

Developing Organizational and Managerial Wisdom - 2nd Edition



# Developing Organizational and Managerial Wisdom - 2nd Edition

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# Introduction

BRAD C. ANDERSON

*A society grows great when old people plant trees whose shade they know they shall never sit in.*

- Greek proverb

# Other Books by Brad C. Anderson

BRAD C. ANDERSON

## Non-fiction

[Values, Rationality, and Power: Developing Organizational Wisdom—A Case Study of a Canadian Healthcare Authority](#)

## (Science) fiction

## Novels

[Duatero](#)

[Hammer of Amahté: Book I of the Triumvirate Trilogy](#)

[In the Ravager's Shadow: Book II of the Triumvirate Trilogy](#)

[The Light the World Needs: Book III of the Triumvirate Trilogy](#)

## Short stories

Anderson, B. C. (2019). Sisyphean Gambit. [Prairie Fire](#), 40(1).

Anderson, B. C. (2018). Future Mating Habits of the Urban-bound Vampire. [Strange Ways Magazine](#), 1.

Anderson, B. C. (2017). Naive Gods. In H. Trenholm & M. Rimar (Eds.), [Lazarus Risen](#). Ottawa, ON: Bundoran Press.



# Educators Interested in Teaching Organizational & Managerial Wisdom

BRAD C. ANDERSON

In the spirit of open pedagogy, the author has made all materials he has developed to implement this textbook and associated course available for free to educators. To access documents such as course outlines, assignment ideas, grading rubrics, test banks, and the experiences the author has had teaching this material, please e-mail [brad.anderson@kpu.ca](mailto:brad.anderson@kpu.ca).

Don't be shy. The author would love to hear from you.



PART I

# CHAPTER I: AN INTRODUCTION TO WISDOM



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# I. Wisdom

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## *Learning Objectives*

In this chapter, you will learn the following.

- What wisdom is
  - The context-dependent nature of wisdom
  - Three themes of wisdom: (1) Values guide wise action, (2) Knowledge is required, but insufficient for wise action, (3) Wisdom is action-oriented
- Whether we can teach wisdom
- How to develop the attributes that lead to wisdom

Can we create organizations that act wisely? It is easy to be cynical about such a question. The news shows us images of misbehaving corporations and ineffective governments. Those who have gone to work in large organizations return with tales of mind-numbing bureaucracy, nonsensical policies, and ruthless managers. Wisdom, it seems, is a rarity.

Yet, consider the following. In 1981, forty-four percent of the world's population lived in extreme poverty. By 2015, only ten percent did<sup>1</sup>. In 1950, the global average life expectancy was forty-eight years<sup>2</sup>. By 2014, we extended that to seventy-one years<sup>3</sup>. We did not achieve these accomplishments by accident, but rather through an intentional, coordinated effort across hundreds of organizations and thousands of people spanning the globe. Some might consider organizations capable of such achievements wise.

Thus, the question is not *can* we create wise organizations, for it seems we already have some capacity to do so. Instead, it is *how* we can create wise organizations on purpose. Is wisdom the product of chance, or is it an attribute we can develop?

This textbook is premised on the assumption that wisdom is an attribute we can develop and lays out a framework to do so. First, though, we must understand what wisdom is, which the following section does.

1. Rosner, M., & Ortiz-Ospina, E. (2017, March 27). Global Extreme Poverty. Retrieved July 19, 2019, from <http://link.springer.com/10.1007/s10887-016-9126-7>
2. Prentice, T. (2006). Health, History, and Hard Choices: Funding Dilemmas in a Fast-changing World. Retrieved July 19, 2019, from [https://www.who.int/global\\_health\\_histories/seminars/presentation07.pdf](https://www.who.int/global_health_histories/seminars/presentation07.pdf)
3. The World Bank Group. (2019). Life Expectancy at Birth, Total (Years) | Data. Retrieved July 19, 2019, from <https://data.worldbank.org/indicator/SP.DYN.LE00.IN>

## 2. What is wisdom?

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### Exercises

Wisdom in our lives.

1. Consider someone you feel is wise. This person may be a teacher, a coach, a family member, a mentor—anyone you may have interacted with in your life whose actions you consider wise. On a computer or with paper and pen, write down why you feel they are wise. Be thorough in your answer. Is there a specific example where they exhibited their wisdom? If so, what was it about that situation that made it difficult? What did that person do in that situation that led you to feel they were acting wisely?
2. Consider a situation in your life that you feel requires wisdom. This situation could, for example, include choosing a major in university or a career. It could be a severe problem at work or deciding how to discipline your child when they misbehave—any situation you feel requires wisdom. On a computer or with paper and pen, describe the situation. Then, discuss why you think wisdom is needed to resolve that situation. What are the characteristics of the situation that make it hard to solve?

Hold onto these notes. We'll return to them later.

Is a politician who votes to turn undeveloped parkland into a condominium development a wise leader or a destructive fool? Your answer to that may depend on several factors, including the situation, your attitudes, and your culture.

Regarding the *situation*, your assessment of the politician may depend on several factors. Your view may differ if the undeveloped park is a haven for coyotes that attack pets and small children versus a tranquil hiking area for nearby residents.

Your *attitude* also influences your judgment. Your view of the politician's actions will differ if you believe, for example, that creating homes for people is more critical than preserving nature.

The *culture* in which you live will influence your attitudes. If your culture's beliefs and values honour the sanctity of nature above commercial development, that may seep into your views, affecting your judgment of the politician.

The actions we define as wise depend on our understanding of the social context in which the action happens and personal and cultural perspectives.<sup>1 2</sup> Different people may perceive the situation differently. Their values and beliefs

1. Sampson, E. E. (1998). The Political Organization of Wisdom and Courage. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 118–133). San Francisco: The New Lexington Press.
2. Earley, P. C., & Offermann, L. R. (2007). Interpersonal Epistemology--Wisdom, Culture, and Organizations. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 295–325). Thousand Oaks, CA: Sage Publications Inc.

may differ from one another. They may come from different cultures with different attitudes. Thus, though you may judge the politician a dangerous fool, another person may see them as the wisest of leaders.

If perceptions of wisdom differ from one person to the next, can we truly know what wisdom is? If there is no unifying perception of what is wise, how can we develop wisdom?

Though opinions of wisdom may vary, there are unifying structures that we can understand. Though various thinkers and cultures may categorize them differently, this textbook presents these unifying structures as follows.<sup>3</sup>

- Values: Values guide wise action
- Rationality: Knowledge is required but insufficient for wise action
- Power: Wisdom is action-oriented

**Values guide wise action.** Values define the ends we believe are worth achieving, and the means we feel are appropriate to achieve those ends.<sup>4</sup> Generally, the people we perceive as wise are those who pursue the values we share.

In complex organizations, different groups may pursue different values. For example, the finance department of a hospital may want to reduce costs, whereas physicians and nurses may wish to maximize the quality of care for patients.

There are times when these values may conflict—reducing costs may impact patient care, for example. Wisdom requires deft management of these value interactions.

**Knowledge is required but insufficient for wise action.** Knowledge means knowing how and knowing about.<sup>5</sup> It is related to the concept of rationality.

Rationality describes how we come to know something and how we make decisions and justify our actions.<sup>6</sup>

Knowledge is required because we need to understand our environment to choose what action is appropriate. Knowledge is insufficient, though, because what we truly know is often limited and flawed.

Moreover, different people “know” different things, so whose knowledge is pertinent in a given situation? For example, the finance department of a hospital may rely on ‘economic rationality’ where decisions are based on **cost-benefit** analyses. On the other hand, physicians may rely on ‘technocratic rationality,’ which uses scientific experiments to choose a course of action.

If those two forms of rationality justify different actions, to whom should we listen? In many situations, we must choose a course of action even though our knowledge is incomplete and disputed.

**Wisdom is action-oriented.** Wisdom is not *knowing* the right thing but *doing* it.<sup>78</sup> Taking action requires passion and

3. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.
4. Townley, B. (2008). Reason's Neglect: Rationality and Organizing. New York, NY: Oxford University Press, Inc.
5. Grant, R. M. (1996). Toward a Knowledge-Based Theory of the Firm. *Strategic Management Journal*, 17(S2), 109–122.
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7. Bierly III, P. E., Kessler, E. H., & Christensen, E. W. (2000). Organizational Learning, Knowledge and Wisdom. *Journal of Organizational Change Management*, 13(6), 595–618.
8. Kessler, E. H., & Bailey, J. R. (2007). Introduction--Understanding, Applying, and Developing Organizational and Managerial Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. xv–lxxiv). Thousand Oaks, CA: Sage Publications Inc.

courage. Passion because you need to believe it is worth the effort to act. Courage because acting involves risk. You may make mistakes. You may make enemies.

Action is related to power. To create organizational action, you must understand how to get things done and then exercise your power to make things happen. You must also understand how others might use their power to resist your efforts and what you can do to overcome that.

### Exercises

Return to the notes you made on the individual you believe is wise. Review the attributes you wrote about what made you consider them wise. Do you see any connections between what you wrote and the themes of wisdom?

- Values guide wise action. Do you recognize the values you share with the person?
- Knowledge is required but insufficient for wise action. Is the person knowledgeable? When the situation is ambiguous and uncertain, are they still able to act?
- Wisdom is action-oriented. Does the person take action to do what they believe is right?

Look back on your notes on the situation you felt required wisdom. What makes that situation so tricky to resolve?

- Are there competing values or ideas of what is right and wrong?
- Are you unsure of what the right thing to do is?
- Do you feel powerless to make the desired action happen?

### Key Takeaways

- The actions we define as wise depend on our perception of the social context in which they occur and personal and cultural attitudes.
- The three structures of wisdom.
  - Values guide wise action.
  - Knowledge is required but insufficient for wise action.
  - Wisdom is action-oriented



### 3. Can we teach wisdom?

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A wise society is built upon wise organizations. Wise organizations, in turn, arise from the wisdom of individuals within them. Is wisdom, however, something we can teach?

The fun thing with that question is, if the answer is no, we can close this text and turn on the TV. The following section highlights the challenges of teaching wisdom. The subsequent section argues that there are reasons to keep the TV off for a while despite these challenges.

#### The Challenge of Teaching Wisdom

We draw on wisdom to deal with the complexity of real life. Classroom environments and textbooks, at best, present simplified models of reality. Creating the real muck and messiness of life in the classroom is often impossible.<sup>1</sup>

We draw on wisdom when knowledge is lacking or flawed—if the answer is clear and known, we do not need wisdom. If no one “knows” the right answer for a particular problem, what right does the teacher have to assign you a grade for your solution?<sup>2</sup>

Wisdom is subjective. Different people perceive different acts as wise depending on their situation, attitudes, cultural beliefs, and so on.<sup>345</sup> Without an objective measure, how can a teacher grade your wisdom with any validity? If wisdom is a matter of opinion, can a teacher teach you how to act wisely?

Moreover, people acquire wisdom over a lifetime—it is a neverending journey. It is through the accumulation of experience over the years that one achieves wisdom, which classrooms and textbooks cannot replicate.<sup>6</sup>

1. Weick, K. E. (2007). Forward. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. ix–xiii). Thousand Oaks, CA: Sage Publications Inc.
2. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.
3. McNamee, S. (1998). Reinscribing Organizational Wisdom and Courage: The Relationally Engaged Organization. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 101–117). San Francisco: The New Lexington Press.
4. Pitsis, T. S., & Clegg, S. R. (2007). Interpersonal Metaphysics--“We Live in a Political World”: The Paradox of Managerial Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 399–422). Thousand Oaks, CA: Sage Publications Inc.
5. Sampson, E. E. (1998). The Political Organization of Wisdom and Courage. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 118–133). San Francisco: The New Lexington Press.
6. Kessler, E. H., & Bailey, J. R. (2007). Introduction--Understanding, Applying, and Developing Organizational and Managerial Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. xv–lxxiv). Thousand Oaks, CA: Sage Publications Inc.

Importantly, wisdom is action-oriented—it is *doing* the right thing. The teacher may teach you how to approach a problem. You may write a fantastic paper on a proposed solution, receiving excellent marks in return. Will that give you the courage to act, however, when you are in a real-world situation where the stakes are high and the consequences of failure severe?<sup>7</sup>

Wisdom cannot be taught. We can, however, identify the skills that wise people rely on and develop those skills. If we cannot teach wisdom, perhaps we can foster its development.

## A Path to Developing Wisdom<sup>8</sup>

Values guide wise action. Knowledge is required but insufficient for wise action. Wisdom is action-oriented. If you wish to develop your wisdom, learn the role values play in guiding human behaviour. Recognize the values operating in organizations and how they interact and conflict. Develop your capacity to manage value conflicts productively.

To develop your wisdom, gain knowledge about your discipline and the world around you. Recognize, though, that our understanding is limited and flawed. Therefore, strengthen your ability to think critically so you can navigate through uncertainty. Recognize that rationality takes many forms—different disciplines learn different things and see the world in varied ways. Be willing to learn from others. The solutions to our hardest problems come not from asserting our knowledge over others but from creatively combining knowledge to produce innovations.

If you aspire to wisdom, know that you must act. To act effectively requires that you understand how power operates in organizations. Develop your political savvy and strengthen your social and emotional intelligence to manage conflicts and facilitate collective action.

### Key Takeaways

Wisdom itself cannot be taught because

- It is impossible to emulate real-world complexity in the classroom.
- We rely on wisdom when knowledge is insufficient, so who is to say what is “wise.”

7. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.

8. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.

- Wisdom is subjective
- People acquire wisdom over a lifetime of experience.
- Wisdom is doing the right thing in the real world, not the classroom.

You can develop the skills upon which wise people rely.

- Learn the role values play in organizations and how they interact
- Develop critical thinking skills and awareness that different people understand the world differently. Be willing to learn from others.
- Understand how power operates in your organization so that you can act effectively

## 4. Let's start our journey

BRAD C. ANDERSON

This textbook aspires to be a stepping stone in your path to developing your wisdom. In the following chapter, this textbook presents a more detailed overview of organizational wisdom.

Brace yourself. We rely on wisdom to help us navigate situations of complexity and ambiguity. Consequently, it defies a simple definition. Wisdom is not a single attribute but rather a collection of skills, perceptions, and attitudes. The three structures of wisdom (values, rationality, and power), however, will give us a guiding framework to understand this complex phenomenon.

*In this chapter, you learned:*

What wisdom is

- The actions we define as wise depend on our perception of the social context in which the action occurs and personal and cultural attitudes.
- The three structures of wisdom: (1) Values guide wise action, (2) Knowledge is required, but insufficient for wise action, (3) Wisdom is action-oriented

Whether we can teach wisdom

- Wisdom itself cannot be taught because
  - It is impossible to emulate real-world complexity in the classroom.
  - We rely on wisdom when knowledge is insufficient, so who is to say what is “wise.”
  - Wisdom is subjective
  - People acquire wisdom over a lifetime of experience.
  - Wisdom is doing the right thing in the real world, not the classroom.

How to develop the attributes that lead to wisdom

- You can develop the skills upon which wise people rely.
  - Learn the role values play in organizations and how they interact
  - Develop critical thinking skills and awareness that different people understand the world differently. Be willing to learn from others.
  - Understand how power operates in your organization so that you can act effectively

PART II

## CHAPTER 2: ORGANIZATIONAL AND MANAGERIAL WISDOM



Photo by [Michael Dziedzic](#) on [Unsplash](#)



# 5. Organizational and managerial wisdom

BRAD C. ANDERSON

## Learning Objectives

In this chapter, you will learn the following.

- What an organization is
- Individual aspects of wisdom
- Group aspects of wisdom
- Organizational elements of wisdom
- Strategic elements of wisdom

This chapter will first define what organizations are. Then, it delves into specific characteristics of organizational wisdom.

- Organizations are composed of individuals, so it initially focuses on the attributes of *individual* wisdom.
- In organizations, individuals seldom work alone, but rather in groups. The subsequent section, therefore, explores wisdom in *groups*.
- Following that, this chapter explores wisdom at the level of the *organization*.
- Then, since organizations are embedded in society with multiple stakeholder groups, this section explores wisdom at this *strategic* level.

As you read these following sections, look for the threads of the three structures identified above (values, knowledge, and action).

## 6. What is an organization?

BRAD C. ANDERSON

Before we get too deep into the study of organizational wisdom, let us first establish what organizations are.

An organization is a collection of people who collectively work towards a common purpose. Generally, organizations possess some form of hierarchy and division of labour—that is, it has some form of structure.

This structure may be formal, such as in a publicly-traded company where policies and procedures define who does what and how they do it. Alternatively, the structure might be informal, such as a student-team you join as part of a group project for a course where you agree amongst yourselves who does what and how they do it.

Importantly, organizations are what we call “**open systems**.” An open system means the organization has an effect on and is affected by the outside world.<sup>1</sup>

The group’s structure (i.e., its hierarchy and division of labour) separates an organization from, say, a group of friends hanging out. Thus, a sports team, with coaches, team captains, and players who play specific positions, is an organization. You and your buddies watching movies on Friday night lack a hierarchy and division of labour and thus are not an organization.

Organizations come in many sizes, ranging from small teams with just a couple of members to massive corporations with thousands of employees. Note, large organizations are often composed of many smaller sub-groups. For example, a single business may consist of several departments, such as accounting, manufacturing, marketing, and human resources.

Each of these departments will have their hierarchy and division of labour, and so are organizations in their own right. In such situations, the business would be the primary organization while the departments are sub-organizations. If those departments are large enough, they may have sub-organizations of their own.

The concepts in this textbook apply to any size and type of organization, though it will emphasize larger organizations that consist of several sub-organizations. When this textbook uses the word “group,” it is referring to sub-organizations. When it uses the word “organization,” it is referring to the primary organization.

### Key Takeaways

An organization:

- Consists of a group of people collectively working towards a common purpose.
- Has structure—hierarchy and division of labour
- Can be big or small
- May consist of multiple sub-organizations

1. organization. BusinessDictionary.com. Retrieved September 04, 2019, from BusinessDictionary.com website: <http://www.businessdictionary.com/definition/organization.html>



# 7. Individual aspects of wisdom

BRAD C. ANDERSON

Once we join an organization, life can become complicated. We face pressures to conform to group norms and expectations. We may face competition from associates for advancement. Outside forces may threaten the organization's survival, putting pressure on you to fight for the firm's existence.

These pressures can lead us to take actions that we would never agree to outside the organization. For example, most people would not choose to dump chemical waste in a river, yet organizations do this regularly. People like you and me run those organizations, and those people agreed to do that.

We will discuss the forces that lead good people to make questionable choices at length in this book's [final chapter](#). For now, the following sections introduce the tools of wisdom that can help us navigate this turbulent sea of organizational life.

It starts by introducing the challenges of organizational life that make wise action difficult and then shifts to discuss how individual wisdom can help you find your way.

## Challenges of life in organizations

Organizations are often competitive environments where self-interest can undermine good intentions. Often, achieving personal success in organizations forces individuals to face moral dilemmas.<sup>1</sup> This desire to win (or simply to not lose) can lead us to make choices that negatively affect ourselves and our society.<sup>23</sup>

The absence of wisdom leads to five cognitive fallacies:<sup>4</sup>

1. The fallacy of egocentrism (the belief one should be the center of attention),
2. The fallacy of omnipotence (the belief that one can make others follow your every wish),
3. The fallacy of omniscience (the assumption that one knows everything they need to know),
4. The fallacy of invulnerability (the belief that no harm will come to you), and
5. The fallacy of unrealistic optimism (the idea that everything will work out all right).

1. Bartunek, J. M., & Trullen, J. (2007). Individual Ethics--The Virtue of Prudence. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 91-108). Thousand Oaks, CA: Sage Publications Inc.
2. Badaracco, J. L. (1997). *Defining Moments: When Managers Must Choose Between Right and Right*. Boston: Harvard University Press.
3. Cropanzano, R., Stein, J., & Goldman, B. M. (2007). Individual Aesthetics--Self-interest. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 181-221). Thousand Oaks: Sage Publications Inc.
4. Jordan, J., & Sternberg, R. J. (2007). Individual Logic--Wisdom in Organizations: A Balance Theory Analysis. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 3-19). Thousand Oaks, CA: Sage Publications Inc.

When individuals face morally complex situations with these cognitive fallacies, their actions at best are ineffective, but at worst are harmful.

## How wisdom helps individuals overcome these challenges

The previous section painted a bleak picture of organizational life. It is not all bad, however. For example, self-interest is not the only value that dominates in organizations. Human nature is complex. There are many instances where desires other than self-interest influence behaviour, such as punishing those who act unfairly, helping those in need, and living by a code of conduct.<sup>5</sup> So, there are elements in any organization that individuals can leverage to face their problems constructively and consistent with their moral code.

Wisdom helps individuals navigate these challenging organizational environments through three dimensions:

- Providing insights into human affairs, which improves individuals' ability to lead others
- Developing tools to manage relationships, which improves individuals' ability to deal with others' emotions
- Strengthening personal self-control, which improves individuals' ability to react thoughtfully to situations of high emotion<sup>6</sup>

To help us consider how individuals can develop these above attributes, this text is going to introduce a new term: **phronesis**.<sup>7</sup>

**Phronesis** (Ancient Greek: [φρόνησις](#), romanized: *phrónēsis*) is an Ancient Greek word for a type of [wisdom](#) or [intelligence](#). It is more specifically a type of wisdom relevant to practical action, implying both good judgement (sic) and excellence of character and habits, or practical virtue ...

The word was used in Greek philosophy, and such discussions are still influential today ... Because of its practical character, when it is not simply translated by words meaning wisdom or intelligence, it is often translated as “**practical wisdom**”, and sometimes (more traditionally) as “[prudence](#)”, from Latin [prudētia](#). [Thomas McEvilley](#) has proposed that the best translation is “[mindfulness](#).”

5. Cropanzano, R., Stein, J., & Goldman, B. M. (2007). Individual Aesthetics--Self-interest. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 181–221). Thousand Oaks: Sage Publications Inc.
6. Nicholson, N. (2007). Individual Metaphysics--The Getting of Wisdom: Self-conduct, Personal Identity, and Wisdom Across the Life Span. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 377–397). Thousand Oaks, CA: Sage Publications Inc.
7. Flyvbjerg, B. (2001). *Making Social Science Matter: Why Social Inquiry Fails and How It Can Succeed Again*. New York, NY: Cambridge University Press.

“Phronesis” by [Wikipedia](#) is licensed under [CC BY-SA 4.0](#)

By developing their *phronesis*, individuals can strengthen the attributes needed to manage organizational life’s challenging aspects. And good news, developing *phronesis* is something we can all choose to do.

Individuals who wish to develop their *phronesis*:

- Learn from experience and help others understand their situation in a way that leads to practical action.<sup>8</sup>
- Exhibit a mix of humility and open-mindedness that allows them to make sound judgments in complex and ambiguous situations over the short- and long-term. They recognize the limitations of their knowledge and are willing to learn and experiment.<sup>9</sup>
- Focus on the needs of specific situations rather than general laws. They assess a situation and judge whether they should apply general rules or make an exception.<sup>10</sup>
- Can operate in complex environments where there are different issues and no apparent ‘right answer’ to the problems they face.<sup>11</sup>
- Bring their whole person to bear when dealing with complex situations—their emotions, character, intelligence, and creativity.<sup>12</sup>
- Recognize how the unique strengths of other individuals involved in the situation can help address the problems faced.<sup>13</sup>

As you work your way through this textbook, you will acquire tools and insights that will help you develop your own *phronesis*.

8. Gioia, D. A. (2007). Individual Epistemology--Interpretive Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 276–294). Thousand Oaks, CA: Sage Publications Inc.
9. Nicholson, N. (2007). Individual Metaphysics--The Getting of Wisdom: Self-conduct, Personal Identity, and Wisdom Across the Life Span. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 377–397). Thousand Oaks, CA: Sage Publications Inc.
10. Flyvbjerg, B. (2001). *Making Social Science Matter: Why Social Inquiry Fails and How It Can Succeed Again*. New York, NY: Cambridge University Press.
11. Sternberg, R. J. (1998). A Balance Theory of Wisdom. *Review of General Psychology*, 2(4), 347–365.
12. Durand, R., & Calori, R. (2006). Sameness, Otherness? Enriching Organizational Change Theories with Philosophical Considerations on the Same and the Other. *Academy of Management Review*, 31(1), 93–114.
13. Durand, R., & Calori, R. (2006). Sameness, Otherness? Enriching Organizational Change Theories with Philosophical Considerations on the Same and the Other. *Academy of Management Review*, 31(1), 93–114.

## Exercises

The above description of the qualities of people exhibiting *phronesis* often refers to situations of complexity. These situations may involve many different people with different perspectives and desires.

There may be contradictory issues (e.g., some information may suggest one course of action is best; other information may argue against it). There may be no single 'right answer' to the problem people face—that is, every option has good and bad trade-offs.

1. Can you think of an example of this type of situation? Think about your own experiences. Perhaps you and your group of friends or family experienced a problem like this. Are there social issues in the world today that fit this description? Once you have this example in mind, describe it. What makes it complex? What are the conflicting issues? Why is there no clear 'right answer' to the problem?
2. Describe how a person exhibiting *phronesis* might approach the situation you have described.
3. Consider the Five Cognitive Fallacies listed above. How would each of those fallacies make it harder to resolve the situation you have described?

## Key Takeaways

- Wise individuals exhibit ***phronesis***.

## 8. Group aspects of wisdom

BRAD C. ANDERSON

The above describes the characteristics of individuals exhibiting *phronesis*. Organizations, however, often require groups of individuals to work together.

Working in groups adds to the complexity individuals encounter—for example, people in the same group may differ in their goals, morals, and knowledge. These differences may lead to negotiations where self-interest, lack of trust, and desperation may undermine the group's ability to act wisely.<sup>1</sup>

Moreover, teams may face different tensions and stresses than individuals. These tensions include:<sup>2</sup>

- Individuals' needs may conflict with the group's needs.
- External requirements placed on the team may conflict with the team's internal demands.
- Short-term goals may conflict with long-term goals.
- Multiple priorities may conflict with each other.

What a mess! Consequently, attributes that lead to individual wisdom may be insufficient to translate into group wisdom.<sup>3</sup> What additional attributes must individuals within groups exhibit to allow groups to act wisely?

To manage these tensions well, individuals within a group must know their own emotions and how those emotions impact their behaviour. They further need the ability to read the emotions of others and understand how that influences their behaviour.

Armed with this awareness, individuals must demonstrate an ability to manage these emotions productively.<sup>4</sup> That is, they must possess **social and emotional intelligence**.<sup>5</sup> In addition to social and emotional intelligence, we must recognize that group wisdom is **context-dependent**—different teams in different situations experience different tensions. Thus, in addition to social and emotional intelligence, individuals in wise teams must also exhibit flexibility and adaptability.<sup>6</sup>

1. Lewicki, R. J. (2007). Interpersonal Ethics--The Wise Negotiator. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 109–132). Thousand Oaks, CA: Sage Publications Inc.
2. Nielsen, T. M., Edmondson, A. C., & Sundstrom, E. (2007). Interpersonal Logic--Team Wisdom: Definition, Dynamics, and Applications. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 21–42). Thousand Oaks, CA: Sage Publications Inc.
3. Nielsen, T. M., Edmondson, A. C., & Sundstrom, E. (2007). Interpersonal Logic--Team Wisdom: Definition, Dynamics, and Applications. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 21–42). Thousand Oaks, CA: Sage Publications Inc.
4. Boyatzis, R. E. (2007). Interpersonal Aesthetics--Emotional and Social Intelligence Competencies Are Wisdom in Practice. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 223–242). Thousand Oaks, CA: Sage Publications Inc.
5. Salovey, P., & Mayer, J. D. (1990). Emotional Intelligence. *Imagination, Cognition and Personality*, 9(3), 185–211.
6. Nielsen, T. M., Edmondson, A. C., & Sundstrom, E. (2007). Interpersonal Logic--Team Wisdom:

Diverse cultural backgrounds among group members may further exacerbate these difficulties. As described above, different cultures perceive wisdom differently. Cultures may prioritize different values, possess different knowledge and different ways of understanding the world, and may possess a different view of taking effective action. In these circumstances, individuals must also possess cultural intelligence to facilitate wise group action.<sup>7</sup>

**Cultural intelligence** is an individual's ability to adapt to different cultural settings.<sup>8</sup> Individuals can develop their cultural intelligence as follows.<sup>9</sup>

- Understand how your culture influences your biases and values
- Understand how other cultures influence other people's biases and values
- Learn how to match your behaviours to people's expectations when working in cross-cultural environments

### Exercises

Consider some challenging group experiences you have experienced. These could include sports teams, workgroups, student project teams, or similar. Depending on your experiences, these may or may not include inter-cultural teams.

1. Consider the tensions that groups face, as described above. Which of these tensions did the group you are thinking of experience? How did those tensions affect group performance? How did those tensions make you feel? How did you respond? Why did you react that way?
2. Reflect on the attributes of **social and emotional intelligence** and, if appropriate, **cultural intelligence**. If someone in the group exhibited these attributes, describe how they affected the group dynamic. If you feel no one exhibited these attributes, consider how social, emotional, and cultural intelligence may have improved the group dynamic.

Definition, Dynamics, and Applications. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 21–42). Thousand Oaks, CA: Sage Publications Inc.

7. Earley, P. C., & Offermann, L. R. (2007). Interpersonal Epistemology--Wisdom, Culture, and Organizations. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 295–325). Thousand Oaks, CA: Sage Publications Inc.
8. Earley, P. C., & Ang, S. (2003). *Cultural Intelligence: Individual Interactions Across Cultures*. Palo Alto, CA: Stanford University Press.
9. Offermann, L. R., & Phan, L. U. (2002). Culturally Intelligent Leadership for a Diverse World. In R. E. Riggio, S. E. Murphy, & J. Pirozzolo (Eds.), *Multiple Intelligences and Leaderships* (pp. 187–214). Mahwah, NJ: Lawrence Erlbaum.

### Key Takeaways

- Group wisdom requires individuals with **social and emotional intelligence** as well as **cultural intelligence** (when working in cross-cultural teams).
- Wise teams require adaptable members.

## 9. Organizational aspects of wisdom

BRAD C. ANDERSON

If you thought that managing a team's dynamics was difficult, it gets even more challenging when you look at the whole organization. Organizations involve the coordinated activity between many teams, thus magnifying the challenges. Not only do you have a multiplicity of groups that need to manage themselves, but now you also have to manage the dynamics between groups.

This added complexity makes for a chaotic and high-pressure life for members of an organization.<sup>1</sup> [Peter Vaill](#) described the chaos of organizational life as "... the nonstop cascade of surprising, novel, obtrusive events that pepper (and sometimes bombard) all managers, events that often cannot be foreseen or planned away."<sup>2</sup>

The immense time pressures that exist in organizations compound this problem. These time pressures prevent managers from reflecting on unfolding events and learning from experience. Consequently, managers think and act on the fly. This is hardly a recipe for wise action.

These challenges can cause many problems for organizations, which the table below summarizes:<sup>345</sup>

1. Vaill, P. B. (1998). The Unspeakable Texture of Process Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 25–39). San Francisco: The New Lexington Press.
2. Vaill, P. B. (1998). The Unspeakable Texture of Process Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 25–39). San Francisco: The New Lexington Press.
3. Burke, W. W. (2007). Organizational Aesthetics--Aesthetics and Wisdom in the Practice of Organization Development. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 243–259). Thousand Oaks, CA: Sage Publications Inc.
4. Lawrence, P. R. (2007). Organizational Logic--Institutionalizing Wisdom in Organizations. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 43–60). Thousand Oaks, CA: Sage Publications Inc.
5. Beyer, J. M., & Nino, D. (1998). Facing the Future: Backing Courage with Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 65–97). San Francisco: The New Lexington Press.



Dysfunctions of values	Dysfunctions of rationality	Dysfunctions of power
Unwise companies	Unwise companies	Unwise companies
<ul style="list-style-type: none"> <li>• Impose their values on employees</li> <li>• Lack appropriate checks and balances, leading to abuse of staff, small stakeholders, consumers, suppliers, and the environment</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on addressing the symptom rather than the cause of problems</li> <li>• Ignore data and theory</li> <li>• Fail to connect the changes they implement to business issues they face</li> </ul>	<ul style="list-style-type: none"> <li>• Tolerate the arbitrary use of power</li> <li>• Ignore the impact of power and politics on decision-making</li> <li>• Pursue change to create the illusion of managerial action, which in turn leads to promotions and stock market returns</li> <li>• Pursue change not because it is needed but because other firms in the industry are doing it, and managers want to follow the pack.</li> </ul>

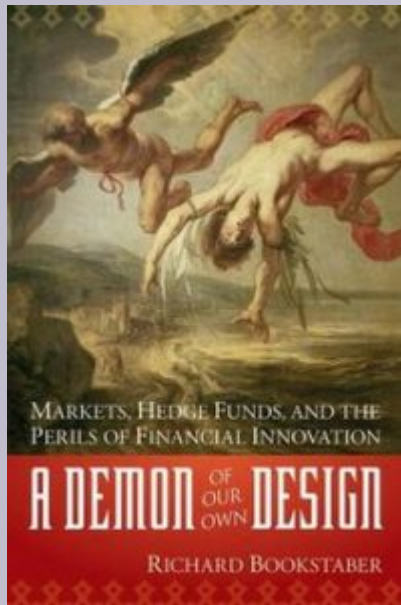
## Exercises

Reflect on the challenges members of an organization face as described above: chaos and time pressure. Then, review the dysfunctions caused by unwise action listed in the previous table.

1. How might those challenges of chaos and time pressure lead to those dysfunctional actions? How might those pressures lead people to make dysfunctional choices?
2. Perhaps you have your own experience working in this type of environment. Are any of the organizations you have worked for guilty of partaking in these dysfunctional actions? What are the pressures that led you and your co-workers to take those actions?

For inspiration, the example directly below describes a situation where managers mimicked what other companies did, even though they believed those actions were detrimental in the long-term.

## An Example of Why Managers Follow The Pack



In his book, [\*A Demon of Our Own Design: Markets, Hedge Funds, and the Perils of Financial Innovation\*](#), the author described the forces that led bankers to make investments in high-risk assets before the 2008 financial crisis. Despite short-term gains, most bankers knew these assets would ultimately result in losses, yet they still invested. Why?

Initially, when one bank makes a high-risk investment, they earn significant profits for a while. Their superior performance makes other banks look bad. Clients begin saying, “Bank A is earning a 15% return on investment; you are only earning 10%. Why should I invest my money with you?”

Bankers can try to explain to their clients that Bank A’s investment strategy is highly risky and will eventually result in losses. These losses, however, may take a long time to occur, and investors want to earn profits now.

When another bank, say, Bank B, makes the same investment, they, too, get a 15% return. Then Bank C joins the game. Ultimately, if you and your

bank do not make the same high-risk investment, then you end up looking like you are a worse-than-average bank. Customers leave, and bankers get fired.

If you want to stay in the game, you need to follow the pack and make similar high-risk investments.

Then, when the high-risk investment ultimately goes bust, it goes bust for every bank at the same time. When clients say, “You’re losing my money!” the bank can reply, “Everyone is losing money. The economy is in a downturn, and everyone is suffering.”

Thus, if you fail to take the high-risk investment, you end up looking like you are performing worse than average when the investment is doing well. Then, when the high-risk investment ultimately fails, it fails for everyone, so you can claim that this calamity is beyond your control.

This dynamic creates immense pressure on bankers to follow other banks’ lead, even if they believe the strategy is ultimately doomed to failure.

The challenges described above make wise action difficult. Organizational wisdom, however, is possible. The following table summarizes companies’ attributes that foster wisdom:<sup>678</sup>

6. Beyer, J. M., & Nino, D. (1998). Facing the Future: Backing Courage with Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 65–97). San Francisco: The New Lexington Press.
7. Vaill, P. B. (1998). The Unspeakable Texture of Process Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 25–39). San Francisco: The New Lexington Press.
8. Vaill, P. B. (2007). Organizational Epistemology--Interpersonal Relations in Organizations and the Emergence of Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 327–355). Thousand Oaks, CA: Sage Publications Inc.

Strength in Values	Strength in Rationality	Strength in Use of Power
<p>Wise companies foster employees who</p> <ul style="list-style-type: none"> <li>• Maintain fundamental values and priorities</li> <li>• Live a value system, rather than paying lip service to one.</li> <li>• Do not sacrifice values for the sake of processes, but rather design processes that achieve their values.</li> <li>• Continually reflect on the meaning and importance of key values.</li> <li>• Recognize that multiple values are always at play rather than a single, overriding value</li> <li>• Weave values and organizational priorities together to create insights about what actions to take</li> </ul>	<p>Wise companies foster systems and employees who</p> <ul style="list-style-type: none"> <li>• Identify and frame problems in a productive way.</li> <li>• Facilitate effective communication between groups within the organization</li> <li>• Identify and develop multiple possibilities for action.</li> <li>• Find time to reflect on fostering an awareness of the paradigm through which they are viewing problems.</li> <li>• Help their co-workers to see problems in a new way.</li> <li>• Continually learn</li> <li>• Honour the past by understanding how the organization historically addressed problems that it can then apply to current and future challenges</li> </ul>	<p>Wise companies foster</p> <ul style="list-style-type: none"> <li>• Employees who understand no one has absolute control and so bad things may happen that no one can prevent.</li> <li>• Employees who understand how they may accidentally use power to disempower others in their organization</li> <li>• Continuity of leadership. Developing organizational competency takes years of consistent effort, which requires continuity of management.</li> </ul>

#### *An Example of How Employees Use Their Power to Disempower Others*

One of the elements in the above table was wise companies foster employers who understand how they may accidentally use power to disempower others in their organization.

What does it mean to use your power to disempower others? Let's look at an example.

A university department consisted of several faculty members. A few of these members had founded the department decades ago. Other members were recent hires and had only worked for several months to a couple of years.

Though the older, founding members of the department had no formal authority, they held these individuals in high esteem. As a result of the respect and seniority these senior members had, they possessed informal power within the department.

In itself, there was nothing wrong with this. These founding members had significant experience and a deep interest in the department's success. Their authority, even though it was informal, did manage to "disempower" others, though.

During meetings, faculty would often debate different solutions to the problems they had. When one of these founding members spoke, however, the department considered the issue closed.

If a newer faculty member was dissatisfied with the resolution and sought to re-open the debate, they were met with resistance from the department. The debate was tolerated only so long as the founding members tolerated it.

As newer faculty chafed under this dynamic, morale dropped, and several people felt bullied. The department risked sliding into dysfunction until the university intervened and moderated a negotiation over how department members treated one another.

If you have power, whether formal or informal, the key takeaway is you may inadvertently silence those with less power. Not only can this erode morale and create a toxic work environment, but it can also close avenues of good ideas and needed change.

To counter this, organizations that aspire to act wisely will foster awareness among its employees of how people might use power to disempower others. They further create systems that allow all voices to be heard.

#### *Key Takeaways*

- At the level of the organization, acting wisely requires individuals who:
  - Emphasize and honour fundamental values
  - Inspire others to solve problems creatively.
  - Use power constructively.

# 10. Strategic aspects of wisdom

BRAD C. ANDERSON

So far, we have looked at the complexity of an organization. We started by contemplating the individual's wisdom, then the group, and later by collections of interacting groups. Organizations, however, do not operate in isolation, but rather in vast networks of organizations that include unions, competitors, suppliers, governments, consumers, communities, and so on.

Therefore, individuals within an organization must manage the internal dynamics within their organization while also dealing with external pressures exerted by other organizations. Fun times.

This textbook uses the word 'strategic' to refer to this high level of complexity since many of the decisions at this level involve strategically positioning the company in this network of stakeholders to achieve the organization's goals.

As you might imagine, acting wisely in this sea of complexity is challenging. In the absence of wisdom, firms fall back to **utilitarianism**. This, in turn, leads firms to reduce their decision-making to simple **cost-benefit** and **return-on-investment** analyses. This reliance on utilitarianism is problematic on three fronts:<sup>1</sup>

1. Not everything valuable can be measured. These analyses tend to ignore or undervalue these intangible benefits.
2. Such utilitarian approaches lead individuals to focus on what is measured rather than what is valuable.
3. Different stakeholders pursue different benefits, so one organization's cost-benefit analysis may be irrelevant to other stakeholders.

Through utilitarianism, the multiple purposes of an organization become reduced to profit maximization. Focusing solely on profits benefits some stakeholders, such as investors, but may negatively impact others.

For example, employees generally find the pursuit of profit maximization to the exclusion of all else lacks meaning.<sup>2</sup> Exclusive focus on profit maximization further ignores the firm's impact on society.<sup>3</sup> The following example demonstrates this.

*An Extreme Example of a Utilitarian Approach to Decision-Making*

1. Freeman, R. E., Dunham, L., & McVea, J. (2007). Strategic Ethics--Strategy, Wisdom, and Stakeholder Theory: A Pragmatic and Entrepreneurial View of Stakeholder Strategy. In E. H. Kessler & J. R. Bailey (Eds.), Handbook of Organizational and Managerial Wisdom (pp. 151-177). Thousand Oaks, CA: Sage Publications Inc.
2. Grant, R. M. (2005). Contemporary Strategic Analysis. Malden, MA: Blackwell Publishing.
3. Bierly III, P. E., & Kolodinsky, R. W. (2007). Strategic Logic--Toward a Wisdom-based Approach to Strategic Management. In E. H. Kessler & J. R. Bailey (Eds.), Handbook of Organizational and Managerial Wisdom (pp. 61-88). Thousand Oaks, CA: Sage Publications Inc.

The following video presents a well-known case of the Ford Motor Company. In the 1970s, it sold a vehicle it knew had severe safety issues. It justified this action after determining that the costs of fixing the problem were higher than the costs they attributed to the deaths and injuries caused by the safety issue.



One or more interactive elements has been excluded from this version of the text. You can view them online here: <https://kpu.pressbooks.pub/developingwisdom/?p=217#oembed-1>

Organizations that aspire to act wisely do not ignore profit maximization but rather focus on harmonizing multiple values.<sup>4</sup> Its leaders use knowledge and experience to make choices that appeal to multiple stakeholders.<sup>5</sup> Achieving this requires leaders to embody the virtue of **phronesis**.

*Phronesis* is the capacity to do what is realistic. Those in possession of *phronesis* are adaptive, understand the ethics of a given situation, and commit to act.<sup>6</sup> They focus on doing the ethically practical in a given situation. They can work in conditions of uncertainty and develop skills to manage incompatible and **incommensurate** values between stakeholder groups.<sup>789</sup>

4. Freeman, R. E., Dunham, L., & McVea, J. (2007). Strategic Ethics--Strategy, Wisdom, and Stakeholder Theory: A Pragmatic and Entrepreneurial View of Stakeholder Strategy. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 151–177). Thousand Oaks, CA: Sage Publications Inc.
5. De Meyer, A. (2007). Strategic Epistemology--Innovation and Organizational Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 357–374). Thousand Oaks, CA: Sage Publications Inc.
6. Freeman, R. E., Dunham, L., & McVea, J. (2007). Strategic Ethics--Strategy, Wisdom, and Stakeholder Theory: A Pragmatic and Entrepreneurial View of Stakeholder Strategy. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 151–177). Thousand Oaks, CA: Sage Publications Inc.
7. Flyvbjerg, B. (2001). *Making Social Science Matter: Why Social Inquiry Fails and How It Can Succeed Again*. New York, NY: Cambridge University Press.
8. Freeman, R. E., Dunham, L., & McVea, J. (2007). Strategic Ethics--Strategy, Wisdom, and Stakeholder Theory: A Pragmatic and Entrepreneurial View of Stakeholder Strategy. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 151–177). Thousand Oaks, CA: Sage Publications Inc.
9. Sternberg, R. J. (2003). WICS: A Model of Leadership in Organizations. *Academy of Management Learning & Education*, 2(4), 386–401.

Rather than succumb to utilitarianism, leaders exhibiting *phronesis* recognize that the goals organizations strive to achieve cannot be separated from the means used to achieve them. They recognize that even though a goal may be highly valued, if the means needed to achieve it are undesirable, then perhaps the pursuit of that goal is unjustified.

Operating wisely at this strategic level requires leaders who consider which goals are valuable in light of the means they and other stakeholders use to achieve them.<sup>10</sup>

Achieving this level of insight requires leaders who combine knowledge, experience, and spirituality.

- *Knowledge* refers to knowing about things and knowing how to do something. Though this is a critical attribute, it is insufficient because our knowledge is often limited and flawed.
- *Experience* gives individuals a broader understanding of specific situational environments and facilitates integrating new knowledge into existing knowledge. Experience gives individuals the confidence to make decisions with incomplete information and hones their intuition.
- *Spirituality* refers to an individual's moral maturity and ability to use universal principles such as integrity, compassion, honesty, and justice to justify their actions.<sup>11</sup>

#### Key Takeaways

- At the strategic level, acting wisely requires leaders who recognize their organization is embedded in a network of stakeholders, each of whom pursues their values.
- Rather than undermining others' value-positions, wise leaders harmonize the values of all stakeholders as much as possible.
- Wise leaders do the ethically practical given their situation and can operate in environments of complexity and uncertainty.

10. Freeman, R. E., Dunham, L., & McVea, J. (2007). Strategic Ethics--Strategy, Wisdom, and Stakeholder Theory: A Pragmatic and Entrepreneurial View of Stakeholder Strategy. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 151-177). Thousand Oaks, CA: Sage Publications Inc.

11. Bierly III, P. E., & Kolodinsky, R. W. (2007). Strategic Logic--Toward a Wisdom-based Approach to Strategic Management. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 61-88). Thousand Oaks, CA: Sage Publications Inc.

## II. All this sounds great, but how do we achieve it?

BRAD C. ANDERSON

The preceding sections explored wisdom at the individual, group, organizational, and strategic levels. We introduced the many challenges individuals in organizations face to acting wisely. We further explored how wisdom manifests at each of these levels and the impact of wisdom's absence. In this discussion, this chapter introduced many ideas that probably sound nice to many people. How do we implement these ideas, though?

If it were easy, wisdom would be common. The complexity and competing pressures in organizational environments are real. In the face of these challenges, the ideas that sound insightful in texts seem hopelessly naive. How do we overcome these challenges? How do we imbue people with the skills they need to act wisely in the 'real world'?

It is these questions that the remainder of this text seeks to answer. For now, let us quickly summarize the three themes of wisdom.

1. Values: Values guide wise action
2. Rationality: Knowledge is required but insufficient for wise action
3. Power: Wisdom is action-oriented

Our first step along this path is introducing a framework this text will use to understand organizational life. This framework, which the next chapter describes in detail, is called *critical realism*.

After that, we will dive into the three structures of wisdom. First, we will explore values and how they operate in organizations.

Then, we will consider rationality. Rationality is related to knowledge in that it considers how we come to understand and learn about the world and rationalize our actions. In this chapter, we will discuss the many different forms rationality can take in organizations.

Following that, we will discuss power. Power is related to action, for one must exercise their power to act in an organization.

With that background, this textbook explores how people put values, rationality, and power into practice in an organization. Later chapters will explore how power and values influence each other as well as power and rationality. We will consider how individuals in organizations can build alliances that support desired actions and manage resistance.

The textbook will then tie all these pieces together to address how to develop organizational wisdom purposefully.

The final section of this textbook then looks at the road ahead. Concluding chapters will discuss what actions you can take to develop your wisdom. This textbook then closes with a discussion of how you can find the courage to create a better and stronger world.

We have an exciting road of discovery ahead of us. Let's get into it.

*In this chapter, you learned:*

What an organization is

- Organizations are groups of people possessing a hierarchy and division of labour who collectively work to achieve a common purpose.



#### Individual aspects of wisdom

- Wise individuals exhibit **phronesis**.

#### Group aspects of wisdom

- Group wisdom requires individuals with **social and emotional intelligence** as well as **cultural intelligence** (when working in cross-cultural teams). Additionally, wise teams require members who are adaptable.

#### Organizational elements of wisdom

- At the level of the organization, acting wisely requires individuals who emphasize and honour fundamental values, who inspire others to solve problems creatively, and who use power constructively.

#### Strategic elements of wisdom

- At the strategic level, acting wisely requires leaders who recognize their organization is embedded in a network of stakeholders, each of whom pursues their values. Rather than undermining others' value-positions, wise leaders harmonize the values of all stakeholders as much as possible. They do the ethically practical given their situation and can operate in environments of complexity and uncertainty.



PART III

# CHAPTER 3: CRITICAL REALISM -- A FRAMEWORK TO UNDERSTAND ORGANIZATIONS



Photo by [Markus Spiske](#) on [Unsplash](#)



# 12. Critical Realism

BRAD C. ANDERSON

## Learning Objectives

In this chapter, you will learn the following.

- What critical realism is
- The layers of social reality envisioned by critical realism, including:
  - The real domain
  - The actual domain
  - The empirical domain
- How critical realism helps us understand organizations
- The relation between critical realism and organizational wisdom

In the 1990s, the Australian New South Wales Police Service underwent significant reform in response to a report of corruption among the ranks of law enforcement officers. Despite many changes to leadership and operations, old patterns of behaviours persisted.

For example, whereas previously the service based promotions on officer seniority, they implemented systems to instead base promotions on merit. Yet, a decade after introducing this new system, senior officers continued receiving promotions over younger ones regardless of merit. The new system failed to change the organization's behaviour.<sup>1</sup>

Implementing change is hard. Indeed, roughly [seventy percent](#) of major change programs fail to achieve their goals. Why is it so difficult to change how organizations operate?

This chapter considers that question by presenting a framework called *critical realism*. Critical realism is a model of how organizations (and society in general) operate. Many frameworks explain how systems of social activity work. Besides critical realism, two popular ones include [positivism](#) (which is the basis for science) and [post-structuralism](#) (which many social scientists rely on).

By ignoring positivism, poststructuralism, and all the other frameworks that exist, this textbook does not claim critical realism is right while everything else is wrong. Instead, it focuses on critical realism because this framework helps us understand the forces that control an organization. Since wisdom is action-oriented, critical realism helps us create organizational action.

1. Frank, A. W. (2012). The Feel for Power Games: Everyday Phronesis and Social Theory. In B. Flyvbjerg, T. Landman, & S. Schram (Eds.), *Real Social Science: Applied Phronesis* (pp. 48–65). Cambridge, England: Cambridge University Press.

### *Key Takeaways*

- Critical realism is a model of how social systems work.
- Critical realism is one of the many models of social systems.
- This text focuses on critical realism because it has utility in conceptualizing forces governing organizational action.

# 13. So, what is critical realism?

BRAD C. ANDERSON

Let's first distinguish the difference between the natural world and the social world. The *natural world* includes all the things in the universe, including stars, planets, gravity, and atoms.

The *social world* is the world of human activity, and it includes things like teachers, students, money, and national borders. A critical difference between the two is the social world requires human action to exist. If all of humanity vanished tomorrow, stars and planets would still exist, but teachers and money would not.

## The social world is socially constructed.

Society is [socially constructed](#). Money is not a product of nature—we invented it. Same with lawyers, newspapers, and schools. When we set up these systems, we establish rules of who can do what. Take teacher-student relations, for example. Society has agreed that teachers have the right to set assignments that you will lose sleep trying to finish, yet cannot ask you to take fifteen minutes out of your day to pick up their dry cleaning.

## Social systems resist change.

Since human activity created things like teachers and students, you would think it would be easy to change the social world. If humans created the roles of teachers and students, and you are a human, then it should be a simple process for you to change the roles of teachers and students. Maybe you could change the system so you can tell the teacher what to do for a change.

Yet, these roles are resistant to change. Humans created these roles, but once set in place, some force protects them from change. Sure, people could alter these roles, but doing so across society would be extremely hard.

## These systems impact us whether or not we are aware of them.

Most people never consciously think about why some people get to do some things but not others. Have you ever consciously considered why teachers can design your exam, but a lawyer cannot? Yet, even though we do not consciously contemplate these issues, we still unconsciously abide by society's systems.

Even when we are unaware of the social structures that constitute human activity, these structures still have the power to enable or constrain the actions we can take. These structures have power over us, even if we are ignorant of their presence or nature.

## Social systems are quasi-permanent

Furthermore, the nature of teacher-student relations existed long before you first walked into a classroom. They will

likely persist long after you step into a class for the last time. Thus, even though these social structures exist only in humans' minds, they possess a quasi-permanence separate from any one individual.

In total, once these social structures are created, they resist change. They have the power to enable or constrain your actions regardless of whether you are consciously aware of them, and they are semi-permanent.<sup>1</sup> Not bad for figments of our imagination.

## Layers of Social Reality

To explain the observations described in the previous section, [Roy Bhaskar](#) developed the philosophy of critical realism. He described social reality as having three layers.<sup>2</sup>

- The real domain
- The actual domain
- The empirical domain

The following figure depicts the relationship between these three layers, after which the subsequent sections describe these layers in detail.

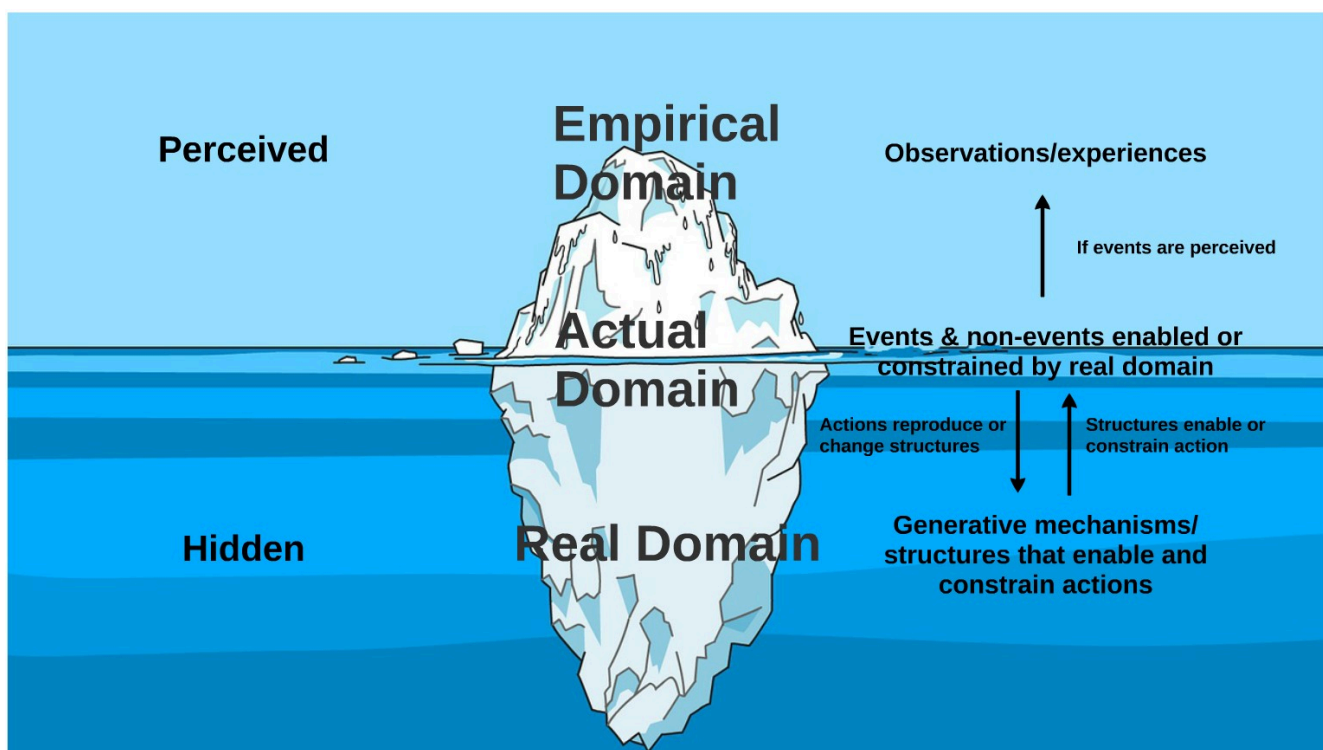
In brief, the *real domain* contains social structures and generative mechanisms (we'll discuss what those are in a moment). These structures distribute resources and authority to different people within a social setting, which, in turn, enables or constrains the actions they can take.

These actions (or lack of action) create events (or non-events) in the *actual domain*. The actions people take tend to either reproduce structures back in the real domain or change those structures.

Sometimes an event happens, and no one notices. If an event is observed, however, that observation/experience occurs in the *empirical domain*. Let's dig into the details of these layers and flesh them out.

1. Ackroyd, S., & Fleetwood, S. (2000). Realism in Contemporary Organisation and Management Studies. In S. Ackroyd & S. Fleetwood (Eds.), *Realist Perspectives on Management and Organisations* (pp. 3–25). New York, NY: Routledge.
2. Bhaskar, R. (1978). *A Realist Theory of Science*. New York, NY: Harvester Press.





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### Key Takeaways

Critical realism envisions three layers of social reality.

- The real domain
- The actual domain
- The empirical domain

# 14. The real domain

BRAD C. ANDERSON

Within the **real domain**, social **structures** exist that enable or constrain people's actions within a social setting. Though the word 'structure' gives the impression of something physical, like the structure of a house, social structures are, in fact, intangible.<sup>1</sup> Structures may include the policies and procedures staff follow during their workday or the education levels within a labour pool from which a company hires employees.<sup>23</sup>

Social settings are complex, **open systems**. This complexity is reflected in the web of structures governing these settings. Different structures may contradict each other—for example, structures influencing professional conduct within a work environment may moderate structures of racism.<sup>45</sup>

The time between when a structure influences a person's behaviour and when that person chooses to act may make it difficult to establish cause-and-effect relations between the structure and action.<sup>6</sup> At times, there may exist forces that hide the role another structure had in generating an event,<sup>7</sup> or there may exist structures that exist but lie dormant until certain circumstances activate them.<sup>8</sup>

An earlier section asked why, since teacher-student relations are the product of human imagination, are you unable to change the nature of this relation when you dislike a class. The philosophy of critical realism would argue the answer lies in the structures governing our education system.

Structures enable and constrain action. These structures constrain you from unilaterally changing the roles, responsibilities, and authorities inherent in our education system's teacher-student dynamic.

The following section describing the actual domain will introduce an exploration of how these structures, though intangible, have the force to prevent you from changing the education system on a whim. [Later chapters of this textbook discussing power](#) will then elaborate on how societies imbue intangible structures with the force to control behaviour.

1. Tsoukas, H. (1994). What is Management? An Outline of a Metatheory. *British Journal of Management*, 5(4), 289–301.
2. Costello, N. (2000). Routines, Strategy and Change in High-technology Small Firms. In S. Ackroyd & S. Fleetwood (Eds.), *Realist Perspectives on Management* (pp. 161–180). New York, NY: Routledge.
3. Rubery, J. (1994). The British Production Regime: A Societal-Specific System? *Economy and Society*, 23(3), 335–354.
4. Ferguson, K. E. (1994). On Bringing More Theory, More Voices and More Politics to the Study of Organization. *Organization*, 1(1), 81–99.
5. Porter, S. (1993). Critical Realist Ethnography: The Case of Racism and Professionalism in a Medical Setting. *Sociology*, 27(4), 591–609.
6. Tsoukas, H. (1994). What is Management? An Outline of a Metatheory. *British Journal of Management*, 5(4), 289–301.
7. Ackroyd, S., & Fleetwood, S. (2000). Realism in Contemporary Organisation and Management Studies. In S. Ackroyd & S. Fleetwood (Eds.), *Realist Perspectives on Management and Organisations* (pp. 3–25). New York, NY: Routledge.
8. Pratten, S. (1993). Structure, Agency and Marx's Analysis of the Labour Process. *Review of Political Economy*, 5(4), 403–426.

## Exercises

There are countless structures active in society. Consider a social setting with which you are familiar. This setting could include, for example, your workplace, a sports team you play with, one of your classes, a religious organization you belong to, and so on. Reflect on the activities of that group. Who does what? How do they do it? What is your role in the group?

1. Reflect on the definition of **structures**. What are some of the structures that enable people to take the actions they do in the social setting you have chosen? What structures constrain the actions people might want to take?
2. Think broadly about what enables and constrains action in the social setting you have chosen. Are there policies and procedures that determine who can do what? Traditions? Culture? Does gender, ethnicity, age, education, wealth, or other factors influence who can take what actions?
3. Consider how these structures enable and constrain action. To do this, start by considering an action someone cannot take (for example, a woman may want to join an all-male hockey team but is not allowed). What happens they try to do something they are forbidden from doing? What, specifically, prevents their action? Likewise, consider an action someone is allowed to do in a social setting (for example, the head coach may determine the drills the team performs during practice). What is it that allows them rather than someone else to take those actions?
4. The more detailed you can get with your answers to these questions, the stronger your understanding of social structures.

## Key Takeaways

- The real domain is the deepest layer of social reality.
- The real domain contains structures.
- Structures are those forces that enable or constrain action.

# 15. The actual domain

BRAD C. ANDERSON

Within the **actual domain**, individuals perform actions (or refrain from performing actions) leading to events (or non-events). The complex web of structures within the deeper real domain governs individuals' actions in the actual domain. Here is where things get interesting.

This text has defined structures as intangible elements of social systems that enable or constrain action. This definition creates the illusion that individuals are 'locked into' the roles the social system assigns to them. That is, if you hold a position in a social network in which the prevailing structures of that system enable you to perform a specific action, then you will take that action. If the structures prevent you from taking that action, then you will not act.

Remember, though, that structures are intangible. They are the product of human imagination. Money, for example, is a social structure enabling you to buy stuff. Money, however, only has the power to purchase things if enough people in the social system agree that it does. If enough people stop accepting cash in exchange for stuff, then money loses its power to buy things.

In other words, even though structures enable and constrain action, it is our actions that create, maintain, and change structures<sup>1</sup> The structures of our social system govern the actions available to us, but we have **agency**. We can use our agency to choose activities that reproduce the system's structures or change them.

Though we can act to change structures, doing so is hard. Consider an extreme example—national borders. The borders between countries are socially constructed structures. Though we can act to change a nation's borders, doing so usually involves armed conflict between nation-states. Structures are backed by systems of power that may undermine your attempts to change them.

More often, we choose actions that maintain the structures of our social system. That is, after all, what makes societies stable.

For example, when you are a student, you may have a teacher who assigns you a research paper. You will likely choose to complete that assignment to the best of your abilities.

That compliance reinforces the structures of the educational system. Through your actions, you contribute to the social reality where teachers assign research papers, and students complete them. If you have children of your own, you will likely teach them how to behave in a classroom, perpetuating those social structures into the future.

## Exercises

In the exercise at the end of the previous section, you identified structures within a social setting. Using that same social setting, consider the actions people take (or choose not to take).

1. Consider the structures you identified in the previous exercise. Then, think of specific examples of actions you or others took in that social setting. In what way did those actions reinforce the structures

1. Reed, M. (1997). In Praise of Duality and Dualism: Rethinking Agency and Structure in Organisational Analysis. *Organization Studies*, 18(1), 21–42.

you identified?

2. Has anyone ever tried to change the structure of the social setting (for example, changing the entrance criteria for a sports team, changing how shifts are assigned at work, and so on)? What specific actions did they take to make the change? How did others in the social setting respond? Did they successfully implement their change? If no, what did people do to prevent the alteration? If yes, what actions were vital to successfully achieving the change?

### *Key Takeaways*

- The actual domain is the middle layer of social reality.
- Actions, events (or non-events) occur in the actual domain.
- Structures in the real domain govern the actions available to people.
- The actions people perform either reproduce or change structures in the real domain.

# 16. The empirical domain

BRAD C. ANDERSON

In the **empirical domain**, individuals have observations and experiences. These observations and experiences are a result of actions and events in the actual domain.

The empirical domain constitutes the everyday experiences of our lives, such as the good day at work or the frustrating meeting you had with your boss. We seldom look beneath these experiences to see what drives them. By applying a critical realist framework, however, we can peer deeper into our social environment to gain insights into what is creating the experiences we have.

## *Key Takeaways*

- The empirical domain is the surface level of social reality.
- The empirical domain contains observations/ experiences caused by actions in the actual domain.

# 17. How does critical realism help us understand organizations?

BRAD C. ANDERSON

Let's look at an example to see the utility of the critical realist framework for understanding organizations.

## *An Example of Applying a Critical Realist Framework: National Manufacturing Characteristics<sup>1</sup>*

### The situation

During the latter part of the Twentieth Century, low-skilled workers and low-value-added processes dominated the British manufacturing industry. British companies competed globally based on low cost.

Foreign investments and trade relations led some businesses to try shifting their manufacturing towards high-skilled labour and high value-added processes to make more profits.

Companies found making this shift was near impossible.

### Recasting the situation through a critical realist lens

The desire to shift towards high-skilled labour and value-added processes is an experience (empirical domain). This experience was borne out of foreign direct investment and trade relations (events in the actual domain).

The difficulty businesses experienced in making this shift was another experience (empirical domain). The following figure diagrams this situation using a critical realist framework.

1. Rubery, J. (1994). The British Production Regime: A Societal-Specific System? *Economy and Society*, 23(3), 335–354; adapted by Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.

## Real Domain

*Structures (enable & constrain)*

### Actual Domain

*Events/actions*

#### Empirical Domain

*Observations/experiences*

Desire to shift to  
high-skill, high value-  
add manufacturing

Shifting to high-skill,  
high value-add near  
impossible

Foreign investment  
Trade relations



Why was making this shift so hard? It would seem all a company would have to do is hire highly skilled employees to work with high tech machinery to produce a high-value product. Simple, right?

To answer this, let's look at the underlying structures enabling and constraining these businesses' ability to act.

- At the time, the British labour pool had only low-skilled workers; thus, there were no high-skilled workers to hire (constraining structure).
- Consequently, managers in these businesses had no experience hiring or managing a high-skilled workforce (constraining structure).
- Additionally, government policies and cultural attitudes (structures) promoted training systems that produced low-skilled workers (action).
- Consequently, there was no pool of high-trained workers to draw from (constraining structure).
- In response, businesses developed wage systems and processes that accommodated this low-skilled workforce (action), which reinforced those constraining structures preventing the industry from moving to high-skilled, high-value work.

The following figure diagrams this situation using a critical realist framework.



## Real Domain

*Structures (enable & constrain)*

### Actual Domain

*Events/actions*

#### Empirical Domain

*Observations/experiences*

Desire to shift to high-skill, high value-add manufacturing

Shifting to high-skill, high value-add near impossible

Foreign investment  
Trade relations

Businesses developed wage systems and processes for low-skilled workforce

Education system designed to produce low-skilled workers

Managers had no skill managing high-skilled workers

Labor pool composed of low-skilled workers

Government policies & cultural attitudes favored low skilled jobs

In the above example, viewing Britain's attempt to shift to a high-skilled, high value-add workforce through the lens of critical realism shows us why making such a change was difficult. The current system produced and maintained structures, which in turn supported and maintained the current system. Those same structures then created constraints on businesses that tried to shift to a different system.

Critical realism, however, does more than identify constraining structures. It also gives insight into what advocates must do to shift to high-skilled, high value-add processes.

The above example identified three constraining structures:

1. lack of manager talent,
2. a labour pool devoid of highly skilled workers, and
3. government policies and cultural attitudes.

To shift the manufacturing regime to high-skilled, high value-add processes, advocates would have to train managers capable of managing a high-skilled workforce. They would further have to alter the education system to produce high-skilled workers. To do this, advocates would have to act to change government policies and cultural attitudes.

Viewing social systems through a critical realist lens allows us to identify those structures that support the status quo. The insights gained from this framework can tell you what actions you need to take to support the current system—that is, which structures do you need to reinforce and strengthen.

Conversely, if your goal is to change a system, the critical realist framework helps you identify what structures you need to alter and where points of resistance may lie.

#### *Key Takeaways*

- By gaining insight into the underlying structures of an organization, critical realism provides a framework to understand what actions are possible (and what efforts the organization will resist)
- By understanding these structures, individuals can develop plans to implement desired actions.

# 18. What does this have to do with organizational wisdom?

BRAD C. ANDERSON

[Chapter 1](#) identified three themes of wisdom:

- Values: Values guide wise action
- Rationality: Knowledge is required but insufficient for wise action
- Power: Wisdom is action-oriented

Under a critical realist framework, values, rationality, and power are structures that enable or constrain actions.<sup>1</sup>

*Values*, for example, inform the ends we find worth achieving and the means we find appropriate to achieve them. By defining the ends we pursue and the methods we use, values enable those actions consistent with our values (or those of the organization) and constrain actions that oppose them.

*Rationality* encompasses what we know, how we know it, and how we justify our actions.<sup>2</sup> Rationality, therefore, informs action by giving us our understanding of the environment in which we operate. What we know (or think we know) and what we consider valid evidence enables some activities while constraining others.

*Power* is the creative force that organizes social systems and allows them to act.<sup>3</sup> People within social systems (such as organizations) create this power network by distributing resources and authority among its members. Depending on the role an individual fills in the organization, this distribution enables them to perform some actions while constraining them from performing others.

To develop organizational wisdom, individuals need to understand the underlying structures of values, rationality, and power with their organization. They must then use that understanding to develop and enact strategies to achieve desired outcomes.

## Key Takeaways

- Values, rationality, and power are essential themes of organizational wisdom.
- Values, rationality, and power are structures under the critical realist framework.

1. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.
2. Townley, B. (2008). *Reason's Neglect: Rationality and Organizing*. New York, NY: Oxford University Press, Inc.
3. Foucault, M. (1977). *Discipline and Punish: The Birth of the Prison*. Toronto: Random House.

# 19. What's next?

BRAD C. ANDERSON

We will begin to understand values, rationality, and power in the next three chapters. First, we will explore the values active in organizations. Then, the following chapter will introduce you to the many forms rationality can take. This textbook then turns to an exploration of how power operates in social settings.

*In this chapter, you learned:*

What critical realism is

- Critical realism is a model of how social systems work.
- Critical realism is one of the many models of social reality.
- This text focuses on critical realism because it has utility in conceptualizing forces governing organizational action.

The layers of social reality envisioned by critical realism.

- The real domain is the deepest layer of social reality.
  - The real domain contains structures.
  - Structures are those forces that enable or constrain action.
- The actual domain is the middle layer of social reality.
  - Actions, events (or non-events) occur in the actual domain.
  - Structures in the real domain govern the actions available to people.
  - The actions people perform either reproduce or change structures in the real domain.
- The empirical domain is the surface level of social reality.
  - The empirical domain contains observations/ experiences caused by actions in the actual domain.

How critical realism helps us understand organizations

- By gaining insight into the underlying structures of an organization, critical realism provides a framework to understand what actions are possible (and what efforts the organization will resist)
- By understanding these structures, individuals can develop plans to implement desired actions.

The relation between critical realism and organizational wisdom

- Values, rationality, and power, the three major themes of organizational wisdom, are structures under the critical realist framework

PART IV

## CHAPTER 4: VALUES



Photo by [Javier Allegue Barros](#) on [Unsplash](#)



## 20. Values

BRAD C. ANDERSON

### *Learning Objectives*

In this chapter, you will learn the following.

- What values are
- Why organizations seldom discuss values
- Types of values
- Why we have so many different kinds of values
- How different values interact

Should publicly-funded universities cut programs that lose money? In publicly-funded systems, taxpayers pay for universities. The populace entrusts administrators of these universities with the responsibility to use taxpayer money productively. Losing money signals one of two things. Either the program is failing to generate enough value to attract students, or it is so inefficient that its expenses outstrip incoming revenue.

Either way, financial losses suggest the university is wasting taxpayer money. If we allowed all of society to run with such inefficiency, it would collapse.

On the other hand, publicly funded universities are non-profit organizations. Taxpayers are not shareholders in public institutions. They are customers. They do not fund universities in hopes that these schools turn a profit, but with the expectation that they will deliver a societal benefit.

For example, in many universities, undergraduate science departments struggle to remain profitable, whereas most business programs make money. This struggle is not because there is no demand for science, nor because administrators run science programs inefficiently. Teaching people to become scientists requires labs, which are expensive to run. The science student pays the same tuition as the business student, but the science department incurs additional costs to maintain laboratories while business departments do not.

What price would society pay if we let our focus on profits and sustainability lead us to eliminate science training?

This problem is an example of a conflict between values. As you will learn later in this chapter, cutting unprofitable programs speaks to values of accountability, productivity, and sustainability. Maintaining costly programs for their societal benefit, conversely, speaks to the value of public interest.

As you gain an awareness of values, you will come to see that such dilemmas occur frequently. Difficulties caused by opposing values are some of the most pernicious challenges we face, and they are challenging for at least two reasons.

The first challenge arises from the reality there is merit to both sides of the argument. Our society cannot choose one side without compromising its values elsewhere.

Secondly, we often fail to recognize that **tensions between different yet equally important values cause many disagreements**. People find themselves on one side of an argument and become blind to the importance of the values driving their opponents.

Values guide wise action. Therefore, those aspiring to act wisely need to develop an ability to manage the above

dynamics well. This chapter will examine what values are and then review examples of different values to develop this competency. It will then discuss ways differing values interact in social settings and study the ways organizations deal with value conflicts.



## 2I. What are values?

BRAD C. ANDERSON

Values describe the ends (i.e., the goals) we wish to achieve and the means (i.e., the methods) we are willing to use to achieve them.<sup>123</sup> Values, in short, guide the actions of individuals.

When individuals come together to create organizations, they do so with the intent that the organization will implement a set of values. People create an organization to pursue a goal and define the means it will use towards that end.

### *Key Takeaways*

- Values describe the ends we pursue and the means we find appropriate to achieve those ends.
- Values guide the actions of individuals and organizations.

1. Kalberg, S. (1980). Max Weber's Types of Rationality: Cornerstones for the Analysis of Rationalization Processes in History. *American Journal of Sociology*, 85(5), 1145–1179.
2. Townley, B. (2008). *Reason's Neglect: Rationality and Organizing*. New York, NY: Oxford University Press, Inc.
3. Weber, M. (1978). *Economy and Society*. (G. Roth & C. Wittich, Eds.). Berkley and Los Angeles, CA: University of California Press.

## 22. Why do we avoid discussing values?

BRAD C. ANDERSON

Even though values guide human activity individually and in organizations, you seldom hear values discussed in our education system or debated within organizations' offices. Once you become sensitized to the values underpinning human action, you will see that the most significant debates of our time are, at their core, debates about values. Despite this, you seldom hear a discussion about the values informing each side of the discussion.

### Why do we Avoid Discussing Values?

As the following example demonstrates, you may find when you start talking about values openly in your organization, people might dismiss your concerns.

#### *Resistance to Discussing Values – Part 1: A Personal Example*<sup>1</sup>

Several years ago, as I was organizing a research study on organizational wisdom, I had a phone conversation with a healthcare organization's senior executive. For my research, I wanted to interview her and other members of her staff. I explained that I was interested in researching how values influenced organizational behaviour.

As soon as I mentioned values, she began to withdraw from the conversation. "We are a very business-minded organization," she said. "I'm not sure your focus on values aligns with our needs."

I quickly rephrased. "Think of values as objectives. Different groups in your organization have different objectives, and managers need to reconcile them."

Replacing *values* with *objectives* caught her attention. "Oh yes," she said, "that sounds interesting."

Why did the change in name work? We will see shortly.

To understand why Western society seldom discusses values, we must distinguish between two ways of thinking: instrumental-rationality and value-rationality. Through **instrumental-rationality**, individuals make objective, logical calculations to achieve goals efficiently, maximize self-interest, or apply rules and laws.<sup>2</sup>

1. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom - A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.
2. Kalberg, S. (1980). Max Weber's Types of Rationality: Cornerstones for the Analysis of Rationalization Processes in History. *American Journal of Sociology*, 85(5), 1145–1179.

Whereas instrumental rationality tells us how to achieve an end, it does not help us determine which end is worth achieving. For this, we require value-rationality.<sup>3</sup> Rather than relying on impersonal rules or means-ends calculations, **value rationality** emphasizes the role of values in guiding action.<sup>4</sup>

Since the **Enlightenment** in the Eighteenth Century, Western societies have venerated the impartial logic of instrumental-rationality.<sup>5</sup> Consequently, throughout our education system, instrumental-rationality dominates. Business education focuses on impartial economic calculations, science on the objective use of the scientific method, medicine on the rational application of interventions to fix dysfunctional biological systems, and so on.

The result is a society trained to apply logical problem-solving to resolve issues. Since values are **subjective**, the deeper an individual is immersed in instrumental-rationality, the more likely they are to view value-rationality as 'irrational.'<sup>6</sup> This attitude has given Western society a great capacity to figure out how to do things, but it leaves us with a deficit in determining what is worth doing.<sup>7</sup>

#### Resistance to Discussing Values – Part 2: A Personal Example

Why did replacing the word *values* with *objectives* work to retain the senior executive's interest to whom I was talking?

Business education teaches students that it is the job of managers to assign objectives to their staff. They then apply impartial metrics to assess whether employees are achieving their goals.

Even though you could argue objectives and values are similar (they both define desired ends to achieve), the word 'values' seldom appears in business lectures. Profit-maximization is assumed to be the goal of businesses, so executives set objectives for managers to maximize profits. Business students learn several tools of instrumental-rationality to achieve those objectives.

Even though profit-maximization is itself a value, those trained in a business mindset see values as unbusinesslike. Recall the response of the senior executive to my mention of values. "We are a very business-minded organization. I'm not sure your focus on values aligns with our needs." To retain her interest and engage her in a discussion of values, I had to camouflage values using closely related business terms.

Many different industries will likely have similar responses when you try to engage them in a discussion of values.

3. Weber, M. (1978). *Economy and Society*. (G. Roth & C. Wittich, Eds.). Berkley and Los Angeles, CA: University of California Press.
4. Kalberg, S. (1980). Max Weber's Types of Rationality: Cornerstones for the Analysis of Rationalization Processes in History. *American Journal of Sociology*, 85(5), 1145–1179.
5. Flyvbjerg, B. (2001). *Making Social Science Matter: Why Social Inquiry Fails and How It Can Succeed Again*. New York, NY: Cambridge University Press.
6. Weber, M. (1978). *Economy and Society*. (G. Roth & C. Wittich, Eds.). Berkley and Los Angeles, CA: University of California Press.
7. Flyvbjerg, B. (2001). *Making Social Science Matter: Why Social Inquiry Fails and How It Can Succeed Again*. New York, NY: Cambridge University Press.

### Key Takeaways

- Discussing values is uncommon
- Due to the subjective nature of values, those deeply ingrained in **instrumental-rationality** see **value-rationality** as irrational
- This may create challenges for those who wish to address the values guiding human action.

## 23. Framework 1: Public sector values

BRAD C. ANDERSON

As this section will show, there is a broad array of values that guide human behaviour. Societies are complex, and this complexity is represented in the network of values societies honour.

It is impractical (and perhaps impossible) to list every value that every society pursues. Instead, this textbook presents two frameworks that researchers have developed to categorize values. The first is a framework for public sector values, and the second is a framework for political values.

That this textbook presents these two frameworks does not imply they are universal in every culture. Nor does it mean these frameworks are the only ones through which to understand values. They are presented to begin a discussion on the variety of values active in society. In life, the onus is on you to learn about the social settings in which you live and work to identify the values people pursue.

### A Framework of Public Sector Values

[Torben Beck Jørgensen](#) and [Barry Bozeman](#) studied public sector publications from a variety of countries. From these sources, they developed an inventory of values pursued by these nations' public sectors.<sup>1</sup> The following sections summarize the values they observed.

Note, however, this and later studies focused predominantly on European and Anglo-Saxon cultures, though they did include Turkey, South Korea, South Africa, and the United Nations in the following studies.<sup>2</sup> The values they saw reflected those cultures and may inadequately express values that different cultures honour. Other cultures and even sub-groups within a culture may pursue different values entirely. The values described below may be a useful guide, but they are not a replacement for taking the time to understand the unique values prevalent in the social settings in which you operate.

The values they observed fell into seven categories:

- Contribution to society
- Transformation of interests to decisions
- Relationship between administrators and leaders
- Relationship between administrators and the environment
- **Intraorganizational** aspects of administration
- Behaviour of employees
- Relationship between administrators and citizens

1. Beck Jørgensen, T., & Bozeman, B. (2007). Public Values: An Inventory. *Administration & Society*, 39, 354–381.
2. Beck Jørgensen, T., & Sørensen, D.-L. (2013). Codes of Good Governance: National or Global Values? *Public Integrity*, 15(1), 71–96.

## Contribution to Society

The category of contribution to society contains several values, including:

- The common good (public interest, social cohesion)
- Altruism (human dignity)
- Sustainability (voice of the future)
- Regime dignity (regime stability)

## Transformation of Interests to Decisions

Several values are active when transforming peoples' interests into decisions.

- Majority rule (democracy, will of the people, collective choice)
- User democracy (local governance, citizen involvement)
- Protection of minorities (protection of individual rights)

## Relationship Between Administrators and Leaders

The following values guide the relationship between administrators and leaders.

- Loyalty (accountability, responsiveness)

## Relationship Between Administrators and the Environment

These values reflect the relationship between administrators and their operating environment.

- Openness-secrecy (responsiveness, listening to public opinion)
- Advocacy-neutrality (compromise, balancing of interests)
- Competitiveness-cooperativeness (**stakeholder** or **shareholder** value)

## Intra-organizational Aspects of Administration

The following values inform intra-organizational aspects of administration.

- Robustness (adaptability, stability, reliability, timeliness)
- Innovation (enthusiasm, risk-readiness)
- Productivity (effectiveness, **parsimony**)
- Self-development of employees (good working environment)

## Behaviour of Employees

The following values guide the behaviour of employees.

- Accountability (professionalism, honesty, moral standards, ethical considerations, integrity)

## Relationship Between Administrators and Citizens

These values inform the relationship between administrators and citizens of society.

- Legality (protecting rights of individuals, equal treatment, the rule of law, justice)
- Equity (reasonableness, fairness, professionalism)
- Dialogue (responsiveness, user democracy, citizen involvement, citizen's self-development)
- User orientation (timeliness, friendliness).

Not all nations, cultures, and institutions pursue all values equally. For example, research shows the Canadian public sector places a high priority on the importance of *openness*; South Korea does not. On the other hand, the South Korean public sector emphasizes the value of *robustness* more than Canada.<sup>3</sup>

People may operate under specific values in many organizational contexts, but they will never explicitly state those values. They may have never thought about values and act unaware of the values that are unconsciously guiding them. In other instances, people may state they operate according to one value, but their actions suggest they are pursuing different values. Thus, you may need to intuit their values through their deeds and clarify them through dialogue.

### Exercises

In British Columbia, Canada, hospitals in major metropolitan areas suffered from overcrowding and congestion. Wait times in emergency rooms skyrocketed while patients lined hallways because the number of rooms was insufficient.

In response, the government instructed senior managers of hospitals to focus their efforts on 'decongestion' (that is, moving patients through the hospital quickly to reduce the number of patients in hallways).<sup>4</sup>

1. Looking at the list of values above, which values are implied in the directive to focus on decongestion? (Hint, several values are operating, not just one)

3. Beck Jørgensen, T., & Sørensen, D.-L. (2013). Codes of Good Governance: National or Global Values? *Public Integrity*, 15(1), 71–96.
4. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.

## 24. Framework 2: Political values

BRAD C. ANDERSON

[Jonathan Haidt](#) and his colleagues developed a framework of values to explain differences between liberals, conservatives, and libertarians. They developed this framework in the United States of America but have since tested it across many cultures.

The following video presents an overview of this framework, while the subsequent paragraphs present a written summary of this framework. Though the video describes five value categories, Dr. Haidt later added a sixth, which the following written description includes.



One or more interactive elements has been excluded from this version of the text. You can view them online here: <https://kpu.pressbooks.pub/developingwisdom/?p=285#oembed-1>

The following list presents the six categories of values:<sup>1</sup>

- Care/harm: This value encompasses our attitudes towards caring for others and our responses to people who cause harm.
- Fairness/cheating: Fairness represents equality (equal outcome) or proportionality (a person's outcome matches their contribution). These values represent our attitudes towards fairness and how we view cheaters.
- Loyalty/betrayal: This value captures our attitudes about people who show allegiance towards a group they belong to, as well as those whose actions undermine the group.
- Authority/subversion: This value encodes our view about showing respect to hierarchical relationships.
- Sanctity/degradation: This value captures our attitudes towards purity. Here, purity is defined broadly, including freedom from disease, contamination, pollution, or however individuals or groups define such things.
- Liberty/oppression: This value informs our perceptions of when it is appropriate to use force to control others' actions.

These values are active in all humans. The importance individuals assign to each value differs, however.

Dr. Haidt mapped these differences along political lines to explain why politics can be so divisive. Most people view the values of care and fairness as necessary. People who identify themselves as liberals, however, define fairness as equality, whereas conservatives view it as proportionality.

People describing themselves as conservative tend to hold loyalty, authority, and sanctity in high esteem while liberals assign them a low priority. Libertarians, who can be either liberal or conservative, tend to prioritize the value of liberty.

The above sections demonstrate we can view values in multiple ways. Remember, there is no single "right" framework to understand values. Different frameworks seek to explain different behaviours. For example, the public sector

1. Haidt, J. (2012). *The Righteous Mind: Why Good People Are Divided by Politics and Religion*. New York: Pantheon Books.



framework seeks to understand how public sectors operate; the political framework addresses why politics can be divisive. Importantly, different cultures may possess disparate value systems.

When interacting with different groups, it is important to recognize the values guiding your behaviour and the values the other group pursues. Understanding where your values overlap and differ from theirs is an important first step to creating a productive relationship.<sup>2</sup>

After reading this section, you may wonder why human society has so many different values guiding its behaviour. The next section explores that question.

### Key Takeaways

- Different cultures may venerate different values
- Several frameworks organize and describe the values in our society.
- A framework of public sector values seeks to understand the role values play in the public sector. This framework identifies several values and places them into the following categories:
  - Contribution to society
  - Transformation of interests to decisions
  - Relationship between administrators and leaders
  - Relationship between administrators and the environment
  - Intraorganizational aspects of administration
  - Behaviour of employees
  - Relationship between administrators and citizens
- A framework of political values seeks to understand why politics is so divisive. This framework identifies six values:
  - Care/harm
  - Fairness/cheating
  - Loyalty/betrayal
  - Authority/subversion
  - Sanctity/degradation
  - Liberty/oppression
- If you wish to create productive relations, first understand the values guiding your behaviour and then seek to understand the values guiding other people's behaviours.

2. Haidt, J. (2012). *The Righteous Mind: Why Good People Are Divided by Politics and Religion*. New York: Pantheon Books.

## 25. Why do we have so many values?

BRAD C. ANDERSON

As the previous sections demonstrate, many values guide human behaviour. Since differing values can be the source of conflict, one might wonder why we have so many.

One reason may be that social systems are complex and require the expression of a multiplicity of values to thrive.<sup>12</sup> To explore this idea, let's return to the example we opened this chapter regarding whether or not publicly-funded universities should cut programs that lose money.

Using the framework for public sector values, maintaining a costly program that benefits society expresses the value of *public interest*. Acting in the public interest is essential. Through the expression of this value, we create institutions that improve our quality of life. Universities educate the next generation in the skills and ideas they need to prosper and maintain society.

On the other hand, cancelling programs that lose money express *accountability*, *productivity*, and *sustainability*. We hire administrators to oversee the use of the money we give them, and we depend on their trustworthiness. Thus, the value of *accountability*, where administrators feel the obligation to act in taxpayers' best interests, is essential for the system to function.

The value of *productivity* ensures taxpayers receive the maximum benefit for the funding they provide. Taking action to pursue the value of *sustainability* ensures that not only will universities exist today, but for future generations as well.

Creating universities that benefit society today and in the future requires the realization of **ALL** these values. The question, however, of what to do when a university program loses money puts these values in conflict.

It is the job of stakeholders in the university to decide how to resolve that conflict to maintain the benefits universities provide. As you might imagine, balancing conflicting values can be very hard to do.

The above example creates the illusion that different values will always conflict. This is untrue. Values can also combine positively. In the above case, one might argue that the value of *productivity* is a way to advance the *public interest*. Through productivity, the university uses funds in the most productive way possible. This value allows society to receive the maximum benefit with minimal tax dollars. The tax dollars saved may then be used elsewhere to society's interest.

Thus, though sometimes values conflict, other times they reinforce one another. The following section explores the ways values interact.

### Key Takeaways

- Social systems are complex
- Complex social systems require the pursuit of many different values to thrive.

1. Haidt, J. (2012). *The Righteous Mind: Why Good People Are Divided by Politics and Religion*. New York: Pantheon Books.
2. Kettl, D. F. (1993). *Sharing power: Public Governance and Private Markets*. Washington, D.C.: Brookings Institution Press.

## 26. The ways values interact

BRAD C. ANDERSON

The previous section demonstrated that values do not act in isolation but instead interact. This section looks at three ways values may interact through exploring:

1. Terminal versus instrumental values,
2. Incompatible and incommensurate values, and
3. The effect of time on values.

### Terminal Versus Instrumental Values

The previous section ended with an example of how the value *productivity* may contribute to the value of *public interest*. Through productively allocating resources, society maximizes the benefit for minimal cost. People may then use the dollars saved elsewhere.

If you think about this dynamic, you will realize that both values are not equal. The value of productivity is used to achieve public interest. Rather than pursuing productivity as an end in itself, it is a means to achieve a different end.

We pursue some values as ends in themselves. That is, we pursue them simply because we believe they are worth pursuing. These are called **terminal values**. We enact other values not as ends in themselves but as a way to achieve a terminal value. These are called **instrumental values**.<sup>1</sup>

For better or worse, terminal values have several names that you will find in other sources. Other common names for terminal values include **prime values** and **intrinsic values**. Instrumental values, conversely, tend to be called instrumental values regardless of the source.

Defining values as either terminal or instrumental is a tricky process. A value that is terminal in one situation may be instrumental in another. In yet another situation, it may be terminal and instrumental simultaneously.

For example, a medical scientist may perform research in an attempt to cure a disease. Here, the scientist pursues the value *innovation* (performing research) to achieve *public interest* (curing a disease). Innovation is an instrumental value, while public interest is terminal.

At the same time, the scientist may also perform research simply because they are curious about how the world works. Here, they pursue innovation as an end in itself—a terminal value. In this context, innovation is both a terminal and instrumental value.

No one ever accused humans of being easy to understand.

The following example explores the utility of distinguishing between terminal and instrumental values.

1. Dahl, R. A., & Lindblom, C. E. (1953). *Politics, Economics, and Welfare*. Chicago: The University of Chicago Press.

A small group of researchers in a Canadian healthcare authority wanted resources to investigate a lifestyle intervention that delayed the onset of frailty in senior citizens. The vice presidents of their organization were dealing with crisis-levels of overcrowding in hospitals and felt they had no resources to spare to help the researchers. The vice presidents, thus, declined to help the researchers.

Using the public sector values listed above, what values were at play?

Researchers:

- Investigating a new treatment to delay frailty implies the value of *innovation*.

Vice presidents

- Focusing resources on managing overcrowded hospitals implies values of *robustness* and *sustainability*.

The researchers were unhappy with this situation. They truly felt their investigation had the potential to improve senior citizens' quality of life, but they needed the help of vice presidents to make it a reality. So, they asked themselves why each party was pursuing their respective values.

Researchers:

- Innovation was a means to improve the quality of life of senior citizens.
- Their terminal value was *public interest* (improving the lives of seniors).
- Innovation was an instrumental value to achieve public interest.

Vice presidents

- Robustness and sustainability were means to ensure hospitals continued to operate and meet the populace's healthcare needs.
- Their terminal value was *public interest* (meeting the healthcare needs of the people).
- Robustness and sustainability were instrumental values to achieve public interest.

It turns out that both the researchers and vice presidents pursued the same terminal value of *public interest*. The cause of their conflict was each group used different instrumental values in pursuit of public interest. They were not enemies but allies, each tasked with fighting a different battle in the same war.

Armed with this understanding, the researchers modified how they approached the vice presidents. They emphasized the same shared terminal value of public interest.

They then explained how their efforts could help the vice presidents. They reasoned that by successfully

2. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom - A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.

investigating how to reduce frailty (innovation), the populace would become healthier and place fewer demands on hospitals, thereby reducing overcrowding (robustness and sustainability). Under this line of reasoning,

- Innovation was instrumental to the values of robustness and sustainability, and
- Innovation, robustness, and sustainability were instrumental to the value of public interest.

The researchers argued that by working together, they could create a healthier population of senior citizens and reduce hospital overcrowding.

With this approach, vice presidents started to become excited about supporting the researchers.

**THE LESSON:** If different people or groups share the same terminal value, you can often use this to find a way to work together even when instrumental values conflict.

## Incompatible and Incommensurate Values

As earlier sections described, any social setting of sufficient complexity requires the pursuit of multiple values to thrive. This can lead to tricky dilemmas because there are situations where different values are either incompatible or incommensurate.<sup>3</sup>

- Incompatible values occur where achieving one value leads to compromising another value.
  - For example, a teacher may decide to [grade the class on a curve](#), leading the students to compete against each other for top grades (value = competitiveness).
  - This competitive dynamic may undermine the teacher's attempts to run a group project where student teams must work together (value = cooperation).
  - Though the teacher may want to teach students how to work together, the competitive dynamic she established may discourage students from collaborating.
- Incommensurate values occur where values have no basis of comparison. One does not undermine the other, nor do they positively reinforce each other. They are unrelated.
  - For example, a group of administrators at a university may be deciding how to allocate their budget for the year.
  - One administrator wants to spend their budget on staff training (value = self-development of employees).
  - Another administrator wishes to spend it on a new self-serve kiosk for students to manage their registration (value = user orientation).

3. De Graff, G., Huberts, L., & Smulders, R. (2014). Coping With Public Value Conflicts. *Administration & Society*, 1-27.

There are several tactics organizations use to resolve conflicts between incompatible and incommensurate values. These tactics include:<sup>456</sup>

- *Firewalls*: The organization tasks different departments with the pursuit of different values.
- *Cycling*: One set of values dominate. Over time, resistance grows until a new set of values become dominant.
- *Casualty*: Individuals rely on experience with similar conflicts to resolve current ones.
- *Bias*: One set of values falls out of favour.
- *Hybridization*: Individuals attempt to reconcile competing values.
- *Incrementalism*: Individuals slowly favour one value over time.
- *Compromise*: Competing values each sacrifice some of their aims to accommodate the other value.

## The Impact of Time Scale on Values

Values may also interact across time.<sup>7</sup> An action that you take today to achieve a value in the present may affect your ability to achieve that value in the future. To explore this, let's return to the previous example of medical researchers investigating how to reduce senior citizens' frailty.

### *The impact of time scales on values*<sup>8</sup>

Recall from the earlier example of how researchers approached vice presidents to obtain their support for their investigation of how to reduce frailty. One of the values guiding vice presidents' actions was *robustness*. They wanted to ensure hospitals could deal with the number of patients, which was something they were struggling to achieve.

The overcrowding problem was severe enough that it took all the resources the vice presidents had to deal with it. When the researchers came asking for help, the vice presidents initially felt that splitting their resources with the researchers would compromise their ability to strengthen the system's robustness.

The researchers then argued that if they could delay seniors' frailty, those seniors would be healthier and

4. Oldenhof, L., Postma, J., & Putters, K. (2014). On Justification Work: How Compromising Enables Public Managers to Deal with Conflicting Values. *Public Administration Review*, 74(1), 52–63.
5. Stewart, J. (2006). Value Conflict and Policy Change. *Review of Policy Research*, 23, 183–195.
6. Thacher, D., & Rein, R. (2004). Managing Value Conflict in Public Policy. *Governance*, 17, 457–486.
7. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.
8. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.

could avoid trips to the hospital. By reducing the number of people going to the hospital, the researchers' efforts could enhance the system's robustness.

Note that this impact, however, would occur in the future. If the researchers were successful, it would take years before their program was incorporated sufficiently into the community to have a noticeable effect. The vice presidents faced overcrowding now. The researchers' had a solution that would take effect in the future.

Should the vice presidents take resources away from their efforts to enhance the system's robustness today to improve future robustness? Or should they sacrifice future robustness to solve today's problem? Was there some way they could achieve both?

The time scale over which people's actions took effect put the value of (future) robustness in conflict with (current) robustness.

### *Key Takeaways*

- Values interact in multiple ways
- Terminal values are those pursued as ends in themselves.
- Instrumental values are those pursued as a means to an end.
- Incompatible values are those where achieving one undermines the ability to achieve another.
- Incommensurate values are unrelated.
- The time scale over which different actions work can create value dilemmas

## 27. Values guide wise action

BRAD C. ANDERSON

This chapter explored the social **structure** of values. Values define the ends we find worth achieving and the means we feel are appropriate to achieve those ends.

Despite the importance of values in guiding human behaviour, many institutions in Western society avoid addressing them explicitly due to their preference for **instrumental-rationality**. This over-reliance on instrumental-rationality leads people to view **value-rationality** as 'irrational' due to its subjective nature. Humans, however, are subjective creatures. To understand human activity, we must understand the values guiding it.

There are many frameworks to understand values. This chapter introduced two: a framework for public sector values and another for political values. As shown in these frameworks, many values guide human behaviour. This is because societies are complex, and so they need the expression of many values to thrive.

Consequently, people often find that values interact with each other in complex ways.

- Values may be **terminal** or **instrumental**.
- They may be incompatible or **incommensurate**.
- The time scales over which actions operate may put values in conflict with each other.

Values guide wise action. Thus, individuals in organizations that aspire to act wisely must understand how values enable and constrain action and develop skills in managing the varied ways that values interact.

Next, because knowledge is required but insufficient for wise action, this textbook will explore the social structure of rationality.

### *In This Chapter, You Learned*

#### What values are

- Values describe the ends we pursue and the means we find appropriate to achieve those ends.
- Values guide the actions of individuals and organizations.

#### Why organizations seldom discuss values

- Discussing values is uncommon.
- Due to the subjective nature of values, those ingrained in instrumental-rationality see value-rationality as irrational.
- This dynamic may create challenges for those who wish to address the values guiding human action.

#### Types of values

- Different cultures may venerate different values
- Several frameworks organize and describe the values in our society.
- A framework of public sector values seeks to understand the role values play in the public sector. This



framework identifies several values and organizes them into these categories:

- Contribution to society
  - Transformation of interests to decisions
  - Relationship between administrators and leaders
  - Relationship between administrators and the environment
  - Intraorganizational aspects of administration
  - Behaviour of employees
  - Relationship between administrators and citizens
- A framework of political values seeks to understand why politics is so divisive. This framework identifies six values:
    - Care/harm
    - Fairness/cheating
    - Loyalty/betrayal
    - Authority/subversion
    - Sanctity/degradation
    - Liberty/oppression
  - To create productive relationships, first, understand the values guiding your behaviour and then seek to understand the values guiding other people's behaviours.

Why we have so many different types of values

- Social systems are complex.
- To thrive, complex social systems require the pursuit of many different values.

How different values interact

- Values interact in multiple ways.
- Terminal values are those pursued as ends in themselves.
- Instrumental values are those pursued as a means to an end.
- Incompatible values are those where achieving one undermines the ability to achieve another.
- Incommensurate values are unrelated.
- The time scale over which different actions operate can create value dilemmas



PART V

## CHAPTER 5: RATIONALITY



Photo by [Susan Yin](#) on [Unsplash](#)



# 28. Rationality

BRAD C. ANDERSON

## Learning Objectives

In this chapter, you will learn the following.

- What rationality is
- The different forms of rationality
- What practical reason is
- How to blend rationalities
- Why knowledge is required but insufficient for wise action

A group of researchers in British Columbia, Canada, wanted family physicians to adopt a medical intervention that reduced senior citizens' frailty.<sup>1</sup> A scientific study concluded that the intervention resulted in a significant delay in the onset of, and in some cases reversed, frailty. The researchers had evidence—they *knew* their methods worked.

There existed no fee code, however, that doctors could use to bill for the medical intervention. After a quick financial analysis, most physicians concluded they would lose money if they adopted this program. They *knew* performing the intervention risked making their practice financially unviable.

Through scientific research, doctors knew how to delay frailty. Through economic analysis, they knew they were unable to adopt these research findings.

Knowledge is required but insufficient for wisdom. What, however, is knowledge? How do we come to know something? What happens when different ways of understanding lead to conflict, as the above example demonstrates? Whose knowledge is relevant for a given situation? Can we ever know enough to eliminate uncertainty?

This chapter addresses these questions by presenting an exploration of rationality. It first defines what rationality is and then gives a framework through which to understand it. It will then explore *practical reason* and discuss the power of blending different forms of rationality to solve hard problems. It then closes with a discussion on why knowledge is required but insufficient for wise action.

Let's start by establishing what rationality is.

1. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.

## 29. What is Rationality?

BRAD C. ANDERSON

Knowledge is knowing how and knowing about.<sup>12</sup> We gain knowledge by applying various forms of rationality. We use rationality to measure and analyze our environment,<sup>3</sup> and then to justify our actions.<sup>4</sup> More than this, rationality is the basis of social interactions, for we expect people to behave reasonably.<sup>56</sup> We expect the same from organizations and the managers who run them.<sup>789</sup>

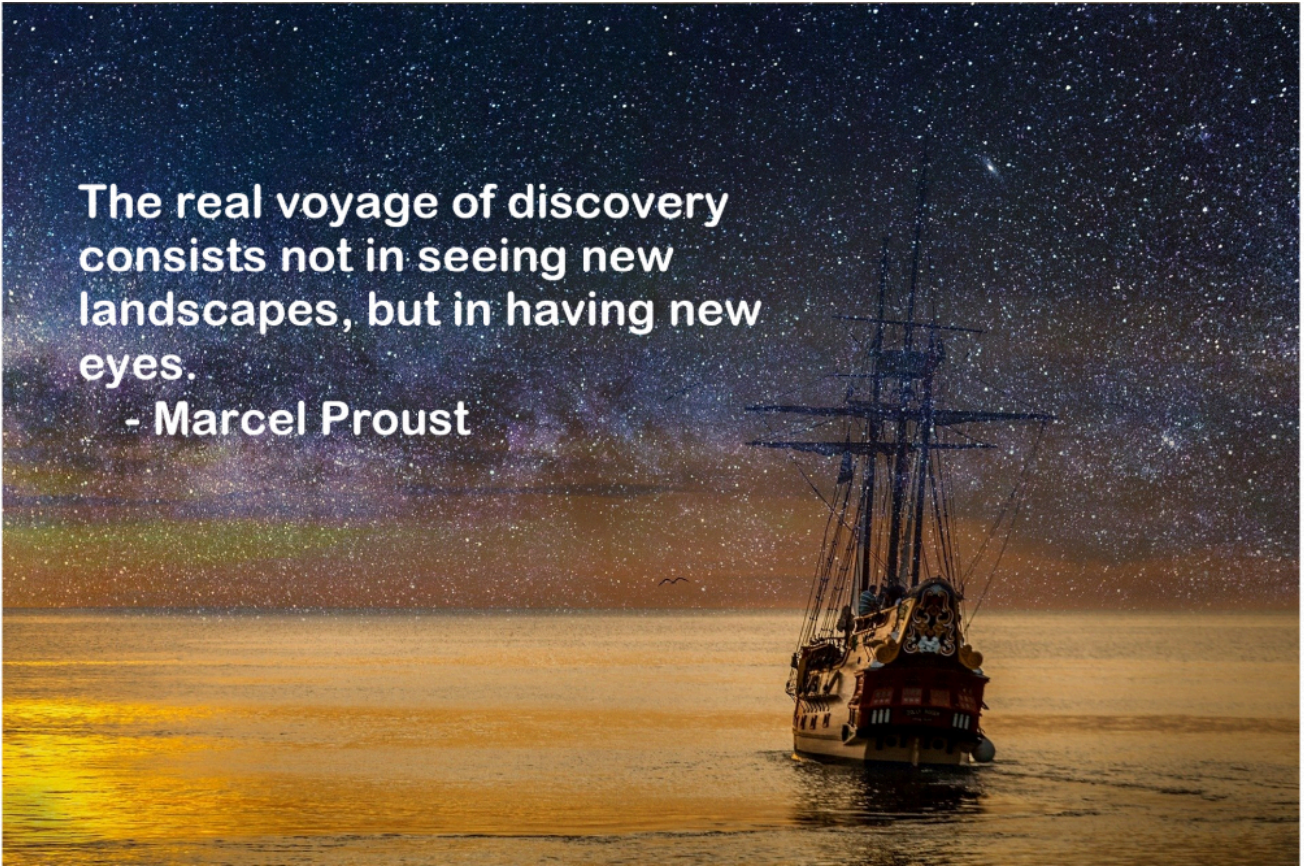
As the previous chapter on values discussed, Western education is founded on principles of **instrumental-rationality**.<sup>10</sup> We subsequently believe rationality is the logical process through which we learn objective truths.

In the above example, however, researchers used rationality to justify why physicians should adopt their medical innovation. Physicians, however, used rationality to justify why they chose not to. Where, then, is the objective truth?

Rationality takes many forms. Some of these forms aspire to apply logical processes to uncover objective truths, though others rely on different approaches. Because the world is complicated, we need many tools to navigate its complexities. The multiple forms rationality takes are the tools we have at our disposal to make sense of a messy world. The next section introduces these varied forms.

1. Grant, R. M. (1996). Toward a Knowledge-Based Theory of the Firm. *Strategic Management Journal*, 17(S2), 109–122.
2. Grant, R. M. (1996). Prospering in Dynamically-Competitive Environments: Organizational Capability as Knowledge Integration. *Organization Science*, 7(4), 375–387.
3. Townley, B. (2008). *Reason's Neglect: Rationality and Organizing*. New York, NY: Oxford University Press, Inc.
4. Taylor, C. (1985). *Philosophy and the Human Sciences: Philosophical Papers Volume 2*. Cambridge: Cambridge University Press.
5. Boden, D. (1994). *The Business of Talk: Organizations in Action*. Cambridge: Polity Press.
6. Giddens, A. (1994). Reason without Revolution? In R. J. Bernstein (Ed.), *Habermas and Modernity* (pp. 95–124). Cambridge, MA: MIT Press.
7. Joullié, J.-E. (2016). The Philosophical Foundations of Management Thought. *Academy of Management Learning & Education*, 15(1), 157–179.
8. March, J. G. (2006). Rationality, Foolishness, and Adaptive Intelligence. *Strategic Management Journal*, 27(3), 201–214.
9. Townley, B. (2008). *Reason's Neglect: Rationality and Organizing*. New York, NY: Oxford University Press, Inc.
10. Flyvbjerg, B. (2001). *Making Social Science Matter: Why Social Inquiry Fails and How It Can Succeed Again*. New York, NY: Cambridge University Press.





The real voyage of discovery  
consists not in seeing new  
landscapes, but in having new  
eyes.

- Marcel Proust

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#### Key Takeaways

- Rationality
  - Is used to measure and analyze our environment
  - Is used to justify our actions
  - Is the basis for social interactions
  - Takes many forms

## 30. Forms of rationality

BRAD C. ANDERSON

Rationality has been a focus of philosophical discussion for a long time. Consequently, many thinkers have written extensively on the subject. This section presents a framework of rationality developed by [Barbara Townley](#).<sup>1</sup>

Her work mostly draws from the work of Western philosophers. Other cultures have their own traditions of rationality. Additionally, her work focused on rationality as expressed in organizations, which may not apply to all facets of human activity.

This textbook's reliance on Dr. Townley's work does not imply that her perspectives on rationality are right and others wrong. This textbook focuses on her framework for its focus on rationality as it operates in organizations and its utility in categorizing different forms of rationality succinctly.

You may find other frameworks of rationality better meet your needs. The purpose of this section is not to present the “right” way to understand rationality. Instead, it seeks to start a discussion on the varied forms rationality may take.

Dr. Townley described three faces of rationality that the following sections will describe: disembodied, embedded, and embodied.

- **Disembodied rationalities** presume that truth is separate (or disembodied) from human activity. That is, the truth is “out there,” and through the application of objective analyses, we can learn what those truths are.
- Conversely, the view that people embed truth in a specific social context is the basis of **embedded rationalities**. To learn what is rational, individuals must seek to understand the social environment in which they operate.
- **Embodied rationalities** argue that it is through our bodies that we experience the world. Thus, understanding the world requires that we interpret our visceral, lived experiences.
- After exploring these three faces of rationality, Dr. Townley then explored **collective rationality**, which describes how rationality operates in group settings.
- She then finished her framework with thoughts on how societies can develop **practical reason**, which combines multiple forms of rationality to create deep, rich understandings of the world.<sup>2</sup>

The following sections dive deeper into the faces of rationality Dr. Townley presented.

1. Townley, B. (2008). Reason's Neglect: Rationality and Organizing. New York, NY: Oxford University Press, Inc.
2. Townley, B. (2008). Reason's Neglect: Rationality and Organizing. New York, NY: Oxford University Press, Inc.



## 3I. Disembedded rationality

BRAD C. ANDERSON

**Disembedded rationality** refers to objective knowledge. ‘Objective’ knowledge refers to truths that remain true regardless of human activity. For example, the force of gravity pulls two pieces of matter together according to a set of laws. Those laws exist separate from human activity. They operate whether we know about them or not, and they remain unchanged regardless of our actions.

Disembedded rationality takes three forms: economic, technocratic, and bureaucratic.

### Economic Rationality

**Economic rationality** is a means through which individuals make utility-maximizing decisions (that is, getting the most value for the fewest resources).

Current management thinking views organizations as utility-maximizing entities. In other words, people create organizations for a purpose (the utility they provide), and the objective of the organization is to fulfill that purpose for the least amount of resources. Economic rationality, thus, is a dominant approach in modern business thinking.

Think back on the [previous chapter on values](#), especially the framework on public sector values. What value does the goal of utility maximization express?

### Technocratic Rationality

**Technocratic rationality** assumes the world (including humans) operates according to objective, natural laws. Through the application of the scientific method, practitioners understand these objective natural laws, which in turn allows them to optimize systems of human activity.

Those who rely on this form of rationality see organizations as means-end structures (that is, organizations exist to use certain methods to achieve a defined objective). Through scientific study, we can optimize the means through which organizations achieve their ends.

### Bureaucratic Rationality

**Bureaucratic rationality** controls how individuals in organizations perform activities by defining and controlling knowledge through the following methods.

1. **Documentation:** Bureaucracies use documents to classify and define objects, activities, and people (e.g. job descriptions, employment contracts)

2. **Boundaries:** Bureaucracies define boundaries that classify who is responsible for which activity (e.g., finance department approves spending, teachers administer classroom lectures)
3. **Rules:** Bureaucracies use rules to guide behaviour and reduce the unpredictability of human discretion (e.g., sales associates must reply to customer e-mails within twenty-four hours)
4. **Processes:** Bureaucracies use processes to standardize how individuals perform activities (e.g., the process of taking an order at a coffee shop)
5. **Procedures & roles:** Bureaucracies use procedures and roles to eliminate unpredictability by defining discrete roles within the organization responsible for different procedures (e.g., the Vice President of Marketing is responsible for overseeing all the company's marketing activities).

Through bureaucratic rationality, individuals understand how an organization operates and how to get things done in that organization.

Thinking of bureaucracies as a type of rationality is counter-intuitive for many. Let's look at an example to see how this works in practice.

### Examples

Let's look at how [Kwantlen Polytechnic University \(KPU\)](#) approves a new course to demonstrate how bureaucratic rationality controls and defines organizational action.

As you will see, this is a complicated process. Rather than memorizing this process, just read it to get a sense of how the different bureaucratic rationality elements fit together to control the organization's activities. The aspects of bureaucratic rationality relevant to each step are highlighted in brackets.

- At KPU, if an instructor wishes to create a new course, they must complete a document called the Course Outline that summarizes the course (**documentation**).
- The individual creating the course is known as the Course Developer (**procedures and roles**).
- Approving a Course Outline is a multi-step process (**process**) that the following bullets describe.
- The Course Developer (**role**) creates the Course Outline (**documentation**) following a set of guidelines (**rules**) developed by the Senate's Standing Committee on Curriculum, which has authority over curriculum development (**boundaries**).
- Within KPU are many teaching departments, and every course is owned by one of those departments (**boundaries**).
- When creating a new course, the Course Developer's department must accept responsibility for the course (**boundaries**) and approve the Course Outline at a department meeting (**procedures/roles**).
- Each department belongs to a faculty. For example, the Marketing department belongs to the Business faculty, the department of Anthropology belongs to the Faculty of Arts, and so on (**boundaries**).
- Each faculty has a Curriculum Committee, which is responsible for overseeing curriculum development at the faculty level (**boundaries, roles**). Thus, the faculty's Curriculum Committee reviews and approves the new Course Outline (**processes**).
- The Course Outline then goes to the Faculty Council, which is responsible for overseeing all academic matters in the faculty (**boundaries, roles**). It reviews and approves the Course Outline (**processes**).
- The Course Outline then goes to the Senate Standing Committee on Curriculum, which is responsible

for overseeing curriculum across the entire university (**boundaries, roles**). It reviews and approves the Course Outline (**processes**).

- The Course Outline then goes to the Senate, which is responsible for overseeing all academic matters university-wide (**boundaries, roles**). It reviews and approves the Course Outline (**process**).
- Once approved, the Course Outline is sent to the Registrar's office for inclusion in next year's Academic Calendar (**documentation, process, roles**). KPU may now offer the course to students.

Phew! So, what was the point of telling you all that?

Bureaucratic rationality defines reality within the organization. It describes who does what, when they do it, and how.

Bureaucratic rationality governs how KPU creates a new course. An individual in KPU who wishes to create a new class must possess sufficient knowledge of this bureaucratic rationality.

Without bureaucratic knowledge, an individual is unable to create new courses.

**LESSON:** If you want to make something happen in an organization, you must know how it operates. That is, you must educate yourself in the bureaucratic rationality that governs the organization.

### Key Takeaways

- Disembedded rationality refers to objective knowledge. It takes three forms:
  - Economic rationality
  - Technocratic rationality
  - Bureaucratic rationality

## 32. Embedded rationality

BRAD C. ANDERSON

**Embedded rationality** recognizes that what is rational depends on the social context in which you operate. For example, a friend saying, “You’re fired,” when you bring the wrong potato chips to a party, means something different than when your boss says it at work. Embedded rationality takes three forms: institutional, contextual (cultural), and situational.

### Institutional Rationality

Within society, many spheres of activity exist, such as government, church, law, banking, healthcare, and so on. What individuals consider rational varies from one sphere of activity to another. **Institutional rationality** governs what is rational within a sphere of human activity.

Individuals may face multiple institutional rationalities as they go about their day. For example, someone may go from their work at a bank to a medical appointment at a doctor’s office during their lunch break. They then follow this by attending a meeting with the Parent-Teacher Association at their child’s school that evening.

The actions seen as ‘rational’ differ in each of these spheres. You may entrust your banker with tens-of-thousands of dollars, but not your doctor. You may share with your doctor deeply personal aspects of your body, but you would never share those details with your child’s teacher.

Each sphere determines what its desired ends are and the appropriate means to achieve those ends. An individual must adapt to each of these rationalities as they move from one sphere to the next to operate effectively.

### Contextual (Cultural) Rationality

**Contextual (cultural) rationality** presumes that what is rational can only be determined from within the social context (that is, culture) in which it occurs. Members of a culture share values and beliefs. It is a community—what people hold in common.

Cultures exist across national and ethnic lines. They also exist within organizations, occupations, and neighbourhoods. Any collective of human activity will form a unique culture over time.

Through their shared values and beliefs, cultures become a means of coordinating activity. Members of a culture expect other members to act in certain ways and maintain specific attitudes. Thus, one can only determine what is rational from within a cultural framework.

### Situational Rationality

**Situational rationality** occurs when we assign reasons to other people’s actions in an attempt to make those actions understandable. Generally, we believe that people will act rationally. Thus, whenever we witness a person doing something, we develop reasons that explain their action.

For example, we might see someone give another person money. We immediately start to think of reasons why.

Perhaps the first person is paying off a loan from the second. Maybe the first person recently bought something from

the second and is now paying for it. Perhaps the second person is homeless, and the first is giving them money out of charity.

We assign a reason to other people's actions that render those actions rational.

We do not come up with our reasons for others' actions randomly but rather through two sources.

- The first source of our explanations come from **everyday knowledge**. We gain everyday knowledge through our experiences, which we then use to judge what is probable in a given circumstance.
  - For example, consider if the person giving money was well dressed, while the person receiving payment was sitting on the street wearing ragged clothing.
  - Based on most people's experiences with the homeless problem, you might conclude that what you are observing is someone giving money to a homeless person.
- The second source of our explanations comes from **common sense**. Common sense is the unexamined assumptions we gain through our experiences.
  - For example, if we see a person sitting on the street wearing ragged clothes and begging for change, common sense leads us to believe they are homeless.

#### Key Takeaways

- Embedded rationality recognizes that what is rational depends on the social context in which you operate. It takes three forms.
  - Institutional rationality
  - Contextual (cultural) rationality
  - Situational rationality

## 33. Embodied rationality

BRAD C. ANDERSON

The previous two forms of rationality, disembedded and embedded, perceive rationality as separate from the self. Disembedded rationalities seek objective truths, whereas embedded rationalities depend on the social context.

**Embodied rationality**, conversely, is derived from the self. This form of rationality argues we experience reality through our bodies. We perceive reality with our senses and process this sensory input with our brain. Our knowledge of the world, therefore, is the product of this bodily experience. There are three forms of embodied rationality: body, emotions, and ‘irrational’ subconscious.

### Body Rationality

**Body rationality** argues that we gain knowledge through our senses. Experience gained through our senses forms the basis of intuition, which is a fast-act of logical reasoning. Our intuition allows us to act in complex situations when we lack the time or data needed to process our options formally.

You may also hear people calling it ‘instinct’ or ‘gut feeling.’ Whatever you call it, body rationality is a form of reasoning we are often unable to put into words. It guides us when we must navigate dynamic and difficult situations.

#### *Can You Trust Intuition?*

Everyone has intuition, but how reliable is it? Is your gut feeling for how to treat an illness as trustworthy as your doctor’s? Is your intuition of what stock is a good investment as accurate as a professional stockbroker’s?

It turns out the odds of your intuition resulting in a favourable outcome increase with your expertise. When considering the next move in a chess game, a grandmaster’s intuition is more likely to result in a better outcome than an amateur.<sup>1</sup>

**LESSON:** Body rationality occurs when you integrate experiences into your repertoire of knowledge. Your mind can then draw from this repertoire of experience instantaneously when faced with similar problems in the future.

The more experience you have, the deeper the collection from which your mind draws when faced with these problems. This depth, in turn, leads to better decisions when compared to an amateur.

1. Wan, X., Takano, D., Asamizuya, T., Suzuki, C., Ueno, K., Cheng, K., ... Tanaka, K. (2012). Developing Intuition: Neural Correlates of Cognitive-skill Learning in Caudate Nucleus. *The Journal of Neuroscience*, 32(48), 17492–17501.

## Emotional Rationality

Can emotions be rational? The **instrumental-rationality** dominating our society presumes that whereas the mind is rational, our passions are not.

Yet, inappropriate emotional responses to a situation—say, screaming in terror in a coffee shop—demand explanation. We judge whether a person's emotional response is reasonable for the situation. If it is not, we accuse the person of acting 'irrationally.'

Our emotions are a form of social communication. Through **emotional rationality**, we communicate what we feel to everyone in our social environment.

- Observers use our emotional cues to assess our state of wellbeing.
- They also use it to assess the status of the group. A scream of terror indicates the group is in danger; everyone shifts to high alert. Laughter suggests the group is safe, and so we can relax.

Our emotions are also a form of internal communication. They drive us to action and inform us of our preferences. Our emotions show us what ends we desire and the means we are willing to use to achieve them—they, in short, inform us of our values.

## The 'Irrational' Subconscious

The **'irrational' subconscious** is our psychological rather than objective reality. It is our response to situations that we have difficulty justifying. Our reaction to circumstances is not only based on objective reality but a lifetime of experiences that unconsciously influences our response. In organizational contexts, the 'irrational' subconscious manifests as corporate myths, unquestioned assumptions, belief systems, and rituals.

### Key Takeaways

- Embodied rationality is derived from the self. This form of rationality argues we experience reality through our bodies. We perceive reality with our senses and process this sensory input with our brain. Our knowledge of the world, therefore, is the product of this bodily experience. There are three forms of embodied rationality:
  - Body rationality
  - Emotional rationality
  - The 'irrational' subconscious

## 34. Collective rationality

BRAD C. ANDERSON

Disembedded, embedded, and embodied rationalities describe individual forms of rationality. Let's explore how groups act to understand the world and make decisions. **Collective rationality** takes two forms: *collective action* and *collective reasoning*.

### Collective Action

**Collective action** occurs when individuals make self-interested choices that add to other people's decisions to result in group action.

For example, let's say we had three companies that produced soap in a city, and they were trying to reduce the carbon footprint of their industry.

- Company A decided to invest in eco-friendly technology. As a consequence, it reduced its annual output of carbon dioxide by one tonne.
- Company B decided to make the same investment, reducing its carbon dioxide output by one tonne also.
- Company C, however, was uninterested in reducing its carbon footprint and refrained from making the same investment.

Collectively, all three companies reduced carbon dioxide emissions by two tonnes. Rather than coordinate activity, each company made their choice independently. The collective action was the total of all those individual choices.

Collective action is based on two assumptions.

1. First, individuals make choices in their self-interest.
2. Second, if a person belongs to a group, and their fortunes rise and fall with that of the group, then they will make individual choices that are in the group's best interest.

Though there are many situations where those assumptions hold, there are many circumstances where they fall apart. Examples of these circumstances include the [Prisoner's Dilemma](#), [Tragedy of the Commons](#), and [Arrow's Impossibility Theorem](#). The following example explores the Tragedy of the Commons.

#### *The Tragedy of the Commons: A Failure of Collective Action*

A 'commons' is a shared resource. For example, fisheries share a fishing stock, cattle ranchers share pastureland, or farmers share a river's water.

A tragedy of the commons occurs when several individuals sharing a resource make self-interested choices that undermine the collective good.



We see this in international efforts to combat climate change by reducing reliance on fossil fuels. (Not everyone who reads this textbook may believe that human activity drives climate change, but those nations seeking to reduce their dependence on fossil fuels do. This example takes the perspective of one of those nations.)

In this example, the commons is our climate. Every country shares the climate in common.

Reducing reliance on fossil fuels is difficult and requires nations to make significant investments into their energy infrastructure. The benefit of this investment, however, is a hoped-for reduction in the severity of climate change caused by the burning of fossil fuels.

Let's say Nation A chose not to make these investments needed to reduce fossil fuels. As long as every other nation still made those investments, Nation A would receive the benefits (because global reliance on fossil fuels declined) without any of the costs. It is, therefore, in Nation A's best interests to continue using fossil fuels and let other nations invest in changing.

Nation B notices the same thing and chooses to continue using fossil fuels, too. So does Nation C. Now, so few nations are participating that the benefits are no longer there because of the reneging countries' carbon dioxide output. Without any benefit, there is no reason for the remaining nations to invest in reducing fossil fuel use either.

In this example, it is in every nation's best interests to reduce the severity of climate change by collectively decreasing reliance on fossil fuels. If countries based their decisions purely on self-interest, though, the result would be that no nation would invest in reducing fossil fuel use. This situation is a *tragedy of the commons*.

Sometimes, collective action does not result in the common good.

## Collective Reasoning

**Collective reasoning** is a form of rationality where individuals put forth ideas for public debate. It is deliberative democracy. Proponents of an idea put forth arguments. Individuals within the group debate these arguments. As this process progresses, the group discards weak ideas and strengthens good ones until they agree on a course of action.

The collective process of deliberative democracy often leads to better decisions. This process, however, can be challenging to implement in businesses because businesses are not democracies—they are private property. Individual rationalities tend to dominate in private property (that is, owners make decisions; employees carry them out).

### Key Takeaways

- Collective rationality defines how groups act to understand the world and make decisions. It takes two forms:
  - Collective action
  - Collective reasoning

## 35. Practical reason

BRAD C. ANDERSON

Dr. Townley argued that an exclusive focus on one type of rationality often leads to irrational results.<sup>1</sup>

For example, many businesses use performance metrics to measure employee competence and promote desired behaviours. By their nature, performance metrics rely on either technocratic rationality or economic rationality.

If implemented poorly, this reliance on minimal forms of rationality leads to problems. These problems include the degradation of communication and trust between individuals, overcompensation of some people, under-compensation of others, lying, bullying, and managing the appearance of performance rather than improving actual performance.<sup>2</sup>

Moreover, each form of rationality has strengths to understand certain facets of the world but is blind to others. For example, let's return to the researchers developing an intervention that delays frailty in the elderly from the start of this chapter.

Science (technocratic rationality) showed how to delay frailty. It was, however, blind to the fact that implementing the procedures was financially unviable (economic rationality). If the researchers want to resolve this challenge, they will require additional forms of rationality.

Let's take a moment to see what additional rationality the researchers must apply if they want the Health Authority to implement their findings.

- *Bureaucratic rationality* governs the process through which the government assigns billing codes. Thus, if the researchers wish to create a new billing code, they must learn this bureaucratic rationality.
- Additionally, the government is a sphere of society that is different from a healthcare environment. Thus, the researchers must familiarize themselves with the government's *institutional rationality*.
- Furthermore, government departments will need to approve the creation of this billing code. These departments decide what to support based on their values and beliefs. To obtain these departments' approval, researchers must understand those values and beliefs. In other words, they must learn the *contextual (cultural) rationality* governing those departments.
- Acquiring this contextual (cultural) rationality will require emotional and social intelligence on behalf of the researchers, which they develop through their *body and emotional rationality*.

Gaining mastery of all these needed rationalities requires *practical reason*. **Practical reason** is the process of blending multiple rationalities to generate effective solutions to challenging problems. We gain a fuller picture of the world facing us through blending rationalities while deepening the arsenal of tools we can use to overcome challenges.

### Key Takeaways

1. Townley, B. (2008). *Reason's Neglect: Rationality and Organizing*. New York, NY: Oxford University Press, Inc.
2. Mannion, R., & Braithwaite, J. (2012). Unintended Consequences of Performance Measurement in healthcare: 20 Salutory Lessons from the English National Health Service. *Internal Medicine Journal*, 42(5), 569–574.

- Practical reason is the process of blending multiple rationalities to generate effective solutions to challenging problems. We gain a fuller picture of the world facing us through blending rationalities while deepening the arsenal of tools we can use to overcome challenges.

## 36. How do we blend rationalities?

BRAD C. ANDERSON

The first step to blending rationalities is to recognize that rationality takes multiple forms. Further to that, realize that each type of rationality has the power to see certain aspects while being limited in other areas.

Blending rationalities also requires us to recognize our limits. For small problems, we may have the capacity to blend multiple rationalities on our own. As the complexity of the problem increases, however, it can quickly outstrip our capacity.

Furthermore, our job training tends to develop one form of rationality over others. Science training promotes technocratic rationality, business training fosters economic rationality, and so on. This focus leads to the creation of expertise but leaves us weak in other areas.

In these situations, **collective reasoning** is a helpful tool.<sup>1</sup> Find willing partners with different backgrounds, bring them together, present the problem, and allow them to deliberate on solutions.

We further need to recognize the knowledge we do have is often flawed or incomplete.<sup>2</sup> Combining the knowledge of many through collective reasoning may help us close the gaps in our understanding, but some holes will always remain.

Thus, an essential aspect of blending rationality is to apply solutions cautiously and with a spirit of experimentation. As the situation progresses, collect more information, use different rationalities to understand what is happening, and modify your approach appropriately.

### Key Takeaways

- To blend rationalities
  - Recognize rationality takes multiple forms
  - Each form has the power to understand certain aspects of the world and is blind to others.
  - Recognize our limits—no one is a master of every type of rationality.
  - Engage in collective reasoning
  - Move forward with a spirit of experimentation.

1. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.
2. Weick, K. E. (1998). The Attitude of Wisdom: Ambivalence as the Ultimate Compromise. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 40–64). San Francisco: The New Lexington Press.

# 37. Knowledge is required but insufficient for wise action

BRAD C. ANDERSON

There are several reasons this is true. As shown above, rationality takes many forms. Though each type allows us to see a different aspect of our world, they have blind spots. Try as we might, we are not omniscient. There are always limits to our knowledge.

We can use practical reason to build a rich picture of how to achieve a goal, but even then, there will still be things of which we lack knowledge. We must progress with a spirit of experimentation and a willingness to learn and course-correct along the way.

Importantly, though we use knowledge and rationality to figure out how to do something, they do not tell us what is worth doing. For that, we need values. As discussed in the previous chapter, values tell us what ends are worth pursuing and what means are appropriate to achieve those ends.

Conversely, rationality helps us understand our operating environment and develop techniques to perform tasks and resolve problems. If values tell us *what* to achieve, rationality tells us *how* to obtain it.

This is an important distinction that people often forget. For example, in healthcare, one side might argue, “The science shows this is how we delay frailty” (technocratic rationality). The other side argues, “This financial analysis shows we cannot afford it” (economic rationality).

If you have worked in an organization, you know these debates could linger for months, even years. We may think this is a conflict between technocratic and economic rationality. My study says this; your study says that, so what should we do?

The truth is, though, this is not a debate between rationalities but between values. The *real* debate is this. Should we delay frailty (value=public interest) or maintain financial viability (value=sustainability)? How can we achieve both values without sacrificing the other?

The solution to that debate will not come from presenting your studies’ results to the other side. To progress, both parties must first agree on what values the organization should pursue and then use the relevant rationalities to chart a path to achieve those ends.

It is true, though, that sometimes rationalities do conflict. For example, a doctor may know a scientific study says they should treat a disease one way (technocratic rationality). When faced with a new patient’s unique characteristics, though, their intuition may tell them a different treatment is needed (body rationality).

How do we resolve conflicts between rationalities? The answer is complicated. Future chapters in this textbook will address that question.

## Key Takeaways

- Our knowledge is often limited and flawed. Therefore, we always act in an environment of uncertainty and must be willing to learn along the way.
- Often, what we think are conflicts between different forms of rationalities are, in fact, conflicts between different values.

- People must first agree on what values should be pursued and then apply appropriate rationalities to determine how to achieve them.

# 38. Where to now?

BRAD C. ANDERSON

We have explored values, which show us what is worth doing, and rationality, which informs us how to achieve it. We next need to understand how to turn these ideas into action.

To create action, you must exercise power. The next chapter, therefore, explores the social structure of power.

## *In This Chapter, You Learned*

What rationality is

- Rationality
  - Is used to measure and analyze our environment
  - Is used to justify our actions
  - Is the basis for social interactions
  - Takes many forms

The different forms of rationality

- Disembedded rationality refers to objective knowledge. It takes three forms:
  - Economic rationality
  - Technocratic rationality
  - Bureaucratic rationality
- Embedded rationality recognizes that what is rational depends on the social context in which you operate. It takes three forms.
  - Institutional rationality
  - Contextual (cultural) rationality
  - Situational rationality
- Embodied rationality is derived from the self. This form of rationality argues we experience reality through our bodies. We perceive reality with our senses and process this sensory input with our brain. Our knowledge of the world, therefore, is the product of this bodily experience. There are three forms of embodied rationality:
  - Body rationality
  - Emotional rationality
  - The 'irrational' subconscious
- Collective rationality defines how groups act to understand the world and make decisions. It takes two forms:

- Collective action
- Collective reasoning

What practical reason is

- Practical reason is the process of blending multiple rationalities to generate effective solutions to challenging problems. We gain a fuller picture of the world facing us through blending rationalities while deepening the arsenal of tools we can use to overcome challenges.

How to blend rationalities

- To blend rationalities
  - Recognize rationality takes multiple forms
  - Each form has the power to understand certain aspects of the world and is blind to others.
  - Recognize our limits—no one is a master of every type of rationality.
  - Engage in collective reasoning
  - Move forward with a spirit of experimentation.

Why knowledge is required but insufficient for wise action

- Our knowledge is often limited and flawed. Therefore, we always act in an environment of uncertainty and must be willing to learn along the way.
- Often, what we think are conflicts between different forms of rationalities are, in fact, conflicts between different values.
- People must first agree on what values should be pursued and then apply appropriate rationalities to determine how to achieve them.



PART VI

## CHAPTER 6: POWER



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# 39. Power

BRAD C. ANDERSON

## Learning Objectives

In this chapter, you will learn the following:

- The dimensions of power
- The faces and sites of power in organizations
- How people and groups exercise power
- How this textbook views power

If your teacher told you to pick up their dry cleaning, would you? Is it okay for a teacher to demand such a thing of you?

Most people agree that it is inappropriate for a teacher to ask you to perform personal favours. Yet, your teacher will require you to prepare reports and write exams. Conducting research and studying requires many hours per week of work.

When you compare the effort of picking up dry cleaning to studying for a final exam, the work needed to pass a test is greater than picking up someone's clothes. Nonetheless, a student who willingly loses sleep to complete a report for the teacher would likely reject that teacher's request to pick up their laundry.

How is it a teacher can ask you to give hours for a term project yet remain unable to have you take twenty minutes to swing by the laundromat?

You might argue that the teacher gives you marks for school work but not personal favours. The teacher's authority, then, is bound by what they can legitimately assign grades for.

What allows the teacher to give you marks, however? Is there something preventing the teacher from having a graded assignment on picking up laundry? Is there a reason why that teacher marks your work rather than another teacher? Why does a teacher, rather than a classmate, grade your assignments? Why do we have marks at all?

The social **structure** of power answers these types of questions. Power is a creative force. By creating a web of power, humans organize themselves into collective entities ranging in size from small teams to entire civilizations. [This ability to organize is humanity's killer app.](#)

People commonly view power negatively. They see power as something a stronger aggressor does to a weaker victim. They see power as the ability to get other people to do something, often against their will. Thus, we fear the power that others might have over us.<sup>1</sup>

It is undeniable that some people have more power than others. It is also undisputed that these power asymmetries have led to oppression. Despite these truths, this textbook takes a decidedly optimistic view of power. Though power can lead to abuse, it is equally valid that it is through power we right injustice. Power is a creative force, and we each have the agency to choose what we create.

1. Hardy, C., & Clegg, S. R. (1996). Chapter 3.7: Some Dare Call It Power. In S. R. Clegg, C. Hardy, & W. R. Nord (Eds.), *Handbook of Organization Studies* (pp. 622–641). London, UK: Sage Publications.

Wisdom is action-oriented. Acting requires you to exercise your power within your social setting. For your actions to have the desired effect, you must understand how the web of power governing your social setting works.<sup>2</sup>

To that end, this chapter summarizes several frameworks of power. It starts by exploring the dimensions of power that scholars have identified. Following this, it discusses the faces and sites of power in organizations, which considers how people experience power and where power operates in social systems.

This chapter will then discuss how people exercise power in organizations, focusing on the connection between power and rationality and the different relations into which groups with power enter. This chapter then concludes with a perspective on power that readers will find helpful when seeking to develop wisdom in the organizations in which they operate.

This chapter serves to present a basic overview of power. Later sections of this textbook will then dive deeper into how power operates in organizations to give you a richer understanding of this topic.

As you read the following, please remember that countless theorists and philosophers have contemplated power for millennia across the world. The literature and teachings describing power are, consequently, vast and filled with conflicting views. The creators of the frameworks this textbook presents were Western European/North American scholars. Thus, they premise their work on a body of Western research and philosophy. Other cultures will have different traditions of power.

By focusing on these frameworks, this textbook is not implying they are the only ways to understand power. Instead, this textbook presents these frameworks because the author believes they provide practical insights to individuals seeking to take action within their social setting. You may find other conceptualizations of power more relevant to your circumstances.

2. Hardy, C., & Clegg, S. R. (1996). Chapter 3.7: Some Dare Call It Power. In S. R. Clegg, C. Hardy, & W. R. Nord (Eds.), *Handbook of Organization Studies* (pp. 622–641). London, UK: Sage Publications.

# 40. Dimensions of power

BRAD C. ANDERSON

[Steven Lukes](#) developed a framework that identified three dimensions of power.<sup>1</sup>

- The first two dimensions consider power as it pertains to conflicting interests between parties.
- The third dimension explores how those with power can avoid clashes of interests by shaping others' wants and desires.

Later, other scholars identified a fourth dimension that saw power as a web of relations that provides the scaffolding of societies.

## The One-Dimensional View of Power

Under the **first dimension**, power is the ability to get someone to do what you want. Here, power is active in direct, observable conflicts. Our focus is on the behaviours people deploy in decision-making when different parties' interests are in opposition.

## The Two-Dimensional View of Power

Whereas power's first dimension considers the ability of one party to secure the compliance of another when interests conflict, the **second dimension** considers how those with power suppress conflict.

That is, a group has power if it can limit the scope of what is debated, thereby confining decision-making to issues they deem safe. Parties may achieve this through various means.

- Coercion: You secure the compliance of others through threats of deprivation. For example, an employer may say, "Do this, or I will fire you."
- Influence: You secure the compliance of others without resorting to threats. Instead, you convince others to comply through various means (e.g., making a persuasive argument).
- Authority: Others comply with you because they recognize your authority (e.g., a young child may obey their parents because the parents are in charge).
- Force: You secure the compliance of others by stripping from them the choice of non-compliance (e.g., the police may close off the road, forcing you to find another route home).
- Manipulation: You secure others' compliance without their awareness (e.g., a company may withhold data about the negative side-effects of its products so that you buy them).

1. Lukes, S. (2005). *Power: A Radical View* (2nd ed.). New York: Palgrave Macmillan.

## What the first and second dimensions of power have in common

With both the first and second dimensions of power, there exist conflicts of interests between parties. The first dimension resolves those differences through open conflict, the second by suppressing one side's ability or willingness to engage in a public battle.

The third dimension considers the ability of those with power to avoid the need for conflict altogether.

## The Three-Dimensional View of Power

The **third dimension** of power considers the ability to avoid conflict. Those with power can shape people's perceptions of their situation and influence how they think and understand the world. Through such means, those with power can shape others' preferences to the point they comply because they are incapable of imagining an alternative. They see compliance as natural.

For example, a business may promote the idea that a sign of good character is a willingness to work hard. Going above and beyond the call of duty is a virtue. The business rewards people who possess that virtue with promotions and career advancement.

Over time, a worker immersed in this environment may come to believe that hard work is a virtue. When the company asks that worker to work unpaid overtime on the weekend, the person may choose to do so willingly. They sacrifice their time for the company's good not out of coercion but because they believe doing so is virtuous.

The company has shaped the worker's beliefs and preferences to the point the worker adopts the company's interests.





... power is at its  
most effective  
when least  
observable

- Steven Lukes

*"Power is at its most effective when least observable"* by [Brad C. Anderson](#), [Kwantlen Polytechnic University](#) is licensed under [CC BY 4.0](#) / A derivative from the [original work](#)

## A Contentious Fourth Dimension of Power

Another scholar, [Michel Foucault](#), wrote extensively on power. Some people view his perspective as a **fourth dimension**. Dr. Lukes, who conceptualized the first three dimensions, disagrees with this. That is why this section is titled a "contentious" fourth dimension. Foucault's work is influential, however, and people categorize it as a fourth power dimension. This textbook, therefore, introduces it here briefly.

The first three dimensions view power as repressive. They explore how the interests of one party may prevail over another either through:

1. Conflict
2. Suppressing conflict, or
3. Shaping preferences.

Foucault, conversely, viewed power as productive. Through power, civilizations create things.

One of the more critical things societies create are individuals or what Foucault called "subjects." Society creates subjects by indoctrinating people into roles and beliefs, transferring cultural knowledge to them, and monitoring people's behaviour and enforcing norms. Through these processes, we create doctors, teachers, mothers, fathers, and every other subject that plays a part in society.

Foucault argued power was active in "micro-practices," or the daily activities of life. When you exchange money for

coffee, you reinforce the power structures through which our society creates an economy. When you study to do well on an exam, you reinforce the power structures through which our society transfers knowledge. Society is a rich web of power relations; our daily actions serve to create and re-create these webs.<sup>23</sup>

#### *Key Takeaways*

- Scholars have classified power into four dimensions.
  - One-dimensional power: The ability to get people to do something that you want through open conflict
  - Two-dimensional power: The ability to get what you want through suppressing conflict and limiting the scope of debate
  - Three-dimensional power: The ability to get what you want by influencing the preferences of others
  - Four-dimensional power: The dense web of power networks through which societies organize themselves

2. Foucault, M. (1977). *Discipline and Punish: The Birth of the Prison*. Toronto: Random House.

3. Foucault, M. (1978). *The History of Sexuality - Volume 1: An Introduction*. Toronto, Canada: Random House.

# 4I. Faces and sites of power

BRAD C. ANDERSON

[Peter Fleming](#) and [André Spicer](#) developed a framework that sought to organize the vast collection of scholarly thought on power. Their model has two categories: faces of power and sites of power.<sup>1</sup>

## Faces of Power

The faces of power describe the forms through which people experience power. As you read about these faces, you will see similarities between it and the dimensions of power described earlier. See if you can connect the faces of power described below to power's dimensions discussed above.

Fleming & Spicer identified two faces of power: episodic and systematic.

### The first face: Episodic power

You can think of **episodic power** as the direct exercise of power. It includes *coercion* and *manipulation*.

- **Coercion** is the use of power to compel another party's compliance when they otherwise would not comply. What are the sources of power that give one party the ability to coerce another? There are several, including:
  - Bureaucratic authority
  - A psychological propensity to use force or threats
  - A capability to reduce uncertainty
  - Possession of valuable resources
- **Manipulation** is the use of power to control the topics people discuss and to frame the issues discussed within desired boundaries. The power to manipulate comes from several sources, including:
  - The ability to manipulate rules of conduct
  - Being able to define the outcomes that people expect
  - Mobilizing bias for or against certain issues within an organization
  - Influencing the process through which people make decisions

### The second face: Systematic power

Whereas episodic power is the direct exercise of power to obtain the compliance of others, **systematic power** considers the web of power that creates organizing structures within our society. It includes *domination* and *subjectification*.

1. Fleming, P., & Spicer, A. (2014). Power in Management and Organization Science. The Academy of Management Annals, 8(1), 237–298.

- **Domination** is the use of power to shape people's preferences and influence their interests. Domination occurs through several means, including:
  - Indoctrination into an organization's culture
  - Adopting the unquestioned assumptions that guide behaviour in a field of endeavour
  - Adhering to an institution's norms of operation
  - Adopting those behaviours and beliefs that an organization perceives as legitimate

#### An Example of Domination

It can be tricky to wrap your head around the idea of domination. Let's look at an example to clarify.

As listed above, the sources of domination included culture, unquestioned assumptions, norms, and behaviours/beliefs the organization sees as legitimate. How might this operate in, let's say, a hospital?

The hospital's organizational culture might value saving lives. It may pursue this value because this is what society expects hospitals to do—that is, saving lives is a *legitimate* pursuit.

Healthcare workers in that hospital adopt those values. Then, when a patient sees a doctor, the doctor *assumes* the patient wants to live longer. They then choose to perform actions to save that patient's life.

Through these processes of domination, healthcare workers see saving lives as the natural course of action. Doing anything else is unimaginable.

- **Subjectification** is the process through which individuals obtain their sense of identity within a social system. By conforming to these identities, people perform specific actions, assume different levels of authority, and adopt prescribed beliefs and values. Subjectification occurs through several means, such as:
  - Working in groups
  - Monitoring of individual behaviour within a group
  - Development of strategies that identify specific roles that individuals fill
  - The creation of words and concepts that defines identities and functions (e.g., manager, cashier, teacher, student). Each of these words means something, and when you apply that title to yourself, you take on that meaning as part of your identity.

As mentioned earlier, there is an overlap between these faces of power and the dimensions of power the previous section described. The following table summarizes these areas of overlap.

Coercion intersects with the concept of one- and two-dimensional power. Power's second dimension aligns with manipulation. Conversely, domination overlaps with the third- and fourth-dimensions of power, whereas subjectification overlaps with the fourth dimension.

	One-dimensional power	Two-dimensional power	Three-dimensional power	Four-dimensional power
Coercion	+	+		
Manipulation		+		
Domination			+	+
Subjectification				+

## Sites of Power

In addition to describing the faces of power, Fleming and Spicer identified four sites of power surrounding the organization. These include power in, through, over, and against the organization.

- **Power in organizations** describes the efforts of individuals within an institution's boundaries to affect its structures governing the organization. Examples include resisting change initiatives, conflicts between staff and their managers, dealing with whistleblowers, and so on.
- **Power through organizations** describes the efforts to use the organization to achieve an objective outside the organization. Examples include government or non-governmental agencies partnering with other institutions to pursue some political end.
- **Power over organizations** describes the efforts of influential individuals or groups to exert influence over an organization. Examples include shareholder activism, government regulators' intervention, and lobbying by third-parties to change a business's activities.
- **Power against the organization** describes the efforts of outside individuals or groups to create a change in the structures governing the organization. Examples include tapping into social movements to create change (e.g., women's rights movement driving gender equity in salary structures and advancement opportunities within an organization)

The following series of figures visually represent the relationship between the *faces of power* and the *sites of power* in organizations.

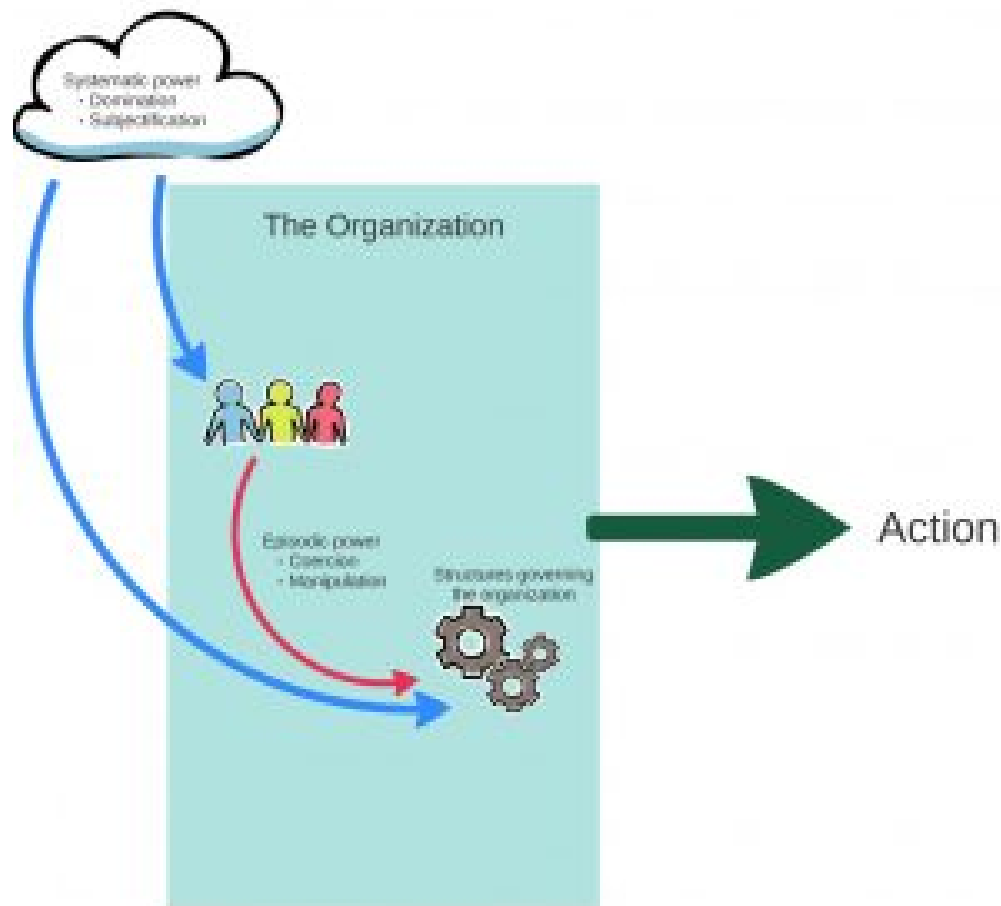
The diagram below shows **power in organizations**. Individuals inside the organization use episodic forms of power as they contest each other to shape the structures governing the organization. Systematic power shapes the preferences and behaviours of individuals and the structures governing the organization.



## Power in the organization

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The next figure shows **power through organizations**. Individuals inside the organization use episodic forms of power to drive the organization's structures, creating the actions of the organization. Systematic power shapes the preferences and behaviours of individuals and the structures governing the organization.



## Power through the organization

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The next figure shows **power over organizations**. Individuals outside the organization use episodic forms of power to drive the organization's structures, influencing the actions of the organization. Systematic power shapes the preferences and behaviours of individuals and the structures governing the organization.



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The next figure shows **power against the organization**. Individuals outside the organization use episodic forms of power to contest the organization's governing structures. Systematic power shapes the preferences and behaviours of individuals and the structures governing the organization.





## Power against the Organization

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### Key Takeaways

- Faces of power describe the forms through which people experience power. These faces include episodic and systematic power.
  - Episodic power is the direct exercise of power, including coercion and manipulation.
  - Systematic power is the web of power that creates organizing structures within social systems, including domination and subjectification.
- Sites of power define where power operates within organizations. It includes:

- Power in organizations
- Power through organizations
- Power over organizations
- Power against organizations

## 42. How do people and groups exercise power?

BRAD C. ANDERSON

The previous section defined **episodic power** as the direct exercise of power, which includes **coercion** and **manipulation**. [Bent Flyvbjerg](#) identified several examples of how individuals and groups exercise power.<sup>1</sup> The tactics he identified fall into two categories: (i) power and rationality and (ii) power relations

### Power and Rationality

As later chapters will explore, many scholars see a tight connection between power and rationality. As the previous chapter discussed, we use rationality to make choices and justify our actions. Thus, if I can influence what you perceive as rational, then I can influence your actions. That gives me power.

#### Exercises

If I seek to influence your actions by shaping what you perceive as rational:

1. Using Lukes's three-dimensions of power, which dimension am I exercising?
2. Using Fleming & Spicer's faces of power, which face am I utilizing?

The relation between rationality and power takes several forms.

- **Defining rationality:** Those with power seek to shape what others perceive as rational. This process can be as benign as two friends debating what movie they will watch tonight. Each may use their forms of reason and persuasion to convince the other. This process may also be much less benign. An institution might, for example, seek to sway public opinion by hiding the results of studies showing its activities cause harm.

1. Flyvbjerg, B. (1998). *Rationality and Power: Democracy in Practice*. Chicago, United States: The University of Chicago Press.

It may have dawned on you that the creator of this textbook is engaged in the act of defining rationality. Well ... you caught me.

Before you dismiss me as a power-mad author, note that much of human interaction involves defining rationality as we engage with each other and negotiate collective action. Some individuals and organizations, however, can define rationality more effectively and at a greater scale than others. For example, the owner of a news outlet may define rationality across an entire population, a teacher across their class, and a doctor with an individual patient.

Some people may conceal or misrepresent information in an attempt to mislead you. In contrast, others genuinely try to rely on reason and persuasion to convince you of the merits of their ideas.

Hopefully, you will judge that my intentions are good and allow me to continue my attempts to define rationality.

- **Ignoring rationality:** This is the ability of parties to perform irrational acts without consequence. For example, an analysis might conclude the optimal spot to locate a business is in Neighborhood A. The owner of the company lives in Neighborhood B and wants to avoid commuting to work. They subsequently choose to ignore the study and locate the business in Neighborhood B.

One might argue that anyone can ignore rationality. People, for example, know smoking cigarettes is unhealthy, yet many choose to smoke regardless.

Though these people may ignore what they know is rational, they still face the consequences of their choice. Those with power, conversely, can act irrationally without consequence.

The more a party can *avoid the consequences* of ignoring rationality, the more power they possess.

- **Using rationalization as rationality:** How do rationalization and rationality differ? Rationality is the process of using reason to understand the world and select actions. Rationalization is the process of finding excuses to justify the action you want to take (or already took). Using rationality means you use reason to guide your actions. Rationalization means you create a veneer of rationality to defend your actions. Power is the ability to use rationalization and have *others accept it as rationality*.

## Power relations

The opening of this chapter stated that societies create webs of power that organize human activity. The phrase “webs of power” implies that power is a matrix in which we are embedded. The social setting will assign more power to some individuals, less to others, depending on their role. That said, everyone has some power.

Moreover, power is dynamic. That means it shifts and changes. Think of power as a fluid rather than a solid. For

example, a CEO may rule her company with an iron fist, yet when she needs surgery to remove cancer, her doctor reigns supreme. In one setting, the CEO is queen; in another, she is a supplicant. Power ebbs and flows.

Remember those two points: everyone has some power, and power is dynamic.

As individuals and groups exercise their power to act in a social setting, they encounter other individuals and groups in possession of their power to act. The relative power each party possesses may be equal, but frequently, one group will have more power relative to another.

Consequently, the interactions between groups can become quite complex as each party pursues its aims. The relations between these different strands of power take several forms.

- **Maintaining stability:** One party takes purposeful action to avoid conflict with another party. For example, a human resources administrator may voluntarily choose to seek a department's approval before implementing a new safety policy. Even though they may not need the department's approval, they may seek it to avoid the possibility the department will resist the new policy later.
- **Conflict:** One party openly defies and seeks to defeat another party. For example, a union may go on strike to protest the unsafe working conditions a company maintains.
- **Production of power relations:** Two or more parties take action to form a working relationship with each other. For example, an individual may sign an employment contract with a company, or two departments in a company may arrange how they will work together.
- **Reproduction of power relations:** Two or more parties currently in a working arrangement with each other take actions to reinforce that arrangement. These actions could be as simple as choosing to abide by the conditions of the arrangement. For example, an employment contract may stipulate annual performance evaluations, and so both employee and employer partake in these annual evaluations. These actions could also include modifying existing arrangements as new situations arise. For example, two cooperating departments might revise their communications processes when they introduce a new IT infrastructure.
- **Historical power relations:** Social settings are **open systems**. Open systems affect and are affected by the outside world. There is also a time-aspect to open systems. Past events can affect the present. Historical power relations refer to actions parties take as a consequence of long-standing relations with other parties.

Dr. Flyvbjerg identified an example of the impact historical power relations had when he was studying a city's approach to redeveloping its downtown core.

Throughout the redevelopment process, elected officials continually conferred with unelected representatives of the city's business association. Consequently, the business association had a significant influence on the redevelopment process. There was no compelling reason to give an unelected business association this influence over how taxpayer money was spent.

The city's government and the business association, however, had a long-standing relationship with each other dating back centuries. This shared history led to the influence the business association maintained.<sup>2</sup>

2. Flyvbjerg, B. (1998). *Rationality and Power: Democracy in Practice*. Chicago, United States: The University of Chicago Press.

### Key Takeaways

- People and groups exercise power through several means.
  - Power and rationality, including defining rationality, ignoring rationality, and using rationalization as rationality
  - Power relations, including maintaining stability, conflict, production of power relations, reproduction of power relations, historical power relations

## 43. How will you view power?

BRAD C. ANDERSON

The above sections present several ways that power manifests in social systems. This knowledge may help us to recognize when someone is trying to exert power over us. It may help us exercise our power more thoughtfully.

Because of the impact power has, though, it takes on a moral quality. Consequently, we need to decide how we choose to perceive power. Is power dangerous, something we must strive to contain? Or, is it a force of creation, something we must nurture and shape? Maybe a little of both?

You will have to decide this for yourself. This textbook, however, is written with a specific view of power. Since this book is an exercise of power—it is attempting to define rationality—it is essential to explicitly state this textbook's perspective. You can then judge whether you will adopt this perspective yourself.

### This Textbook's View of Power

It is common for people to view power negatively. We see power asymmetries leading to oppression, which leads us to fear the power that others have over us. Consequently, people strive to protect themselves by either gaining power of their own or dismantling others' power.

Though asymmetries in power can lead to oppression, it is through the exercise of power we right these injustices. This textbook, thus, argues power is a creative force through which we build societies. To that end, it has adopted a conceptualization of power developed by Dr. Flyvbjerg, described below.

Dr. Flyvbjerg formulated a means to conceptualize power consistent with the development of **phronesis**. Some of these points may seem abstract right now. Later chapters will dive deeper into how power operates in organizations. In those chapters, you will see practical examples of how these following principles apply.

Dr. Flyvbjerg summarized his conceptualization of power as follows.<sup>12</sup>

- *Power is a positive and creative force:* Through the exercise of power, civilizations create themselves.
- *Power exists as a dense web of social relations:* Power is the organizing force of civilization. Social systems consist of countless roles people fill. Societies define behaviours and authorities for each function, which integrates with the many other duties people fill. Power, thus, is a web of actions and authorities that serves as the scaffolding for society.
- *Power is dynamic:* Societies are vibrant. So, too, is the web of power that constitutes those societies. People fill multiple roles throughout the day, and their power changes with each function they fill (e.g. from VP at a bank to a patient in a doctor's office). Moreover, people continuously negotiate and renegotiate the relations between different roles in society (e.g., workers may discuss with their boss changes to their schedule). Consequently, the web of power governing a social system is ever-evolving.

1. Flyvbjerg, B. (2001). *Making Social Science Matter: Why Social Inquiry Fails and How It Can Succeed Again*. New York, NY: Cambridge University Press.
2. Clegg, S. R., & Pitsis, T. S. (2012). *Phronesis, Projects and Power Research*. In B. Flyvbjerg, T. Landman, & S. Schram (Eds.), *Real Social Science: Applied Phronesis* (pp. 66–91). Cambridge, England: Cambridge University Press.

- *Power produces knowledge, and knowledge produces power:* People create rationalities that justifies their actions and get them what they want (i.e., power produces knowledge). Likewise, the rationality a social system creates will lead people to conclude that certain parties must do certain things. This knowledge empowers those parties to do those things (i.e., knowledge produces power).
- *How power is exercised is more important than identifying who has power:* Creating action in an organization requires knowledge of how power works in that specific social setting. How are decisions approved? How are changes made? Through what mechanisms does the system control people's actions? Part of this process will require you to learn who is responsible for making which decision, but knowing who has power is insufficient to drive action. You must understand how people in the social system exercise that power.
- *Start your study of power with small questions:* Recall from the earlier discussion of power's fourth dimension that power was active in "micro-practices" or the daily activities of life. You will understand how power is exercised by looking at these micro-practices (that is, by asking small questions). For example, how do you get your topic on a meeting agenda? What types of criticism might your plan face from individuals within the organization? How does a manager determine what tasks their employees will perform? How do you set up a meeting with crucial decision-makers? To understand how people in the social setting exercise power requires that you know these nuances of life in the organization.

#### Key Takeaways

- Though there are many ways people view power, this textbook adopts an approach used when seeking to develop **phronesis**. The principles of this conceptualization include:
  - Power is a positive and creative force.
  - Power exists as a dense web of social relations.
  - Power is dynamic
  - Power produces knowledge, and knowledge produces power.
  - How power is exercised is more important than identifying who has power.
  - Start your study of power with small questions.



# 44. Wisdom is action-oriented

BRAD C. ANDERSON

To act, you must use your power.<sup>1</sup> Wisdom, therefore, requires power—but it requires us to use power *wisely*. How do we use power wisely?

Remember, values guide wise action, so we use power wisely when we exercise it to pursue values we venerate.

Knowledge is required but insufficient for wisdom. We use power wisely when we use it to define rationality consistent with the values we pursue. We use power wisely when we recognize the limits of rationality. Knowing rationality's limits leads us to listen to the knowledge other groups possess, which creates a more vibrant picture of our problems and to develop innovative solutions.

The previous two chapters plus this one have presented frameworks to understand the three underlying structures of wisdom: values, rationality, and power. In real life, these structures do not operate in isolation but interact in vibrant and dynamic ways. The chapters in the following section of this textbook explore these interactions to give you real insights into how to facilitate the development of wise organizations.

## *In This Chapter, You Learned*

### The dimensions of power

- Scholars have classified power into four dimensions.
  - One-dimensional power: The ability to get people to do something that you want
  - Two-dimensional power: The ability to get what you want through suppressing conflict and limiting the scope of debate
  - Three-dimensional power: The ability to get what you want by influencing the preferences of others
  - Four-dimensional power: The dense web of power networks through which societies organize themselves.

### The faces and sites of power in organizations

- Faces of power describe the forms through which people experience power. These faces include episodic and systematic power.
  - Episodic power is the direct exercise of power, including coercion and manipulation.
  - Systematic power is the web of power that creates organizing structures within social systems, including domination and subjectification.

1. Hardy, C., & Clegg, S. R. (1996). Chapter 3.7: Some Dare Call It Power. In S. R. Clegg, C. Hardy, & W. R. Nord (Eds.), *Handbook of Organization Studies* (pp. 622–641). London, UK: Sage Publications.

- Sites of power define where power operates within organizations. It includes:
  - Power in organizations
  - Power through organizations
  - Power over organizations
  - Power against organizations

How people and groups exercise power

- People and groups exercise power through several means.
  - Power and rationality, including defining rationality, ignoring rationality, and using rationalization as rationality
  - Power relations, including maintaining stability, conflict, production of power relations, reproduction of power relations, historical power relations

How this textbook views power

- Though there are many ways people see power, this textbook adopts an approach used when seeking to develop **phronesis**. The principles of this conceptualization include:
  - Power is a positive and creative force.
  - Power exists as a dense web of social relations.
  - Power is dynamic
  - Power produces knowledge, and knowledge produces power.
  - How power is exercised is more important than identifying who has power.
  - Start your study of power with small questions

PART VII

CHAPTER 7: VALUES AND POWER



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# 45. Values and Power

BRAD C. ANDERSON

## Learning Objectives

In this chapter, you will learn:

- How values enable and constrain action
- How individuals may overcome the constraining nature of social structures
- How values and power interact

Previous chapters discussed the **structures** of values, rationality, and power separately. In reality, none of these elements act in isolation. They are deeply intertwined, and one structure seldom operates in the absence of the others.

This chapter explores the relationship between values and power in organizations. The next chapter discusses rationality and power, followed then by a chapter that combines all three.

This chapter first explores how values as a social structure enable and constrain action. It then explores the ways individuals may overcome constraining structures. That conversation leads to a discussion of power as it relates to values. With this road map before us, let us begin with a discussion of values as social structures.

⇒ **NOTE** ⇐ This chapter ties together concepts from [Chapter III](#) (Critical Realism), [Chapter IV](#) (Values), and [Chapter VI](#) (Power) and then relates them to [Appendix 1](#) (A case study). You may wish to bookmark these chapters for easy reference as you read through the following sections.

# 46. Values as social structures

BRAD C. ANDERSON

In [Chapter III](#), this textbook classified values as a social **structure**. You will recall that structures are forces in social settings that enable or constrain action. How, exactly, do values enable certain actions while constraining others? The following sections will first consider values' enabling nature, after which it will discuss how they constrain other actions.

## Values Enable Action

Values enable action through at least two mechanisms. First, they motivate individuals to perform specific actions. Second, a social system's current values will encourage people to perform activities consistent with those values.<sup>1</sup> Let's consider each in turn.

### Values Motivate action

Let's look at an example from the case study in [Appendix 1's](#) to see how values motivate action.

The fellowship responsible for developing and implementing the Seniors Program faced several hurdles. They had to spend countless hours reading literature and attending conferences to become experts in the field of delaying frailty. Though their CEO supported their efforts, many vice presidents and other senior executives did not.

This lack of vice-presidential support led to challenges in obtaining resources and personnel to do the work needed to implement the program. Later, when the fellowship wanted physicians to adopt the Seniors Program, they discovered that the doctors' inability to bill for their work prevented them from taking up the program.

The fellowship managed all those challenges *in addition to their regular duties as managers of a health authority*. Their work on the Seniors Program was not a part of their daily job duties. They received no extra pay for their efforts. The fellowship volunteered to take on these tasks. **Why?**

A researcher interviewed the fellowship to learn what motivated them.<sup>2</sup> Without exception, several values drove members of the fellowship

The fellowship included many healthcare professionals who had worked extensively with senior citizens. Some of them had ageing parents with failing health. The members of the fellowship had seen first hand the ravages of frailty on the elderly.

When they discovered the Seniors Program had the potential to prevent frailty, they were deeply, passionately,

1. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.
2. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.

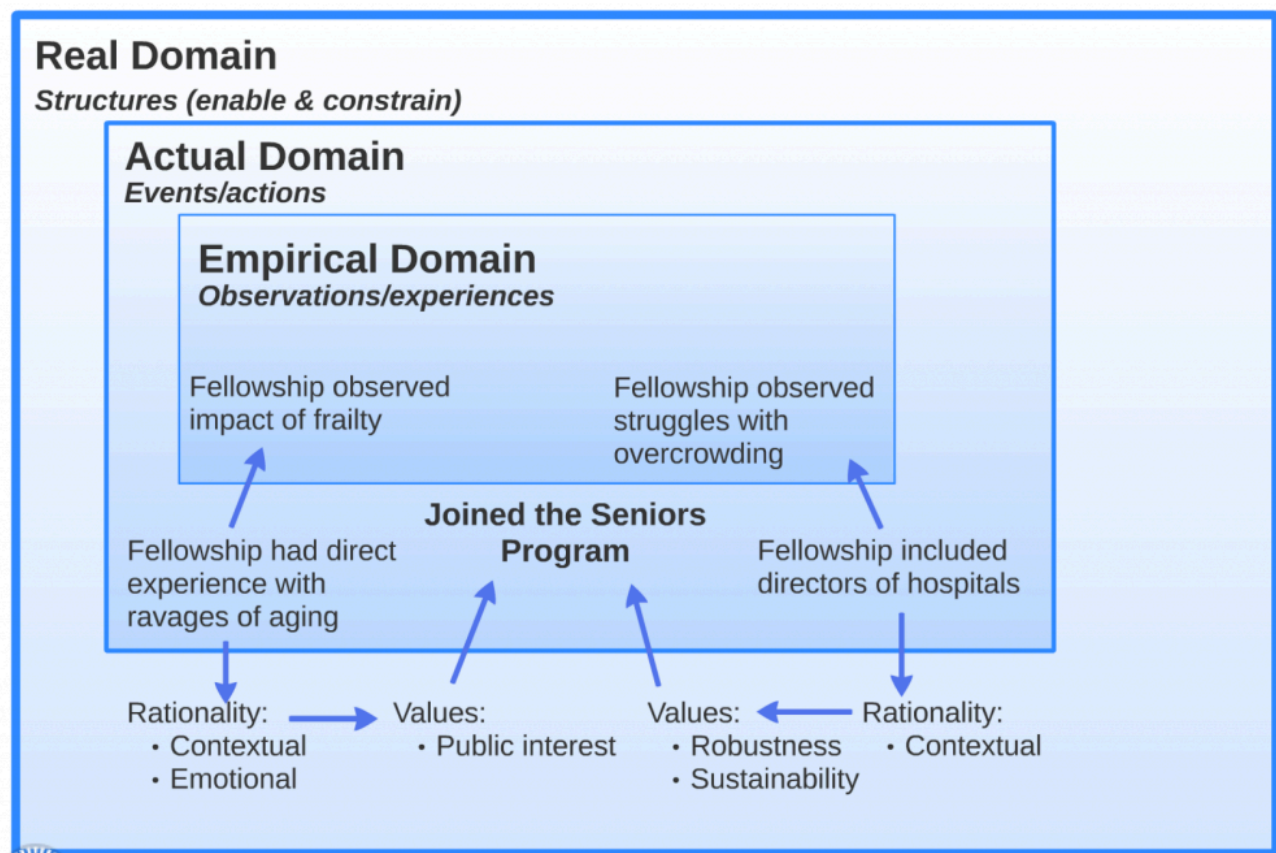
committed to bringing the program to life. From the framework for public sector values presented in [Chapter IV](#), the value of *public interest* drove these people.

Additionally, the members of the fellowship included the directors of hospitals. At the time, overcrowding plagued their hospitals. As the population of the surrounding region aged, they knew the demand for hospital resources would increase. They firmly believed the current healthcare system was unsustainable.

They reasoned that the longer they could keep senior citizens healthy, the less demand they would place on their hospitals. Using the public sector values framework, this line of reasoning implies values of *robustness* and *sustainability*.

Values define the ends we believe are worth pursuing and the means we find appropriate to achieve them. When a value touches you deeply, it motivates you to act.

By giving people the desire to act, values become enabling structures.<sup>3</sup> The figure below diagrams the above description using a critical realist framework.



[“A critical realist perspective of how values motivate action”](#) by [Brad C. Anderson](#), [Developing organizational and managerial wisdom](#), [Kwantlen Polytechnic University](#) is licensed under [CC BY 4.0](#)

- Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.

## Values Provide Access to Resources Needed to Allow Action to Happen

The above example demonstrated how values motivate individuals. Organizations, however, also possess values of their own. Society creates hospitals, for example, to care for the sick and injured. That is, we create hospitals to pursue the value of *public interest*.

Recall from [Chapter IV](#) that organizations require a multiplicity of values to thrive. Though hospitals' **terminal value** may be public interest, we want hospitals to have the capacity to manage the demand for services (value = robustness). We want hospitals not just today, but in the future, also (value = sustainability). We want new treatments to cure diseases that afflict us (value = innovation). And so on.

Thus, within the make-up of every organization is a set of values that guide its activities. **Members of that organization will find it easier to take actions consistent with those values.**

We can see an example of this with the Seniors Program. Recall that the CEO established the Seniors Program through a collaboration between health authorities in BC and Nova Scotia and the non-profit organization. These actions reflect the public sector value of *dialogue* and *cooperativeness*.

When you study the Canadian healthcare industry, you find these values are prominent. The Canada Health Act promotes collaboration among healthcare professionals.<sup>4</sup> Likewise, the mission statements of the BC Health Authority and the Foundation emphasized the importance of collaboration. The Foundation's primary mandate was to foster partnerships between health authorities.

The commitment to work collectively was woven into the Canadian healthcare system. Thus, when the CEO wanted to collaborate, he found willing partners and resources to facilitate collective action.

The organization provides resources and helpful personnel to assist actions consistent with its values. In this way, values are enabling structures.<sup>5</sup> The figure below diagrams the above description using a critical realist framework.

4. Government of Canada. (2014, July 26). Canada Health Act: R.S.C., 1985, c. C-6. Retrieved from <http://laws-lois.justice.gc.ca/eng/acts/C-6/page-1.html>

5. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.



## Real Domain

*Structures (enable & constrain)*

### Actual Domain

*Events/actions*

#### Empirical Domain

*Observations/experiences*

CEO found willing partners and resources  
to form collaborations with other  
institutions

CEO wanted to  
collaborate with  
other organizations

Canada Health Act, BC Health  
Authority, & Foundation  
• Promotes collaboration

Support for CEO's  
attempt to  
collaborate

Values:  
• Dialogue

[“A critical realist perspective of how values enable action”](#) by [Brad C. Anderson](#), [Developing organizational and managerial wisdom](#), [Kwantlen Polytechnic University](#) is licensed under [CC BY 4.0](#)

## Values Constrain Action

In the same way that organizations foster actions consistent with their values, they restrict people's ability to act in ways inconsistent with those values. These constraints may take at least two forms: active opposition versus passive lack of support.<sup>6</sup>

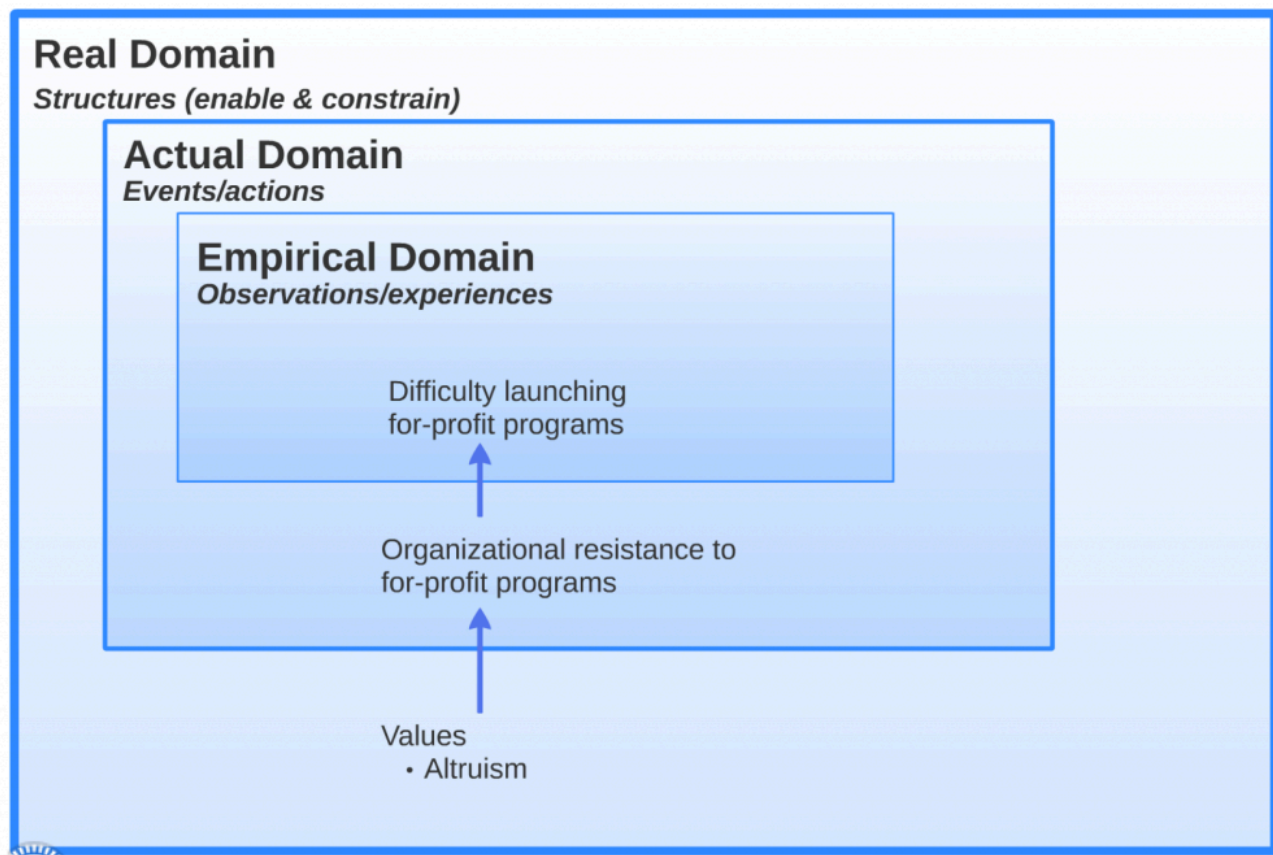
## Values Lead to Active Opposition

The Canadian healthcare system deeply honours equal access to all Canadian citizens regardless of their financial wellbeing. The idea that the healthcare system would deny services because someone was unable to afford them is anathema to Canadian culture. This attitude speaks to the public sector value of *altruism*.

6. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.

Imagine, then, if the BC Health Authority CEO chose to establish the Seniors Program as a for-profit division. The healthcare system's stakeholders would actively resist such an attempt. The BC government, which funds health authorities, would put pressure on the CEO to stop. Citizens and patient groups would actively challenge the CEO's attempts to offer for-profit services. The CEO would likely lose their job and be unable to work in the Canadian healthcare sector.

If you act inconsistent with the organization's values, then the organization will work to stop you. If the organization's values are ingrained deeply enough, even the leader may lack the power to contradict them. In this way, values are constraining structures.<sup>7</sup> The figure below diagrams the above description using a critical realist framework.



*"A critical realist perspective of how values lead to active resistance"* by [Brad C. Anderson](#), *Developing organizational and managerial wisdom*, [Kwantlen Polytechnic University](#) is licensed under [CC BY 4.0](#)

## Values Lead to a Passive Lack of Support

An organization need not actively resist an action to constrain it. Refusing to provide resources needed to perform an act can snuff it out as effectively. The members of the fellowship working on the Seniors Program faced this problem.

7. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.

The original intent of the people starting the Seniors Program was to create an innovation that would spread across Canada. This desire was reinforced as the results of this study demonstrated their ability to reduce frailty.

Yet, years after completing the study, the fellowship's remaining members struggled to see their program adopted within their community. Spread outside of their community to the rest of Canada remained a distant dream. Why was this so?

Spreading innovation requires resources. You need personnel to promote the new idea. Other health regions need to be willing to take the risk of trying something new and suffering the disruption to the status quo as they integrate new activities. All of this costs time and money.

The provincial government provided funding to health authorities to administer healthcare *inside their specific communities*. Whereas the obligation for healthcare managers to use funding within their community was explicit, there was no mandate to use funds to spread innovations to other regions.

Thus, managers believed using their funds to spread innovations to other communities was a breach of their responsibility. This belief speaks to the value of *accountability*.

Though managers may see the Seniors Program's importance, this sense of accountability constrained their ability to drive its wide-spread adoption. Starved of needed resources, attempts to spread the program floundered.

Even if an organization sees the desirability of action, its prevailing value system may constrain individuals' ability to drive that action by denying them needed resources.

This denial of resources is not made purposefully to cause harm, but rather people prioritize other activities. In this way, values are constraining structures.<sup>8</sup> The figure below diagrams the above description using a critical realist framework.

8. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.

## Real Domain

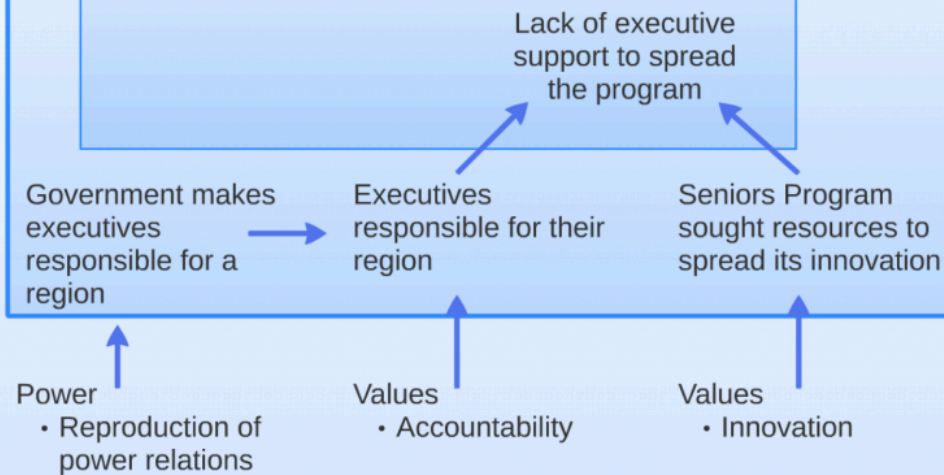
*Structures (enable & constrain)*

### Actual Domain

*Events/actions*

### Empirical Domain

*Observations/experiences*



*"A critical realist perspective of how values lead to a passive lack of support"* by Brad C. Anderson, *Developing organizational and managerial wisdom*, Kwantlen Polytechnic University is licensed under [CC BY 4.0](#)

### Exercise: Can You Spot the Role of Power?

The above sections described how values enabled and constrained action. Review [Chapter VI's](#) discussion of power.

- Using Lukes' four-dimension framework of power, identify which dimensions of power individuals and organizations use to enable or constrain action in the above discussion.
- Using Fleming & Spicer's framework on the faces and sites of power, identify the different faces and sites of power individuals and organizations use to enable or constrain action in the above discussion.
- Using the tactics of power identified by Flyvbjerg, identify the different tactics of power that people and organizations use to enable or constrain action in the above discussion.

### *Key Takeaways*

- Values enable by motivating action
- Values enable by providing access to resources needed to allow actions to happen.
- Values constrain by creating active resistance.
- Values constrain by creating passive lack of support.

## 47. Acting to overcome constraining structures

BRAD C. ANDERSON

Recall from [Chapter III](#) that, though social structures enable and constrain action, our actions produce and reproduce those structures. The healthcare system, for example, pursues the value of public interest because people created the system to implement that value.

Once created, people within the organization exercise their power to enable actions consistent with this value while constraining those actions opposed.

Herein lies the potential for change, for people can exercise their power to enable different values. They may face resistance from the organization. They may fail. They can try, however, and sometimes, they succeed. Let's continue looking at the case from [Appendix 1](#) for an example.

As described above, the value of *accountability* constrained managers' willingness to use their resources to spread the Seniors Program to other communities. Had the fellowship stopped there, the program would have died. Despite this constraint on resourcing the program, different values in the organization did support its spread.

- The value of *public interest* drove healthcare workers, which the program delivered conclusively. Therefore, everyone wanted to see the program survive.
- The value of *cooperativeness* was present in the healthcare system, and so collaborating and working with other communities was supported.
- Plus, there was prestige to being a health authority that developed an innovation that the medical system adopted. Thus, there was some incentive to promote the spread of the program. This incentive speaks to the public sector value of *regime dignity*—the desire to look good.

The fellowship saw the importance of these other values to their organization and recognized their potential to enable the program's spread. Thus, when seeking resources to support the Seniors Program's spread, they emphasized its impact on the values of *public interest*, *cooperativeness*, and *regime dignity*. This approach successfully led some managers to support the program's spread.

Doing this required individuals to exercise power. Their emphasizing alignment between their goal of spreading the program and the values of the organization was an example of **defining rationality**. They consequently received a bit of funding to continue spreading their innovation (an example of **producing power relations**).

The fellowship had keen insight into the different values active in their organization. Using that insight, they defined rationality to produce power relations that allowed them to access the funding needed to spread the program.

Though progress was much slower than the fellowship hoped, they still progressed nonetheless. The figure below diagrams the above description using a critical realist framework.



## Real Domain

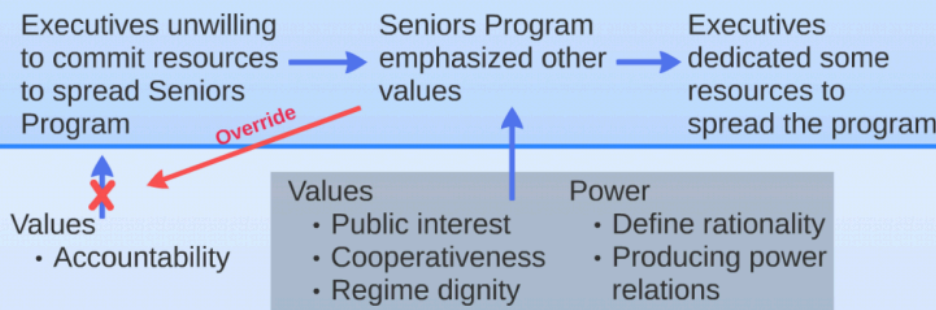
Structures (enable & constrain)

### Actual Domain

Events/actions

### Empirical Domain

Observations/experiences



"Overcoming constraining values" by Brad C. Anderson, *Developing organizational and managerial wisdom*, Kwantlen Polytechnic University is licensed under [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/)

This example highlights the relationship between values and power. The next section will explore that relationship further.

Exercise: Can You Spot the Role of Power?

The above example identified the power tactic of defining rationality and producing power relations that [Chapter VI](#) introduced. Returning to Chapter VI:

- Identify which of Lukes' four dimensions of power are present in the above example.
- Identify which of Fleming & Spicer's faces and sites of power are present in the above example.

### *Key Takeaways*

- By using tactics of power, such as producing power relations, defining rationality, and so on, individuals may overcome constraining structures.



## 48. The relationship between values and power

BRAD C. ANDERSON

The previous section introduced the connection between values and power. Values may have guided what actions the organization enabled or constrained. It was through exercising power, however, that people enabled or constrained those actions.

Let's review several critical activities described above through the lens of power. Keep [Chapter VI](#) handy as a reference.

The CEO formed a collaboration between BC and Nova Scotian health authorities along with the Foundation. This was an example of **producing power relations**.

- This collaboration gave each organization access to resources that they lacked on their own. Through this collaboration, the Seniors Program came into existence.

Though the BC Health Authority CEO supported the Seniors Program, the vice presidents of the organization initially opposed it due to their focus on reducing hospital overcrowding. Their opposition took the form of denying the fellowship resources of time and personnel.

This was an example of **power's second dimension**. Rather than openly confront the CEO, vice presidents **maintained stability** by choosing, instead, to starve the program of needed inputs quietly.

When the fellowship tried to get the support of executive managers by presenting the Seniors Program as a solution to hospital overcrowding, this was an example of **defining rationality**.

Additionally, the fellowship could have asked the CEO to coerce the vice presidents to support the program. Instead, they chose to use the tactic of defining rationality to avoid conflict. They relied on **manipulation** rather than **coercion**. They did this to **maintain stability**.

These are just a few examples. You may see others.

Generally, people seldom exercise power for the sake of it. Instead, they use power in pursuit of their values or to constrain the implementation of conflicting values.

If values define the ends we find worth achieving, we exercise power to achieve those ends. If values define the appropriate means to achieve those ends, then values define which tactics of power are acceptable.

### Key Takeaways

- It is people's exercise of power that gives structures the force to enable or constrain actions
- Values guide the use of power
- People use power to pursue their values
- People use power to constrain the implementation of conflicting values

# 49. Values and power as social structures

BRAD C. ANDERSON

Recall the ability of **structures** to enable or constrain action within a social setting. Values are a structure, as is power. In [Chapter III](#), we discussed that we might choose to act to reinforce those structures or change them.

The more we understand the nature of the structures active in our organizations, the more we can act effectively. We can consciously choose which structures to reinforce and which ones to change. We can identify processes to change those structures and identify how the organization might support or resist our efforts.

The above chapter sought to deepen your understanding of the interplay between values and power. Values and power on their own, however, are insufficient for wise action. You also require rationality. In the same way that values and power are intertwined, so too are rationality and power. You will see in the next chapter that the relationship between rationality and power is rich and deep. Let's now turn to explore this relationship.

## *In This Chapter, You Learned*

### How values enable and constrain action

- Values enable by motivating action
- Values enable by providing access to resources needed to allow actions to happen
- Values constrain by creating active resistance
- Values constrain by creating passive lack of support

### How individuals may overcome the constraining nature of structures

- By using tactics of power, such as producing power relations, defining rationality, and so on, individuals may overcome constraining structures

### How values and power interact

- It is people's exercise of power that gives structures the force to enable or constrain actions
- Values guide the use of power
- People use power to pursue their values
- People use power to constrain the implementation of conflicting values

PART VIII

CHAPTER 8: RATIONALITY AND POWER



Photo by [Michał Parzuchowski](#) on [Unsplash](#)



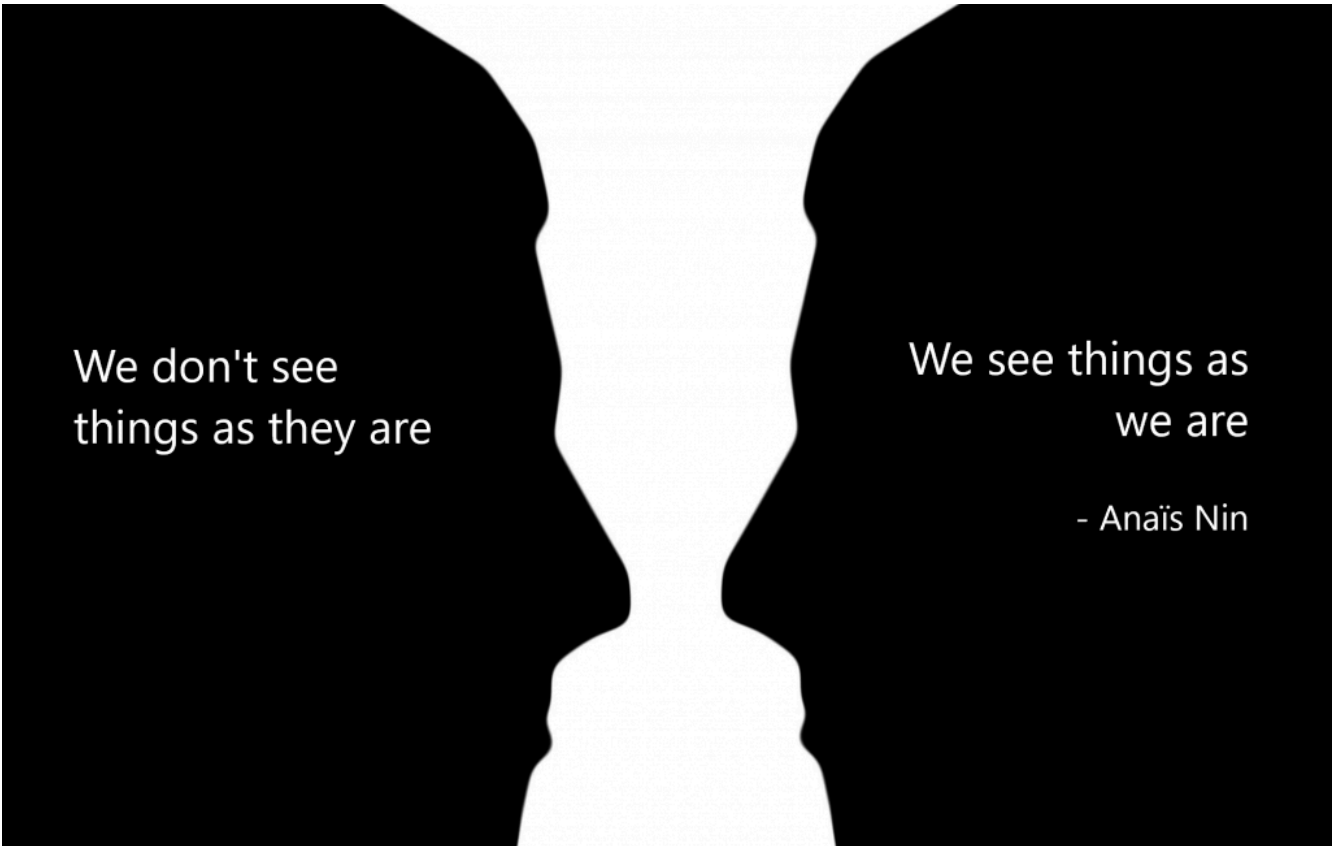
# 50. Rationality and power

BRAD C. ANDERSON

## Learning Objectives

In this chapter, you will learn:

- How rationality enables and constrains action
- How individuals may overcome the constraining nature of social structures
- How rationality and power interact



We don't see  
things as they are

We see things as  
we are

- Anaïs Nin

*"We see things as we are"* by [Brad C. Anderson](#), *Developing organizational and managerial wisdom*, [Kwantlen Polytechnic University](#) is licensed under [CC BY-SA 3.0](#) / A derivative from the [original work](#).

This chapter explores how rationality works as a social **structure** to enable and constrain actions. It then explores how people can overcome their constraining effects. Then, this chapter presents a discussion of how rationality and power interact.

⇒ **NOTE** ⇐ This chapter ties together concepts from [Chapter III](#) (Critical Realism), [Chapter V](#) (Rationality), and [Chapter VI](#) (Power) and then relates them to [Appendix 1](#) (A case study). You may wish to bookmark these chapters for easy reference as you read through the following sections.

# 51. Rationality as social structures

BRAD C. ANDERSON

As discussed in [Chapter III](#), rationality is a social **structure** that enables and constrains actions. The following sections first look at how rationality enables action, followed by a discussion of how they constrain.

## Rationality Enables Action

[Chapter V](#) described rationality as the process through which we assess our environment, make decisions and evaluate choices. By applying various forms of rationality, we build our understanding of the world and decide how to operate within it. Rationality, thus, enables actions through two mechanisms.

- First, it justifies actions.
- Second, through bureaucratic rationality, it organizes our activities<sup>1</sup>

## Rationality Justifies Action

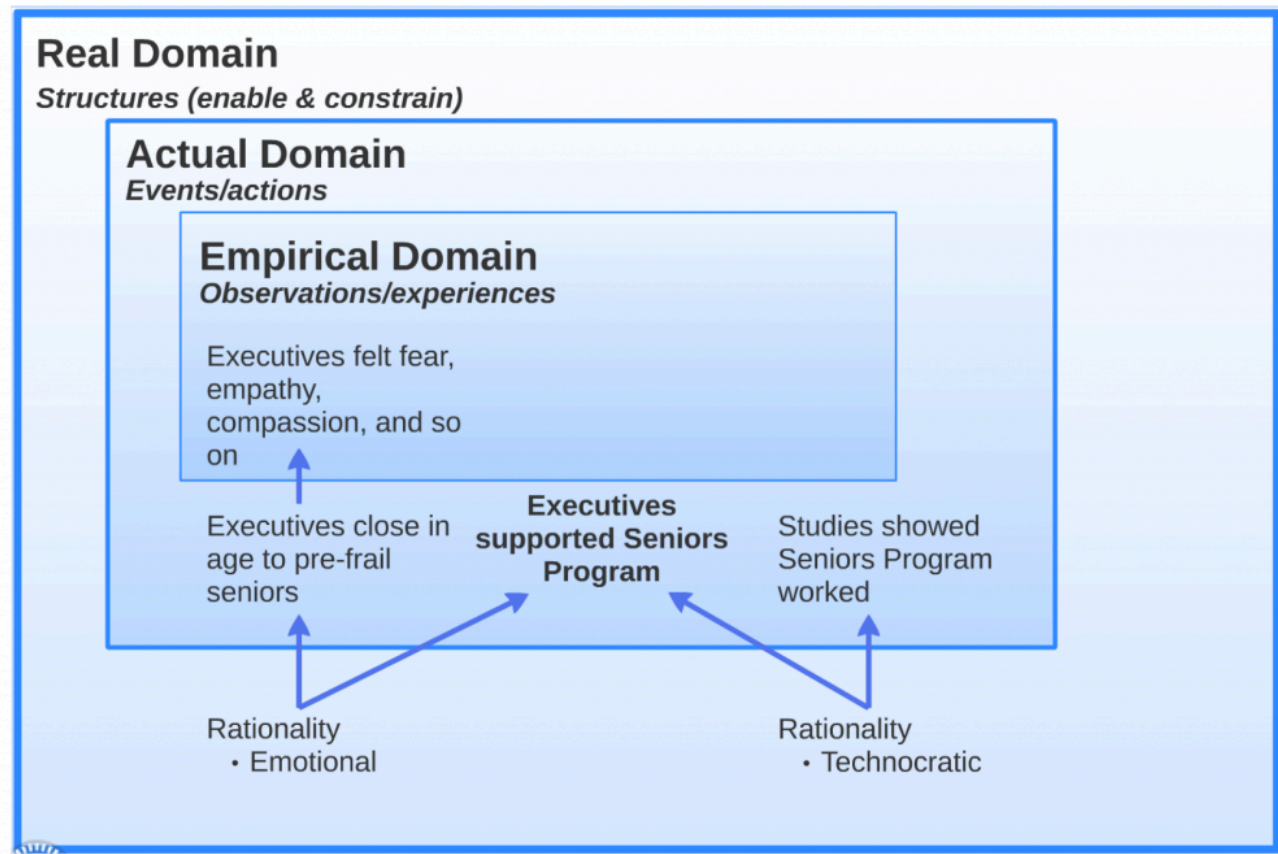
Rationality enables actions as it is how we justify our behaviours and convince members in our social group to do certain things. We want others to perceive that we are rational, and thus we choose actions that create that perception.

Considering the Seniors Program from [Appendix 1](#), for example, the fellowship used **technocratic rationality** to demonstrate their intervention measurably improved the frailty in a seniors population. Through the study they performed, they learned how to delay frailty's onset. They then used those results to convince healthcare managers and physicians to adopt the program.

Moreover, interviews with the fellowship surfaced other ways rationality enabled action.<sup>2</sup> The fellowship noted that many managers approached the age of the population targeted by the program. That is, the Seniors Program targeted pre-frail seniors, and the managers of the BC Health Authority were getting to the age where they started to think they might be pre-frail seniors. This realization led some managers to support the program's spread in the healthcare region.

This is an example of **emotional rationality**. The managers' sense of affiliation with the target population gave them feelings of, perhaps, fear, empathy, compassion, and so on. These feelings, in turn, led them to support the fellowship's continuing efforts. The figure below diagrams the above description using a critical realist framework.

1. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.
2. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.



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## Bureaucratic Rationality Organizes Action

Many people roll their eyes with cynicism when they see the word *bureaucracy*. **Bureaucratic rationality**, however, plays an **essential** role in enabling action.

Recall from [Chapter V](#) how bureaucratic rationality defines how organizations do things. It does this by creating documents, boundaries, rules, processes, and procedures and roles.

- Organizations, thus, enable actions that comply with these bureaucratic structures.
- Importantly, it is through the creation of new bureaucratic structures that the organization undertakes new actions.

The development of the Seniors Program in [Appendix 1](#) showed an example of this. The Project Charter documented the details of the collaboration between the Foundation and the BC and Nova Scotian Health Authorities. All participating organizations signed this document, committing themselves to form a team that attended the Training Fellowship. It was through this fellowship the Seniors Program came into existence.

The Project Charter embodied several bureaucratic rationalities.

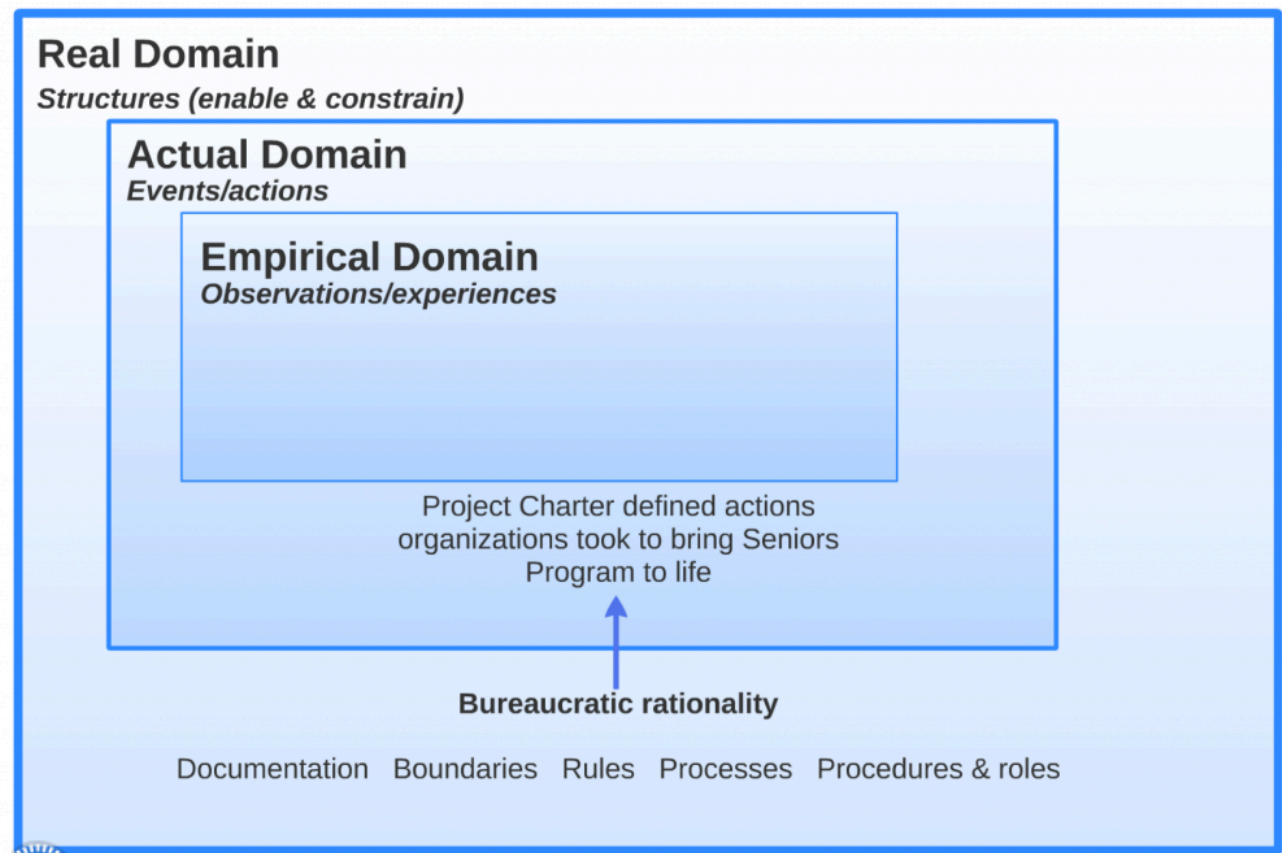
- It was a **document** that codified the terms of the Seniors Project and embodied the agreement between all participating organizations to collaborate.
- It established **boundaries** by defining the scope of the project.



- It specified the **rules** of the collaboration by, for example, defining the process through which a party could end the partnership.
- It listed **processes** the fellowship followed, including decision-making activities.
- It identified key **procedures and roles** that stakeholders would perform throughout the program's life.

Through the creation of the Project Charter, stakeholders produced new bureaucratic structures within their organizations. These new bureaucratic structures were the means through which stakeholders incorporated the activities needed to bring the Seniors Program to life into their organizations.

It was through bureaucratic rationality that the fellowship translated the Seniors Program from an idea into action. The figure below diagrams the above description using a critical realist framework.



[“A critical realist perspective of bureaucratic rationality enabling action”](#) by [Brad C. Anderson](#), [Developing organizational and managerial wisdom](#), [Kwantlen Polytechnic University](#) is licensed under [CC BY 4.0](#)

## Rationality Constrains Action

In the same way that rationality justifies an action, it can also argue against it. Similarly, though bureaucratic rationality provides the organizational structure for an activity, these structures can stifle attempts to act.<sup>3</sup>

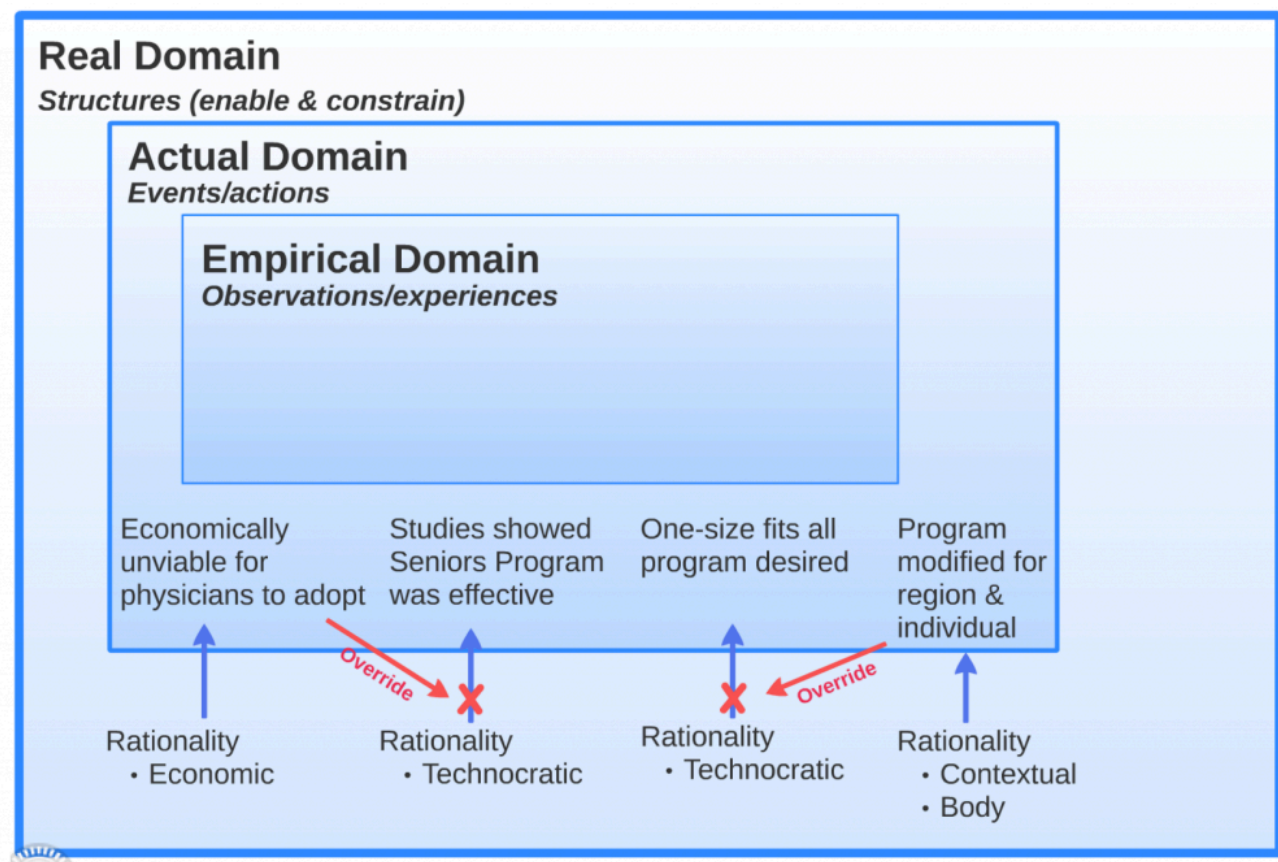
## Rationality Argues Against Taking Action

There are times when rationality leads us to conclude an activity is undesirable. Recall from [Appendix 1](#) how the fellowship approached physicians and asked them to adopt the Seniors Program. These doctors used **economic rationality** and concluded it was financially unfeasible for them to do so.

Moreover, the fellowship initially wanted to develop a single intervention that the BC and Nova Scotian health authorities would implement. Differences in target patient populations and healthcare infrastructure prevented this, forcing the fellowship to make modifications for each region. This is an example of **contextual (cultural) rationality** preventing a unified approach.

Recall also how the fellowship wished to have the elderly perform a specific set of physical activities endorsed by research. The health of patients varied, however, and the fellowship had to modify prescribed physical activities to account for individual capabilities. In this way, the **body rationality** of individual patients prevented a unified approach.

The figure below diagrams the above description using a critical realist framework.



[“A critical realist perspective of rationality constraining action”](#) by [Brad C. Anderson](#), [Developing organizational and managerial wisdom](#), [Kwantlen Polytechnic University](#) is licensed under [CC BY 4.0](#)

Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.

## Bureaucratic rationality can stifle action.

A lack of appropriate bureaucratic structures can constrain individuals' ability to act. As described earlier, physicians' economic rationality prevented them from adopting the Seniors Program.

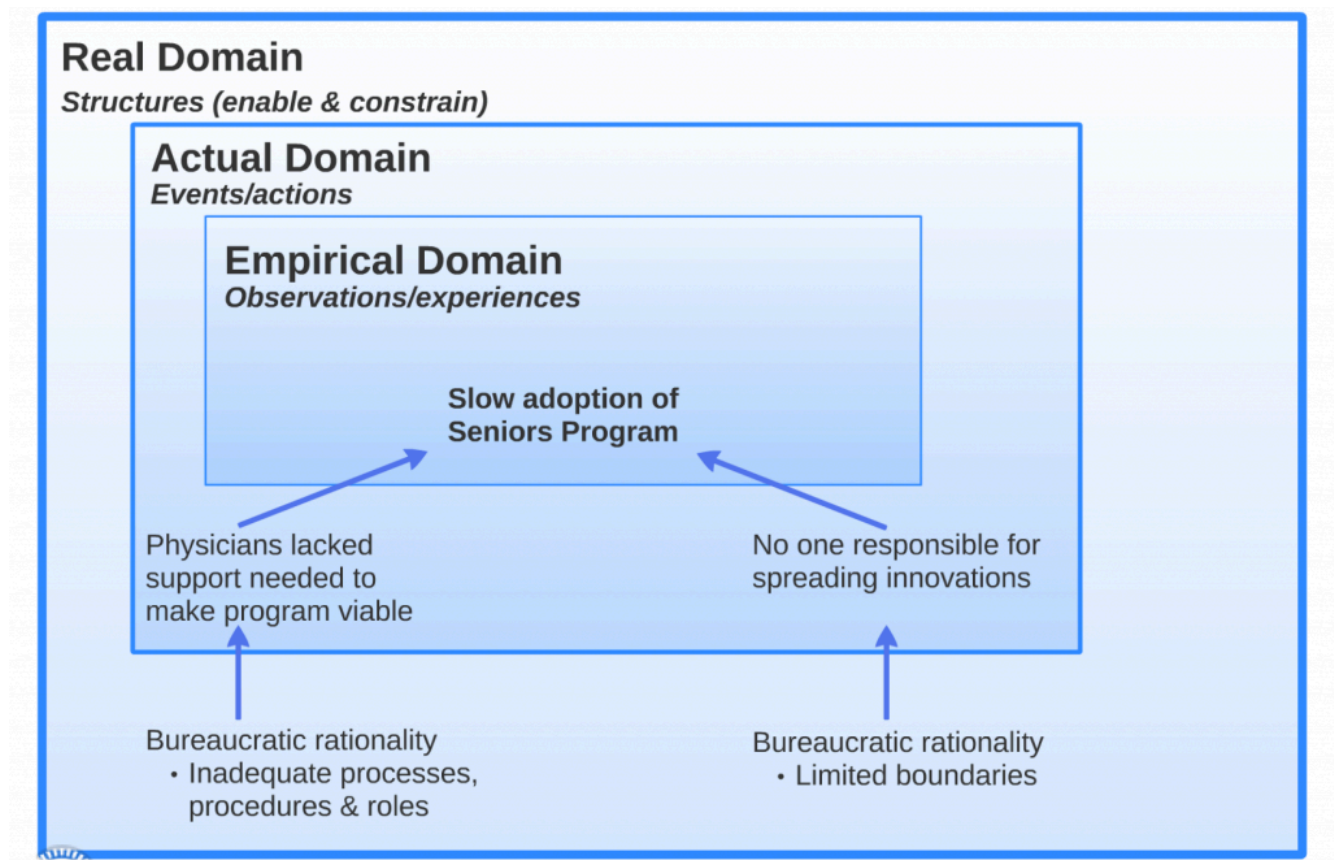
Having help from other healthcare professionals, such as physiotherapists or nurse practitioners, could have reduced doctors' cost pressures. If this work were distributed among all these healthcare professionals, however, full implementation of the Seniors Program would require sharing the patient's records. The IT and other communications infrastructure to achieve this level of coordination were not in existence at the time.

Thus, a lack of appropriate processes, procedures, and roles (that is, bureaucratic rationality), constrained physicians' ability to share the workload of adopting this program.

Likewise, bureaucratic rationality limited the fellowship's ability to spread the Seniors Program outside of the BC Health Authority region. Managers within health regions were responsible for overseeing healthcare within their geographic area. They had no mandate to promote the spread of innovations outside of their region, which limited support for the fellowship as they sought to expand their program across Canada.

This speaks to the bureaucratic rationality of **boundaries**. Bureaucratic rationality 'bounded' the scope of managers' responsibility to a geographic region. The healthcare system's bureaucratic structures had failed to assign responsibility for spreading innovations nation-wide to anyone. Thus, when the fellowship needed support to spread the Seniors Program nationally, they found that support lacking.

The figure below diagrams the above description using a critical realist framework.



[“A critical realist perspective of poor bureaucratic rationality constraining action”](#) by Brad C. Anderson, [Developing organizational and managerial wisdom](#), Kwantlen Polytechnic University is licensed under [CC BY 4.0](#)

### *Key Takeaways*

- Rationality enables action
  - Rationality justifies actions
  - Bureaucratic rationality gives action structure
- Rationality constrains action
  - Rationality argues against actions
  - Bureaucratic rationality can stifle activity

## 52. The relation between rationality and power

BRAD C. ANDERSON

As you read the above sections of rationality's ability to enable and constrain action, you may have noticed the influence of power. Indeed, the relationship between rationality and power is strong.

This relationship catches many readers by surprise. Students of Western societies' education systems are taught the tools of **instrumental-rationality**. Consequently, we see rationality as objective truth, something 'out there,' unchanging and separate from human experience, something beyond the 'corrupting' influence of power.

Though there may be objective truths 'out there,' we live here in the social world. Thus, it is the reality of the social world with which we must contend. Rationality gives us our understanding of a situation, which informs our behaviours. We use it to justify our actions and convince others to act how we wish. Rather than being objective, people's interests shape rationality.

Through my actions, informed by what I think is rational, I change the world. If I can convince you a specific activity is reasonable, I can change your behaviour. My ability to define what you consider appropriate evidence, combined with my ability to influence how you interpret that evidence gives me the ability to affect what you think is rational. By defining what you perceive as sensible, I influence your actions. *Rationality is, thus, inextricably linked to power.*<sup>1</sup>

This relation between rationality and power manifests in several ways.

- It is through the exercise of power that rationalities can enable or constrain.
- Individuals and groups with the capacity to **define rationality** have the power to influence the actions of large groups of people.
- Finally, it is through bureaucratic rationality that people translate power into action within an organization.

Let's explore each of these in turn.

### Power Gives Rationality the Force to Enable or Constrain Actions

For rationality to enable or constrain activities, people must also exercise power.<sup>2</sup> For example, it was the CEO's authority to bind the BC Health Authority to the Seniors Program by signing the Project Charter. It was his signature that gave that document force.

His authority to bind the organization to a course of action is an expression of **power in organizations**. Through entering into a collaboration, the CEO **produced power relations** through which the Seniors Program came into existence.

Bureaucratic rationality, as expressed in the Project Charter, enabled the fellowship to create the Seniors Program. Still, it was power vested in the CEO that gave bureaucratic rationality the force to create action.

1. Flyvbjerg, B. (1998). *Rationality and Power: Democracy in Practice*. Chicago, United States: The University of Chicago Press.
2. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.

Likewise, economic rationality was a constraining structure in that it led physicians to refuse to adopt the Seniors Program. What gave them the authority to refuse to perform an intervention that was of great benefit to seniors?

The healthcare system's bureaucratic structures gave doctors the authority to choose what medical interventions they prescribed to patients. When physicians refused to adopt the Seniors Program, the fellowship—and even the CEO of the health authority—lacked the authority to overrule them. Such bureaucratic authority is an example of **coercion**.

The ability of doctors to choose which interventions they prescribe is an example of **power in the organization**. The fellowship sought to use their **power against the organization** to influence physician behaviour but lacked the authority to force them to do so.

*It is the distribution of power within a social system that gives rationality the ability to enable or constrain actions.*

## Power Gives Rationality the Capacity to Overcome Constraining Structures

The above examples showed the fellowship using rationality to overcome constraining structures. For example, you saw them use bureaucratic rationality (by developing electronic forms to automate processes) to overcome resistance caused by doctors' financial costs of adopting the Seniors Program. For these bureaucratic rationalities to work, the fellowship had to exercise power.<sup>3</sup> For example:

- They had to connect with experts capable of developing electronic documents (**production of power relations**).
- They had to find doctors willing to incorporate these electronic forms into their practice (production of more power relations).
- The fellowship also had to secure funding to finance the process of developing electronic forms (production of yet more power relations).
- To create these relations, the fellowship used **episodic** and **three-dimensional** forms of power (by paying people for work and convincing them to cooperate).

## Power Gives Rationality the Ability to Define Reality

When you use the power tactic of **defining rationality**, even for something as simple as convincing a friend about the merits of a movie you like, you are defining reality. The more power an individual or group has, the more they can establish what people perceive as the truth. Through this process, people influence the actions of others.<sup>4</sup>

Defining rationality is achieved by effectively framing the debate in people's minds. People and groups that do this well can influence what others consider appropriate evidence. They further guide people in how they should interpret that evidence.

Some groups and individuals may possess the ability to suppress some forms of evidence while amplifying others.

3. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.
4. Flyvbjerg, B. (1998). Rationality and Power: Democracy in Practice. Chicago, United States: The University of Chicago Press.

These actions can be done maliciously with an intent to manipulate. It can also be done productively, for it is how we construct the understanding of our world needed to create collective action.

When you write a report for your boss, client, or teacher, you choose what information to include in that report, what that information means, and what to exclude. You may perform a scientific experiment to learn an objective truth about the universe, but you choose what research question to ask, how you will answer that question, and which issues to ignore.

You define rationality, too. We all do. Defining rationality is one of the most common ways we exercise power in social settings.

## It is Through Bureaucratic Rationality That Power Manifests

Okay, what does that even mean?

In the above examples, you may have noticed how bureaucratic rationality always seemed to have a role in mediating the use of power.

This textbook is going to introduce a fancy word: *reify*. To **reify** something is to turn something intangible into something a bit more concrete.

Money, for example, is an intangible concept. It is an idea, something we humans imagined. Yet, in the absence of money, your ability to obtain food or shelter is limited. You may starve and possibly die. These are very concrete effects.

Somehow we turned money, this intangible figment of our imagination, into something with a very tangible impact in the real world. Through some mechanism, we reified money.

Power is also an intangible thing. You cannot drop power on your toe or put it in a gift box as a present to someone. Yet, through power, we create civilization.

Through what mechanism do we reify power?

**We reify power through bureaucratic rationality.**<sup>56</sup>

Let's look at some examples to explain.

Do you think a janitor working in the BC Health Authority could negotiate an agreement with the Nova Scotian Health Authority to create a partnership? No, of course not. But the CEO could, as he did when he signed the Senior Program's Project Charter.

What is it that allows the CEO to sign agreements on the company's behalf but prevents a janitor from doing the same?

The answer is *bureaucratic rationality*. **Procedures & roles, boundaries, rules, and processes** govern which positions in the organization have the authority to do what. These structures are codified in **documents**, such as job descriptions, terms of incorporation, company charters, and so on.<sup>78</sup>

Well, who created the bureaucratic rationalities that govern the BC Health Authority?

5. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.
6. Townley, B. (2008). *Reason's Neglect: Rationality and Organizing*. New York, NY: Oxford University Press, Inc.
7. Smith, D. E. (2001). Texts and the Ontology of Organizations and Institutions. *Studies in Cultures*, 7(2), 159–198.
8. Townley, B. (1993). Foucault, Power/Knowledge and Its Relevance for Human Resource Management. *Academy of Management Review*, 18(3), 518–545.



In Canada, provincial governments establish health authorities. When they created these authorities, they developed the bureaucratic rationality through which they operated.

Well, who gave the provinces this authority?

The bureaucratic rationality documented in the Canada Health Act adopted by the Government of Canada. And so on. Organizations (and society) structure themselves using bureaucratic rationalities identifying who can do what and how they do it.

Here is the important thing to note. **When you want your organization to take a certain action, you achieve this by creating new structures of bureaucratic rationality to govern that action.**

For example, when physicians refused to adopt the Seniors Program due to its lack of financial viability, the fellowship looked for ways to reduce the doctor's costs of implementing it. They did this by creating new **documents** (electronic records) and **processes** (automating functions). They convinced the organization to redefine **procedures & roles** (by having personnel assigned to clinics to assist physicians).

The creation of these bureaucratic structures was mediated (yet again) by bureaucratic rationality. *To successfully drive their organization to act, the fellowship possessed significant insight into the bureaucratic rationality governing the BC Health Authority.* They understood how it worked and how it made decisions. The fellowship used that insight to create the new bureaucratic structures that led to the desired action.

In short, to create organizational action, you need to create structures of bureaucratic rationality that enable that action. Doing this requires that you possess insight into the current bureaucratic rationality governing the organization through which it makes and implements decisions.

## Official Versus Unofficial Bureaucratic Rationalities

You will find most organizations have a formal bureaucratic structure. That is, they will have codified policies and procedures of how the organization is supposed to run. Then, they will have the unofficial system of how it actually runs.

For example, if an instructor in a university wanted to create a new course, there is a formal process through which they design the course and have the institution approve it for use. Underneath that system, however, are rationalities that may be less well documented.

The individuals working in specific departments that approve new courses may have certain interests they wish to see reflected in any new class they approve. People have to learn about these requirements on their own.

Likewise, because a course is approved is no guarantee that the school will ever offer it. Administrators schedule classes, and they must balance the needs of different programs and student demand with the school's finite supply of classrooms and teachers. These choices are often left to administrators' discretion. There may be no formal system of how they determine what classes to run.

To effectively create the desired action in your organization, you must learn not only the official bureaucratic rationalities governing the institution but also the unofficial ones. As the next chapter discusses, you learn this through developing your **institutional** and **contextual (cultural) rationality** about your operating environment.

### Key Takeaways

- Power gives rationality the force to enable or constrain actions.



- Power gives rationality the capacity to overcome constraining structures.
- Power gives rationality the ability to define reality.
- It is through bureaucratic rationality that power is **reified**.
- In organizations, bureaucratic rationality may take official and unofficial forms
- You learn bureaucratic rationality by developing your institutional and contextual rationality

## 53. Acting to overcome constraining structures

BRAD C. ANDERSON

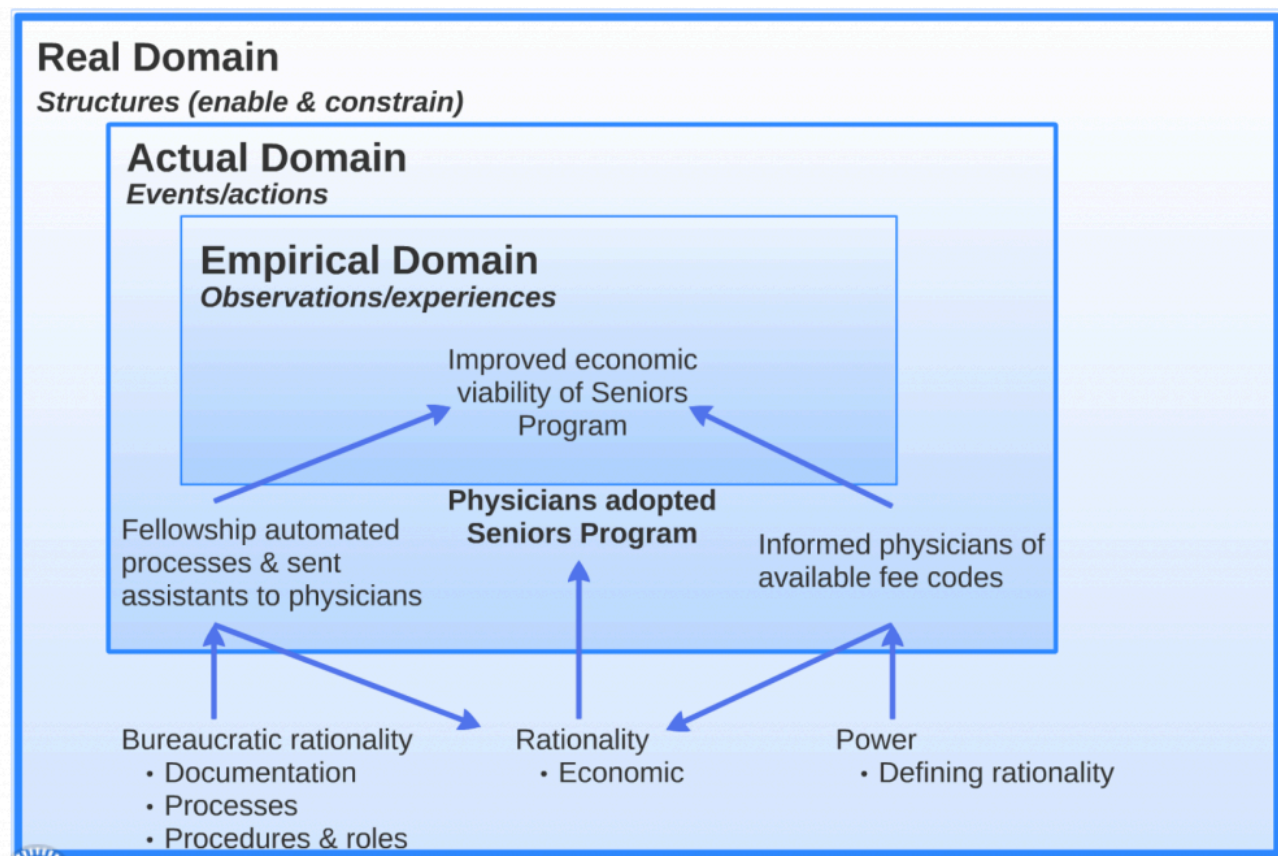
As discussed in [Chapter III](#), even though structures enable and constrain activity, it is through our choices that we either reinforce or change structures. Individuals may, therefore, choose actions to overcome constraining structures.

For example, through economic rationality, physicians concluded that adopting the Seniors Program was financially unfeasible. The fellowship, in turn, developed electronic documentation to automate the doctors' work in an effort to reduce costs—that is, they developed new bureaucratic rationality (**documentation & processes**) to change clinics' economic rationality.

Additionally, they informed physicians of fee codes available to reward some of the work they would do if they adopted the Seniors Program. This is an act of **defining rationality** to, again, change the clinics' economic rationality.

The BC Health Authority further provided personnel to assist clinics, thus using bureaucratic rationality (**procedures & roles**) to support the program's spread.

The figure below diagrams the above description using a critical realist framework.



[“A critical realist perspective of overcoming constraining rationalities”](#) by [Brad C. Anderson](#), [Developing organizational and managerial wisdom](#), [Kwantlen Polytechnic University](#) is licensed under [CC BY 4.0](#)

### Key Takeaways

- Individuals may use different forms of rationality to overcome constraining structures.

# 54. Rationality and power as social structures

BRAD C. ANDERSON

**Structures** shape organizations' actions. Through our actions, we reinforce those structures, creating stability, or we attempt to change them.

The above chapter explored some ways through which the structures of rationality and power operate in organizations. Through the above insights, we can become more conscious about the systems that govern social systems, which will allow us to be more effective in the actions we choose to take.

Social systems such as organizations can be complicated as inter- and intra-organizational groups act to advance their interests. Taking action often requires a coordinated effort from multiple groups. Resistance from other groups is a constant threat with which we must contend.

The next two chapters discuss how we can combine values, rationality, and power to create wise organizational action.

## *In This Chapter, You Learned*

### How rationality enables and constrains action

- Rationality enables action
  - Rationality justifies actions
  - Bureaucratic rationality gives action structure
- Rationality constrains action
  - Rationality argues against actions
  - Bureaucratic rationality can stifle action

### How individuals may overcome the constraining nature of social structures

- Individuals may use different forms of rationality to overcome constraining structures.

### How rationality and power interact

- Power gives rationality the force to enable or constrain actions.
- Power gives rationality the capacity to overcome constraining structures.
- Power gives rationality the ability to define reality.
- It is through bureaucratic rationality that power is **reified**
- In organizations, bureaucratic rationality may take official and unofficial forms.
- You learn bureaucratic rationality by developing your institutional and contextual rationality

PART IX

CHAPTER 9: VALUES, RATIONALITY, AND  
POWER -- PERSONAL CONSIDERATIONS



Photo by [Drew Coffman](#) on [Unsplash](#)



# 55. Values, Rationality and Power – Personal Considerations

BRAD C. ANDERSON

## *Learning Objectives*

In this chapter, you will learn:

- How to use values and rationality to solve problems
- How to build supportive alliances
- How to handle resistance to your activities
- How to manage when resistance turns into a fight
- How to find champions to help drive action

You will recall the three elements of wisdom identified in [Chapter I](#).

- Values: Values guide wise action
- Rationality: Knowledge is required but insufficient for wise action
- Power: Wisdom is action-oriented

Previous chapters have looked at the interplay of either values and power or rationality and power. Let us now combine all three to gain insights into approaching problems and then taking action to fix them.

Organizational action is a group activity. To act, therefore, we must contend with the values, rationalities, and power of others.

Progress requires that we find groups willing to support our efforts. To act, we will need to develop new bureaucratic rationalities, as the [previous chapter](#) discussed. Doing this requires support from people with authority to make those changes. We may need resources such as personnel, equipment, and money to translate our ideas into reality. We need to convince people who control those resources to help us.

Similarly, our actions may threaten other groups' activities, which may create resistance to our goals. Others may use their power to prevent new bureaucratic rationalities that we desire or limit our access to the resources we need.

In the face of this complexity, how can we use the insights into values, rationality, and power that previous chapters provided to foster organizational wisdom?

- This chapter explores that question by discussing how people can use values and rationality to solve complex problems.
- Since creating action in an organization is a group activity, this chapter then discusses ways to develop allies to support you in your endeavours.
- It then considers how to manage resistance and conflict from groups that might oppose your actions, followed by a discussion of how to create champions who drive your cause forward.

⇒ **NOTE** ⇐ This chapter ties together concepts from all previous chapters and then relates them to [Appendix 1](#) (A case study).



# 56. Using Values and Rationality to Solve Complex Problems

BRAD C. ANDERSON

Values guide wise action. In general, the problems groups and organizations identify are related to the values they pursue. For example, a finance department may focus on the value of *sustainability*. Consequently, the problems it sees will likely be related to sustainability.

It is worth remembering, though, that organizations require the realization of multiple values to thrive.

Knowledge is required but insufficient for wise action. One reason this is true is that our understanding is often limited and flawed. Each form of rationality presented in [Chapter V](#) provides clarity in some aspects of human activity but is blind in others.

Solving problems requires us to bring appropriate forms of rationality to bear.

We can improve our problem-solving ability by bringing multiple people and perspectives together in the process of **collective reasoning**. Through collective reasoning, people representing different value positions and relying on various forms of rationality come together to create a more vibrant picture of the situation. Let's explore these ideas in more detail.

## Using Appropriate Forms of Rationality to Solve Problems

Each type of rationality discussed in [Chapter V](#) has strengths in certain areas. For example, **economic rationality** has advantages when you are trying to discover how to use your resources most productively. When you are trying to understand the social dynamics in a specific social setting, however, **contextual (cultural) rationality** may be more appropriate. Thus, it is vital to understand which form of rationality is suitable for that situation when solving a problem.

That said, we get a more vibrant picture of our situation by bringing multiple rationalities to bear. For example, using contextual (cultural) rationality may help us determine how to best apply the results of our economic rationality to a specific organization. We saw an example of this with the Seniors Program in [Appendix 1](#).

- Remember, the researchers initially wanted a single, uniform intervention they could apply equally in BC and Nova Scotia premised on their investigation (i.e. technocratic rationality).
- Differences between the regions prevented this, so people had to modify and adapt the intervention for each health authority (i.e. contextual (cultural) rationality).

In short, consider the nature of your problem and assess the rationality most appropriate to solve it. Then, broaden your thinking by applying different types of rationality to enrichen your view of the situation. Applying multiple types of rationality by yourself may be challenging to accomplish. Luckily, in organizations, you are not alone.

## Collective Reasoning as a Way to Solve Problems

A person can only know so much. Additionally, most forms of education develop only one or two types of rationality.

For example, science programs focus almost exclusively on **technocratic rationality**, while business programs focus on **economic rationality**, and so on. Thus, people may lack the capacity to use other forms of rationality effectively.

A solution to these limitations is **collective reasoning**.<sup>1</sup> Through collective reasoning, you bring multiple people with different perspectives together to deliberate on a problem. With enough people, the insights of one person can compensate for the blindspots of another.

A challenge that may occur when performing collective reasoning is that different people may approach your problem from different value positions. Finance personnel may focus on robustness, scientists on innovation, nurses on public interest, and so on.

Though this can lead to disagreements, remember that social systems require a multiplicity of values to thrive. The goal you should set for your team is not, for example, how to achieve public interest at the expense of sustainability, but how to achieve **both** public interest and sustainability, and all the other values people hold.

We see several examples of collective reasoning in the Seniors Program from [Appendix 1](#).

#### *Examples: Collective Reasoning in the Seniors Program*

### **Designing a medical intervention that different healthcare regions can implement.**

Recall that the fellowship initially wished to develop a standard intervention adopted by both the BC and Nova Scotia health authorities (an example of **technocratic rationality**). Regional differences in patient demographics and healthcare infrastructure prevented the development of a universal approach (**contextual (cultural) rationality**).

The fellowship wanted to create a universal approach. They struggled for quite a while, trying to find a way to overcome the contextual rationality that stymied their attempts. Ultimately, they came to believe they could achieve more success by combining these rationalities instead.

Thus, the fellowship developed guiding principles (technocratic rationality) that different regions could adapt to their local context (contextual rationality). By blending these two forms of rationality, the fellowship created an intervention backed by science that people could modify for their specific environment.

1. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.

## Individualizing the intervention.

In pursuit of technocratic rationality, the fellowship was interested in a fitness regime backed by science that participants performed as part of the Seniors Program.

Several factors limited their ability to prescribe a single fitness regimen, though. Some participants lacked the health to perform all activities prescribed (**body rationality**).

Additionally, the physical activity regimen they used was developed in California, which has year-round temperate weather. Thus, the activities prescribed included things like daily walks. Such walks may be unfeasible in BC's interior during winter when temperatures plummet and snow chokes the streets.

In response, participating seniors worked with coaches who took the prescribed activities (technocratic rationality) and used their judgment (body rationality) and understanding of the patient's environment (contextual (cultural) rationality) to modify the program to the individual's needs. Thus, through combining these rationalities, the fellowship developed an intervention backed by science adaptable to individual needs.

## Determining how to deliver the Seniors Program.

Through studying scientific literature (technocratic rationality), the fellowship learned how to delay the onset of frailty. The research did not, however, discuss how to get seniors to participate in this intervention.

To solve this problem, the BC members of the fellowship decided to ask seniors what would lead them to participate in the Seniors Program (that is, the fellowship sought contextual (cultural) rationality possessed by older adults).

Seniors told them if their family physicians recommended the program, they would participate. Thus, the fellowship worked with physicians to develop and implement the Seniors Program.

Technocratic rationality told the fellowship how to delay frailty. Contextual (cultural) rationality told them how to get seniors to participate in the program.

Wisdom is action-oriented. Taking action in an organization requires the support of others. The next section discusses how to build that support.

### Key Takeaways

- Use appropriate and multiple forms of rationality to solve problems.

- Collective reasoning creates innovative solutions to problems.

# 57. Building Supportive Alliances

BRAD C. ANDERSON

Regardless of your position in the organization, you will require the support of others to act. Recall from the opening of [Chapter III](#) that [seventy percent](#) of major change programs fail.

They fail because groups within the organization resist the change. These failures occur even when senior management wants the change to happen. Even the CEO requires support from groups within their organization if they want their actions to take hold.

How do we create that support?

Through bookstores, business schools, and consultants, there are many educational resources discussing issues of leadership and change management. Rather than reiterate those resources, this textbook focuses on the organizational wisdom framework—that is, values, rationality, and power. It views the process of finding allies to support your actions as exercising the power tactic of **producing power relations**. This section considers the roles that values and rationality play in creating these power relations.

## Using Values to Create Allies: Producing Power Relations

As described earlier, people establish organizations to pursue a set of values. For example, Canadian society created healthcare organizations to pursue the **terminal value** of *public interest* using **instrumental values** of *altruism*, *innovation*, *robustness*, *sustainability*, and *dialogue*. You will generally find your organization will enable actions consistent with its values and constrain actions that violate them.

Let's assume you have identified an action your organization needs to take. Perhaps it needs to revise its hiring practices or reduce its carbon footprint, or any other action you may deem necessary.

When planning how you will create this action, one of the first things to reflect on is whether you need the support of any stakeholders within the organization. If your activities are limited in scope, you may be able to implement it by yourself. A teacher in a classroom, for example, may be able to change their teaching strategies without needing support from any other area in the organization.

Often, though, you may need support from other departments to implement a change. For example, you may need funding to buy equipment, or personnel to perform required work, and so on. If that same teacher wanted to reduce the average class size in their school from thirty-five to thirty students, this would require the agreement of many departments to implement.

The remainder of this chapter assumes the need to gain support from other areas in your organization (or beyond).

When attempting to drive action in your organization that requires the support of others, *the first thing you must do is identify the organization's **terminal** and **instrumental values***. There are several ways you can achieve this understanding.

- Review the organization's mission and vision statement along with strategy documents that senior managers have created. Sometimes these documents will explicitly state the organization's values. Other times, you may need to intuit the values implied in the goals it has set for itself.
- Spend time observing the organization. What does it do? Which activities does the incentive structure promote? Are certain actions constrained? You will then need to reflect on what values those actions imply.
- Recall from [Chapter IV](#) that organizations require a multitude of values to thrive. Many organizations will assign different groups or individuals the responsibility of pursuing different values.
  - For example, in hospitals, physicians, nurses, and healthcare workers assume responsibility for the value of

- *public interest*, which they achieve through caring for the sick.
- Administrators, however, focus on balancing the budget and ensuring the hospital has the resources it needs to function. Those activities imply the values of *sustainability* and *robustness*.
- Does your organization have a similar division of labour? Which departments are responsible for which value? How do they pursue that value? How do departments interact with each other?

#### Example: The Seniors Program

Let's look at the Seniors Program from [Appendix 1](#). The fellowship wanted to develop and spread the Seniors Program. To do this, they needed resources such as time and personnel from the vice presidents. Each group was operating in pursuit of specific values.

Fundamental values guiding members of the **fellowship**:

- Terminal value = public interest (by delaying frailty).
- Instrumental values =
  - innovation (creating a new intervention)
  - dialogue (by collaboration between institutions)
  - robustness & sustainability (reducing demand on hospitals by improving community health)

Fundamental values guiding **vice presidents**:

- Terminal value = public interest (by providing healthcare infrastructure to communities)
- Instrumental values =
  - robustness (ensuring hospitals could meet patient demand)
  - sustainability (balancing the budget to ensure hospitals remain a going concern)

Once you understand the values guiding the organization, you must reflect on how the activities you wish to perform align with the organization's terminal and instrumental values. Because organizations require many values to thrive, your actions may align with all the organization's values (rare) or align with some but not all values. Other times, your activities may deeply contravene the terminal values of dominant groups. Let's see how to handle each of those three situations.

## When desired actions align with all organizational values:

Great! You will need to use the power tactic of **defining rationality** to ensure critical stakeholders see how your desired actions align with the organization's values.

## When desired actions align with some but not all organizational values:

Focus on the values that do align with your organization's values. Define rationality to position your efforts in stakeholder's minds in a way that highlights areas of overlap.

Identify those groups in the organization whose values align with the action you wish to take.

- You might consider presenting your plans to them as they may be able to offer you support as you move your efforts forward.
- Doing this is an example of **producing power relations**.
- Even if these groups are unable to provide direct assistance, they may speak on your behalf to powerful stakeholders, which builds your base of support.

Reflect on the impact of groups pursuing unrelated or conflicting values on your desired action.

- There may be no impact. Your desired actions may not affect another group's pursuit of their values, and so you may be able to ignore each other.
- There may be passive resistance. Some groups may be indifferent to your actions, while some may even wish you well. Others may want you to go away and stop bothering them.

For whatever reason, these groups may be unwilling to provide the resources or support you need to succeed. What you will likely see in these cases is others using tactics of the **second dimension of power**. Rather than engage in open conflict or seeking to influence others against you, they will avoid or suppress conflict.

Alternatively, there may be active resistance. Other groups pursuing different values may see your actions as a threat to their activities and use their power to stop you. That is, they may use tactics of the **first, second, or third** dimensions of power against you.

## When desired actions are incompatible with the terminal values of dominant groups:

Making progress in this situation will be difficult—extremely difficult. In this case, you have some tough choices to make because organizations can act unkindly towards individuals or groups that express incompatible values.

If the groups you are working against possess sufficient power, you may find yourself ostracized by your colleagues. You may experience fewer opportunities for advancement. You may find your work discredited and your reputation challenged. You could lose your job.<sup>1</sup>

In such situations, you may wish to reconsider whether you want to take action. Perhaps you would be better off moving to an organization whose values align with yours.

There are times, though, when organizations need to change. Sometimes an action must be taken because it is the right thing to do. Examples of such cases include if the organization is acting unethically or self-destructively.

In such cases, implementing the action you wish to make requires a significant amount of power. You may need the power of executive management to drive such actions. Alternatively, you may need to find stakeholders outside

1. Flyvbjerg, B. (2002). Bringing Power to Planning Research: One Researcher's Praxis Story. *Journal of Planning Education and Research*, 21(4), 353–366.

the organization that possesses the capacity to influence its actions. This is an example of using **power against the organization**.

The world needs brave people to take courageous action. This textbook, however, would be remiss if it failed to tell you that such people are often treated poorly by the organization they seek to change.

If your actions are incompatible with the organization's values, and you attempt to exercise power against it, the organization may use its power to stop you. Depending on the organization's ability, the result can be destroyed careers, reputations, and lives.

Be sure to assess the political landscape in which you operate thoughtfully. Think through whether you need to create the change you envision before acting against an organization's values. Consider how you might protect yourself if the organization chooses to retaliate.

#### *Example: The Seniors Program*

Returning to the Seniors Program from [Appendix 1](#), recall the fellowship needed resources such as additional personnel. Gaining these resources required support from vice presidents. The organization's vice presidents, however, were initially unsupportive of the program.

Vice presidents were responsible for reducing the overcrowding of their hospitals. This responsibility speaks to values of *robustness* and *sustainability*. Though many found the Seniors Program an exciting idea, they felt they could not spare resources to support it.

Vice presidents engaged in **two-dimensional power** tactics.

- They refused to allow members of the fellowship onto meeting agendas. Unable to speak at meetings, hardly anyone in the organization knew of the Seniors Program. Consequently, the fellowship found it challenging to build support.
- Occasionally, the fellowship did find people willing to help with the project. Vice presidents, however, forbade their staff from participating, arguing that the Seniors Program would distract them from their job duties.
- Starved of needed resources, the Seniors Program floundered.

Members of the fellowship recognized the importance of the values of robustness and sustainability to the organization. They believed that by improving the health of the seniors' population, fewer people would require hospitalization. By reducing demand on hospitals in this way, the program thus contributed to robustness and sustainability.

The fellowship went on a campaign of **defining rationality**. They marshalled data supporting the idea that the Seniors Program was a solution to the vice presidents' problems. They presented their arguments to vice presidents, and after several months of effort, they began to gain allies.

Vice presidents began using their power to support the program. The fellowship was allowed to attend meetings and present their work. Vice presidents enabled members of their staff to work with the fellowship.

This section considered the role of values in the production of power relations. The following paragraphs examine the role of rationality in producing these alliances.



## Key Takeaways

- To use values to produce power relations.
  - Understand the values the organization pursues
  - Consider the relationship between the terminal and instrumental values in the organization.
  - Evaluate how the organization organizes itself to pursue each of these values
  - Reflect on how your desired actions align (or conflict) with organizational values
  - Define rationality to build power relations with individuals and groups whose values align with yours
  - Consider how groups with conflicting values will resist your efforts.
  - Assess how severe resistance might be and take appropriate action to manage it

# 58. Using Rationality to Create Allies: Producing Power Relations

BRAD C. ANDERSON

Through the application of different forms of rationality, we understand our world and justify our actions. Thus, convincing other people and groups to support your efforts requires you to apply the appropriate rationality to persuade them to do so. The following sections explore how to do this.

## Values Come Before Rationality

Generally, rationality never operates alone. Values guide our use of rationality.<sup>1</sup> If people perceive your values are incompatible with theirs, no amount of rationality will convince them to join you.

Thus, your first step is to evaluate the overlap between your values and those of other stakeholders.

## Defining Rationality as a Means to Produce Power Relations

**Defining rationality** is a tactic of power through which people and groups convince others what is rational. People want to be rational. They want others to perceive them as reasonable.

Thus, as [Chapter VIII](#) discussed, defining what other people consider rational can influence their behaviours. *Producing power relations requires you to define rationality because you must convince others that supporting you is the sensible thing to do.*

Defining rationality to produce power relations requires at least two steps: (1) demonstrating value alignment and (2) using the right form of rationality. In other words, you must convince others that *you are doing the right thing (value alignment) in the right way (rationality alignment).*

## Showing Value Alignment

People are more likely to support you if you can demonstrate that doing so will help them advance the values they pursue. [Chapter IV](#) discussed various ways values interacted, including **terminal** versus **instrumental** values. It also considered how time affected values. Some actions have an effect in the short term, others in the long term. In some cases, one action that might achieve a value in the short term may undermine it in the long term.

When considering which people and groups to approach, assess the values guiding their actions. Evaluate the ways

1. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.

your values and theirs might interact. Perhaps your terminal value is an instrumental value for them, or maybe your actions solve a long term problem they have ignored due to short term time pressures.

When you approach them, define rationality so that they see how supporting you advance their values. Let's look at the Seniors Program for an example of this.

#### *Examples: Defining Rationality to Show Value Overlap*

Recall from [Appendix 1](#) that the fellowship wanted to develop a new program that would reduce frailty. They used the instrumental value of innovation to pursue the terminal value of public interest. The fellowship required support from vice presidents to gain access to personnel and funding needed to create the Seniors Program.

Because the vice presidents faced pressure to reduce the overcrowding of hospitals, they were uninterested. Vice presidents pursued instrumental values of robustness and sustainability to achieve the terminal value of public interest. They initially felt that providing resources to pursue innovation would compromise their capacity to achieve robustness and sustainability.

The fellowship recognized the source of vice presidents' resistance. In response, the fellowship argued that the value of innovation embodied in the Seniors Program would reduce future demand for healthcare resources by creating a healthier population. Thus, the Seniors Program would contribute to future robustness and sustainability.

Once convinced of this connection, vice presidents became much more willing to provide the fellowship's needed resources.

To define rationality effectively, however, you must use the right form of rationality, an idea that the following section explores.

## Using the Appropriate Forms of Rationality

As alluded to in [Chapter V](#), different groups may emphasize the importance of one type of rationality over others. Banks, for instance, may favor **economic rationality** when making decisions. An art gallery, though, may favor **body rationality**.

Before you approach people to support your actions, you must first learn their preferred form of rationality. The more you incorporate that form of rationality into your argument, the more compelling they will find it.

Though you may emphasize the rationality your audience finds most compelling, draw on other forms of rationality to create a rich web of understanding. Each type of rationality taps into different areas of the mind. The more deeply someone's mind is engaged in your argument, the more compelling they will find it. The actions of the fellowship in the Seniors Program demonstrated this.

In Canada, **technocratic rationality** dominates the healthcare industry.<sup>2</sup> Medical schools train physicians to use evidence-based medicine, which requires doctors to prescribe medical interventions based on current scientific research.

The healthcare system also encourages administrators to apply evidence to practice. The belief in the industry is that the healthcare system should run following current scientific findings.

Thus, when the fellowship approached vice presidents, managers, physicians, and other healthcare workers to gain support for the Seniors Program, they emphasized how the program was grounded in science. They presented research findings to justify the program's existence and designed their project as a scientific experiment. This approach appealed to the dominant rationality in the healthcare system.

The fellowship relied on more than technocratic rationality, however. They understood the vice presidents focused on the values of sustainability and robustness. Thus, the fellowship also made arguments incorporating **economic rationality** that demonstrated the Seniors Program would improve their organization's capacity to manage patient demand sustainably.

Moreover, the Seniors Program targeted pre-frail seniors. Many of the executive managers the fellowship spoke with recognized they themselves might be pre-frail seniors. This personal connection engaged vice presidents' **body** and **emotional rationality**.

To gain legitimacy in their organization, the fellowship had to emphasize technocratic rationality. Once they had that legitimacy, the rich melange of other rationalities made their arguments compelling, which led to the **production of power relations** they needed.

## Collective Reasoning as a Means to produce Power Relations

As described above, **collective reasoning** is an act of deliberative democracy where many people join together to share ideas and debate important topics. Beyond the ability to develop superior solutions to problems,<sup>3</sup> collective reasoning also has the benefit of producing power relations.<sup>4</sup>

There are several reasons why collective reasoning builds relationships. When you ask a group for their ideas and then

2. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.
3. Townley, B. (2008). Reason's Neglect: Rationality and Organizing. New York, NY: Oxford University Press, Inc.
4. Anderson, B. C. (2019). Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority. Bingley, United Kingdom: Emerald Group Publishing Limited.

take their beliefs seriously, respect between you and that group grows. Mutual respect between groups is a foundation for creating strong relations. Additionally, when a group sees that an activity incorporates their ideas, they become motivated to perpetuate that activity.

In short, by incorporating the rationality of others into yours, not only will their respect for you grow, but they will become invested in the success of your plans. Again, we see several examples of this in the Seniors Program.

*Examples: Collective Reasoning as a Means to Produce Power Relations*

## **Designing a medical intervention that different healthcare regions can implement.**

The Seniors Program was the product of a collaboration between two provincial health authorities and a non-profit foundation. By accommodating each partner's contextual rationalities into the program's technocratic rationality, influential people within each organization became invested in the program's success.

This support from influential people was critical in the program's long-term success. Recall from [Appendix 1](#) that in the BC Health Authority, the original CEO resigned, and a new CEO took his place.

During this transition, the new CEO considered cancelling the program. The program's endorsement from individuals within the non-profit foundation and Nova Scotia Health Authority helped convince the new CEO to continue supporting it.

## **Individualizing the intervention.**

The fellowship empowered lifestyle coaches to personalize the physical activity regime that participating seniors undertook. This empowerment freed coaches to contribute their knowledge to the program actively.

Consequently, coaches felt ownership over the program's success. They subsequently went above and beyond their contractual requirements to do work vital to the program's success, such as running informational seminars for seniors and coaches.

## **Determining how to deliver the Seniors Program.**

Recall how the fellowship met with seniors groups to learn how to convince elderly patients to participate in the program. Not only did this collaborative engagement yield insights into how to make the program successful, but the relationships gained through these discussions also created a pipeline of seniors willing to take part.

Producing power relations is essential because any action you might take in an organization may result in resistance. A strong network helps you overcome this resistance. The next section considers resistance in detail, outlining why groups might resist you and exploring ways you and your allies might manage it.

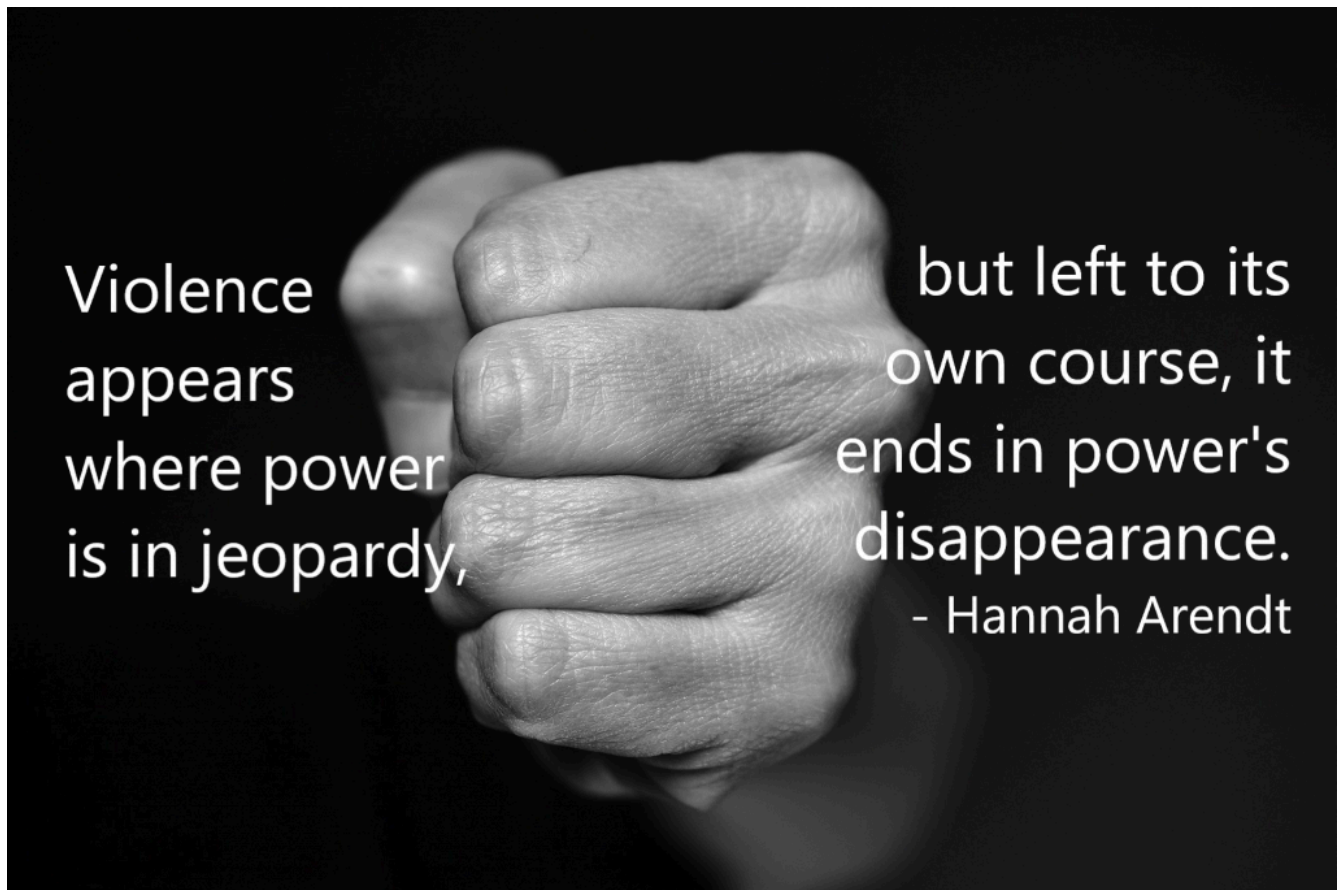
#### *Key Takeaways*

- To use rationality to produce power relations
  - Values guide rationality. If people perceive your values undermine their values, no amount of rationality will convince them to join you
  - Power relations produced through defining rationality to show people how your values align with theirs
  - When convincing others to help you, use the form of rationality they perceive as legitimate and then layer in other types of rationality
  - Engaging in collective reasoning is a means to produce power relations

## 59. Resistance and Conflict

BRAD C. ANDERSON

Wisdom is action-oriented. Taking action may lead to resistance, if not outright conflict, from groups affected by your actions. Though conflict may refer to the use of violence, as we often observe in social systems experiencing severe unrest, in the context of this textbook, conflict refers to nonviolent antagonism between two or more groups. This may manifest as groups' use of all the tactics of power available to them to actively undermine and eliminate the "threat" posed by others.



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These conflicts may arise due to incompatible values, differing rationalities, or both.<sup>1</sup> Let's explore each of those reasons in turn, as well as ways to manage this resistance.

## Disagreements Between Values

Groups may resist you if they perceive your actions as a threat to the values they pursue. These value conflicts may lie across three dimensions: conflicting terminal values, conflicting instrumental values, or the time scales when actions have their impact.<sup>2</sup>

### Conflicting Terminal Values

**Terminal values** are the ends we find worth achieving. Conflicts arising out of conflicting terminal values may be difficult to solve because each party is, fundamentally, trying to achieve different things.

You may recall from [Chapter IV](#) that organizations use several means to negotiate these conflicts, including the following.<sup>345</sup>

- *Firewalls*: The organization tasks different departments with the pursuit of different values.
- *Cycling*: One set of values dominate. Over time, resistance grows until a new set of values become dominant.
- *Casuistry*: Individuals rely on experience with similar conflicts to resolve current ones.
- *Bias*: One set of values falls out of favour.
- *Hybridization*: Individuals attempt to reconcile competing values.
- *Incrementalism*: Individuals slowly favour one value over time.
- *Compromise*: Competing values each sacrifice some of their aims to accommodate the other value.

### Conflicting Instrumental Values

**Instrumental values** describe the means we find appropriate to achieve an end. [Chapter IV](#) presented several examples

1. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.
2. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.
3. Oldenhof, L., Postma, J., & Putters, K. (2014). On Justification Work: How Compromising Enables Public Managers to Deal with Conflicting Values. *Public Administration Review*, 74(1), 52–63.
4. Stewart, J. (2006). Value Conflict and Policy Change. *Review of Policy Research*, 23, 183–195.
5. Thacher, D. & Rein, R. (2004). Managing Value Conflict in Public Policy. *Governance*, 17, 457–486.



of situations where groups shared terminal values but had different instrumental values. Even though they each sought the same outcome, their focus on different ways of achieving that outcome led to tension between the groups.

In addition to the tactics described in the preceding section to resolve such conflicts, **defining rationality** to focus on the terminal values you share might reduce the resistance between groups pursuing different instrumental values.

## Conflicting Time Dimensions of Values

[Chapter IV](#) discussed how the time scales over which different groups achieve their values might lead to resistance. One group's actions to reach a value in the long term may compromise another group's ability to achieve that value in the short term.

Again, using the methods described above to focus on those values that overlap might reduce the resistance you face.

## Disagreements Between Rationalities

Sometimes, different types of rationality conflict. For example, **technocratic rationality** showed that the Seniors Program delayed frailty. Physicians concerned with patient care should, therefore, adopt it.

**Economic rationality**, however, told doctors that doing so was financially unviable. In that situation, economic rationality won.

Similarly, as [Appendix 1](#) described, when deciding what to call the patients eligible for the Seniors Program, *technocratic rationality* suggested “pre-frail seniors.”

Seniors, however, disliked this name. These people felt healthy. Their **body rationality** told them the word “frailty” was inappropriate. Their **emotional rationality** told them the concept of frailty was frightening, and they were unwilling to have the word applied to them.

In this situation, however, technocratic rationality won, and the fellowship chose to call their target patient “pre-frail seniors.”

Why did technocratic rationality lose to economic rationality when physicians were deciding whether to adopt the Seniors Program but win over body and emotional rationality when deciding what to name the patient?

*Generally, when different forms of rationality lead different groups to disagree, the rationality used by the group with the most power wins.*<sup>6</sup>

In Canadian healthcare systems, bureaucratic rationality assigns ultimate authority for treating patients to the physician. They have control over what interventions to prescribe. Thus, when economic rationality informed doctors of their inability to adopt the program, economic rationality won.

When choosing what to name the patient, however, it was physicians who were responsible for identifying which patient was eligible for the Seniors Program. In Canada, doctors practice evidence-based medicine (i.e., technocratic rationality). Thus, the name in the literature—pre-frail seniors—was the name they understood. Since physicians had the power to enroll patients, the fellowship deferred to doctors' technocratic rationality over the patients' body and emotional rationality.

The key message is this. When your use of one rationality leads you to disagree with someone using different

6. Flyvbjerg, B. (1998). *Rationality and Power: Democracy in Practice*. Chicago, United States: The University of Chicago Press.

rationality, your rationality will likely win if you have more power. If the other person has more power, their rationality will win.

As the fellowship's experience showed, however, even if another person's rationality wins, you can still make progress if you have good insight into values, rationality, and power systems at work. The fellowship displayed this when they adjusted bureaucratic structures to change the conclusions of the physicians' economic rationality.

#### *Key Takeaways*

- Resistance may result from groups pursuing different values.
  - Values may conflict between terminal values, instrumental values, or the time scales over which actions have an effect.
  - Various tactics exist to overcome value conflicts, including firewalls, cycling, casuistry, bias, hybridization, incrementalism, compromise, and defining rationality.
- Resistance may result from groups using different forms of rationality.
  - When various types of rationality disagree, the rationality held by the groups with more power generally prevails.
  - Even if another group's rationality prevails over yours, you can still make progress if you have insight into the systems of values, rationality, and power governing the social setting.

## 60. When Resistance Turns Into a Fight

BRAD C. ANDERSON

The fellowship had evidence the Seniors Program delayed frailty. They knew how to postpone a terrible affliction. Yet, when physicians' economic rationality concluded that doctors were unable to adopt the program, the fellowship bent over backward to create new systems to change the program's cost structure.

If the fellowship knew how to delay frailty, why not force doctors to adopt it? The BC Health Authority's CEO championed the program. The fellowship could have asked him to drive compliance, but this never happened.

Should we not fight for what we believe is right?

Fighting in this context refers to the direct use of power to coerce others to comply with your wishes. Rather than seeking an agreement, you wish to force someone's unwilling compliance. They, in turn, use their power to protect themselves and defeat you.

Fighting is always an option. There are times when a confrontation may be necessary. There are at least four dangers, however, with allowing a disagreement to escalate to a fight, so choose your battles thoughtfully.

1. *You might lose.* Even if you have more power and authority in the organization, the possibility exists that you will lose an outright fight. The costs of losing a confrontation can be severe. The project you want to succeed in may die permanently. You may lose influence in your organization. You might lose your job.
2. *You will create enemies.* Whether you win or lose a fight, you will create enemies. In an organization, people and groups need to work together on many projects over long periods. If you make an enemy over one project, you compromise your ability to progress on all the other projects over which they have influence now and in the future.<sup>12</sup>
3. *The first casualty of war is rationality.* Remember from [Chapter VI](#) that one of the tactics of power is **ignoring rationality**. When people and groups seek to overpower others, rationality vanishes. During conflicts, people are not interested in rationality. Instead, they focus on survival and defeating their enemy. Bad power plays dominate, pushing rationality aside.<sup>3</sup>
4. *You miss out on the potential of collective reasoning.* In the above example, technocratic rationality told doctors one thing, economic rationality another. Economic rationality speaks to values of sustainability and robustness. Yes, we want our healthcare system to prevent frailty, but we also want it to be sustainable and robust. It is not that technocratic and economic rationality conflict, but rather that they speak to different aspects of our healthcare system's overall challenge. The healthcare system does not "win" if one rationality defeats another. The system needs both rationalities, as well as others, to thrive. True innovative breakthroughs come not from defeating other rationalities but from blending them through collective reasoning.

1. Denis, J.-L., Lamothe, L., & Langley, A. (2001). The Dynamics of Collective Leadership and Strategic Change in Pluralistic Organizations. *Academy of Management Journal*, 44(4), 809–837.
2. Rodriguez, C., Langley, A., Beland, F., & Denis, J.-L. (2007). Governance, Power, and Mandated Collaboration in an Interorganizational Network. *Administration & Society*, 39(2), 150–193.
3. Flyvbjerg, B. (1998). *Rationality and Power: Democracy in Practice*. Chicago, United States: The University of Chicago Press.

## Recovering After a Confrontation

Leaders have to make decisions, which invariably upset someone. Sometimes people choose to strike at you, forcing you into a fight. There are occasions when people's interests are irreconcilable. Despite the best intentions, fights sometimes happen.

Should you find yourself in a battle, proceed with an awareness of the dangers of fighting listed above. Act to mitigate those dangers as you can. Pay particular attention to the second danger, the enemies you might make. It is those enemies that increase the risk you will find yourself embroiled in future confrontations.

Once a fight ends, think about who might harbour resentment. Can you make peace with them? How might you establish a stable relationship?

'Stable' is, perhaps, the operative word. You may not like each other, and resentment may linger. Still, it may be possible to establish a system (i.e., bureaucratic rationality) that reduces the risk of future encounters escalating to conflict.

### Examples: The Cold War

During the [Cold War](#) between the USA and USSR, which lasted from the late 1940s to 1991, the threat of nuclear war between these two nations was a severe concern. Incidents like the [Cuban Missile Crisis](#) highlighted the dangers that conflicts might quickly escalate to nuclear weapons' launch.

These nations used several tools of bureaucratic rationality to reduce this risk and maintain stability. Each nation signed several treaties (**documentation**) that allowed each nation to inspect the nuclear arsenal of the other (**processes**). They further set up direct communication lines between the presidents of the USA and USSR so they could contact each other at any time in case of emergency (**processes**).

These systems of sharing information and communication reduced the chance of minor incidents spiralling out of control to catastrophe. Even though these nations felt a great deal of animosity towards each other, they managed to create systems that **maintained stability** and lessened the odds of escalating conflict.

So far, this chapter has explored how you might use insights into values, rationality, and power to create effective organizational action. This desired action only happens, however, if people put in the time and effort to make things happen. The following section explores how we can use the framework of organizational wisdom to motivate people to act.

### Key Takeaways

- Fights between groups have several risks

- You might lose
  - You will create enemies
  - The first casualty of battle is rationality.
  - You miss out on the potential of blending rationalities.
- Recovering after a fight
  - Seek to redress the risks of enemies you may have made
  - Even if you cannot reconcile relations, you can implement systems to maintain stability to reduce the risk of future conflicts.

# 6I. Finding Champions to Help

BRAD C. ANDERSON

As you read the above sections, you may have recognized that taking action to pursue values in an organization can be difficult. You may have also noticed personal risks if your actions threaten the terminal values of dominant groups.

Those observations are valid. Taking action is hard and does involve risk.<sup>1</sup> Why, then, would anyone ever take action?

We often see that meaningful change is driven by what we call, for lack of a better word, **champions**. That is, people who ‘champion the cause.’ These champions possess specific characteristics.<sup>2</sup>

- They are passionate about the cause they champion. They exhibit enthusiasm, optimism, and resilience.
- They possess the skills needed to **produce useful power relations**.
- They possess sufficient **bureaucratic rationality** to know how to implement activities in their organization’s structure.
- They are adaptable.
- They are realistic about what they can accomplish within their organization.

Finding someone who has all these criteria sounds like a tall order. What makes someone choose to develop these attributes?

The answer is values.<sup>3</sup> When a person holds a personal value very firmly, and then they see work in their organization that aligns with that value, a fire is lit within them. They become passionate about that work. That passion then motivates them to take on the effort and risk needed to drive action.

The enthusiasm they have when speaking about their work inspires others, contributing to the production of power relations. Their belief in the importance of their work gives them resilience and adaptability to keep trying to overcome constraining **structures**.

As identified in the description of champions, though, this passion is tempered with realism. Champions possess the **contextual (cultural)** and **institutional rationality** to understand what their organization can reasonably accomplish. They also understand which forms of rationality have legitimacy in those organizations and use that form of rationality to their advantage.

For now, the key takeaway is this. It is the alignment between values that leads to the creation of champions. This observation has implications for you personally as well as for those who hire others.

You will find that work that aligns with your values will motivate you to strive toward significant accomplishments. From the perspective of recruitment, the more you can hire individuals whose personal values align with the work you do, the higher your ability to build a team of champions. The next chapter discusses this further.

1. Beyer, J. M., & Nino, D. (1998). Facing the Future: Backing Courage with Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 65–97). San Francisco: The New Lexington Press.
2. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.
3. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.

### *Key Takeaways*

- Often, champions are responsible for driving meaningful change.
- Champions arise when an individual's values align with the work they do
- Finding work that aligns with your values will motivate you to strive for significant accomplishments.
- Recruiting individuals whose values align with the organization's will create teams of champions.

## 62. Where to next?

BRAD C. ANDERSON

This chapter discussed various approaches for individuals to combine values, rationality, and power to create effective action. Whereas this chapter focused on actions or insights an individual might use, the next chapter focuses on activities groups might perform to develop organizational wisdom.

### *In This Chapter, You Learned*

#### How to use values and rationality to solve problems

- Use appropriate and multiple forms of rationality to solve problems.
- Collective reasoning creates innovative solutions to problems.

#### How to build supportive alliances

- To use values to produce power relations
  - Understand the values the organization pursues
  - Consider the relationship between the terminal and instrumental values in the organization.
  - Evaluate how the organization organizes itself to pursue each of these values
  - Reflect on how your desired actions align (or conflict) with organizational values
  - Define rationality to build power relations with individuals and groups whose values align with yours
  - Consider how groups with conflicting values will resist your efforts.
  - Assess how severe resistance might be and take appropriate action to manage it
- To use rationality to produce power relations
  - Values guide rationality. If people perceive your values undermine theirs, no amount of rationality will convince them to join you
  - Power relations produced through defining rationality to show people how your values align with theirs
  - When convincing others to help you, use the form of rationality they perceive as legitimate and then layer in other types of rationality
  - Engaging in collective reasoning is a means to produce power relations

#### How to manage resistance to your activities

- Resistance may result from groups pursuing different values.
  - Values may conflict between terminal values, instrumental values, or the time scales over which actions have an effect.



- Various tactics exist to overcome value conflicts, including firewalls, cycling, casuistry, bias, hybridization, incrementalism, compromise, and defining rationality.
- Resistance may result from groups using different forms of rationality.
  - When various types of rationality disagree, the rationality held by the groups with more power generally prevails.
  - Even if another group's rationality prevails over yours, you can still make progress if you have insight into the systems of values, rationality, and power governing the social setting.

How to manage when resistance turns into a fight

- Fights between groups have several risks.
  - You might lose
  - You will create enemies.
  - The first casualty of conflict is rationality.
  - You miss out on the potential of blending rationalities.
- Recovering after a fight
  - Seek to redress the risks of enemies you may have made
  - Even if you cannot reconcile relations, you can implement systems to maintain stability to reduce the risk of future conflicts.

How to find champions to help drive action

- Often, champions are responsible for driving meaningful change.
- Champions arise when an individual's values align with the work they do
- Seeing work that aligns with your values will motivate you to strive for significant accomplishments.
- Recruiting individuals whose values align with the organization's will create teams of champions



PART X

# CHAPTER 10: VALUES, RATIONALITY, AND POWER -- ORGANIZATIONAL CONSIDERATIONS



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# 63. Values, Rationality, and Power – Organizational Considerations

BRAD C. ANDERSON

## *Learning Objectives*

In this chapter, you will learn the following.

- How to incorporate values into recruitment processes
- How to build teams capable of wise action
- How to create an organization capable of tackling the unknown
- How to create structures that facilitate organizational wisdom
- The importance of developing your own bureaucratic, institutional, and contextual (cultural) rationality of your operating environment

The previous chapter considered ways to combine values, rationality, and power within an organization to act effectively. This chapter explores similar themes at the level of the group.

As you read this chapter, you may feel that implementing many of these concepts requires a manager or senior executive's authority. Sure, there's some truth to this—the more authority you have in an organization, the higher the scope of activities you can influence.

Everyone, however, has some power to act. Therefore, everyone has some power to affect their organization regardless of their job title.

As with other subjects covered in this book, this textbook does not present this content as the “one best way” to do things. Instead, it seeks to provide you with some ideas to address age-old problems. Other cultures, and even other scholars within Western educational paradigms, have different insights and learnings. Add the ideas presented here to your toolbox, recognizing that there are many other tools out there that you may find better suited to your specific situation.

# 64. Incorporating Values in Recruitment Processes

BRAD C. ANDERSON

Values guide wise action. Stakeholders create organizations to pursue a certain combination of values. For example, a government may establish a publicly funded hospital to pursue the value of public interest through administering healthcare. Shareholders may establish an oil exploration company to pursue the value of productivity, as expressed through maximizing profits. A manager may assemble a team tasked with pursuing the value innovation to solve a problem. Values drive activities at all levels of the organization.<sup>1</sup>

[Chapter IX](#) discussed the importance of **champions** to drive action. It is their values that motivate champions. When these personal values align with organizational values, champions can become a powerful force of effective action. It, thus, makes sense to incorporate values into an organization's recruitment efforts.<sup>2</sup>

The following paragraphs present an example of how organizations might do this. When you think of recruiting in an organization, you may have in mind the hiring practices of a large corporation. Remember, though, an organization may be large or small and may contain sub-organizations. A for-profit multi-national company is an organization, as is a neighbourhood soccer club. Regardless of the size or scope of the organization, recruiting members is required.

Recruiting for values first requires that the organization possess a strong sense of what its values are. The organization's leaders play a crucial role in establishing and communicating these values. Developing organizational wisdom requires the organization to create a culture of values that balance the organization's success with customers, employees, and other stakeholders' needs.<sup>3</sup>

When recruiting personnel, organizations frequently rank applicants' skills from best to worst and then select the top candidate. Often, though, the difference in ability between the first and second-ranked applicant is marginal and may have no meaningful impact on performance.

So, rather than ranking applicants top to bottom, you might create performance categories (say, for example, high, medium, low). Individuals' skills within each group are similar enough that you could select anyone from it and expect the same level of performance.

Now, since you have categories in which individuals have similar skills, you look within the group of the highest skilled individuals. You may then apply another criterion, such as the alignment between individual and organizational values, to choose which person in that category you wish to recruit.

In this way, you create an organization populated with highly skilled individuals who share its values. This process creates a pool of champions that will drive the organization's mission forward.<sup>45</sup>

1. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.
2. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.
3. Kotter, J. P., & Heskett, J. L. (1992). *Corporate Culture and Performance*. New York: The Free Press.
4. Aguinis, H. (Ed.). (2004). *Test-score Banding in Human Resource Selection: Legal, Technical, and Societal Issues*. New York: Praeger Publishers.
5. DeNisi, A. S., & Belsito, C. A. (2007). *Strategic Aesthetics--Wisdom and Human Resources*

This process is known as “banding.” For those wishing to adopt banding in their workplace, [click here](#) to review an article describing the process and the legal implications you should bear in mind when utilizing it.

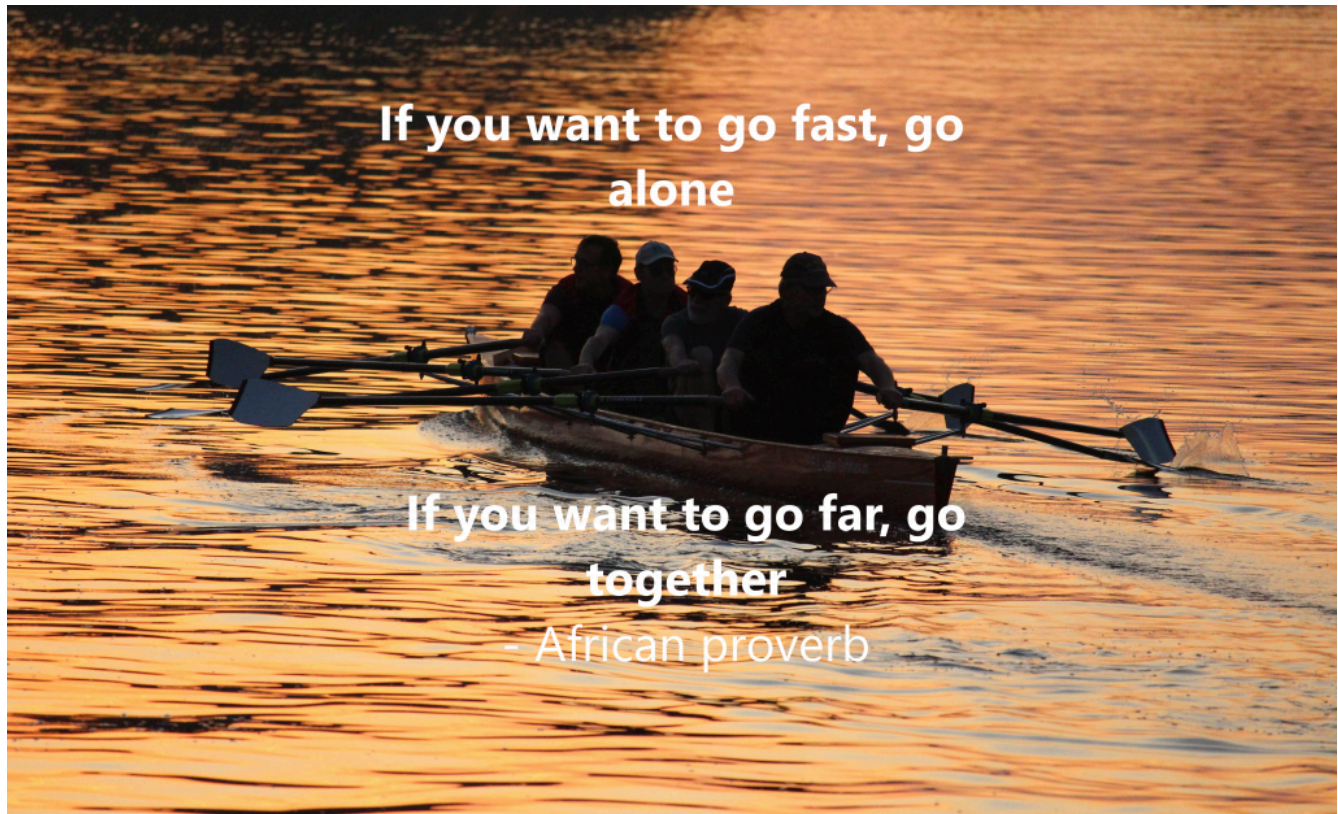
#### *Key Takeaways*

- When personal values align with organizational values, champions can become a powerful force of effective action.
- Incorporate screening for values in recruitment processes (through, for example, banding applicants into categories based on skill level and then choosing from the top-skilled category for complementary values)



## 65. Building Teams Capable of Wise Action

BRAD C. ANDERSON



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Organizational action is a group activity. Thus, to develop organizational wisdom, organizations must create teams capable of acting wisely. Several criteria will allow teams to achieve this.<sup>12</sup> These include:

- Clearly defining the team’s scope.
- Providing the team with resources needed to do its job
- Creating interdependence between team members
- Ensuring team membership is stable.

1. Nielsen, T. M., Edmondson, A. C., & Sundstrom, E. (2007). Interpersonal Logic--Team Wisdom: Definition, Dynamics, and Applications. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 21–42). Thousand Oaks, CA: Sage Publications Inc.
2. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.



- Recruiting team members with relevant skills
- Ensuring the team has adequate authority in the organization to do what it set out to do
- Creating effective norms of communication and openness
- Shielding the team from external political turmoil so it can focus on its job.

These elements are discussed in more detail below.

## Defined scope

Leaders must identify the team's scope of activities. Leaders must identify expectations, project boundaries, available resources, and the duration of activities to do this.

In many organizations, a team may have multiple projects on which it works. In these situations, managers must identify how the team will prioritize numerous deliverables.

## Adequate resources

Leaders need to ensure teams have the required resources to do their job. These resources may include (but are not limited to):

- Information (this point is vital, yet easy to forget)
- Budget
- Personnel
- Equipment
- Time

These resources are linked to the team's scope of activity. If a team's resources are insufficient to fulfil its scope, leaders must modify the scope or provide more resources.

## Creating interdependence

The team must be interdependent. Individuals within the group can only achieve success if they collaborate with the other team members. Organizations can accomplish this by creating teams where members share responsibility and focus on delivering the same outcome.

## Stable membership

Teams need to have stable membership. Once a person is in a team, they are in it for the long haul.

This creates continuity of knowledge, experience, and action, which allows the team to maximize efficiency. It also

allows individuals to learn how to work effectively together. It also increases the commitment individuals have to the team's goals.

Thus, leaders need to avoid cycling people in and out of the group.

## Needed skills

Every member of the team must have a role. When creating teams, leaders should select members with requisite skills.

In addition to skills, though, members of a capable team should also possess self-awareness of their strengths and weaknesses. They need to have strong communication skills. In short, select team members with strong **social and emotional intelligence**.

## Adequate authority

Importantly, the team members need to have the authority to take the necessary actions to achieve success. If the purpose of a team is, for example, to implement a new IT system across many departments, then that team must be comprised of members with authority to modify the processes of those departments.

## Create effective norms

Effective teams create norms of openly discussing issues, such as competing priorities, disagreements, and so on.

## Shield teams from political turmoil

For best results, when teams are working on innovative solutions to difficult challenges, managers need to shield their team from political turmoil within the organization.

### *Key Takeaways*

- Effective teams
  - Have a clear scope
  - Have clear priorities

- Have access to the information they need to do their job
- Are interdependent
- Have stable membership
- Have roles for every member
- Have members chosen for skills and self-awareness.
- Members should possess the authority to take the actions needed for the team to succeed.
- Create norms of openly discussing issues
- Are shielded from the organization's political turmoil

# 66. Creating an Organization That Can Tackle The Unknown

BRAD C. ANDERSON

Knowledge is required but insufficient for wise action. To act wisely, we must understand the context in which we operate. Our understanding, however, is often limited and flawed. How do we create organizations capable of managing uncertainty well?

The following sections present some ideas to begin answering this question. It first explores means through which to develop an organization's capacity to engage in **collective reasoning**. It then introduces an approach called appreciative inquiry, whose intent is to provide a framework for organizations to address exceptionally challenging problems. It then discusses the importance for organizations to adopt an experimental mindset when dealing with situations with no clear solution.

Let's kick things off by returning to the concept of **collective reasoning**.

## Developing an Organization's Capacity to Engage in Collective Reasoning

[Chapter IX](#) discussed the power of **collective reasoning** to bring multiple perspectives together to create a more vibrant picture of our operating environment and develop innovative solutions. Doing this well requires more than putting a diverse group of people in the room and letting them debate. Indeed, merely putting a diverse group of people in the room and shutting the door may well lead to bitter arguments and animosity.

To tap into the power of collective reasoning, an organization must develop certain structural elements and foster appropriate actions and attitudes. The following sections describe these structures, actions & attitudes in more detail.

## Structural Elements of a Group Engaged in Collective Reasoning

Various structures facilitate an organization's ability to use and integrate the knowledge distributed across its members. Once an organization develops these structures, it can:

- Deepen an assessment of the operating environment in which your organization exists.
- Develop innovations or integrate knowledge to exploit.
- Implement and spread innovations throughout your organization and beyond.

These structures include the following five elements.<sup>1</sup>

1. De Meyer, A. (2007). Strategic Epistemology--Innovation and Organizational Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 357–374). Thousand Oaks, CA: Sage Publications Inc.

## 1. Creating Credibility

To engage in collective reasoning, individuals must consider the other people they are working with as credible participants in the process. They must also find the task they are working together on as credible use of their efforts. The following steps are ways to achieve credibility

- As discussed in [Chapter IX](#), you can achieve this credibility by using the form of rationality the organization considers legitimate (e.g. bankers favor **economic rationality**, scientists **technocratic rationality**).
- A person's credentials are also an important signal of credibility. For example, we would consider a chartered accountant a more credible source for tax information than a registered nurse.
- A group leader can give the process of collective reasoning credibility through the creation of clear strategic mandates and action agendas for people entering the group.

## 2. Stimulating Diversity of Thought

Collective reasoning's ability to tackle complex issues comes from the confrontation and a combination of different forms of knowledge and rationality. By putting different rationalities in dialogue, people can challenge each others' unquestioned assumptions and broaden perspectives. By finding creative ways to link different knowledge together, we develop innovations.

Some approaches to achieve this include:

- Group leaders can stimulate diversity by increasing the breadth of categories into which the organization categorizes knowledge—that is, bringing together a broader array of people with different perspectives and rationality.
  - For example, if your organization is a bank, and everyone in it is a banker, consider how bringing in a non-banker would broaden your perspectives.
- Then, the leader can focus the group on finding links between these different perspectives.
  - For example, a group might look for connections between an engineer's technical knowledge and the sales person's knowledge of customers to enhance its products' attractiveness.

## 3. Investing in Communication

Collective reasoning occurs when people with different perspectives engage in dialogue. Facilitating this discussion requires investing in communication.

Though the challenges to communicating are prevalent when participants work in different locations, even people working in the same building may have difficulty engaging in fruitful discussions. The following steps provide ideas to manage these challenges.

- Identify specific people to whom you will assign the responsibility of fostering the development of your working group. These people will **liaise** with and build the network of individuals participating in the collective reasoning process.
- These people you identify will have the responsibility to use their **contextual (cultural) rationality** of the organization to develop appropriate mechanisms and tools to support communication within your collective

reasoning team

- These people you identify will also have the responsibility to use their **social and emotional intelligence** to close the differences between different group members and create a unified vision of the team's goals.

## 4. Developing an Extended Network

Collective reasoning requires that you have a network of individuals possessing different perspectives and knowledge willing to work with you. Thus, to create an organization proficient in collective reasoning requires the development of these networks.

When creating this network, consider these four sources of participants.

- **Local internal** include people from within your organization in your geographic area.
- **Local external** include people outside your organization in your geographic area.
- **International internal** may only exist in geographically disperse organizations (e.g., multi-national organizations, governments, etc.). This network includes people from within your organization but working in a different geographic location from you.
- **International external** include people outside your organization working in a different geographic location from you.

## 5. Providing Appropriate Tools for Communication

Facilitating dialogue between people with diverse backgrounds who might work in different areas of the organization and, possibly, the world requires the use of appropriate communication tools. Even if the team is close together and meeting face-to-face, you need to think about how you will capture the key insights from those meetings and make them accessible to everyone involved.

The following considerations are essential for developing effective communication systems.

- What are the communication needs of your group?
  - You will need to facilitate dialogue between people. Will this be done face-to-face? Online? Video conferencing? Others?
  - What tools will people need to have this discussion? Will you need projectors to display data charts? Whiteboards to write down ideas? Others?
- How will you record the insights developed through your discussions and then make those insights available to the team?
  - When dealing with complex problems, the ideas generated through collective reasoning can quickly become numerous. When you consider where you will store these insights for the team, you also need to consider creating a system that will allow people to navigate your repository of information to find what they are looking for.
- What communications and IT resources does your organization possess? Some organizations may already maintain sophisticated IT systems with knowledge management capabilities. Other organizations may have no resources at all. You will need to consider what tools you can use and how you will fill any deficits.
- What communication tools does your team have the ability and comfort to use? You may have the most sophisticated IT system in the world, but if people on your team lack the training to use it, then the system is useless. How will you close the gap between the tools you have available and the tools your team can use?

- How will you facilitate the exchange of knowledge between different areas? For example, the accounting department of a company knows certain things about the organization. The human resources department knows different things about the company. What system can you create that will allow human resources to know what the accountants know and ***visé versa***?

The above sections identified structural elements an organization needs to engage in collective reasoning effectively. In addition to structures, people must undertake relevant actions and adopt appropriate attitudes to engage in collective reasoning. The next section identifies these actions and attitudes.

#### Key Takeaways

- Developing the capacity to engage in collective reasoning: Structural elements
  - Create credibility
  - Stimulate diversity of thought
  - Invest in communication
  - Develop extended networks
  - Provide appropriate tools for communication

# 67. Actions & Attitudes That Enhance Collective Reasoning

BRAD C. ANDERSON

Simply placing people with different perspectives together and expecting them to produce miracles may lead to disappointment. Rather than innovate, people may argue. Rather than focus on what the organization needs, people may waste resources solving the wrong problem.

Several actions and attitudes will help avoid these adverse outcomes. These include:<sup>1</sup>

- Understand how you use your power to disempower others
- Identify the possibilities of teamwork and work to build your team.
- Step back from daily pressures to get a broader view of the situation
- Help the group consider their situation in a new light.
- Know that you cannot control everything
- Understand wisdom has a spiritual aspect of meaning and values
- Become a life-long learner

The following sections discuss these elements in more detail.

## Understand how you use power to disempower others in the group.

As discussed in [Chapter VI](#), even though social systems may distribute power unequally, everyone has some power. During interactions, consider how your actions might inadvertently disempower others.

For example, a vice president may stifle a productive discussion between front-line employees when she voices her opinion. Someone in charge of setting a meeting agenda may only give a speaker five minutes to talk when they need fifteen. An assertive extrovert may speak over a shy colleague.

To facilitate collective reasoning, we must be mindful of how our actions may silence others.

## Identify the possibilities of teamwork and work to develop the team.

Consider what you might accomplish as a group that you are unable to do alone. Set your team to those actions. Take time to develop the lines of communication and bonds that strengthen the team's cohesion using the methods described earlier.

1. Vaill, P. B. (2007). Organizational Epistemology--Interpersonal Relations in Organizations and the Emergence of Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 327–355). Thousand Oaks, CA: Sage Publications Inc.



## Step back from daily pressures to get a broader view of the situation.

In many organizations, this may feel like an impossible task. Managers and employees are under intense pressure to manage immediate emergencies, making it difficult to pause and think about how their work fits into the big picture.<sup>2</sup>

Though it may sometimes feel like life conspires against our ability to do so, we must force the time into our schedule to stop, step away from our work for a moment, and reflect on how our efforts fit into the big picture.

## Help the group consider their situation in a new light.

It is easy for us to lock ourselves into our perspective. We might call this narrowing of focus ‘tunnel vision.’ Breaking out of our tunnel vision may help us see novel solutions to problems or give us unique insights into our circumstances.

In groups, we might achieve this by taking on the role of [devil's advocate](#). A ‘devil’s advocate’ purposefully challenges people’s arguments not because they oppose them but rather to strengthen them or spur different ways of thinking. Alternatively, you might bring in outside experts who may see your group’s situation differently and then challenge your perspectives.

## Know that you cannot control everything.

Recall from [Chapter IX](#) how **champions** possess a *realistic* sense of what the organization can and cannot do. Also, recall how organizations are **open systems**, and so forces inside and outside the organization influence our environment.

Rather than relying on hopeful idealism, wise action is realistic. **Phronesis**—practical wisdom—is doing the ethically *practical* in your specific situation.<sup>3</sup>

You will accomplish more if you acknowledge upfront that there are forces beyond your ability to control and adjust your efforts accordingly.

## Understand wisdom has a spiritual aspect of meaning and values.

Values guide wise action. As the previous bullet said, *phronesis* is doing the *ethically* practical—the keyword being ethical. The pressure of organizational life can cause us to lose sight of the values we work toward as we rush to our next meeting or deal with angry customers.

Always remind yourself and your team of the values that guide your action.

2. Vaill, P. B. (1998). The Unspeakable Texture of Process Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 25–39). San Francisco: The New Lexington Press.
3. Flyvbjerg, B. (2001). *Making Social Science Matter: Why Social Inquiry Fails and How It Can Succeed Again*. New York, NY: Cambridge University Press.

## Become a life-long learner.

Knowledge is required but insufficient for wise action. Our understanding is often flawed or incomplete. Our training indoctrinates us in certain forms of rationality, which may leave us deficient in other ways of knowing.

We can never know enough. Always learn more. Ask yourself, “What do I know today that I didn’t know yesterday?” If the answer is nothing, take action to add to your knowledge.

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Developing the capacity to engage in collective reasoning is one way to create organizations capable of handling the unknown. This textbook will discuss two other ways to build this capacity: appreciative inquiry and experimentation. The following section explores the process of appreciative inquiry.

### *Key Takeaways*

- Developing the capacity to engage in collective reasoning: Actions & attitudes
  - Understand how you use your power to disempower others
  - Identify the possibilities of teamwork and work to build your team.
  - Step back from daily pressures to get a broader view of the situation
  - Help the group consider their situation in a new light.
  - Know that you cannot control everything
  - Understand wisdom has a spiritual aspect of meaning and values
  - Become a life-long learner

# 68. Appreciative Inquiry Approaches to Facing "Wicked Problems"

BRAD C. ANDERSON

Wisdom is action-oriented. Taking action requires hope and courage. Thus, we need methods to approach complex issues in hopeful ways.

Though many such methods exist, this textbook will present an approach called appreciative inquiry. Rather than focus on problems, appreciative inquiry focuses on what is working to allow us to strengthen processes that lead to desired outcomes.<sup>1</sup>

The following paragraphs lay out the mindset to approach appreciative inquiry processes, followed by a description of the process itself. It then looks at the Seniors Program from [Appendix 1](#) to see an example of how the appreciative inquiry process worked in real life.

## An Appreciative Inquiry Mindset

Appreciative inquiry is a **positive approach**. If all we do is study our failures, then the only thing we learn is how to fail. To learn how to succeed, we must research and build on positive examples of success.

Focusing on success does not mean that you ignore problems or barriers. Instead, you focus on positive examples of attempts to address those challenges and then build on those successes. You ask, *Where do our strengths lie? How can we build on those strengths to address the challenges we face?*<sup>23</sup>

Appreciative inquiry requires frequent **reflection**. Through reflection, you think about what you are trying to achieve and how you are trying to achieve it. You consider what is working and how you might leverage those successes.

An appreciative inquiry approach also requires that we remember the **interrelated nature of the world**. Every social setting is an **open system**. Our actions affect others, which in turn has a return effect upon us. As you begin taking action, consider thoughtfully how your actions affect others and how that might impact your continuing efforts.

1. Adler, N. J. (2007). Organizational Metaphysics--Global Wisdom and the Audacity of Hope. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 423–458). Thousand Oaks, CA: Sage Publications Inc.
2. Adler, N. J. (2007). Organizational Metaphysics--Global Wisdom and the Audacity of Hope. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 423–458). Thousand Oaks, CA: Sage Publications Inc.
3. Pitsis, T. S., & Clegg, S. R. (2007). Interpersonal Metaphysics--"We Live in a Political World": The Paradox of Managerial Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 399–422). Thousand Oaks, CA: Sage Publications Inc.

# Elements of The Appreciative Inquiry Process

The appreciative inquiry method includes the following steps:

- Partner with people/groups with relevant experience
- Develop good questions. Big questions. Compelling questions. World-changing questions.
- Engage with the public
- Build structures supporting change (maintain adaptability and use the power of metaphors)
- Embrace “wicked problems.”
- Identify positive deviants

The following sections explain these in more detail.

## Pick relevant partners

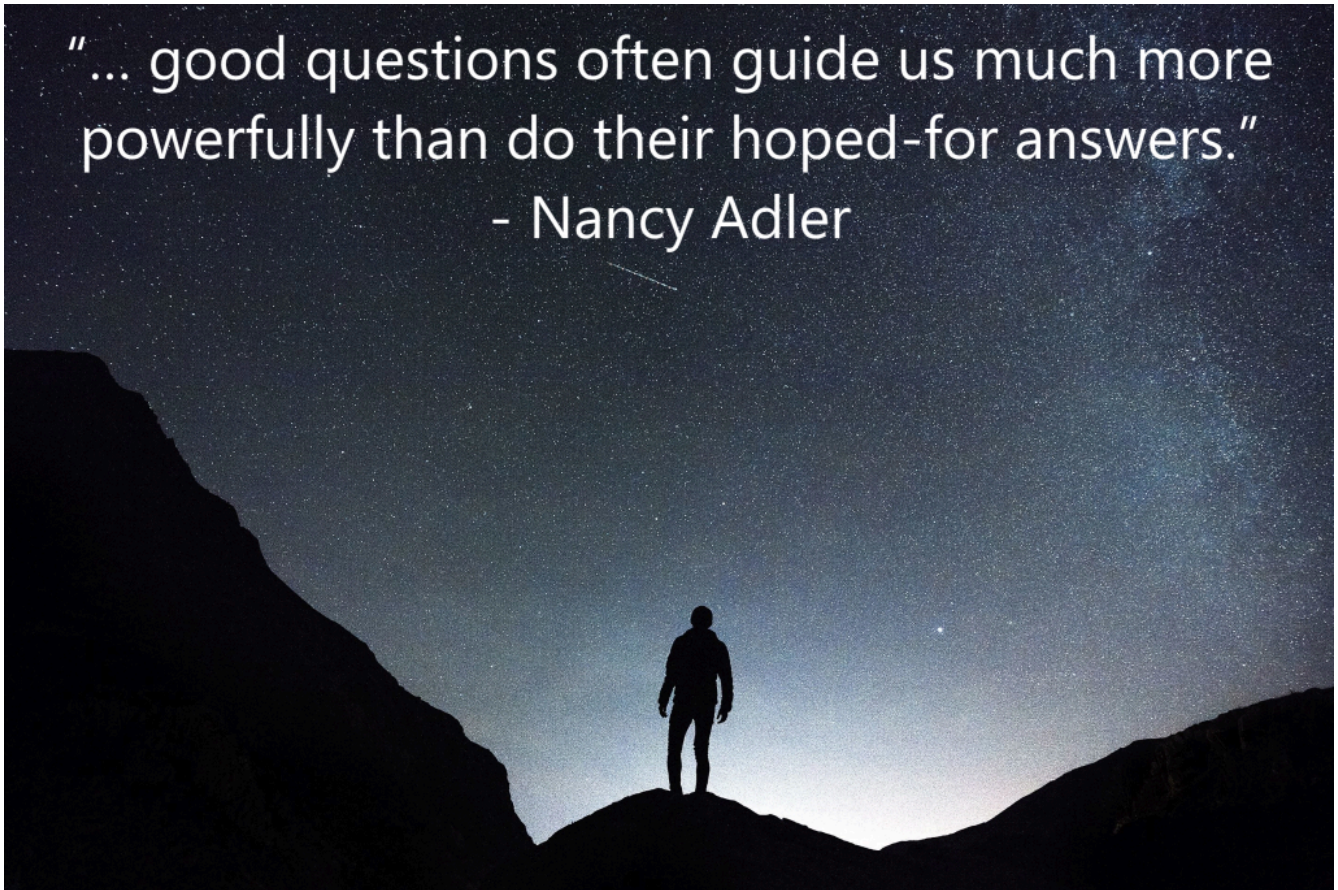
As with all collective reasoning processes, begin the appreciative inquiry by partnering with people and groups who have relevant experience for the problem you have chosen to tackle. Learn what experts already know about the issue you are targetting. Deepen your understanding of the challenges of solving those issues. Learn about the successes people have already achieved.

## Ask big questions

Then, develop good questions. Big questions. Compelling questions. Organization-changing questions. Society-changing questions. Even if the questions are unanswerable, they still guide us. It is through the pursuit of answers that we act and create change.

"... good questions often guide us much more powerfully than do their hoped-for answers."

- Nancy Adler



*"Good questions guide us" by Brad C. Anderson, [Developing organizational and managerial wisdom](#), Kwantlen Polytechnic University is licensed under [CC BY 4.0](#) / A derivative from the [original work](#).*

## Engage with the public.

In almost any organizational endeavour, the public is an important stakeholder, be they customers buying your product, taxpayers funding your efforts, suppliers providing you resources, and so on.

Learn what they expect. Discover the wisdom and out-of-the-box ideas that might be circulating beyond the boundary of your organization.

## Build supportive structures

Once you have gained insights into appropriate actions to take, build structures supporting those changes. As identified in [Chapter VIII](#), do this by using **contextual (cultural)** and **institutional rationality** to create **bureaucratic rationalities** that support the actions you desire.

Bear in mind, though, that we are often operating in environments of uncertainty and complexity when tackling significant issues. Thus, **create structures that are adaptive and flexible** so that people can make adjustments as needed.

- You generate this adaptability by focusing on [minimum specifications \(or min specs\)](#) rather than maximum rules. Rules constrain choices. By avoiding rules and identifying only the minimum specifications that define success, people become free to try different ways to meet those specifications.

A surprisingly powerful tool to establish new structures is to **create a metaphor** describing it. Humans conceptualize complex ideas through metaphors.<sup>4</sup>

For example, we often refer to organizations as hierarchical. This metaphor paints the image of an all-powerful ruler at the top with layers of subordinates underneath. If you wanted to shift such an organization to one where power is decentralized, we might adopt the metaphor of an organic organization. This new metaphor paints the image of an organization that is flatter, where the center is, perhaps, stationary while dynamic extremities push out, probing the environment.

## Embrace “wicked problem.”

These are problems that are complex and defy attempts to reduce them to basic elements. As previous paragraphs advised, when you meet with experts and the public, have them discuss the challenges that make these problems so difficult. Why do they remain unsolved?

During these meetings, **listen**, but also **ask “wicked questions.”** A wicked question is one that challenges people’s underlying assumptions and the status quo.

## Identify spectacular examples of success, also known as positive deviants.

Then, study those positive deviants to learn what led to their success. Apply what you learn to the problem at hand.

---

Let’s look at the Seniors Program from [Appendix 1](#) to see how these appreciative inquiry elements fit together in a real-world project.

*Examples: The Seniors Program Use of Appreciative Inquiry Methods*

The individuals involved with developing the Seniors Program did not intentionally implement an appreciative inquiry process, but many of the steps they took were consistent with this approach.

4. Duarte, N. (2014). Finding the Right Metaphor for Your Presentation. Retrieved November 8, 2019, from <https://hbr.org/2014/11/finding-the-right-metaphor-for-your-presentation>



### *Partnering with people and groups who have relevant experience*

The Seniors Program was developed through a collaboration between two health authorities and a non-profit foundation. This collaboration brought experts in many different areas together, including doctors, medical researchers, senior healthcare administrators, and experts in spreading innovations nation-wide.

### *Developing good questions*

The question the fellowship posed for itself was, “How can we create a population of senior citizens that are healthy and vibrant well into old age?”

This question is powerful. Discovering the answer to that question would not only change the nature of the health authorities in which the fellowship operated but the whole of society itself.

### *Engage with the public*

The fellowship met with groups of older adults to learn about their experiences. Through these meetings, the fellowship gained insight into how to make their program successful.

### *Build structures supporting those changes*

The fellowship engaged their **bureaucratic rationality** to create **documentation, processes, and procedures and roles** that guided doctors and coaches to identify eligible seniors for the program and then administer lifestyle coaching that measurably reduced frailty.

As the fellowship sought to spread the program to other jurisdictions, they created further documentation and processes that automated several activities. They also modified roles & procedures by arranging for assistants to work with physicians adopting the program.

### *Embrace “wicked problems.”*

The problems the fellowship embraced were deeply challenging. These problems included, but were not limited to:

- How do we prevent the elderly from becoming frail?
- How do we spread a medical intervention across hundreds of healthcare regions throughout all of Canada?
- How do we implement a program that *prevents* illness in a healthcare system designed to *react* to illness?

They met with experts in numerous fields and studied their research to find glimmers of solutions to these problems.

During this process, they explicitly challenged deeply held assumptions people had. Most notably, the medical community (and society) assumes that physical health declines as people age. Because we see so many people become frail as they get older, we believe frailty is inevitable.

The activities of the fellowship directly challenged this assumption.

### *Identify positive deviants*

[Appendix 1](#) introduced Olga, a track and field athlete who competed well into her nineties. A ninety-year-old woman running 100-meter sprints, doing the long jump, and throwing a javelin, have you ever seen such a thing? Without a doubt, Olga was a positive deviant.

An essential facet of her story, though, is this. Olga did not compete against herself. She competed against other ninety-year-olds. She was not some weird anomaly, but rather a member of a population of older adults that maintained vitality and vibrancy well into advanced old age.

How did they achieve that?

Through investigations of this population, researchers have begun to uncover the secret to ageing well. The fellowship incorporated this learning into the Seniors Program.

### *The result*

In the end, the fellowship created a program that measurably delayed if not reversed frailty. Though the program had yet to spread nationally, physicians in British Columbia were beginning to adopt it.

Moreover, the fellowship's work inspired the author of this textbook to include it as an example. No doubt, some readers, upon reading this example and experiencing the ageing of their grandparents, parents, and themselves might start to make lifestyle changes of their own and encourage their family to do the same.

The big questions the fellowship posed had the power to change society. Even now, years after their work, the results of their efforts still ripple through the populace.

In our discussion of creating organizations capable of handling the unknown, the previous two sections have discussed how to create the capacity for collective reasoning and the appreciative inquiry process. The final element that this chapter will address is developing an organization's ability to experiment.

### *Key Takeaways*



- Appreciative inquiry
  - Appreciative inquiry is a positive approach; it requires reflection and awareness of the world's interrelated nature.
  - Partner with people/groups with relevant experience
  - Develop good questions. Big questions. Compelling questions. World-changing questions.
  - Engage with the public
  - Build structures supporting change (maintain adaptability and use the power of metaphors)
  - Embrace “wicked problems.”
  - Identify positive deviants

# 69. A Willingness to Experiment

BRAD C. ANDERSON

Despite the limitations in our knowledge, we still must act. We will never have enough knowledge to eliminate uncertainty and risk, so we must learn to live with uncertainty and risk. Action requires us to make choices. Often, those choices involve tradeoffs that we may not fully understand.<sup>1</sup>

When operating in environments of uncertainty and risk, the most successful groups can proceed with **a spirit of experimentation**. They can try something, gather feedback, and adapt. Through this approach, groups can deepen their understanding of tradeoffs and move forward during uncertainty.<sup>234</sup>

One way to facilitate this spirit of experimentation is to set **minimum specifications (min specs)**, as the previous section described. By establishing minimum requirements rather than rules that restrict action, people are free to try different ways to achieve goals.

Another way to facilitate experimentation is to adopt an **action-reflection cycle**. Through this process, groups act, reflect on results, reflect on values appropriate for the situation, and then adapt.<sup>5</sup>

This advice comes with a word of caution, though. Many organizations are risk-averse. They fear failure. People who participate in failed projects can, at times, find their career negatively affected, especially if the failure led to the loss of money or customers.

You must use your **contextual (cultural)** and **bureaucratic rationality** of your organization to act to protect you and your group from any fallout that might occur if your plans fail. If you are in a leadership position, then it is incumbent upon you to protect your team from the dangers of failure so that they may innovate in safety.

That said, if you are indeed operating in an environment of uncertainty, then any action you take will, in effect, be an experiment regardless of whether you intended it as such. Rather than pretend you operate with certainty, you will achieve better long-term success if you acknowledge up front that you are experimenting and explicitly plan that you will learn and adapt as you go.

The previous sections considered ways to create organizations capable of handling the unknown. These ways included developing the ability to engage in collective reasoning, appreciative inquiry, and experimentation. This text now contemplates how to create structures with the organization that facilitates the development of wisdom.

1. Nussbaum, M. C. (1990). *Love's Knowledge: Essays on Philosophy and Literature*. Oxford: Oxford University Press.
2. De Meyer, A. (2007). Strategic Epistemology--Innovation and Organizational Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 357–374). Thousand Oaks, CA: Sage Publications Inc.
3. Romme, A. G. L. (2003). Making a Difference: Organization as Design. *Organization Science*, 14(5), 558–573.
4. van Aken, J. E. (2004). Management Research Based on the Paradigm of the Design Sciences: The Quest for Field-Tested and Grounded Technological Rules. *Journal of Management Studies*, 41(2), 219–246.
5. Freeman, R. E., Dunham, L., & McVea, J. (2007). Strategic Ethics--Strategy, Wisdom, and Stakeholder Theory: A Pragmatic and Entrepreneurial View of Stakeholder Strategy. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 151–177). Thousand Oaks, CA: Sage Publications Inc.

### *Key Takeaways*

- Deal with uncertainty by proceeding in a spirit of experimentation
  - Develop min specs rather than maximum rules
  - Adopt the action-reflection cycle
  - Use your contextual (cultural) rationality to protect yourself from the risks of failure within your organization.

# 70. Creating Structures That Facilitate Organizational Wisdom

BRAD C. ANDERSON

Developing organizational wisdom requires structures that facilitate adaptability, innovation, and the prevention of problems. These structures should be conducive to problem-solving and risk-taking. Organizations with such structures engender trust, enthusiasm, integrity, and a long-term view.<sup>1</sup>

Achieving these attributes is a tall order, but there are ways to create such organizations, including:<sup>2345</sup>

- Including multiple stakeholders in goal-setting
- Pushing decision-making authority to points of expertise in your organization
- Focus on training general rather than firm-specific skills

The following sections discuss each of these in more detail.

## Include multiple stakeholders in goal-setting

Historically, business education focused on the primacy of a company's owners. Under such a view, a manager's sole responsibility was to the owners, and the company's purpose was reduced to the creation of profits.

Organizations, however, operate in **open systems** where they affect and are affected by multiple stakeholders. To develop organizational wisdom, create goals and plans that focus on multiple stakeholders, including customers and employees, in addition to owners.

## Push the authority to make decisions to those with relevant expertise

Since wisdom is action-oriented, we want to create organizations capable of action. To achieve this, push decision-

1. Kotter, J. P., & Heskett, J. L. (1992). *Corporate Culture and Performance*. New York: The Free Press.
2. Beckhard, R. (1969). *Organization Development: Strategies and Models*. Reading, MA: Addison-Wesley Publishing Company.
3. Burke, W. W. (1994). *Organization Development: A Process of Learning and Changing* (2nd ed.). Reading, MA: Addison-Wesley Publishing Company.
4. Burke, W. W. (2007). Organizational Aesthetics--Aesthetics and Wisdom in the Practice of Organization Development. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 243-259). Thousand Oaks, CA: Sage Publications Inc.
5. DeNisi, A. S., & Belsito, C. A. (2007). Strategic Aesthetics--Wisdom and Human Resources Management. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 261-273). Thousand Oaks, CA: Sage Publications Inc.

making to the organization's sources of expertise and base rewards on performance. Distributing decision-making in this way requires trust, which leaders can develop by:

- Creating systems that foster the free flow of communication,
- Honouring integrity, and
- **Maintaining stability** within the organization.

## Focus on training general skills

Tapping into the potential of collective reasoning, appreciative inquiry, and experimentation requires the organization to see differences among its members as potential innovation sources. Translating innovative ideas into actions requires a workforce that is creative and adaptive.

An organization can foster creativity and adaptability through training programs that focus on general rather than firm-specific skills. As crucial as firm-specific skills are, focusing exclusively on them to the exclusion of all else narrows people's focus and creates tunnel vision. Tying compensation to skills and knowledge that employees gain further promotes an organization's innovative potential.

---

As [Chapter VIII](#) discussed, it is through creating appropriate bureaucratic rationalities that organizations produce these types of structures. How do we gain the skills needed to create and shape the bureaucratic rationalities of our organizations? The following section addresses that question.

### Key Takeaways

- Develop goals and plans that focus on multiple stakeholders, including customers, employees, and owners
- Push decision making to sites of expertise in your organization & base rewards on performance
- Create systems that facilitate the free flow of communication
- Maintain stability
- Recognize differences as a source of innovation
- Focus on training that develops general skills rather than firm-specific skills
- Tie compensation to employees' skills and knowledge

# 7I. Develop Bureaucratic, Institutional and Contextual (Cultural) Rationality About Your Operating Environment

BRAD C. ANDERSON

[Chapter VIII](#) identified that it is through **bureaucratic rationality** that we **reify** power. In other words, to create any change in an organization, you must create new bureaucratic structures to administer that new action.

How do you gain sufficient insight into the official and unofficial bureaucratic rationality governing an organization to create bureaucratic rationalities that support the action you want? How do you assess which groups might help you, which will resist, and which ones are indifferent?

You learn this through two means: institutional and contextual (cultural) rationalities.

## Developing institutional rationality

Recall **institutional rationality** governs what is rational within a sphere of society. For example, if you work in healthcare, you need to understand how the typical healthcare organization operates. If you work in banking, how does the average bank operate? And so on.

You gain this in part through *school*. When teachers train you for a profession, they will introduce you to that profession's institutional rationality. *On-the-job* experience will then supplement that training. Years working in a sphere of society gives you insight into how it operates.

## Developing contextual (cultural) rationality

Understanding the rationality of a specific sphere of society, however, is insufficient because each organization has its unique characteristics. Each organization structures itself slightly differently from others in the industry.

Additionally, each organization has different people who have unique strengths, limitations, and goals. Understanding those unique characteristics requires **contextual (cultural) rationality**. We gain contextual understanding through experience working with that specific company.

Some people may find it disappointing that a critical component of gaining these insights is work experience. Gaining experience takes time. The problems we face, however, are happening now. Though there is no substitute for experience, there are things you can do to learn from experience faster. [Later chapters](#) discuss this in detail.

Key Takeaways

- Develop your bureaucratic rationality by improving your institutional rationality
  - Job training
  - Work experience in an industry
- Develop your bureaucratic rationality by improving your contextual (cultural) rationality
  - Work experience with a specific organization

# 72. The Path Forward

BRAD C. ANDERSON

This chapter considered ways to create organizations capable of integrating values, rationality, and power to develop the capacity to act wisely. We have covered a lot in this textbook. You now know many aspects of organizational wisdom. Knowing, however, is not enough. Though knowledge is required, it is insufficient for wise action, after all.

The following two chapters explore ways you can put what you have learned into practice. [Chapter XI](#) discusses practices you can adopt that will develop your ability to act wisely.

Remember, though, that wisdom is action-oriented. It is not *knowing* the right thing but *doing* it. Taking action requires hope and courage.

Wisdom requires *hope* because you must believe we can act to solve our problems. It requires *courage* because you must be willing to face the risks of failure and the consequences of “rocking the boat.” [Chapter XII](#) closes this textbook with a discussion of how you might find your courage to act.

## In This Chapter, You Learned

### Incorporating values into recruitment processes

- When personal values align with organizational values, champions can become a powerful force of effective action.
- Incorporate screening for values in recruitment processes (through, for example, banding applicants into categories based on skill level and then choosing from the top-skilled category for complementary values)

### Building teams capable of wise action

- Effective teams
  - Have a clear scope
  - Have clear priorities
  - Have access to the information they need to do their job
  - Are interdependent
  - Have stable membership
  - Have roles for every member
  - Have members chosen for skills and self-awareness.
  - Create norms of openly discussing issues
  - Are shielded from the organization's political turmoil

### Creating an organization capable of tackling the unknown

- Developing the capacity to engage in collective reasoning: Structural elements
  - Create credibility



- Stimulate diversity of thought
- Invest in communication
- Develop extended networks
- Provide appropriate tools for communication
- Developing the capacity to engage in collective reasoning: Actions & attitudes
  - Understand how you use your power to disempower others
  - Identify the possibilities of teamwork and work to develop your team.
  - Step back from daily pressures to get a broader view of the situation
  - Help the group consider their situation in a new light.
  - Know that you cannot control everything
  - Understand wisdom has a spiritual aspect of meaning and values
  - Become a life-long learner
- Appreciative inquiry
  - Appreciative inquiry is a positive approach; it requires reflection and awareness of the world's interrelated nature.
  - Partner with people/groups with relevant experience
  - Develop good questions. Big questions. Compelling questions. World-changing questions
  - Engage with the public
  - Build structures supporting change (maintain adaptability and use the power of metaphors)
  - Embrace “wicked problems.”
  - Identify positive deviants
- Deal with uncertainty by proceeding in a spirit of experimentation
  - Develop min specs rather than maximum rules
  - Adopt the action-reflection cycle
  - Use your contextual (cultural) rationality to protect yourself from the risks of failure within your organization.

#### Creating structures that facilitate organizational wisdom

- Develop goals and plans that focus on multiple stakeholders, including customers, employees, and owners
- Push decision making to sites of expertise in your organization & base rewards on performance
- Create systems that facilitate the free flow of communication
- Maintain stability
- Recognize differences as a source of innovation
- Focus on training that develops general skills rather than firm-specific skills
- Tie compensation to employees' skills and knowledge

The importance of developing your own bureaucratic, institutional, and contextual (cultural) rationality of your operating environment

- Develop your bureaucratic rationality by improving your institutional rationality

- Job training
- Work experience in an industry
- Develop your bureaucratic rationality by improving your contextual (cultural) rationality
  - Work experience with a specific organization

PART XI

CHAPTER II: TOOLS TO DEVELOP YOUR  
WISDOM



Photo by [Suzanne D. Williams](#) on [Unsplash](#)



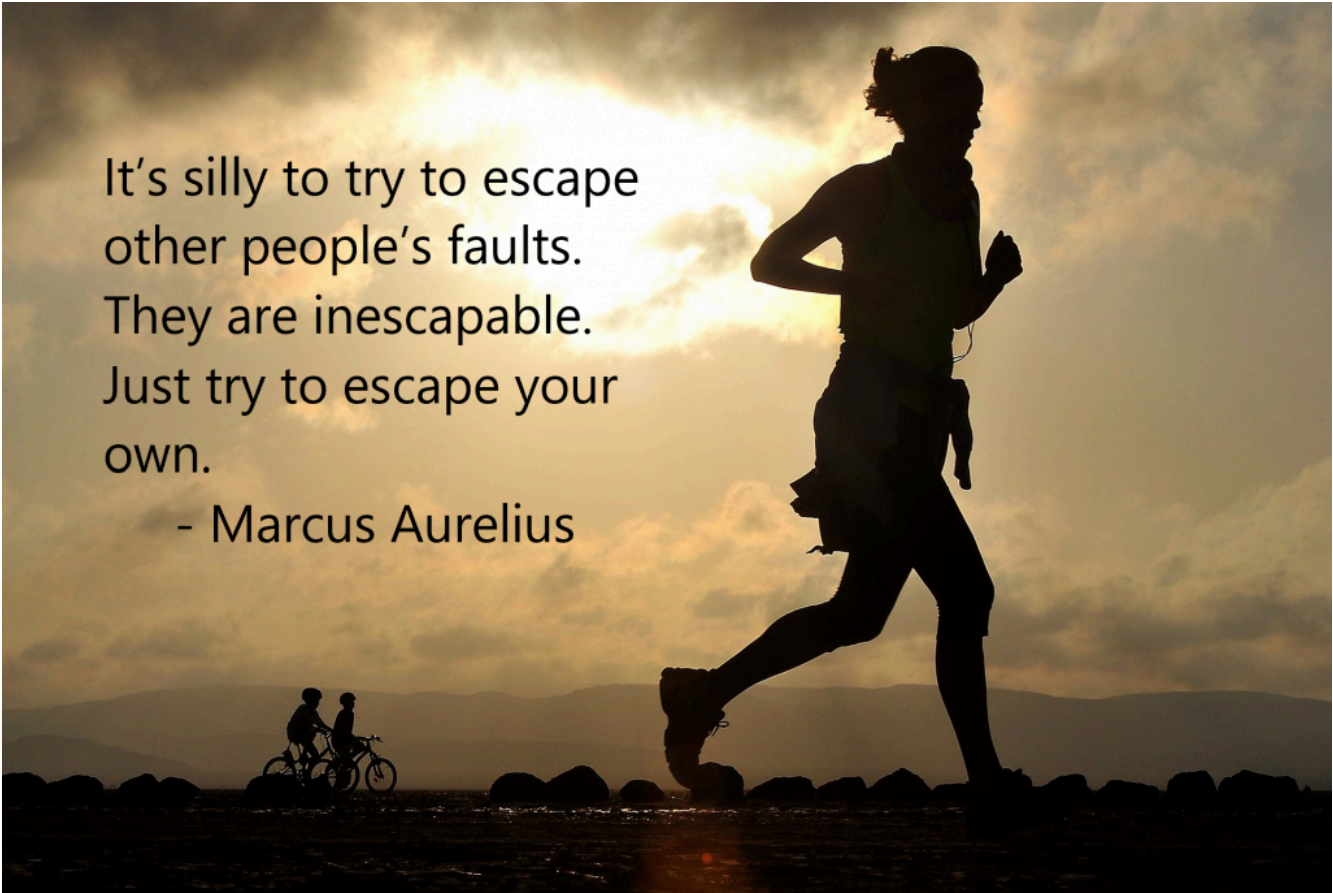
# 73. Tools to Develop Your Wisdom

BRAD C. ANDERSON

## Learning Objectives

In this chapter, you will learn the following.

- The challenges of developing wisdom
- A wisdom-oriented mindset
- How to get the best out of your experience
- The importance of good mentors
- How to maintain a useful reflection journal
- Ways to build social and emotional intelligence



It's silly to try to escape  
other people's faults.  
They are inescapable.  
Just try to escape your  
own.

- Marcus Aurelius

*"Escape you're own"* by [Brad C. Anderson](#), *Developing organizational and managerial wisdom*, [Kwantlen Polytechnic University](#) is licensed under [CC BY 4.0](#) / A derivative from the [original work](#).

Wisdom is action-oriented. If you wish to develop your wisdom, then you must make an effort to do so. This chapter presents ways you may begin this process.

It starts with a discussion of the challenges of developing wisdom. It explores a mindset that will help you effectively navigate those situations calling for wisdom. It then assesses how to utilize experience, mentoring, and reflection journaling to develop your capabilities. It then considers activities you can do to build your social and emotional intelligence, including engaging with cooperative learning, taking interdisciplinary courses, and indulging in your joy of the arts.

This chapter's ideas are based on European and North American research and intended for university students and recent graduates. Individuals operating in other cultures or at different stages of their careers may need to explore methods more relevant to their situation.

If you are an educator wishing to explore ways you can develop the skills your students require to improve their wisdom, [Chapter 17 of the book \*Values, Rationality, and Power: Developing Organizational Wisdom\*](#) has some guidance on the matter.

# 74. The Challenges of Developing Wisdom

BRAD C. ANDERSON

Developing wisdom is different than learning other topics. To study accounting, you learn how to construct income statements and balance sheets. Becoming a scientist requires you to learn how to perform experiments. Artists learn how to paint, and so on.

Those we consider wise, however, possess not only discipline-specific skills but also social and emotional intelligence, along with specific attitudes towards themselves and the challenges they face. Wisdom is a different kind of beast to master. Before we delve into specific activities you might undertake to develop wisdom, let's first reiterate some crucial characteristics of this attribute that Chapters I & II introduced.

What people perceive as wise depends on the specific situation they are in, influenced by their values and cultural background. So, when we speak of wisdom, we need to ask, *Whose wisdom?* The person I think is wise, you may consider a dangerous fool. Wisdom is subjective, varying between people, and **context-dependent**, varying between settings and situations. You may think a course of action is wise, but that is only your opinion.<sup>123</sup>

Moreover, we are unable to measure the wisdom of a choice objectively. Life happens in real-time. Once we have decided, we cannot go back and try something different to compare the results. We may think the decision we made was good, but we will never know what might have been had we chosen something different. No matter how wonderful the outcome of our actions, there will always exist a nagging doubt, a lingering, "*What if I chose this instead of that?*"<sup>4</sup>

Additionally, though we might gain insights and develop skills the wise rely on, wisdom is gained through cumulative experience. Hopefully, you will be wiser in ten years than you are now, and wiser still in twenty years. Wisdom is not a destination but a journey. It is not an endpoint but a process. You do not attain wisdom. You develop it.<sup>5</sup>

So, how can you develop your wisdom? Let's start by looking at your mindset.

1. McNamee, S. (1998). Reinscribing Organizational Wisdom and Courage: The Relationally Engaged Organization. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 101–117). San Francisco: The New Lexington Press.
2. Pitsis, T. S., & Clegg, S. R. (2007). Interpersonal Metaphysics--"We Live in a Political World": The Paradox of Managerial Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 399–422). Thousand Oaks, CA: Sage Publications Inc.
3. Sampson, E. E. (1998). The Political Organization of Wisdom and Courage. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 118–133). San Francisco: The New Lexington Press.
4. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.
5. Kessler, E. H., & Bailey, J. R. (2007). Introduction--Understanding, Applying, and Developing Organizational and Managerial Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. xv–lxxiv). Thousand Oaks, CA: Sage Publications Inc.

### *Key Takeaways*

- Wisdom is context-dependent
- Wisdom cannot be objectively measured
- We gain wisdom with experience



# 75. Wisdom Starts with Your Mindset

BRAD C. ANDERSON

There are several attitudes discussed below that tend toward wisdom. These include:

- Recognition of the importance of values
- Recognizing the power and limits of knowledge
- Humbleness
- A willingness to act in the face of uncertainty
- Appreciating that our problems are dynamic and ever-changing

Let's explore these in more detail.

## Attitudes towards values

A critical insight the wise possess is an understanding of the importance of values. Our values drive us to action, just as it is another person's values that drive their actions.

Social systems require the expression of many values to thrive. Wisdom requires recognition of the importance of those values held by others. Wisdom also requires that we become consciously aware of the values that motivate our actions and how we might balance our values against others to meet society's broader needs.<sup>12</sup>

Do you have a strong sense of what your values are? Could you clearly articulate them to someone else? How about your job, the career you pursue, or the company that hired you? Which values was that career designed to express? Does that company pursue values compatible with your own?

Those aspiring to wisdom use these types of questions to guide them to vocations where they can become **champions**.

## Recognize the power and limits of knowledge

In addition to understanding values, those striving for wisdom recognize the power and limits of knowledge.<sup>3</sup> Be

1. Goleman, D., Boyatzis, R. E., & McKee, A. (2013). *Primal Leadership: Unleashing the Power of Emotional Intelligence*. Boston: Harvard Business Review Press.
2. Kessler, E. H., & Bailey, J. R. (2007). Introduction--Understanding, Applying, and Developing Organizational and Managerial Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. xv-lxxiv). Thousand Oaks, CA: Sage Publications Inc.
3. Kessler, E. H., & Bailey, J. R. (2007). Introduction--Understanding, Applying, and Developing Organizational and Managerial Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. xv-lxxiv). Thousand Oaks, CA: Sage Publications Inc.

curious. Become a continual learner. As a practitioner in whatever vocation you have chosen, continue developing your competencies and skills. Deepening your skills to enhance your ability to act

It's funny, but gaining knowledge also allows you to see knowledge's limits. The more you learn, the more mysteries you discover. It takes an expert to know what they don't know.<sup>4</sup>

The Dunning-Kruger effect described below highlights the validity of this perspective.

#### *Examples: The Dunning-Kruger Effect*

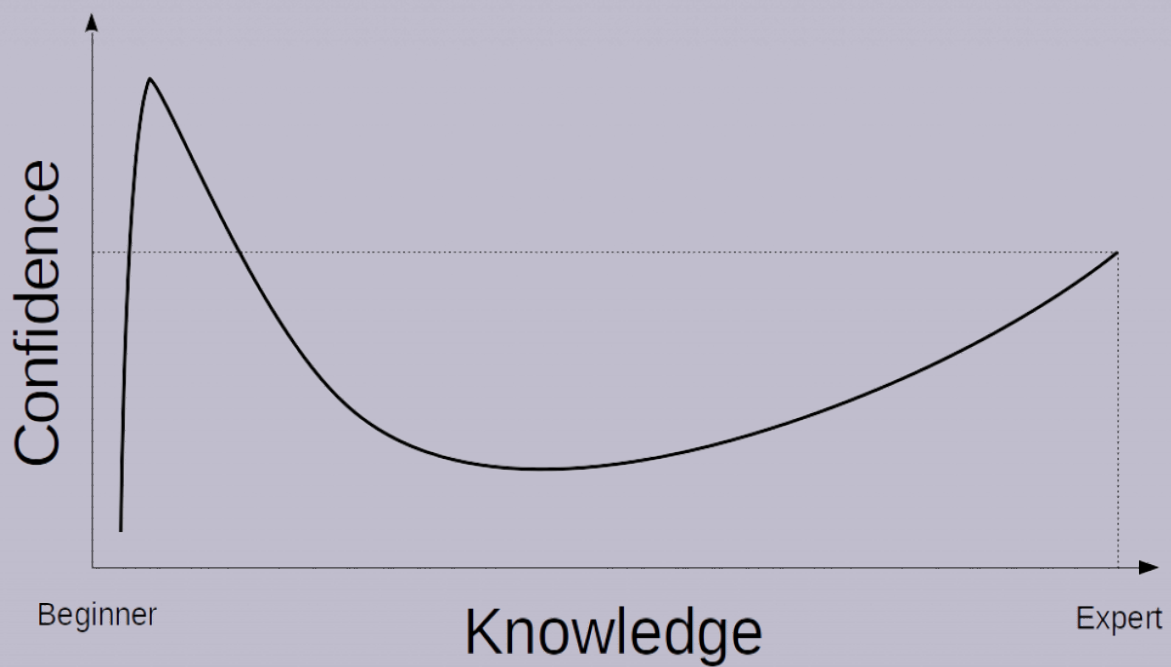
The Dunning-Kruger effect describes the phenomena of an individual's level of confidence in a subject relative to their expertise.

People with very little training in an area commonly possess unduly high confidence in their ability. As their training advances, they lose that confidence as they begin to recognize their limitations.

With further training, they begin to regain their self-assurance, but never to the same level as when they were uneducated. This pattern emerges because, as your knowledge deepens, you become more aware of its limitations.

If you wish to learn more, click [here](#) for an in-depth discussion on this topic.

4. Kessler, E. H., & Bailey, J. R. (2007). Introduction--Understanding, Applying, and Developing Organizational and Managerial Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. xv-lxxiv). Thousand Oaks, CA: Sage Publications Inc.



[“Dunning-kruger”](#) by [Jens Egholm Pedersen](#), [Wikimedia Commons](#) is licensed under [CC BY-SA 3.0](#)

The Dunning-Kruger effect has been used to explain why non-medical professionals feel they can challenge physicians' recommendations to vaccinate their children. It also explains why lay-people with no climate science training feel they can speak confidently about what the science says about human-caused climate change.

## Humbleness

*Wisdom requires humbleness.* Our knowledge, after all, is always limited and flawed. Thus, those moments when we feel we are wise, when we are confident of our rightness, are when we are likely in the greatest danger of playing the fool.

## A willingness to act in the face of uncertainty

Regardless of our uncertainty, we must still act. Acting while acknowledging our limitations requires us to proceed with a willingness to learn and adapt. We need to develop our ability to improvise when we reach a gap in our knowledge.

Your ability to improvise improves as you broaden your education outside your specific field.<sup>5</sup> This does not mean you need to become a professional student and collect degrees throughout your life but rather to be curious about other disciplines. Create opportunities to learn from others. Doing this will broaden your perspective, which will allow you greater capacity to view problems from multiple angles and come up with clever solutions.

## Appreciating that our problems are dynamic and ever-changing

Finally, an attribute of wisdom is the recognition that the challenges we face are dynamic. Once people act, the problem will change. The best solution, therefore, may change over time.

Retain your willingness to adapt as the challenge you face evolves.<sup>6</sup>

### Key Takeaways

- A critical insight the wise possess is an understanding of the importance of values.
- Those striving for wisdom recognize the power and limits of knowledge.
- Wisdom requires humbleness
- Wisdom requires a willingness to act in the face of uncertainty, which is enhanced through developing an ability to improvise and broaden your base of knowledge outside your specialty.
- Wisdom requires recognition that problems are dynamic, and thus our solutions must evolve in lock-step with our problems.

5. Kessler, E. H., & Bailey, J. R. (2007). Introduction--Understanding, Applying, and Developing Organizational and Managerial Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. xv–lxxiv). Thousand Oaks, CA: Sage Publications Inc.
6. Jordan, J., & Sternberg, R. J. (2007). Individual Logic--Wisdom in Organizations: A Balance Theory Analysis. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 3–19). Thousand Oaks, CA: Sage Publications Inc.

# 76. Getting the Best Out of Your Experience

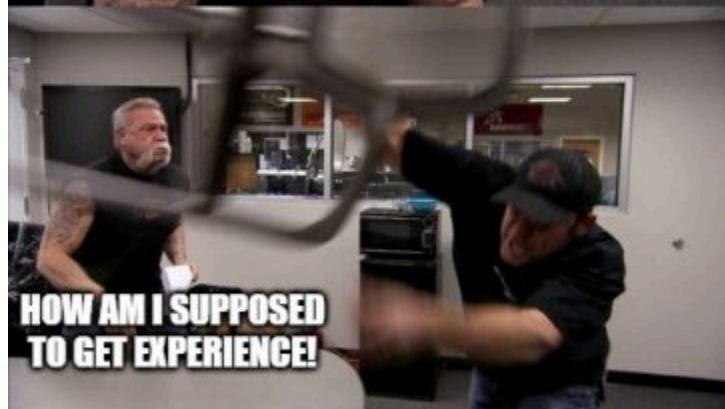
BRAD C. ANDERSON

As you gain experience, you can draw meaning out of your environment and integrate it into what you already know to develop appropriate actions.<sup>1</sup> Not all experience is created equal, however. As you might imagine, terribly upsetting and traumatic experiences may shut down a person's growth. Working with a supportive mentor can help you avoid those situations and get the best out of your experience (more on mentors in a moment).<sup>2</sup>

## Getting the Right Kind of Experience

Students reading this section on the importance of experience may feel like throwing their hands up, lamenting the old paradox that, "You need experience to get a job, but you can't get a job without experience."

1. Bierly III, P. E., Kessler, E. H., & Christensen, E. W. (2000). Organizational Learning, Knowledge and Wisdom. *Journal of Organizational Change Management*, 13(6), 595–618.
2. Dewey, J. (1998). *Experience and Education* (60th Anniv). Indianapolis: Kappa Delta Pi.



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All cynicism aside, even students who have yet to start their careers have opportunities to gain experience.

Take advantage of opportunities to work with industry partners, whether through class projects, internships, or co-op programs.<sup>345</sup> Select instructors who rely on [experiential learning methods](#), which may include industry projects, computer simulations, team projects, cases, and so on.<sup>678</sup>

These types of projects can mimic the experience of working in the 'real world' under the tutelage of your instructor, making them powerful learning opportunities.

If you have already begun your career, create opportunities to broaden your responsibilities. For example, you might volunteer for assignments that push you outside your comfort zone, especially if your employer is willing to mentor you. Speaking of mentoring, let's turn to that topic next.

#### Key Takeaways

- Experience improves your ability to draw meaning out of your environment and integrate it into your thinking.
- Not all experience is equal; some experiences are beneficial, but some may discourage personal growth.
- As a student, take advantage of opportunities to work with industry partners
  - Internships & co-op programs
  - Select classes where teachers have you work with industry partners.
  - Select classes where teachers rely on experiential learning methods

3. Fowers, B. J. (2003). Reason and Human Finitude in Praise of Practical Wisdom. *American Behavioral Scientist*, 47(4), 415–426.
4. Schön, D. A. (1983). *The Reflective Practitioner: How Professionals Think in Action*. Basic Books.
5. Talbot, M. (2004). Good Wine May Need to Mature: A Critique of Accelerated Higher Specialist Training. *Evidence from Cognitive Neuroscience. Medical Education*, 38(4), 399–408.
6. Bartunek, J. M., & Trullen, J. (2007). Individual Ethics--The Virtue of Prudence. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 91–108). Thousand Oaks, CA: Sage Publications Inc.
7. Conger, J., & Hooijberg, R. (2007). Organizational Ethics--Acting Wisely While Facing Ethical Dilemmas in Leadership. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 133–150). Thousand Oaks, CA: Sage Publications Inc.
8. Statler, M., & Roos, J. (2006). Reframing Strategic Preparedness: An Essay on Practical Wisdom. *International Journal of Management Concepts and Philosophy*, 2(2), 99–117.

- As an employee, create opportunities to broaden your responsibilities, especially under your boss's mentorship, if they are willing.



# 77. Mentoring

BRAD C. ANDERSON

This section will look at the benefits of having a mentor and then explore how you can find someone willing to mentor you.

## Benefits of a Mentor

The previous section identified that experience is an essential component of developing your wisdom, but experiences vary in their capacity to foster your growth. A good mentor will help you organize your experiences to pull out relevant learning.<sup>1</sup> They will challenge you to reflect on how you perceive the challenges you face, your methods of addressing those problems, the actions you have taken, and the effectiveness of those actions.<sup>23</sup>

Another benefit of mentoring is this. We learn from mistakes, but no one said those mistakes have to be our own. A good mentor will share their experience with you, helping you to avoid making the same mistakes they made.

1. Dewey, J. (1998). *Experience and Education* (60th Anniv). Indianapolis: Kappa Delta Pi.
2. Baltes, P. B., & Kunzmann, U. (2004). The Two Faces of Wisdom: Wisdom as a General Theory of Knowledge and Judgment about Excellence in Mind and Virtue vs. Wisdom as Everyday Realization in People and Products. *Human Development*, 47(5), 290–299.
3. Freeman, R. E., Dunham, L., & McVea, J. (2007). Strategic Ethics--Strategy, Wisdom, and Stakeholder Theory: A Pragmatic and Entrepreneurial View of Stakeholder Strategy. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 151–177). Thousand Oaks, CA: Sage Publications Inc.

*"It takes a wise person to  
learn from their mistakes,  
but an even wiser person  
to learn from others."*

*Zen proverb*



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All this may sound great, but how does one find a mentor? The next section explores this question.

## Finding a Mentor

This section presents a North American business perspective. Consequently, some of the advice may be inapplicable to other industries and cultures. Do your due diligence to learn about the appropriate way to approach mentors in the field and the culture in which you are operating.

Commonly, people feel nervous approaching others to ask for mentoring. Individuals in a position to mentor are often very busy and in positions of authority. It may feel like an imposition to ask them to give some of their valuable time to you.

Though people who have achieved the qualities that would make them a good mentor are often busy, you may be surprised by the number of people willing to help if you approach them with respect and a genuine desire to learn. Many people enjoy the opportunity to share what they have learned with others. The following paragraphs discuss the qualities of a good mentor, how to approach them, and how to maintain the relationship.

## A Good Mentor

A good mentor is someone you perceive as wise in an area you wish to develop. If you want to be a wise leader, seek out someone you consider a wise leader. If you hope to be a wise parent, seek out a wise parent, and so on. The person you reach out to for mentoring should be someone with whom you feel comfortable. Ideally, they will have had experience with the types of situations you face.

The criteria that make a mentor ideal for you may change as your vocation progresses. There will come times when you have learned all you can from one individual. Recognize that you may have many mentors throughout your life. Mentoring is not a “one and done” type of endeavour but rather a dynamic, life-long process.

## Where to Find Mentors

Where can you find a mentor? There are many places, including but not limited to, the following.

- Work
- Your personal and professional network
- Mentorship programs
- Industry events
- Business associations
- Conferences
- Volunteering
- Social media

## Approaching a Potential Mentor

**Avoid asking, “Would you please be my mentor?”** Be cool about it. Instead, reach out to them and ask if they have time for a short meeting (say, fifteen minutes), or if you could treat them to a quick coffee to discuss some questions you had about your career (or whatever topic on which you want mentoring). They may say no—people are busy, after all. If this is the case, thank them and move on with your search. If they agree, prepare for the meeting.

## Preparing For Your Meeting

You will build a much stronger relationship with a mentor if you respect their time. Be organized. Consider ahead what your questions are. Your time with them may be brief, so have an idea of what insight you want to gain from that time and make a plan to get that insight.

What types of questions might you ask? Well, ask about whatever you would like insight on that is relevant to their experience. For example:

- Career planning: What expertise and training do you need for the career you want?
- Career insights: What does it take to be successful in this career?
- Advice: Share with them the challenges you are experiencing, how you are tackling them, and then ask whether they have any helpful ideas.
- And so on.

When meeting with them, present yourself in a manner that is respectful and appropriate for the circumstances. Wearing formal business attire may be necessary if you meet with a high-powered banking executive but out of place if your appointment is with an artist.

## During The Meeting And Beyond

Be respectful of their time. If you asked for fifteen minutes, then let them know when you reach the fifteen-minute mark. If they are willing to speak longer, great. Otherwise, thank them and be on your way.

Be friendly and interested in them. Ask your questions. Have a discussion. Consider how you will remember any tidbits of good advice you receive. Will you take notes during the meeting? Write things down afterward?

If you feel you received value from the meeting and had a good rapport with the person, ask if you may contact them in the future to discuss further issues. If you got along well, you might feel comfortable calling them up to ask for advice whenever you hit a rough patch in your activities. Or, perhaps you might limit your interactions to two or so meetings a year.

Whatever the frequency, make a plan to regularly meet with your mentor and follow through on that plan.

## Pay it Forward

Mentoring is a powerful tool to develop the capacity of individuals to act wisely. Through mentoring, we can learn from the experience of others. Regardless of your stage of life, you have experiences from which someone else can learn. Societies grow strong when we leverage our expertise to strengthen each other.

The world needs to hear your stories, so please share them. Look for opportunities to mentor others. Not only will mentoring others help them, but it also helps you. Mentoring requires that you reflect deeply on your experiences so you can pull out relevant lessons. As the next section discusses, this type of reflection is a potent, personal tool to develop your inner wisdom.

### *Key Takeaways*

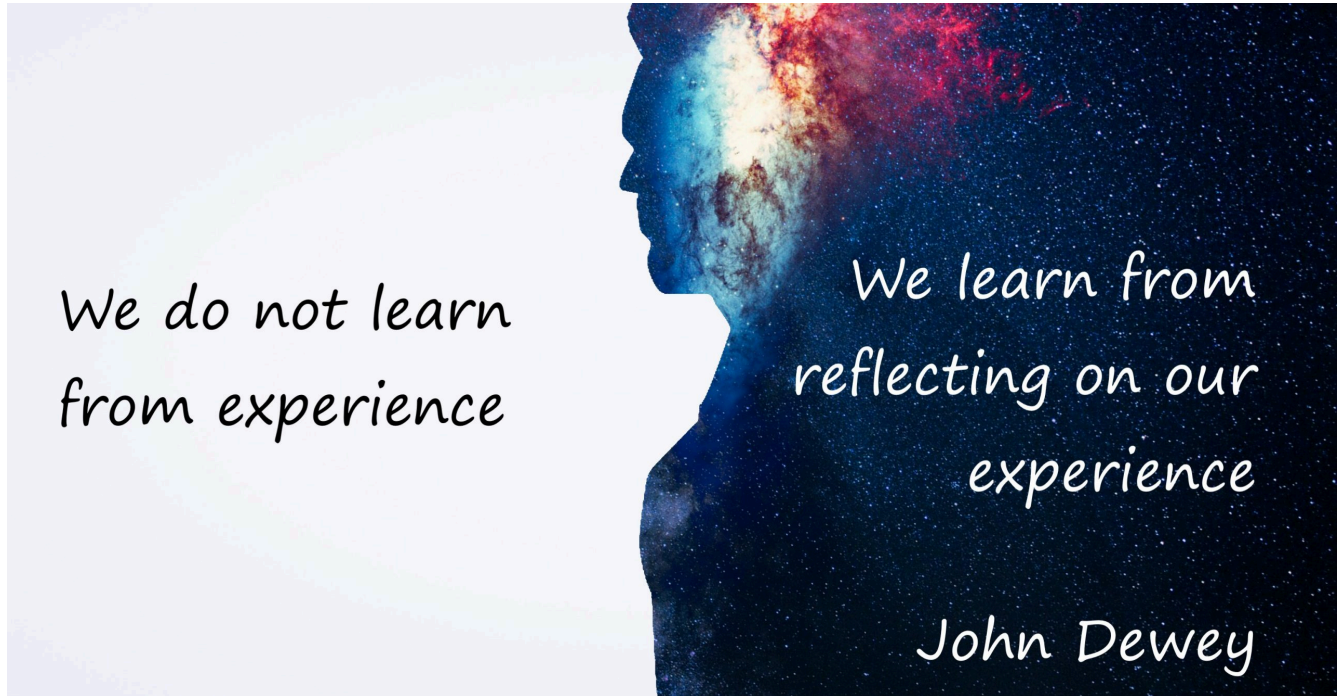
- A good mentor will help you organize your experiences to pull out relevant learning.

- A good mentor will share their experience with you, helping you to avoid making the same mistakes they made
- What makes a mentor “good?”
  - You look up to them as a wise leader.
  - You feel comfortable talking to them.
  - They have experience in the situations you face
- When approaching a potential mentor
  - Ask permission to meet with them.
  - Be respectful of their time.
  - Come to the meeting prepared
  - Maintain your relationship with them
- Pay it forward; sharing your experiences by mentoring others helps them and gives you a deeper understanding of your own experience.

## 78. Reflection Journaling

BRAD C. ANDERSON

Earlier, this textbook claimed that experience was one of the most effective ways to develop wisdom. This sentiment is, alas, somewhat inaccurate. We do not learn through experience but by **reflecting** on our experience.



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Reflection journals are a tool to facilitate the contemplation of our actions and their outcomes. The following sections describe the methods based on several sources, but you may adapt them to your needs.<sup>123456</sup>

When making journal entries, you may use text, audio, video, or whatever format you prefer. What is important is your ability to record your reflections so that **you can come back and easily review them at a later date.**

## What to Include in Your Journal

### Regularly (several times a week)

Describe the event:

Describe events that occur during your day. Focus on the actions you take and the decisions you make. Include meaningful discussions, disagreements, and so on. Record successes and things that trouble you.

State the rationale for your actions:

What were you thinking? Why did you act the way you did? Be sure to address the following elements as you discuss your rationale.

- *Values:* What values does your action express?
- *Emotions:* This is a big one. We like to think we are rational performance machines. In reality, we often make decisions based on our feelings. Reflect on what you were feeling during the event you described. It is critical to reflect on how those emotions influenced your actions. The goal is not to eliminate your feelings but to gain

1. Adler, N. J. (2007). Organizational Metaphysics–Global Wisdom and the Audacity of Hope. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 423–458). Thousand Oaks, CA: Sage Publications Inc.
2. Coulson, D., & Harvey, M. (2013). Scaffolding student reflection for experience-based learning: A framework. *Teaching in Higher Education*, 18(4), 401–413.
3. Gardner, H. (2011). *Leading Minds: An Anatomy of Leadership*. New York: Basic Books.
4. Harvey, M., Coulson, D., & McMaugh, A. (2016). Towards a theory of the Ecology of Reflection: Reflective practice for experiential learning in higher education. *Journal of University Teaching & Learning Practice*, 13(2).
5. Kessler, E. H., & Bailey, J. R. (2007). Introduction–Understanding, Applying, and Developing Organizational and Managerial Wisdom. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. xv–lxxiv). Thousand Oaks, CA: Sage Publications Inc.
6. Schön, D. A. (1983). *The Reflective Practitioner: How Professionals Think in Action*. Basic Books.

insight into how your emotions affect your performance.

- *Rationale:* What was the intellectual underpinning of your actions? What was the type of rationality you relied on (e.g., technocratic, body, bureaucratic, etc.)?
- *Assumptions:* What assumptions were implicit in the choices you made?

What was influencing other individuals in the encounter:

If your event involved other people, what do you believe was driving their actions? What values, emotions, and rationale do you think influenced them?

Short term outcome:

What was the immediate result of your actions? Are you happy with the outcome? If yes, what was the key to achieving that outcome? If no, what prevented you from getting the result you wanted?

Short term lessons learned:

Did you get any insights from this experience? Highlight them so you can easily refer back to them later.

Action items:

Based on the above reflection, are there any actions you need to take?

**Periodically (every three to four months)**

Review your journal:

Scan through your journal every few months.

Long-term outcomes:

Assessing the long term effects of our actions is critical yet easy for us to ignore. Our efforts have long-lasting effects. We need to teach ourselves to see these consequences. Now that time has passed since your initial decision, are there any long-term consequences to note? Are you happy with those long-term effects? Why or why not?



## Trends:

Do you notice any trends in your behaviour? Does the same situation arise frequently? Do you make the same mistakes time and again? Is there a system you can put in place to address these recurring issues?

## Long-term lessons learned:

Based on the above reflection, are there additional lessons you have learned? Highlight critical learnings so you can remind yourself of them often.

## Action items:

Identify any actions you need to take based on these long-term lessons you learned.

### *Key Takeaways*

- We do not learn from experience but from reflecting on our experience.
- Reflection journals are a tool to facilitate the contemplation of our actions and their outcomes.
- Reflect regularly through the week on your actions and the values, assumptions, and rationale behind your decisions
- Periodically through the year, revisit your reflections to pull out recurring themes in your performance and decision-making.

# 79. Developing Social and Emotional Intelligence

BRAD C. ANDERSON

Organizational wisdom is a group activity. Working well with people requires **social and emotional intelligence**. You can develop this type of intelligence through:

- Cooperative learning
- Taking interdisciplinary courses
- Indulging your interest in whatever art forms you enjoy (the most enjoyable bit of advice ever).

Let's look at each of these in more detail.

## Cooperative Learning (i.e., group work)

Cooperative learning means working in groups. Life gives us no shortage of opportunities to engage in group work. These opportunities include playing on sports teams, joining clubs, being a part of a workgroup, team projects in class, and so forth.

The best opportunities to develop your social and emotional intelligence come from being in a group working towards a particular goal under pressure. This pressure forces people to interact in productive ways.

**Combining these activities with your reflection journal** can create potent opportunities to deepen your insight into social and emotional considerations of group efforts.<sup>12</sup>

## Interdisciplinary Courses

[Chapter V's](#) discussion on rationality alluded to the idea that different disciplines indoctrinate their practitioners into various forms of rationality (e.g., business schools teach economic rationality, science schools technocratic, and so on). When all you know is one form of rationality, people acting on different types of rationality may seem strange and, perhaps, a bit clueless about the things you think are essential. Fear not, for they likely feel the same way about you!

Breaking this barrier requires you to work with people from different educational backgrounds. If you are in school, look for *interdisciplinary classes* where not only are your fellow students from different disciplines, but so are the teachers.<sup>3</sup>

1. Cooper, J. L., Robinson, P., & McKinney, M. (1994). Cooperative Learning in the Classroom. In D. F. Halpern (Ed.), *Changing College Classrooms: New Teaching and Learning Strategies for an Increasingly Complex World* (pp. 74–92). San Francisco: Jossey-Bass.
2. Johnson, D. W., Johnson, R. T., & Smith, K. A. (1991). *Active Learning: Cooperation in the College Classroom*. Edina, MN: Interaction Book Co.
3. Fukami, C. V., Clouse, M. L., Howard, C. T., McGowan, R. P., Mullins, J. W., Silver, W. S., ... Wittmer, D.

Outside of school, look for opportunities to volunteer or work with community groups of diverse backgrounds. Again, combining this experience with your reflection journal will help you see the blind spots of your preferred form of rationality and see others' strengths.

## Indulge your Appreciation for the Arts

Arts include any form of human expression, such as cinema, literature, music, dance, painting, baking, crafts—any artistic endeavour. An appreciation of the arts can develop social and emotional intelligence through increasing imagination, empathy, and a sense of connectedness.<sup>45</sup>

Most people are drawn to some art form. Follow your interests and dive into them. If you participate in art as a hobby, say, playing the guitar or drawing, carve time into your week to practice your craft. If you are not called to create, you still most likely enjoy experiencing artistic endeavours, whether reading, watching live music, attending dance performances, or whatever. Indulge that interest.

Yes, that's right. A school textbook is telling you to turn off the computer and do something fun.

### Key Takeaways

- Organizational wisdom is a group activity, and working well with others requires social and emotional intelligence.
- You can develop your social and emotional intelligence through:
  - *Cooperative learning*: Working with groups. Combine this with reflection journaling for enhanced learning
  - *Interdisciplinary courses*: These are courses where teachers from multiple disciplines teach students from various disciplines
  - *Indulging in your appreciation of the arts*: All forms of artistic expression increase imagination, empathy, and a sense of connectedness

P. (1996). The Road Less Traveled: The Joys and Sorrows of Team Teaching. *Journal of Management Education*, 20(4), 409–410.

4. Freeman, R. E., Dunham, L., & McVea, J. (2007). Strategic Ethics--Strategy, Wisdom, and Stakeholder Theory: A Pragmatic and Entrepreneurial View of Stakeholder Strategy. In E. H. Kessler & J. R. Bailey (Eds.), *Handbook of Organizational and Managerial Wisdom* (pp. 151–177). Thousand Oaks, CA: Sage Publications Inc.

5. What Businesses Can Learn from the Arts. (2019). Retrieved December 9, 2019, from <https://www.economist.com/business/2019/12/08/what-businesses-can-learn-from-the-arts>

# 80. Moving forward

BRAD C. ANDERSON

This textbook has thus far explored the nature of wisdom and how you can enhance this capacity in yourself. At the end of the day, however, wisdom is action-oriented. Therein lies one of the biggest hurdles to our ability to act wisely.

Acting requires not only the willingness to take the time and effort to do something but bravery as well. Taking action is hard and risky. The following chapter discusses this final hurdle.

## *In This Chapter, You Learned*

### The challenges of developing wisdom

- Wisdom is context-dependent
- Wisdom cannot be objectively measured
- We gain wisdom with experience

### A wisdom-oriented mindset

- A critical insight the wise possess is an understanding of the importance of values.
- Those striving for wisdom recognize the power and limits of knowledge.
- Wisdom requires humbleness
- Wisdom requires a willingness to act in the face of uncertainty, which is enhanced through developing an ability to improvise and broaden your base of knowledge outside your specialty.
- Wisdom requires recognition that problems are dynamic, and thus our solutions must evolve in lock-step with our problems.

### How to get the best out of your experience

- Experience improves your ability to draw meaning out of your environment and integrate it into your thinking.
- Not all experience is equal; some experiences are beneficial, but some may discourage personal growth.
- As a student, take advantage of opportunities to work with industry partners
  - Internships & co-op programs
  - Select classes where teachers have you work with industry partners.
  - Select classes where teachers rely on experiential learning methods

- As an employee, create opportunities to broaden your responsibilities, especially under your boss's mentorship, if they are willing.

### The importance of good mentors

- A good mentor will help you organize your experiences to pull out relevant learning.

- A good mentor will share their experience with you, helping you to avoid making the same mistakes they made
- What makes a mentor “good?”
  - You look up to them as a wise leader.
  - You feel comfortable talking to them.
  - They have experience in the situations you face
- When approaching a potential mentor
  - Ask permission to meet with them.
  - Be respectful of their time.
  - Come to the meeting prepared
  - Maintain your relationship with them
- Pay it forward; sharing your experiences by mentoring others helps them and gives you a deeper understanding of your own experience.

#### How to maintain an effective reflection journal

- We do not learn from experience but from reflecting on our experience.
- Reflection journals are a tool to facilitate the contemplation of our actions and their outcomes.
- Reflect regularly through the week on your actions and the values, assumptions, and rationale behind your decisions
- Periodically through the year, revisit your reflections to pull out recurring themes in your performance and decision-making.

#### Ways to develop social and emotional intelligence

- Organizational wisdom is a group activity, and working well with others requires social and emotional intelligence.
- You can develop your social and emotional intelligence through:
  - *Cooperative learning*: Working with groups. Combine this with reflection journaling for enhanced learning
  - *Interdisciplinary courses*: These are courses where teachers from multiple disciplines teach students from multiple disciplines
  - *Indulging in your appreciation of the arts*: All forms of artistic expression increase imagination, empathy, and a sense of connectedness



PART XII

CHAPTER 12: FINDING THE COURAGE TO ACT



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# 8I. Finding the Courage to Act

BRAD C. ANDERSON

## Learning Objectives

In this chapter, you will learn the following.

- What courage is
- Structures constraining our ability to act per our values
- Structures enabling our ability to act per our values
- My most important lesson

Wisdom is action-oriented, but who has the time? Enacting our choices takes effort and persistence.

Moreover, the constant companion of action is risk. When we act, we risk failure. We put our reputation, and possibly our job, on the line. In some cases, our actions may endanger our life and health.

When such efforts and dangers threaten us, an evening spent playing your favourite video game or choosing to keep your head down at work and only doing what you are told seems tempting. Sometimes, it is wise to hold back and stay on the sidelines.

Yet, failing to act is also a choice, and choosing to do nothing comes with its own risks.

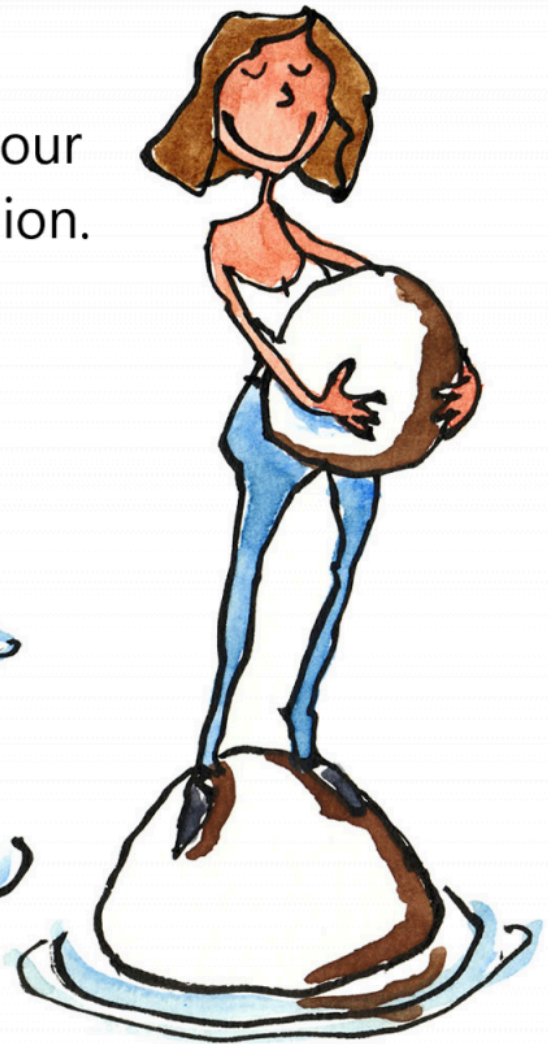
How, then, can you find the courage and motivation to do what your values guide you to do? You may read all the books your teacher assigns, pass all their tests, yet fail to apply those lessons in the heat of the moment. You may know what needs doing yet remain silent. You may have the best of intentions, yet freeze, paralyzed by fear. How can we flip the switch from good intention to wise action, from *knowing* to *doing*?

Well, there's nothing this textbook can say that will flip that switch for you. Instead, this text provides an understanding of the structures that constrain and enable our willingness to act.

The following section briefly defines courage. The parts after that then consider several structures constraining people's desire to act per their values. After this, the chapter explores structures enabling moral actions. This book then focuses on aspects of your own life that may help you find your motivation and courage to act.

The world is changed by your  
example, not by your opinion.

- Paulo Coelho



**By Frits Ahlefeldt**

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## 82. What is Courage

BRAD C. ANDERSON

What is the difference between courage and foolishness? Is a teenager who shows off by leaping off a bridge into unknown waters brave? Or, are they being an idiot? How about instead of doing so to show off, they leap to save a drowning child?

In the context of wise action, this textbook views courage as the taking of practical and deliberate action to achieve a moral end in situations that may be dangerous. The danger of acting may be to your life and health, as may be the case when firefighters run into a burning building or social activists resist an oppressive government. In other situations, the danger may be to your career or reputation, as is the case with **whistleblowers**, innovators, or people trying overcome resistance to a change in their organization.<sup>1</sup>

The emphasis on achieving a “moral end” brings to mind the importance of values, for it is our values that define which ends we believe are moral. If the ends we pursue are, in fact, moral, why is there a risk in pursuing them? If society shares our morals, it stands to reason that our society would support our actions and protect us from harm.

Yet, in many situations, taking action to pursue our values often retains an aspect of risk. The following section looks at social **structures** that constrain our ability to take moral action. Following that, this chapter explores structures that enable moral action within organizations and individual life.

### Key Takeaways

- This textbook defines courage as taking practical and deliberate action to achieve a moral end in situations that may be dangerous.

1. Beyer, J. M., & Nino, D. (1998). Facing the Future: Backing Courage with Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 65–97). San Francisco: The New Lexington Press.

# 83. Structures Constraining Our Ability to Act Per Our Values

BRAD C. ANDERSON

Unfortunately, several structures exist within many organizations that constrain people's ability to act per their moral convictions. These structures include an organization's culture, corporations' legal status, moral mazes, and the myth of rationality.

As you read the following sections, you will note some of the items discussed are specific to Western business practices (e.g., corporations' legal status). Every item listed below may not apply to every culture, and other cultures may have different structures constraining action. Be sure to develop your **institutional** and **contextual (cultural) rationality** of the social context in which you operate.

We will start this discussion by considering the role of organizational culture in constraining our willingness to act in pursuit of our values.

## The Role of Organizational Culture

In the same way that nations or ethnic groups develop distinct cultures, so do organizations. Cultures promote specific values and behaviours among their members. The stronger an organization's culture, the more likely employees will identify with its moral code.<sup>1</sup>

If the behaviours and morals promoted by an organization's culture align with the broader society's norms, life may be fine. If there are differences between the community's behaviours versus the organization, however, employees may find themselves in situations where they must act contrary to societal (and perhaps their own) values.

How does an organizational culture promoting behaviours contrary to society's morals arise?

It happens slowly. An organization may, for example, pursue the value of competitiveness. If this value dominates, employees become infused with the desire to beat the competition at all costs.

In pursuit of victory over competitors, leaders model desired behaviours, and individuals are rewarded for certain actions and punished for others. People develop and reinforce policies that begin to justify morally gray actions in the name of winning.

People further exhibit the ability to compartmentalize their actions, mentally separating unethical behaviours at work from the rest of their life. Thus, they retain the belief they are good people despite the morally questionable actions they perform for their job.<sup>2</sup>

1. Jurkiewicz, C. L., & Grossman, D. (2012). Evil at Work. In C. L. Jurkiewicz (Ed.), *The Foundations of Organizational Evil* (1st ed., pp. 3–15). New York: Routledge.
2. Jurkiewicz, C. L., & Grossman, D. (2012). Evil at Work. In C. L. Jurkiewicz (Ed.), *The Foundations of Organizational Evil* (1st ed., pp. 3–15). New York: Routledge.

# The Impact of Corporations' Legal Standing

In societies adopting Western business practices, the legal status of corporations exacerbates these dynamics. Western societies define corporations as individuals under the law. Legally, it is the organization that acts unethically, not the people. Victims of an organization's action may pursue legal action against it, but not the people working for it.

For the people working in the organization, this dynamic depersonalizes the consequences of their actions. They may feel that *they* are not acting unethically; the *organization* is. They may further feel the organization is justified in its actions since it pursues a value that the culture honours.<sup>3</sup>

## Moral Mazes

The bureaucracy of organizations can create a sense of [moral relativism](#) among its members. In many organizations, an individual's success is not based on doing the right thing but by impressing the right people, having the right contacts, and fitting into the social setting. Those who climb the corporate ladder do so through their ability to adapt their beliefs, values, and behaviours to align with its culture.

Thus, people who are successful in this environment become susceptible to allowing others to direct their actions rather than acting per their internal values. In such an environment, doing whatever it takes to win while avoiding blame for failures is key to success.<sup>4</sup>

## The Myth of Rationality

Further structures amplify this dynamic in Western businesses. Western business schools promote the values of productivity, efficiency, and competitiveness coupled with a reliance on **disembedded rationalities** (e.g. **economic**, **technocratic**, and **bureaucratic**).

Under such systems, it becomes easy for organizations (or rather, the people in an organization) to exploit individuals for profit. Humans become tools to achieve goals. Once members of an organization dehumanize people in this way, any behaviour becomes possible.<sup>5</sup>

Moreover, exclusive reliance on disembedded rationalities implies a lack of emotions. Recall from [Chapter V](#) that **emotional rationality** conveys important information about the status of our social setting and how well our actions align with our values. It is through emotions that we create connections between people within our social setting.

3. Jurkiewicz, C. L., & Grossman, D. (2012). Evil at Work. In C. L. Jurkiewicz (Ed.), *The Foundations of Organizational Evil* (1st ed., pp. 3–15). New York: Routledge.
4. Beyer, J. M., & Nino, D. (1998). Facing the Future: Backing Courage with Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 65–97). San Francisco: The New Lexington Press.
5. Jurkiewicz, C. L., & Grossman, D. (2012). Evil at Work. In C. L. Jurkiewicz (Ed.), *The Foundations of Organizational Evil* (1st ed., pp. 3–15). New York: Routledge.

Disregarding emotions and other subjective forms of rationality creates blind spots, allows us to dehumanize others, and limits an organization's ability to challenge questionable actions.<sup>6</sup>

Western businesses rely on disembodied rationalities to make their operations run smoothly and predictably. Their goal is to eliminate operational uncertainty.

You can only eliminate uncertainty, however, if you possess perfect knowledge, which, of course, no one possesses. The exclusive reliance on disembodied rationality creates the illusion of certainty by hiding or ignoring what we do not know. Such reliance helps deflect criticism and inconvenient issues by dismissing them as subjective (and therefore irrational) or irrelevant to the financial analysis.<sup>7</sup>

“When managers put aside their personal moral convictions in pursuit of supposed rationality or some perceived social pressure, they can act with neither courage nor wisdom.”<sup>8</sup>

The above section paints a bleak picture of the organizational landscape. There is, however, hope. Just as there exist structures constraining moral actions, other structures enable them.

#### Key Takeaways

- Structures constraining our ability to act per our values include:
  - Organizational culture
  - Corporations' legal standing
  - Moral mazes
  - The myth of rationality

6. Beyer, J. M., & Nino, D. (1998). Facing the Future: Backing Courage with Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 65–97). San Francisco: The New Lexington Press.
7. Beyer, J. M., & Nino, D. (1998). Facing the Future: Backing Courage with Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 65–97). San Francisco: The New Lexington Press.
8. Beyer, J. M., & Nino, D. (1998). Facing the Future: Backing Courage with Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 65–97). San Francisco: The New Lexington Press, (page 82).

# 84. Structures Enabling Our Ability to Act Per Our Values

BRAD C. ANDERSON

Structures enabling our ability to act per our values include an organization's culture, supportive bureaucratic rationalities, and the values that motivate individual behaviour.

Recall from [Chapter III](#) that even though social structures have the power to influence behaviour, individuals can act to either reinforce or change those structures. The structures below are the ones individuals would want to create and support to promote people's ability to act per their values.

## Organizational Culture

Just as the beliefs, behaviours, and values of an organization's culture can lead its members to commit morally ambiguous actions, so, too, can they promote courage and strong ethics.

Professions such as firefighters and [smokejumpers](#), for example, maintain cultural taboos against cowardice and share stories that exemplify desired moral ends. Members of such organizational cultures develop rituals and rites that test newcomers. These tests dramatize hazards and moral quandaries people are likely to encounter in their job to see how they act under pressure. The culture, then, quickly excludes any newcomer who fails to adhere to appropriate standards during these rituals.<sup>1</sup>

## Supportive Bureaucratic Rationality

Recall from earlier chapters that bureaucratic rationality **reifies** power. Bureaucracy is the means through which organizations and societies control the behaviours of its members.

Dysfunctional bureaucratic structures may stifle action and cause harm. Effective bureaucratic structures, conversely, facilitate effective action. Members of an organization can support ethical behaviour by creating bureaucratic structures that enforce accountability, transparency, and disclosure.<sup>2</sup> Additionally, creating systems that protect whistleblowers' identity and reputation further reduces the risks people face when challenging the actions of their organization.

1. Beyer, J. M., & Nino, D. (1998). Facing the Future: Backing Courage with Wisdom. In S. Srivastva & D. L. Cooperrider (Eds.), *Organizational Wisdom and Executive Courage* (pp. 65–97). San Francisco: The New Lexington Press.
2. Jurkiewicz, C. L., & Grossman, D. (2012). Evil at Work. In C. L. Jurkiewicz (Ed.), *The Foundations of Organizational Evil* (1st ed., pp. 3–15). New York: Routledge.

# The Values and Moral Convictions of Individuals

These structures that promote ethical behaviour—and, indeed, facilitate organizational wisdom—can only exist if people create them. Herein we return to the problem that opened this chapter. Wisdom is action-oriented, but taking action requires effort and risk. What motivates people to turn off the TV and champion a cause in the face of resistance and danger?

The answer is a person's values. When we see a cause aligned with our values, we are driven to act. A person's moral convictions give them the courage to face significant risks in pursuit of their goal.

Earlier sections, however, highlighted several structures that guide people away from their values to engage in questionable actions. How can we avoid those traps that lead us away from wisdom and incentivize us to continue perpetuating harmful actions?

Understanding those structures that promote poor behaviour combined with continued vigilance to spot such structures in your environment is a start. Choosing to support and develop structures that enable people's ability to enact their values is also vital.

Another way to ensure your ability to act per your moral convictions is to pursue careers and work with organizations whose values align with your own. The first step to either of these processes, though, is to develop a strong sense of your values. What is it that you stand for?

## Key Takeaways

- Structures enabling our ability to act per our values include:
  - Organizational culture
  - Supportive bureaucratic rationalities
  - Your values and moral convictions



# 85. If You Remember One Thing, Remember This

BRAD C. ANDERSON

Please indulge me as I drop the pretense of the distant third-person narrator in this closing section and speak with you, author to reader, person to person.

At the time of writing this, I have been a teacher long enough that many of my students have graduated, found jobs, and re-connected with me years after they sat in my class. I have had the joy of taking them out for coffee to catch up.

Every so often, one of them will relate how something I said or did in class resonated with them, changed their outlook and altered how they approached life. Whenever I hear this, my first thought is some version of, “Holy cow, if I thought any of my students were listening to me, I’d pay attention to what I was saying!”

You see, when I look at my class, a sea of bored faces often greets me. When that listless wall of boredom looms in front of me, it is easy to think that nothing I am doing is having any impact.

Those stories over coffee, however, show me that this belief is untrue. Even though I may be blind to the effect of my actions, my actions still, nonetheless, have an impact.

One of the great tragedies of the human condition is that we will live our entire lives without ever knowing the real impact our actions had. How might our lives differ if we could see the full extent of our choices in the world? What decisions might we make if we could see how a friendly gesture lifted someone’s spirits enough to bear the weight of their life? What actions might we choose if we could see how a thoughtless word crushed someone’s dream?

Whenever an old student tells me of the significance of some comment I made years past, it reminds me of the following truths. Your life matters. Your choices matter. They matter because within your actions lies the power of creation. Your actions create our world. Whether you choose to act or do nothing, to build something new or honour the old, to be kind or cruel, each choice shapes our civilization.

The world we were born into, with all its blessings and follies, was created by the actions of every previous generation. Now, the spirits of our ancestors have passed the torch of creation to us. For these few years that we live and breathe on this earth, our actions will shape and influence not only our reality but the reality into which future generations are born. Here, now, in this time and place, we are the creators of our world.

Let’s make it a good one.

## *In This Chapter, You Learned*

### What courage is

- This textbook defines courage as taking practical and deliberate action to achieve a moral end in situations that may be dangerous.

### Structures constraining our ability to act per our values

- Structures constraining our ability to act per our values include:
  - Organizational culture
  - Corporations’ legal standing

- Moral mazes
- The myth of rationality

Structures enabling our ability to act per our values

- Structures enabling our ability to act per our values include:
  - Organizational culture
  - Supportive bureaucratic rationalities
  - Your values and moral convictions

Your choices matter because the actions you take shape our civilization.

PART XIII

## APPENDIX I: THE SENIORS PROGRAM



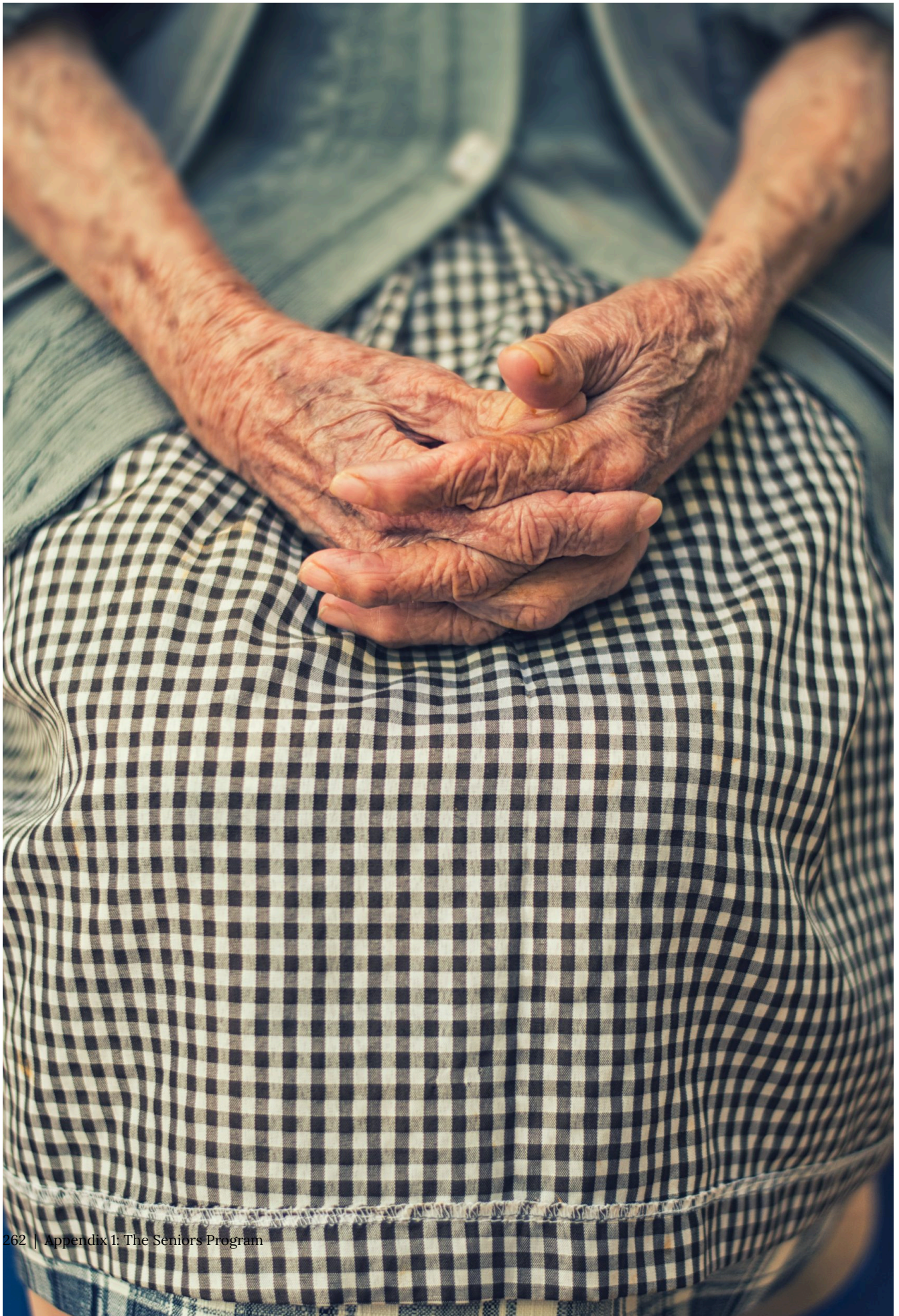


Photo by [Cristian Newman](#) on [Unsplash](#)





# 86. The Seniors Program: A case study

BRAD C. ANDERSON

Several of the chapters of this textbook draw from this case study. This case describes the efforts of healthcare professionals to develop and implement the Seniors Program.<sup>1</sup> The following sections present an overview of this program, describing what it was, identifying key dates, and discussing significant events during its life cycle.

This chapter presents a highly abridged summary of the case. If you wish to learn more, you can find the full details in the book, [\*Values, Rationality, and Power: Developing Organizational Wisdom\*](#).

## The Seniors Program: A Case Study

In 2013, a British Columbia (BC) health authority entered into a collaboration with a second health authority in Nova Scotia (NS) and a non-profit foundation (herein named the Foundation). This collaboration aimed to develop an intervention to delay the onset of frailty in healthy but at-risk older adults. This intervention became known as the Seniors Program.

1. Anderson, B. C. (2019). *Values, Rationality, and Power: Developing Organizational Wisdom--A Case Study of a Canadian Healthcare Authority*. Bingley, United Kingdom: Emerald Group Publishing Limited.



Image by [ArtTower](#) from [Pixabay](#)



## 87. What was the Seniors Program?

BRAD C. ANDERSON

The Seniors Program was a collaborative study aimed at determining whether physical activity prevented frailty in the elderly. Physicians assessed patients using a frailty scale. Doctors identified patients who were healthy but at risk for frailty and recruited them to the program.

Participation in the program required patients to connect with community coaches. These coaches met with these older adults, discussed lifestyle goals and their current health status. Coaches then developed a physical activity plan for each senior.

Initially, coaches would check in with their clients weekly to monitor progress and adjust their plan as needed. After several weeks, these check-ins were reduced from weekly to monthly.

After six months, the physician would recheck the patient's frailty. Results demonstrated that patients' frailty scores improved from their participation in the program.

## 88. Organizational structure of the Seniors Program

BRAD C. ANDERSON

Three organizations collaborated in the Seniors Program's development: the BC Health Authority, NS Health Authority, and the Foundation. The Foundation ran a Training Fellowship that instructed healthcare administrators on how to apply evidence to the practice of running a healthcare system.

Both the BC and NS Health Authorities sent administrators to this Training Fellowship. It was through this fellowship that these individuals developed and implemented the Seniors Program.

# 89. Timelines of the Seniors Program

BRAD C. ANDERSON

The Seniors Program transpired over several years. We can divide this timeline into several stages based on the activities performed. These stages include the following, which subsequent sections describe in more detail.

- Assembling the Training Fellowship
- Seniors Program Development
- Seniors Program Implementation
- Wrap Up
- After the Training Fellowship

## Assembling the Training Fellowship (Ended December 2013)

During this stage, the BC Health Authority CEO contemplated different ways to deal with the strain an ageing population had on the Canadian healthcare system. He developed innovation centers and hosted meetings between experts from various health authorities to discuss possible solutions.

The result of this process was the decision of the BC and Nova Scotia Health Authorities to partner with the Foundation in December 2013. To this end, both health authorities sent staff to participate in the Training Fellowship. This collaboration's details were documented in a Project Charter, which was an agreement all participating organizations signed.

## Seniors Program Development (December 2013 to November 2014)

### Developing the intervention

Members of the Training Fellowship performed literature reviews on the latest science of ageing. Their goal was to learn everything researchers in the field knew about delaying frailty. As this stage progressed, the fellowship met with experts to learn first-hand how the field was advancing. They met with seniors groups to understand the needs and desires of the population they wanted to help and selected the coaching organization with which they wanted to work.

Initially, the fellowship aspired to create a single intervention that both the BC and NS health authorities would implement. They wanted to find the “one best way” to prevent frailty.

During the development stage, however, they discovered differences between the regions that undermined this desire. Patient demographics varied between the two health authorities, as did the organization of healthcare infrastructure. Thus, each region had to adjust the Seniors Program for the specifics of their local context.

Likewise, the Seniors Program sought to use physical activity as the means through which it delayed frailty in the elderly. The research they performed had shown exercise was the best way to delay frailty's onset. The research even prescribed a specific regimen of exercise called the [Stanford Model \(a name later changed to Chronic Disease Self Management\)](#).

The health of participating seniors varied widely, however. Consequently, rather than apply the Stanford Model uniformly across all patients, the fellowship had to make individual adjustments.

## What to call the target population?

During the development stage, the fellowship had to decide what to call the target patient. They scoured the scientific literature to identify what patient categories were used by physicians and researchers in the field. After much deliberations, they decided that the name “pre-frail seniors” was most applicable according to the scientific literature.

When they approached patient groups and proposed this name, however, seniors disliked it, especially using the word “frail.” These people felt fine. They saw frailty as this horrible thing and were distressed to find that the medical establishment thought of them as “pre-frail.”

It was the responsibility of physicians to enroll patients in the Seniors Program. Doctors are trained in evidence-based medicine. They were, therefore, familiar with the scientific literature. To align with the physicians’ training, the fellowship chose to ignore the patients’ concerns and used the name “pre-frail seniors.”

## Loss of the executive champion

The CEO of the BC Health Authority, who initiated the Seniors Program, resigned in June 2014. With his departure, the BC contingent of the fellowship lost its key executive champion. The risk existed that the BC Health Authority might cancel the project, but the fellowship managed to keep the Seniors Program alive.

## The program goes live!

By the end of this stage, the fellowship had developed the specific processes of the Seniors Program. In November 2014, the program enrolled its first patient.

## Seniors Program Implementation (November 2014 to End of Summer 2015)

### Collecting data

During this time, the Seniors Program enrolled fifty-one patients and monitored them for six months. The fellowship collected data from physicians and analyzed them. The results were encouraging. Participation in the Seniors Program improved patients’ frailty.

## A new CEO

In January 2015, the BC Health Authority hired its new CEO. One of the many things he had to decide was what to do with the Seniors Program.

## Wrap Up (End of Summer 2015 to October 2015)

The new CEO attended a symposium that the Foundation hosted. At this symposium, the training fellowship presented their results. This presentation was the final assignment of the training fellowship. With the fellowship concluded, the participating organizations had to decide whether to support the Seniors Program's spread to other jurisdictions or to let the program die.

Though initially leery of spending the BC Health Authority's resources on the Seniors Program, the new CEO found its results compelling. He decided to support the program's spread within the BC Health Authority's boundaries.

## After the Training Fellowship (October 2015 to August 2017)

The collaboration between the BC and NS Health Authorities ended. Though members of the fellowship remain in contact, they no longer worked together officially.

Several members of the BC contingent of the fellowship ceased working on the Seniors Program. Those members that remained struggled to spread the Seniors Program through the region administered by the BC Health Authority.

During this time, the BC Health Authority CEO supported attempts to spread the Seniors Program among clinics in its region. A major challenge was the lack of a fee code that adequately compensated doctors for the work they would do administering the program. Faced with the financial pressures of running their clinics, many physicians were unable to adopt the program in the absence of adequate compensation.

In response, the BC Health Authority provided funding and personnel to clinics adopting the program. Additionally, the fellowship developed electronic documentation systems that automated much of the physicians' work to reduce the clinical costs of the program. They further educated doctors on related fee codes they could use to bill for their services.

Despite these efforts, however, the Seniors Program's spread within the region was slower than the fellowship wished. Spread to other regions in Canada was even slower.

## 90. As an aside, how do you delay frailty?

BRAD C. ANDERSON

Even though it is not the focus of this textbook, all the talk of delaying frailty in this case study may make you curious about how do we remain healthy into old age.

Though some may wish for a pill that gives you the body of a twenty-year-old for life, the research suggests the best tool we have to retain health and vigour into our senior years is regular physical activity. Even small amounts of exercise are better than nothing.

The best time to start exercising was yesterday. The second best time is now.

For those interested, either for themselves or ageing family members, the book [What Makes Olga Run?](#) is an enlightening resource. It presents an accessible investigative report into a track and field athlete competing (and breaking world records) well into her nineties.



One or more interactive elements has been excluded from this version of the text. You can view them online here:  
<https://kpu.pressbooks.pub/developingwisdom/?p=371#oembed-1>

# Further Reading

BRAD C. ANDERSON

I have based this book on a large body of research that wrestles with the question of, “How can we act wisely?” That question has consumed the minds of great thinkers for millennia. Given that, I hope you did not come to this section looking for a comprehensive reading list, for such a list would fill a library!

My focus, performing my research and writing this book, has been on wisdom expressed in organizational settings. It has been my goal to find practical insights that people can use in their lives to develop their wisdom. The readings I suggest below I found captured that intent well.

Anderson, B. C. (2019). [\*Values, Rationality, and Power: Developing Organizational Wisdom—A Case Study of a Canadian Healthcare Authority\*](#). Bingley, United Kingdom: Emerald Group Publishing Limited.

- This book presents my research on how values, rationality, and power interact in a complex organization. Not only does it provides a method through which researchers may study wisdom, but it also explores the concepts I discussed in this textbook with significantly more specificity and depth.

Flyvbjerg, B. (1998). [\*Rationality and Power: Democracy in Practice\*](#). Chicago, United States: The University of Chicago Press.

- This book summarizes research performed by Bent Flyvbjerg into how power and rationality interact in a municipal setting. It shows in significant depth the means through which those with power can shape rationality to further their own goals.

Flyvbjerg, B. (2001). [\*Making Social Science Matter: Why Social Inquiry Fails and How It Can Succeed Again\*](#). New York, NY: Cambridge University Press.

- In this book, Bent Flyvbjerg argues that social scientists have an influential role to play in developing society’s practical wisdom (or **phronesis**). To that end, he lays out a research paradigm that investigators may use to study and enhance the *phronesis* of our institutions.

Kessler, E. H., & Bailey, J. R. (Eds.). (2007). [\*Handbook of Organizational and Managerial Wisdom\*](#). Thousand Oaks, CA: Sage Publications Inc.

- This book is a collection of scholarly writings that seeks to lay the foundation for a philosophy of wisdom. It presents a comprehensive, in-depth, and thoughtful exploration of what it means to be wise and how we might develop this attribute in society.

# About the Author

BRAD C. ANDERSON



Dr. Brad C. Anderson lives with his wife and puppy in Vancouver, Canada. He teaches undergraduate business courses at a local university and researches organizational wisdom in blithe defiance of the fact most people do not think you can put those two words in the same sentence without irony. Previously, he worked in the biotech sector where he made drugs for a living (legally!). Learn more at [www.bradanderson2000.com](http://www.bradanderson2000.com).