

*"Be willing to make decisions.  
That's the most important quality  
in a good leader."*

General George S. Patton

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### In Search of Executive Wisdom

Every person in an executive role is expected to exercise wisdom in their decisions. However, do we really know what wisdom is and how to use it? Sometimes we become so focused on so many things 'in the moment', that we miss critical aspects of thinking and judgment over the long term.

### Defining Wisdom

The Oxford English Dictionary (1998) states that wisdom is *"the capacity of judging rightly in matters relating to life and conduct; soundness of judgment in the choice between means and ends; sometimes less strictly, sound sense in practical affairs; opposite to folly."* One must apply a combination of judgment, decisions, and actions.

Robert J. Sternberg, former Dean of Arts and Sciences at Tufts University, sees wisdom as the application of tacit knowledge in pursuing the goal of a common good. In the case of executives, their decisions must consider the needs of customers, suppliers, employees, the organization, financial profits, shareholders and the environment, often globally.

### Finding Wisdom

Wisdom in the workplace typically implies two distinct areas of wise behavior:

1. The wisdom of corporate decision-making:
  - a. Knowing what information to use in decision-making
  - b. Creating a culture of knowledge in order to acquire that information in a timely fashion
  - c. Assessing it in both short- and long-term frameworks
2. Reaping the financial rewards that come with shrewd financial choices.

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*"Never mistake knowledge for  
wisdom. One helps you make a  
living; the other helps you make a  
life."*

Sandra Carey

### Wisdom in Action

In order to make a smart decision, a wise leader must draw upon intellectual, emotional, and social comprehension. One must:

- Gather information
- Discern reality from artifice
- Evaluate and edit the accumulating knowledge
- Listen with both heart *and* mind
- Consider what is morally right
- Weigh what is socially just
- Consider others as much as self
- Think about the here and now
- Consider future impact

When called upon in any challenging situation, no matter how trivial, if you slow down long enough to ask yourself the question, *"What would be the wisest thing to do?"* you will already be moving closer to making a more appropriate and apt decision.

### The Contradictions of Wisdom

There are recurrent themes and qualities that comprise wisdom:

- Humility
- Patience
- Clear-eyed, dispassionate view of human nature
- Emotional resilience
- Ability to cope with adversity
- A philosophical acknowledgment of ambiguity
- Recognizing the limitations of knowledge

Action is important, as well as inaction, at times. Compassion is central to wisdom, but so is emotional detachment. Knowledge is crucial, but often wisdom deals with uncertainty. These inherent contradictions are embedded in any definition of wisdom. In fact, they are the essence of what makes wisdom so critical to leaders.

### Business Intelligence

*"Business intelligence is the systematic use of information about your business to understand, report on and predict different aspects of performance,"*

according to Professor Tom Davenport of Babson College in Massachusetts. However, his true brilliance stems from a deep understanding of people and human nature.

His examples of current sage leaders include Jeff Bezos of Amazon.com, Inc., Gary Loveman of Harrah's Entertainments, Inc., and Reed Hastings of Netflix, Inc.

Warren Buffet, the investor, is known for his financial wisdom built upon a foundation of expert accounting knowledge.

### Social Wisdom

Social wisdom is critical for understanding and incorporating the diversity of "people factors" into business decisions to create a greater common goal.

These include:

- Decreased stress and conflicts in the workplace
- Job satisfaction
- Quality of workplace
- Sense of personal fulfillment
- Innovative and creative opportunities

### Developing Your Wisdom

Psychologist and author Richard R. Kilburg presents questions for improving leadership wisdom that can be reviewed in coaching sessions ([Executive Wisdom: Coaching and the Emergence of Virtuous Leaders](#), APA, 2006).

*Take a moment to relax, then ask yourself the following questions:*

- *What is the worst thing you have ever done as a person or as a professional?*
- *If you are a leader in an organization, what is the worst decision or action you have ever made or taken?*
- *What made the decision or action bad? When and how did you know it was bad? What criteria did you use to judge its merits?*

*Now, ask yourself,*

- *What is the wisest thing you have ever done as a person or as a professional?*
- *If you are a leader in an organization, what is the wisest decision or action you have ever taken?*
- *What made the decision or action wise? When and how did you know it was wise? What criteria did you use to judge its merits?*

Can you develop any internal sense of how you created, accessed, and used a sense of rightness in the situations in which you believe you acted wisely as opposed to poorly? If so, jot down and reflect on what you think and feel went into the emergence of that sense of rightness.

Take a few minutes to talk to someone out loud about what you have explored or, if you are reluctant to share it with another person, dictate some notes into a tape recorder and then listen to yourself afterward. The experience of giving voice to inner work can often provide additional insight and learning.

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*“Wisdom is the result of intelligence, courage and heart working together in complete harmony... it’s the journey of the Lion, the Tin Man and the Scarecrow within each of us... to OZ!”*

Anonymous

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440.653.9750

[leadership@prolaureate.com](mailto:leadership@prolaureate.com)  
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