstract knowledge (theory) is a distinguishing feature of knowledge-intensive organisations that makes wise organisations more difficult to achieve. Abstract knowledge is a powerful but volatile component of contemporary economies that can be very damaging in the absence of wisdom. In this paper I show how abstract knowledge can easily become detached from wise practice, discuss conditions that predispose organizations to become detached and behave unwisely, and how to create the pre conditions for restoring wise practice. In an abstract knowledge-based economy, wisdom may be harder to achieve, but more important to have. As Aristotle (1984, Book VI 1140b, 31-5 and 1141a, 1-9) says, scientific knowledge (including theory) requires integration of knowledge of the universal (abstraction) and the particular (concrete reality) with intuition (nous) to reveal truth and wisdom, and enhance life (cf. Grint, 2007).

This paper begins by discussing the nature of knowledge to explore important structural and relational issues that can be managed to help achieve wisdom (Rooney, McKenna, & Liesch, 2009).
Associated with this, I review macro-economic conditions to show the extent to which knowledge-based economies depend on a capacity to analyze, imagine, and (hopefully) provide sound advice based not just on theory but also on good judgement. Using this discussion as a foundation, I then examine Enron as an exemplar of what could be called a savant organization. Enron’s collapse is an example of gross failure of an abstract knowledge-intensive and innovation-driven organization that failed because it was bereft of wisdom. Enron’s executives exhibited poor judgement, a delusional detachment from reality, a fundamental incapacity to wisely handle theory, and a complete disregard for ethics.

ANATOMY OF KNOWLEDGE

Historians and philosophers of science have shown that the links between theory and reality (practice) are always somewhat problematic (Goldman, 1999). To better understand how abstract theory can inhibit wise practice, it is useful to understand some sociology of knowledge. Knowledge might better be thought of as ideas. In everyday practice, knowledge systems are systems of facts, assumptions, intuitions, beliefs, etc. (ideas) that are taken to be true or efficacious in a community and provide a basis for purposive action.

Extending this definition of knowledge, knowledge systems can be seen to operate at three levels (Rooney, Hearn, Mandeville, & Joseph, 2003; Rooney & Schneider, 2005). First is the ideational level. At this level, ideas are related to other ideas in networks that create larger and more useful meanings. For example, the ever-growing network of related ideas about genetics and its increasing overlap with the network of ideas in statistics works to produce bio-informatics that is driving growth in scientific knowledge. Second is the social network or social relational level. At this level, I am concerned with how sentient people are linked to other people (directly and indirectly, consciously and unconsciously). The central question here is who communicates what ideas with whom? At this level communication actually melds networks of ideas and people into a single system. Third is the level of the material world of technology, buildings, and the natural environment. The question here is, how does the material situation affect cognition, communication and relationships? Knowledge systems must be situated in place and time.

Importantly for wisdom, my view of knowledge systems strongly suggests that the focus of managing for knowledge and wisdom is managing relationships within and across each of the three levels mentioned above. That is, it is about managing communication and relationships that integrate ideas, people,
and things, and if they are to contribute to wisdom, managers should aim to integrate them in a balanced, insightful way that also remains grounded in what might be called ordinary or everyday reality and experience (Baltes & Staudinger, 2000; McKenna, Rooney, & Boal, 2009; Rooney & McKenna, 2008; Sternberg, 2003). Like wisdom itself, management for knowledge and wisdom therefore includes integrating abstract theoretical knowledge with experience and the particular realities of specific situations. How this integration and inter-relating happens will be different in different communities of practice, and, as my Enron analysis will show, it will fail in communities that set narrow limits on what is integrated into discourse. Understanding the social dynamics of inter-relating in these communities, and in and across each of the three levels of knowledge systems is critical to managing for wisdom. This is because only a small number of these inter-relationships are visible to any given person or group, and what is rendered visible is largely the result of what is privileged within communities by knowledge monopolists (or oligopolists).

Apart from these sociological limits to knowledge, there are limits to our cognitive capacity. There are limits to how much information people can remember and process, and we are boundedly rational (Campbell, 1974; March, 1978; Simon, 1991). All people therefore have imperfect knowledge of the world. Wisdom has much to do with successfully filling the gaps in knowledge and reason (often challenging what is assumed to be ‘common sense’ but which are simply taken-for-granted assumptions of dubious validity) and to act well.

Central to the problems I address is the implicit accumulative model of knowledge that underpins much of the rhetoric of knowledge management and knowledge-based economies (Rooney & McKenna, 2005). Once again, I question the logic that problems are best solved by simply having more and better knowledge because this approach does not acknowledge integration and wisdom. In this light, and because knowledge and innovation are impossible without them, it is also important to ask about experience, ethics, judgement, insight, intuition, imagination and creativity, because these are parts of wisdom.

**KNOWLEDGE-BASED ECONOMIES**

It is important to consider that it is the intensive use of abstract knowledge that is a distinguishing feature of knowledge-based economies. A knowledge-based economy is dependent in fundamental ways on abstract predictive knowledge (theory), applied by symbolic analysts (Drucker, 1993; Tsoukas, 2005). Abstractions can be produced in different ways such as through metaphor, art and theorisation. In this paper I am
primarily interested in abstraction as formal theorisation and its commercial use. Theory-dependent service providers are analysts, decision makers and advice givers who are future oriented (predictive, explanatory abstract thinkers). Theory is comprised of generalised ideas and is expressed symbolically (Drucker, 1993). Because theory is decontextualised and depersonalised, it is not always well integrated in larger human knowledge systems, creating management problems. Abstract knowledge, as Arora and Gambardella (1994) have shown, influences new divisions of expert labour creating new social (including communication) dynamics in innovative organisations. Bearing in mind that there are large differences between the intellectual traditions, the types of theories used, and ways of implementing them in, for example, the finance industry, psychological counselling and law, many actors in knowledge systems do not have the specific expertise or theoretical ‘literacy’ to effectively communicate inter professionally or fully understand other professions’ abstract knowledges consequences and implications. To understand theory one requires the appropriate technical vocabulary. Theory is difficult for non specialists to understand causing a range of problems in inter professional knowledge diffusion or communication that inhibits wisdom. Lack of understandability and communicability of abstract knowledge is a problem deserving more attention (Hearn, Rooney, & Mandeville, 2003; Miozzo & Grimshaw, 2005). James Wolfensohn, former president of the World Bank, said the banks have been trading using theory-based (abstract) methods that “frankly none of the top managers really understood” and this has contributed to the Global Financial Crisis.¹ Knowledge economies are largely communication economies and that communication failures lead to failures of knowledge systems and lack of wisdom. Communication is central to integration of knowledge for wisdom.

Modern knowledge work is increasingly abstract, detached and impersonal, relying less on concrete or grounded personal experience in particular situations than has historically been the case (Tsoukas, 2005). This situation provides new challenges for wisdom because this detachedness is problematic at the level of connection and integration in knowledge systems (Rooney et al., in press). An important aspect of this is that I question the assumption that accumulating and employing ever larger amounts of objective generalised knowledge and deploying more sophisticated epistemologies to create ‘better’ knowledge are misguided if wisdom is a goal. Judgement and experience, and imagination and insight must be seen to be at least as important as the accumulation of knowledge. To better understand the place of abstract knowledge it is

¹ http://www.abc.net.au/7.30/content/2007/s2205214.htm
important to acknowledge that a second distinguishing structural feature of contemporary knowledge-based economies is that they rely heavily on the services sector (Antonelli, 1998; Miles, 1999).

It is useful to explore links between abstract knowledge and the service sector. I begin by looking at data about higher education. Data about what people learn at university provides a rough but useful guide to how abstract knowledge fits within macro economic structures. In 2006 (Figure 1), by far the most popular degrees to study (at all levels) across the OECD were social science, business, law and services (36.6%); humanities, arts and education (25.3%); and health and welfare (12.7%); followed by engineering, manufacturing and construction (12.2%). Students are clearly focused on studies likely to lead to careers in the services sector. I note that students educated in the arts and social sciences are likely to gravitate to communication (including media), and community and personal services occupations where various forms of social and cultural theory are used.

Economic evolution is linked to changes in knowledge, including knowledge refined in academic research and communicated through university teaching and publishing (cf. Dopfler & Potts, 2008; Hayek, 1945; Landes, 1998; Metcalfe, 1998; Mokyr, 2002; Nelson & Winter, 1982). Added to this assessment is the observation that compared to those obtaining practical or technical qualifications, a growing proportion of the population have research or professionally oriented degrees. This is also indicative of a growing role and capacity for abstract thinking in the population at large. While they may be an imprecise measure of the extent to which abstract theoretical knowledge is growing in modern economies, OECD figures from 1995 to 2005 show clearly the proportion of university-based research (history, philosophy, mathematics, etc.), and high-skill professions oriented degree holders (law, medicine, architecture, etc.) in the community rose strongly relative to those with practical (or occupational) and technical tertiary qualifications (Figure 2). It is difficult to say if employer demand is driving such trends more than the intrinsic intellectual interests and dispositions of students’, but the end result is that cohorts of conceptually sophisticated graduates are increasingly putting their talents and education to use in the workforce, particularly in the service sector. Even though many university graduates have not adequately mastered theory and some degree programs, such as MBA degrees, may deliberately limit theoretical content in their courses there is, nevertheless, good reason to believe that theory is applied (and misapplied) by graduates in the economy like never before.
The provision of analytical and predictive services (Antonelli, 1998) such as those provided in financial services firms, and personal and social services such as psychological counselling are important because they aim to solve important problems, or assist in creating new goods and services, and generally are informative. As I have said, an important element in the value of the services sector is that it provides advice based on abstract knowledge. For advisors, competitive advantage may however rest less on how much knowledge is available and more on the qualities of insight, perspicacity, judgement, and discernment linked to wisdom in giving advice. Yet, theory and conceptual models are more available than wisdom.

Legal advisors, financial advisors and business management advisors are all part of what we might now call an advisory economy; so too are life coaches, psychological counsellors, genetic counsellors and various medical practitioners. While not all of these advisors are good and suitably educated to give their advice, they nevertheless provide it. If practical wisdom is to be achieved, central to the proper education and training of such people is the development of creative and critical thinking skills, and analytical and predictive/explanatory skills. Advisors also need good communication skills; ideally, they should combine research-based theory with practical experience and imaginative insight. Antonelli (1998) argues that in the solution of problems, advisory service providers need to form highly individualized relationships with customers or clients. This highlights the value of seeing knowledge as relational and dependent on communication. The intellectual, logistical, social, and ethical demands of working in this way are considerable and can only be enhanced by wisdom (Rooney & McKenna, 2008).

Downplaying the socio-cultural aspects of knowledge and wisdom for the moment, we can say that much of the difference between merely educated or intelligent individual knowledge workers and those who excel through wisdom is connected to what goes on in their minds, particularly how they use knowledge and their attitudes to it. To have wisdom one must have particular dispositions or attitudes to knowledge (Meacham, 1990). This point raises questions about the kinds of working ontologies, epistemologies, and axiologies used by knowledge workers. In addition, there are questions about how integrated their epistemologies, ontologies and axiologies are. I suggest that the capacity to integrate well across all these dimensions is important in an advisory economy and is linked to wisdom.
There is no shortage of knowledge or know-how, theory or practical experience in the world of management (Mintzberg, 2004); it is their reflexive integration through wisdom that is scarce. Those who excel through knowledge and wisdom have a clear and sophisticated sense of what is right and wrong, have a clearer vision of what is happening around them, have sharper insights about the future, have better ideas, and have a better capacity to translate their ideas into excellent practice (McKenna & Rooney, 2008). Given this situation, management for wisdom is not adequately defined as being centrally concerned with databases, facticity and the quotidian, it is not centrally concerned with the acquisition of ‘stocks’ of knowledge, information and data or theory. The challenge is how to make abstract knowledge work best, and how to integrate it in practice. A balance between abstraction, personal engagement, social awareness, and reflexively purposive action in a specific context is needed (Gosling & Mintzberg, 2006; Tsoukas, 2005).

ENRON

Enron is an example of an organization dependent on abstract knowledge and there are lessons about wisdom and management in a knowledge-intensive organisation to be learnt from its rise and fall. Enron’s intellectual culture has been described as a high performance cult (Spector & Lane, 2007), and perverse (Long, 2008). Enron infamously and spectacularly failed, and it failed, at least in part, because of the nature of its unwise commitments and attitudes to innovation and knowledge, particularly abstract knowledge. Innovation and knowledge worked against Enron’s continued existence because its managers misunderstood and misused them, and because they lacked wisdom. For these reasons, Enron illustrates important points about the relationship between knowledge, innovation and wisdom. In particular, Enron illustrates that one should have a balanced attitude to knowledge, innovation and creativity as situated social processes, and that the wise pursue these in ways that are neither in excess or deficit (Aristotle, 1984, VI 1138b, 20-30).

Using the Internet Archive’s Way Back Machine, I inspected Enron’s website as it stood in January 2001, just months short of its collapse. In the website, Enron claims:

We believe in the inherent wisdom of open markets. We are convinced that consumer choice and competition lead to lower prices and innovation.

Enron is a laboratory of innovation. That’s why we employ the best and the brightest people. And we believe that every employee can make a difference here.

We think the entrepreneurial approach stimulates creativity. It calls for new insights, new ways of looking at problems and opportunities, and a strong sense of urgency.
Here we value **diversity in people and thought**. It's only by being able to recruit from a diverse pool of **talent** that we'll be able to maintain a truly outstanding workforce.

Given what we now know about Enron, there is an element of unreality in these claims that betrays a lack of reflexivity. For Enron, wisdom is not a human quality but a function of markets; innovation is done in a laboratory, implying that it is shut off from an uncontrolled social world; and business imperatives are all that is needed for creativity. The final point in the Enron manifesto is about diversity. Enron’s chief architects, “Ken Lay and Jeffrey Skilling, built a highly consistent social system within their business” (Spector & Lane, 2007, p. 19). As former Enron employee, Brian Cruver (2003) testifies, any talk of diversity of thought in Enron is a fiction. Enron had a monoculture of conformism, compliance and unquestioning acceptance of its own propaganda. The reality is that Enron’s view of knowledge and innovation was simply a vehicle for religiously prosecuting the agenda of a neoliberal ideology, and its knowledge and innovation rhetoric acted as a smoke-screen hiding ideological fanaticism, gross failures in professional judgement and ethics, serious and deliberate malpractice, and crime.

Enron evolved from being a traditional energy company into the business of being what its leaders called a (theoretically and ideologically) ‘pure’ trader. In prosecuting this agenda Enron set out to attract a different breed of employee. Well educated but with theoretically narrow beliefs about pure market ideals, they believed that in the ‘new economy’ intellectual capital replaced physical assets, and they sought to place Enron in the vanguard by employing people with the intellectual capital needed to make it all happen. They sold an image of Enron as an exciting and innovative company that was re-writing the rules of business and competition. This ‘aesthetic’ was successful in enticing other like-minded individuals to join Enron. What also attracted people to Enron was the promise of making a lot of money. Ironically, lucrative incentive schemes contributed to creating an environment highly dependent on compliant behaviour, with the rewards offered by Enron providing a powerful temptation for its intelligent employees to both ‘join-up’ and uncritically and unwisely ‘go-along’.

Enron had a defective culture and a set of debased values, but it looked like the quintessential ‘cool’ modern campus-corporation. Speaking of his experience working at Enron, Brian Cruver (2003, p.39) says Enron’s core espoused values were respect, integrity, communication, and excellence; it also espoused the importance of looking after its employees’ ‘wellness’. However, and problematically for the sociological
reality of knowledge, none of these values was readily apparent in Enron’s practices according to Cruver’s testimony. Nevertheless, to many aspiring business school graduates it was ‘hip’. Cruver (p.41) also says that it felt like the youngest company he had worked for, that it was very fraternity-like and borderline immature. Enron developed a culture of blind loyalty and aggressive, tunnel-visioned commitment to all-out competition, and ‘pure’ or fundamentalist market ideology (Fusaro & Miller, 2002). There was a lack of empathy in these immature, instrumental, and, ultimately, destructive relations at Enron, when what was needed was to obtain a fine balance between hierarchy (competition) and association (democracy ) (Long, 2008).

The reality was that Enron was not a company that valued freedom of thought; it had a ‘closed’ attitude to knowledge. For fear of missing out on the trappings of success, employees were unmotivated to speak out or raise questions about the wisdom of Enron’s activities. Employees were not free because they lacked any kind of ethical and intellectual agency. Worse still, Enron relied on the Stalinist techniques of denunciation and abuse to dampen questioning and criticism. As one executive said; “Anyone who criticized Enron – internally or externally – was taken out and flogged” (Spector & Lane, 2007, p. 4).

McLean and Elkind (2004) paint a picture of a dysfunctional rabble of zealots, a collection of smart but socially stunted specialist individuals. Furthermore, they argue that:

[Former Enron President and CEO, Jeffrey] Skilling created a freewheeling culture that he touted as innovative – but he didn’t rein in the excesses that come with it. He preached the gospel of intellectual capital, claiming that it was important to give smart people the resources and freedom to let creativity flourish, but looked the other way when this became license for wastefulness and self-indulgence (McLean & Elkind, 2004, p.114).

Skillings’s was a simplistic view because it mistook excess, self-indulgence, and indiscipline for creativity. Stein (2007, p.1407) argues that Enron’s leaders deluded themselves into believing that being unregulated would provide freedom to allow Enron unfettered growth. While much of this immaturity and narcissism can be explained as a slavish commitment to the simple tenants of neoliberalism, it is also important that it was a way of thinking that was only tenuously linked to social reality or praxis that is part of practical wisdom. Through this simplistic thinking, Enron executives destroyed the very safeguards they needed to protect themselves (and everyone else) from themselves.

Enron’s denial can be linked to its ‘pure’ market discourse. Pure-market discourse in Enron was a caricature of reality reflecting highly abstract theoretical market economics popular in many circles and that
eschewed the need to be ethical. While I do not deny that markets have an important place in the world, neither do I assume them to have superior powers to people in terms of rationality, strategic thinking, judgement, social conscience, empathy, altruism, ethical imagination and insight. In other words, the idea of Enron’s market-driven notion of wisdom is an absurdity. What was important for Enron was making as much money as possible by whatever means possible: little else mattered. It was a fundamentally immature, anti-social, unbalanced, unethical, and unwise approach.

Enron employees referred to their company as “The Bizarre Social Experiment” (Swartz & Watkins, 2003, p. 135). As Swartz and Watkins (2003, p. 135) put it:

This company was forever reorganising, so no one ever really knew for whom they were working or what exactly they were supposed to be doing … [putting] ever-younger and less-experienced people in charge of business units … [and throwing] ungodly amounts of money at new business concepts. This company devoted itself to perpetual and monumental change.

This is not a picture of prudent management; it is a study in rainbow chasing. A culture of unwarranted commitment to speed, acceleration, and urgency also developed (Roberts & Armitage, 2006). Enron tended to employ people who exhibited a strong sense of urgency in everything they did (Walsh, 2002). Jeffrey Skilling declared “Our culture is a tough culture. It is a very aggressive, very urgent organization” (Fox, 2004, p. 86). Maturity, care and reflexivity had no place in Enron. That Enron became detached from reality on the back of its childish fantasies, self-delusion, unrealistic ‘pure’ commitments to abstract theory, and the extent to which theory crossed the line into ideology is an object lesson in dis-integration in a knowledge system and in preventing any chance of wisdom. In this respect, they were fundamentalist ideologues and fools rather than ethical critical thinkers or wise realists. This was a business where no one took ethical responsibility or reflexively tested knowledge claims. Wisdom should be seen as a property of reflexively purposive, knowledgeable, ethical, critical social agents and social systems, and as opposed to foolish or foolhardy activities (Gosling & Mintzberg, 2006).

Not only stupid people act foolishly: smart people, like those at Enron, can act foolishly by being too smart and falling victim to one or more of five cognitive fallacies (Sternberg, 2004):

1) Unrealistic optimism, whereby they believe they are so smart that they can do whatever they want and not worry about it (Enron could reinvent markets);
(2) Egocentrism, whereby they focus on themselves and what benefits them while discounting or even totally ignoring their responsibilities to others (the law did not apply to Enron);

(3) Omniscience, whereby they believe they know everything, instead of knowing what they do not know (Enron executives believed they were always the ‘smartest guys in the room’);

(4) Omnipotence, whereby they believe they can do whatever they want because they are all-powerful (Enron ‘took out and flogged’ all critics); and

(5) Invulnerability, whereby they believe they will get away with whatever they do, no matter how inappropriate or irresponsible it may be (Enron’s unethical financial malpractice did not matter).

Underneath all this foolishness is a lack of humility, a complacent attitude, an immaturity, narcissism and propensity for excess that conspire against ethicality, creativity and wisdom. Against this framework of foolishness, we can say openness, humility, alertness or vigilance, and unselfishness are central parts of wisdom. Lack of openness, intellectual humility, alertness, and selflessness stifle creativity; and they foster a loss of interest in creating and accepting new and better ideas. Enron had no intrinsic respect for knowledge and wisdom, and I argue that having respect for intellectual, social, and cultural integrity is a good starting point for wisdom in management.

If wisdom is to develop in high performance knowledge-intensive businesses they need openness, agency, balance and integration, each of which was missing in Enron. The integration of abstract ideas, experience in life, values, and judgement by ethical, insightful and creative people who have the capacity to do otherwise is essential for wise practice. The key to approaching how to manage the perverse problems encountered at Enron and for building organisational wisdom start with management of communication.

**CULT OF KNOWLEDGE, INNOVATION AND CREATIVITY**

Spector and Lane (2007) provide a useful analysis of high performance business cultures and cults that is diagnostic of the foolishness in Enron’s failure. They begin their explanation of the social dynamics of cults with purposive behaviour in the form of persuasion (p. 19). Spector and Lane argue persuasion establishes a strong shared belief system that eventually comes to exert ongoing social control that is fundamental to cults. This is a community in which commitment to particular behaviours, values, ideas and goals is strong. Through this strong commitment, cults become isolated and detached from the rest of society. Isolation also
creates barriers between group members and the outside world that members come to welcome and seek to maintain. Strong convictions about the essential virtues and correctness of the group and the lack of virtue of out-groups develop. Leaders are charismatic and dogmatic, expressing little doubt about their own virtue and soon insist that group goals can be achieved if individuals just ‘believe’. These conditions in Enron precluded the generation of the level of agency, candour and openness needed to promote the genuine reflexive communication, learning and adaptation of wisdom (Spector & Lane, 2007, pp. 21-2). What is also important is that the particular knowledge that Enron leveraged to generate profits was abstract theoretical knowledge. They did not see the difference between their theoretical assumptions and reality (Long, 2008). Knowledge used by Enron tended to be decontextualized, generalized knowledge, and its managers lacked awareness of the particular and concrete wider reality in which they were situated, including the social or the ethical aspects of their knowledge systems. The integrating characteristic of wisdom could not be achieved.

Transparency is important for a wise organization. Transparency means being open to outside review and weeding out active self-deception or obfuscation through avoiding committing the five fallacies (Spector & Lane, 2007). Accountability at all levels of organizations is also critical for wise practice. This should be linked to developing a culture in which people accept responsibility and the need to care. Dialogue is the superstructure for transparency and accountability that provides the vehicle for ideas deployed in examining alternative views and promoting critical, reasoned and independent thinking, and therefore defines a role for communication management in facilitating wisdom. Overlaid on this is the inherent capacity for abstract knowledge to eschew reality, the particular and wisdom. Abstraction must be balanced by integration with the particular and the every-day. It all must sensibly connect back to wise praxis.

Finally, systemic perversity is the greater problem for wisdom in organizations than is individual perversity. If system dynamics are part of culture, “then the social system or network of meaning [symbolic order, culture] might be primary and the individual who internalizes this system, secondary” (Long, 2008, p. 154). Following Lasch’s analysis of the narcissistic society, Long argues there is narcissism in modern corporate culture. Narcissistic culture promotes individualism, instrumental relationships, and a culture of social denial in which ethical responsibility to or for a wider system is not accepted. Long also links the use of others as accomplices, disregard for social boundaries, and social agreements in which we more easily turn a blind eye to or overlook abusive or otherwise poor and exploitative behaviour as factors contributing
to creating perverse organizations. Wisdom will never flourish under these conditions of perversity. Systemic or organisational wisdom is possible if open communication, reflexivity, empathy, and theoretical pluralism and literacy are fostered.
Tables and figures

Figure 1 Percentage of tertiary graduates by field of education (2005), OECD average


Figure 2 Trends in tertiary graduation rates 1995-2005 (ISCED 5A & 5B), OECD average (%)


5A= first stage of tertiary education, theory oriented for research-based & high-skill professions
5B= first stage of tertiary education, practical or technical orientation
REFERENCES


