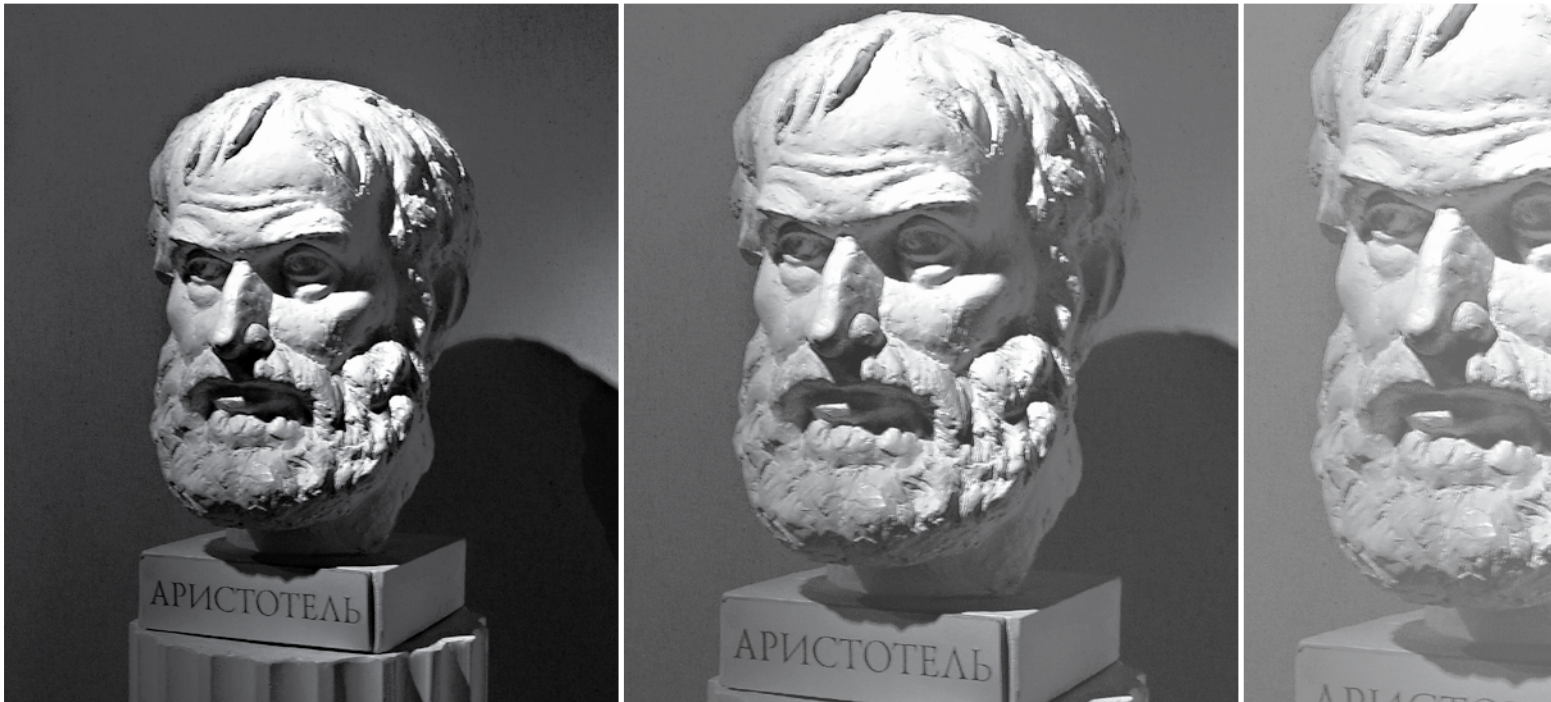


AHRI CEO Serge Sardo talks to US psychologist Barry Schwartz about the importance of practical wisdom

What would **Aristotle** do?



SERGE SARDO: Your latest book, *Practical Wisdom*, builds on the teachings of Aristotle. What is the definition of practical wisdom and the link to Aristotle's teachings?

BARRY SCHWARTZ: Practical wisdom is about doing the right thing, at the right time, in the right way, for the right reason. It's not something you learn by studying or thinking, but by doing. Aristotle was very interested in how craftsmen – woodworkers for example – solved unique everyday problems by developing rules of thumb, making mistakes and correcting their approaches to problems based on previous mistakes. He thought this example showed how to lead other people and how to be good marital partners, be good parents, teachers and so on.

SS: It is a matter of personal judgement within context?

BS: Completely. Another slogan that we've extracted from Aristotle is the 'priority of the particular'. Every student is different, every patient is different, every employee is different and every legal client is different. There may be rules and procedures that act as roadmaps that get you to the right city, but being in the right city doesn't get you to the right street. Rules and procedures give you a rough sense of how to treat your employees but then it's question of what this particular employee needs – that kind of judgement only comes from experience and requires you to know the person you are interacting with.

SS: It sounds as if this is one step further than having skills and judgement; it's more about applying them.

BS: Absolutely. Wise people apply their skills correctly. Aristotle was a big virtue

theorist, so for him doing the right thing required a set of virtues – today we might call them character strengths. But the problem with any of the virtues is that there can be too much of a good thing. Courage is a good thing but too much courage is recklessness. You need to balance caution and courage. Aristotle has a notion of 'the mean', which is not the average, but just the right amount. It's very much context-determined. Honesty is a virtue and kindness is a virtue. Often we face the decision between honesty and kindness and knowing how to balance them. It's easy to choose between good and bad, what's hard is to choose between good and good. And that's often the choice we face as managers of people. Wisdom was the master virtue for Aristotle. It's what enables people to use their other virtues in the right way.

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SS: This master virtue concept conflicts with positive psychology doesn't it?

BS: Yes it does. This was the argument set out in a paper I wrote with my collaborator called Aristotle Meets Positive Psychology.

In positive psychology absolute strengths are identified and cultivated. Aristotle would think this was akin to being a body builder who bulks up his upper body and ignores the rest. He believes you need balance and that is not the message of positive psychology.

SS: You talk about the difference between moral skill and moral will. Can you elaborate on this?

BS: Someone who has moral skills is perceptive, balances empathy and detachment and knows how to use their judgement. For example, they not only know when to be kind, but how to be kind. They have incredible

discernment, an ability to read other people. But without moral will, people will use this discernment to manipulate people to serve their own interests. For example, a doctor without moral will knows how to get the patient out of her office in seven minutes so she can see the next patient. These types of people may have incredible sensitivity. But skill without will can be dangerous in that you can be manipulated. People with moral will use their moral skill to serve others, not themselves. People who have will without skill can also be dangerous - they always mean well but have no idea what to do.

SS: In the HR profession we think we are equipping people for leadership with moral skills when we train them in emotional and social intelligence and perceptiveness. But what you are suggesting is that no matter

how much you develop those skills we will not make great leaders unless they also have the moral will to apply them.

BS: In my limited experience as an outsider to business organisations, I have noticed that the people who run them make wonderful speeches about how the organisation is committed to doing the right thing; while the mid-level managers who are actually making the day-to-day decisions know that unless they meet profit forecasts they are going to lose their jobs. But the leaders don't care how they meet their targets, so there's a kind of plausible deniability on the part of the CEO. Meanwhile, the people beneath him are under this intense pressure to deliver.

The incentives that are in place are pushing people to do the wrong thing, not the right thing.

SS: It's the conflict between rhetoric and behaviour.

BS: It is, but I think it's a very self-serving conflict on the part of these leaders. I think they know what they are doing and are perfectly happy to bask in the social approval of the public while still putting the screws to their employees to deliver expected profits.

SS: What you are alluding to is that the whole world has experienced a lack of moral will in this current financial crisis?

BS: Completely. Most jobs now are just about making money. That wasn't always true. Bankers had tasks in the past: making good loans, helping people get mortgages, or helping them start or expand their businesses. They had multiple objectives in their jobs. One of them was to make a living but the other was to be a good banker. Nowadays the only thing it means to be a good banker is to make money. And it doesn't matter how you do it. So there are no constraints any more except for legal ones. That wasn't true a couple of generations ago.

SS: Do you agree that the financial crisis's achievement is to put morality, ethics

and corporate social responsibility in the spotlight? We also have the psychological make-up of Gen Y who want more meaning in their job. Do you see these issues as changing the lack of practical wisdom in our jobs?

BS: I do, but it's an optimistic view. I certainly think that Gen Y wants meaning in the work they do and that may be really important. And people have put ethics on the table due to the financial crisis. But the recommendations, if implemented, will move us further away from what I think we need. The problem is that more regulation will work in the short run, but clever people will find ways around whatever the new regulations are and clever people will find ways to subvert the new, smart incentives. There will be temporary improvement but we haven't developed character. We will see people talking about the importance of ethical commitment but they won't really be taking it seriously.

SS: This is probably one of the greatest challenges human resource professionals

face at the moment. That is, how do we incentivise employees in a proper, ethical moral way that still improves organisational performance?

BS: It's a huge challenge. My instinct is to pay closer attention to the conditions under which people work than to the financial incentives. We must create environments where people can be mutually supportive, where the purpose of accountability is to improve the service and not to attach blame.

SS: So you mean create more meaning and purpose in the job?

BS: Correct. Less incentivising and more enriching the activities that people engage in.

SS: Let's return to moral will, which is a fascinating concept. How does that intercede with personal values? What is the correlation between a sense of decency as a value and moral will?

BS: It's not specific enough. Take the professions, for example. Having a sense of decency doesn't really show doctors, lawyers

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or teachers how to act. There needs to be a sense of what the purpose of the activity is – and then a desire to achieve that purpose. That means the professions themselves have to be clear about what their purpose is. In the States there's been enormous compromise of the purpose of medical practice over the years. There has been increasing permission to be more and more commercialised. And I think doctors are really confused about what they are supposed to be doing in a way that wasn't true a couple of generations ago.

SS: HR professionals have become good at assessing some of the characteristics that you would call moral skills: social and emotional intelligence, discernment, and perceptiveness. We've got that down pat, but how do we assess for moral will?

BS: I don't know the answer to that; it's a great research topic.

There was a study done by a colleague of mine, Amy Wrzesniewski, where she distinguished between three different

attitudes to work. One where work is a job; one where work is a career and one where work is a calling. What she finds is that people who think their work is a job and people who think their work is a career are similar types, although people with careers think they are going somewhere and people with jobs don't. But there's not much difference in terms of work satisfaction, body of work, how happy they are in their work and their lives and how well they do their work.

People with callings are different. They think the work has meaning and they are doing it because of the meaning it has.

The task is to figure out how to diagnose whether somebody comes to the workplace with the attitude that this work is a calling. It's a hugely important question: how do you figure out in advance who's got the will and who doesn't. And then if you succeed in hiring people with the will how do you avoid screwing that up?

SS: Can you provide some examples of practical wisdom in action?

BS: Jerome Groopman, an oncologist, who writes for the *New Yorker*, wrote an article some years ago called Dying Words. He wrote about how clumsy he was early on, how little training he got and how little opportunity he got to watch his trainers deal with the situation. He started out convinced that you have to be completely honest and maybe wreck somebody's life because they might live for five more years convinced that tomorrow is going to be their last day.

So he learned from that and swung to the other extreme and was so careful not to give the person bad news that the person's family had no idea how close to death he was.

But over the years he learned how to do it. He learned how to, on one hand, make sure that people who are given bad news don't give up on life completely, but on the other hand, they don't have an unrealistic optimism about what the future is going to be so that they can actually plan.

Now, he has a tentative conversation, watches for facial expression, tone of voice and, like a jazz musician, improvises his way

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through the conversation to find just the right tone and the right content. He already had the will to do that – it was a matter of developing the skill.

Ray Anderson is a dramatic case of moral will in action. He is an extremely successful manufacturer of carpet tiles. His business is gigantic, he makes 35 per cent of carpet tiles the world buys. Carpet tile production is an extremely resource and waste intensive production process.

He had this epiphany about 15 years ago that he was going to leave his grandchildren a fortune and an uninhabitable planet. He decided he didn't want this so he embarked on this program to create a zero environmental footprint for his production process. He assumed this would cost the company money, but it didn't because he created such high morale in the workforce that they became unbelievably efficient. And they had plenty of suggestions of their own. Suddenly, they weren't working for a pay cheque, they were working for the planet.

SS: You say that people with practical wisdom are made not born. Can you describe

how we can develop practical wisdom?

BS: You need mentors who work closely and carefully with individuals. You need to give people the freedom to use their judgement and to make mistakes and figure out how to correct those mistakes. I don't think you develop it with classroom instruction; you develop it with on-the-ground practice.

I'm happy to say there are programs developing in professional schools. Harvard Medical School has a pilot program where medical students have patients that they see for a year and oversee whole aspects of their medical care. They also get to know the family. This is so students understand that they are not treating an organ system but a person, and often people come with a collection of problems and not just one. Unless you understand the person's life you are likely to make recommendations that are technically flawless but practically not implementable.

It's labour intensive and it involves the teacher giving up some control because unless you let people get it wrong they are not going to learn how to get it right. So it's a challenge. ●

About Barry Schwartz



AMERICAN PSYCHOLOGIST
Barry Schwartz is the Dorwin Cartwright Professor of Social Theory and Social Action at Swarthmore College in the US.

He frequently publishes editorials in the *New York Times*, applying his research in psychology to current events. He will be a guest speaker at the 2010 AHRI National Convention in Melbourne.

His publications include *The Paradox of Choice: Why More Is Less* (available from the AHRI online bookshop www.ahri.com.au/bookshop), *Psychology of Learning and Behavior*, with Edward Wasserman and Steven Robbins and *The Costs of Living: How Market Freedom Erodes the Best Things in Life*.

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