

challengers need wisdom

Executive survey shows how challenger leaders can be more effective by embracing wisdom capabilities

We work with ‘challengers’ to create change for their business and for the common good. We support their passion to build change strategies for their brands and services for positive impact on the planet and humankind. But the social, environmental and organisational complexities in bringing about change demand wise leadership competencies as much as dynamism, skill and talent.

At GoodBrand, working with challengers, we’ve learned that corporate social innovation requires wisdom practice to create effective and durable solutions and sustainable assets that deliver value in multiple ways. Breakthrough thinking requires wisdom to integrate our rational, intuitive and ethical capacities. It needs leadership which is honed to be ‘other-aware’ and capable of controlling ego and emotions, especially in the context of a challenging environment which is constantly evolving.

We investigated how business leaders understood wisdom in managerial decision making. So we partnered with the China Europe International Business

School to survey 181 executives from 21 countries asking open-ended questions about wisdom and managerial decision-making.¹ We processed 18,000 words of response and found a widespread acknowledgment that a rational and fact-based approach to management is insufficient to deploy in facing leadership challenges.

Our survey respondents understood wisdom as an integrating capacity which brought additional valuable perceptual characteristics into managerial decision-making. In the words of an SBU head of a German dairy company: *Wisdom is the combination of rational elements and softer, intangible elements of decision making.* Similarly, the HR director of an international technology group told us: *Wisdom knits together a whole series of intangible things such as character, values, intuition, a feeling of responsibility, a preference for action, a desire for safety and order on behalf of others.*

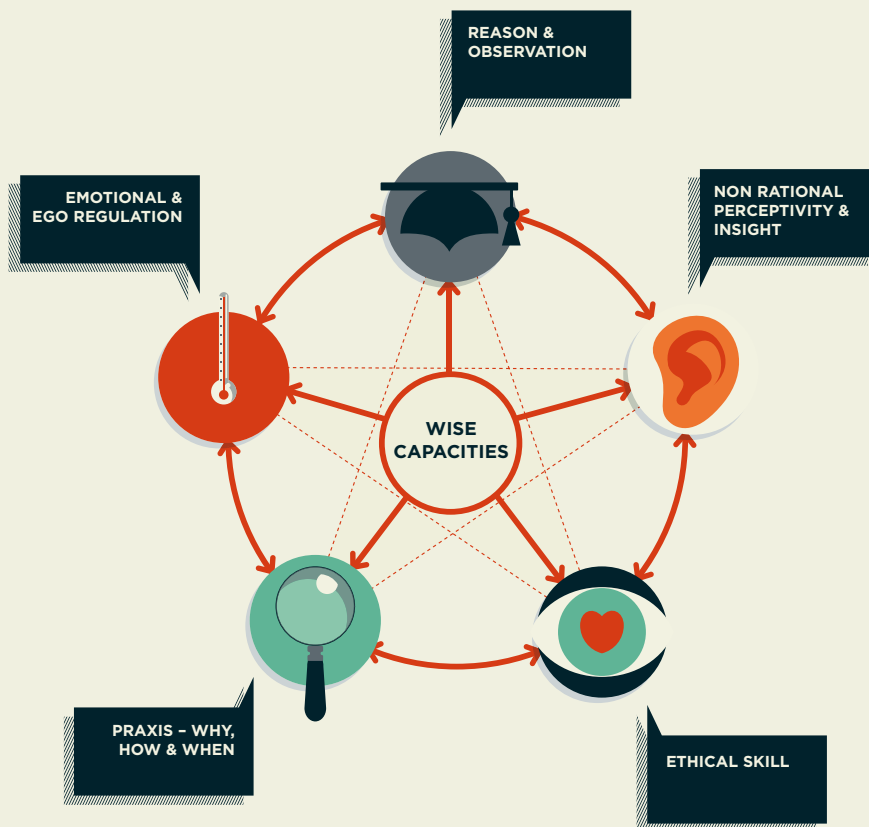
Respondents referred to wisdom as an ability to read and interpret a particular context for a decision as distinct from

any known facts. Wisdom may in fact challenge ‘known facts’. The director of a South American Coffee Growers Association told us: *Wisdom may not derive from rational facts or knowledge but from the ability to understand a particular context, the potential allies and opponents (internal or external) and the sensitivities to implement a particular project or idea.*

Many respondents referred to the personal ethical dimension of wisdom in making a decision. A wise leader is ‘other-aware’ as well as self-aware. The Russian GM of an international spices company thought that *a wise person is a kind one, not a saint but ethical, with high morality, his personal values are human oriented, more listening than speaking.* Working with a social vision for a company or brand requires both ethical sensitivity and intuitive insight to build long-term value as well as helping to shape a better world.

To make a wise judgement as a challenger requires an ability to distance oneself and one's emotions from the decision so that all stakeholders can see that the judgment was 'unself-interested'. A wise person understands their emotional make-up and is able to regulate those emotions and ego demands in seeking to be objective in reviewing evidence and considering the common good of all stakeholders. So, wisdom also includes *the ability to control passion in making decision; analysing facts with objectivity; projecting in the future; integrating people emotions.* (CEO, international chemical group, Belgium).

Challenger leaders working at the frontier of corporate sustainability and social innovation are working in highly uncertain and dynamic contexts. Developing wisdom capability will help them in more effective decision making. We have summarised the five wise capacities and linked them to concepts referred to by the respondents in our Wisdom Project Survey.



Wise Capacities

Wisdom Project Concepts

1. Rational Capability	Rational, information processing, data, facts, decision-making, management, problem-solving, application of knowledge, objectivity, reason.
2. Perceptivity, insight and intuition	Intuition, knowledge, experience, thinking, decision-making, insight, perceptivity, cognition, gut-feeling, voice within, higher consciousness, inspiration, foresight, spirit, heart, interconnectedness, intangible elements, reflection, spiritual values.
3. Humane Character and 'Other-awareness'	Stakeholders are respected and valued in the process. Respecting fair process, truth, humility, honesty, generosity and empathy.
4. Pragmatism	Pragmatic, problem-solving, decisions, application.
5. Emotional and Ego Regulation	'Unself-interested' judgments, control of passions, equanimity, poise, reflective, listening.

¹Thompson, M.J., 2016. How managers understand wisdom in decision-making: a phronetic research approach. In Küpers W. and Gunnlaugson O., (eds.) *Wisdom Learning: Perspectives on Wising up Management Education*. Gower, London