#### **ORIGINAL RESEARCH**



# Narratives as a Tool for Practically Wise Leadership A Comprehensive Model

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#### Abstract

Recent studies have identified practical wisdom as a critical area for exploration in the domains of management and leadership. This paper delves into the cultivation and manifestation of practical wisdom in leadership, emphasizing the potential of narratives as an efficacious tool, as corroborated by academic literature. Employing practical wisdom theory and a refined analytical model, we examine the role of narratives as a key instrument for practically wise leaders. Through the provision of theoretical underpinnings and empirical evidence, our study seeks to elucidate the tripartite interconnectedness of practical wisdom, narratives, and leadership. Subsequently, a conceptual model is developed and illustrated, outlining the relationship between narratives and practical wisdom across diverse leadership contexts. This analysis positions practical wisdom as a fundamental guidance for leaders' narrative practices. Acknowledging the paper's conceptual focus, we discuss the practical and theoretical implications of the proposed model and advocate for empirical inquiry to further enhance understanding of narrative practices in practically wise leadership.

**Keywords** Narrative · Practical wisdom · Practically wise leadership · Ethical leadership · Humanistic leadership

#### Introduction

In today's ever-evolving business environment, characterized by high levels of volatility, uncertainty, complexity, and ambiguity, traditional leadership styles of control and consistency are increasingly challenged. Consequently, corresponding practices are gradually shifting from dominating and commanding to influencing and persuading (Fairholm

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2003; Mineo 2014), from merely objective and rational approaches to moral and emotional appeal (Dvir et al. 2004; Küpers and Statler 2008; Rowley and Gibbs 2008), from traditional problem analysis to a problem-based cultivation of innovation (Alharbi 2021), from predetermined and consistent to open and adaptable (Nelson et al. 2010), and from simply recognizing diversity to establishing cultural agility (Caligiuri 2013; Lundby and Caligiuri 2013). To enable excellent decision-making practices in day-to-day business, leaders are exploring alternative approaches that integrate rational analysis with situational knowledge and combine factual information with emotions. Communication and judgement skills must become increasingly situation-specific, and ethical values have to be aligned with rewarding outcomes (Bachmann et al. 2018b; Küpers and Statler 2008; Nonaka and Toyama 2007; Pauleen et al. 2010). Practical wisdom, therefore, is brought into play.

Contemporary wisdom researchers (e.g., Bachmann et al. 2018a; Gibson 2008; Holliday et al. 2007; Jeannot 1989; Korac-Kakabadse et al. 2001; Küpers and Statler 2008; Sasse-Werhahn et al. 2020; Yang 2011) argue that practical wisdom may open up new avenues of exploration for academics and practitioners, particularly in the field of management and leadership. Practically wise leadership refers to the optimal integration of the contradictory demands for ethics and effectiveness in organizations facing complexity and uncertainty (Holliday et al. 2007; Küpers and Statler 2008) and requires the ability to foster practical wisdom in others and move others to action (Rowley and Gibbs 2008).

Throughout the discussion on cultivating and manifesting practical wisdom in leadership, the potential of narratives is widely acknowledged within pertinent scholarly literature (e.g., Auvinen et al. 2013a; Driscoll and McKee 2007; Gibson 2008; Halverson 2004; Malan and Kriger 1998; Nonaka and Toyama 2007). The practice of narratives is a fundamental method to foster personal growth and wisdom, as it helps leaders to reflect on their own behavior, construct meaning, and make sense of new experiences (Auvinen et al. 2013a). Narratives possess the ability to re-establish individuals' connection to their emotions and tap into deeply held collective wisdom, eluding the dominance of routines and rules that have distorted their work capabilities (Boal and Schultz 2007; Simmons 2003).

Indeed, previous leadership researchers suggest that narratives already serve as an effective tool for managers and leaders to promote organizational change, increase employee engagement and loyalty, especially during change-intensive periods (Boje 2008; Gill 2011) and in diverse work environments (Barker and Gower 2010). They also help manage knowledge within organizations (Graham 1999; Whyte and Classen 2012), enhance understanding of corporate values and culture (Kaye 1995; Smith and Keyton 2001), inspire people and spark action (Denning 2006; Dolan and Naidu 2013), and build connectivity and trust with employees (Grisham 2006; Harris and Barnes 2006). Even though the power of narrative is widely appraised by researchers (e.g., Auvinen 2012; Denning 2005, 2006; Grisham 2006; Harris and Barnes 2006), the instrumental use of stories as a leadership tool is critically questioned (Auvinen et al. 2013a, b; Boje 2008; Parry and Hansen 2007).

Contemporary scholarly works have highlighted concerns regarding the ethics, manipulation, and inauthenticity of narratives employed by leaders (e.g., Auvinen et al. 2013b; Boje 2006). The unquestioned story in many business organizations is about maximizing short-term shareholder value and pushing employees to achieve higher levels of productivity (Driscoll and McKee 2007). A case in point is the rise of the term 'wolf culture' in today's commercial environment. Boje (2006) further criticizes that many narrative guidelines offer leaders simplistic solutions and rapid-result story practices that claim to deliver



the desired outcomes. However, the ultimate question in leadership issues should not focus on identifying effective means of manipulation, but rather inquire about the ethics behind it (Ciulla 2005). In the discussion of narratives as an effective leadership tool, there is a call for a stronger ethical orientation.

In this paper, we argue that practical wisdom is essential for narratives in leadership, acting as a guiding force in orienting leaders' narrative practices. Conversely, narratives play a crucial role in developing practical wisdom along the narrative paths and serve as an effective tool for practically wise leaders. Through the lens of practical wisdom theory and our analytical model, modified based on Wilber's Integral Model (1999, 2000), we approach narratives as an effective instrument for practically wise leadership. The purpose of our paper is to develop a set of statements concerning the connections between narratives and practical wisdom in leadership by providing theoretical groundwork and practical evidence, ultimately establishing a narrative model for practically wise leadership. We then discuss the implications of our findings for research and practice.

## Practical Wisdom in a Managerial Context: Practically Wise Leadership

The ancient virtue of practical wisdom has been explored across a wide variety of academic disciplines originating from philosophy (Aristotle 2009; Dunne 1993; Yu 2006), theology (Aquinas 2006; Perdue 2007), and psychology (Baltes and Staudinger 2000; Trowbridge 2011; Walsh 2015). Aristotle, the ancient Greek philosopher, perceived the concept of practical wisdom as the highest form of human reasoning in his Nicomachean Ethics. More recently, psychologists and philosophers have provided various definitions of wisdom. Moberg (2007) characterizes wisdom as an inclination to develop morally exceptional resolutions when facing difficult circumstances. Sternberg (2004) portrays wisdom as the employment of intelligence, creativity, and knowledge to benefit the greater good. Baltes and Kunzmann (2004) view wisdom as an expert knowledge system focused on addressing life's fundamental pragmatics. According to Küpers and Pauleen (2015), practical wisdom incorporates practical knowledge and reasoning while also involving moral discernment and fostering virtuous habits that facilitate the cultivation of an art of living well, both individually and collectively. Halverson (2004, p.92) describes practical wisdom as the ability of "how to apply general principles, generic tools, or wide-scale evaluation information to the idiosyncrasies of particular contexts".

Moreover, in recent years, there has been an upsurge in organizational and managerial literature restudying and exploring this complex philosophical concept in business settings (Bachmann et al. 2018b; Jeannot 1989; Mele 2010; Nonaka and Toyama 2007; Rowley and Gibbs 2008; Small 2011; Statler et al. 2006, 2007). Numerous authors have explicitly highlighted the relevance of practical wisdom in the context of leadership (Grassl 2010; Malan and Kriger 1998; Yang 2011). For example, Moberg (2007) underlines the pivotal role of practical wisdom for an adequate understanding of ethical behavior in business. Practical wisdom extends beyond merely preventing ethical misconduct; rather, it promotes ethically excellent behavior. In our age of uncertainty, complexity and dynamicity, the scientific-rationalistic approach to strategy acts in contravention of the realities of business (Nonaka and Toyama 2007). This is where the demand for prudent, ethically-driven, and balanced managerial judgments emerges (Bachmann et al. 2018a). Practical wisdom paves



the way for wise leaders who embrace counter-intuition, vision, and humanity (McKenna et al. 2006), address uncertainty, mutability, and duality (McKenna and Biloslavo 2011), avert escalating social dysfunction (Rooney and McKenna 2005), and circumvent prominent management pitfalls.

After extensive discussions of primary definitions across disciplines, Bachmann and his colleagues (Bachmann et al. 2018a, b) conceptualize three mutually intertwined components that underlie the concept of practical wisdom in the modern management context: (I) a normative dimension that encourages the application of moral principles to everyday behavior; (II) an integrative dimension representing the capacity of practical wisdom to encompass various forms of knowledge and critical reflection, leading to integrated and balanced judgement; (III) a cultural heritage dimension that expresses openness to embracing established customs, cultural norms, exemplary behavior, and lessons from spiritual traditions, including the ability to adapt them to new contexts.

Nonetheless, before we conceptually construct practically wise leadership based on management and leadership literature, it is crucial to distinguish the concept leadership from management. According to literature review, Liphadzi et al. (2017, p. 479) conclude that leadership is "a process of directing, visioning, and motivating including coordinating and the development of individuals", whereas management is associated with fulfilling organizational goals and processes. Kotter (1990) suggests that management aims to establish security, consistency and order, while leadership tends to promote adaptive change, flexibility and fluidity within organizations. A leader has social influence and is open, flexible, innovative, inspiring, and participative, while a manager is scientific in nature, consulting, analytical and stabilizing (Toor and Ofori 2008). In this regard, scholars further argue that the management tools are overwhelmed by analytic calculations, statistical models or abstract generalizations and lack concrete observations and clear action- and practice-oriented solutions (Bennis and O'Toole 2005; Mintzberg 2004). A leader should possess soul, passion, and creativity (Zaleznik 1977) and not merely reply on calculative mechanisms.

Owing to the significant roles leaders play in organizations, being a practically wise person is one thing, while being a practically wise leader is another. To date, there is no literature explicitly defining the term 'practically wise leadership'. Major relevant literature explores the concept of practical wisdom within the realm of management and leadership, suggesting that practical wisdom offers a conceptual framework for optimal leadership practices (e.g., Bachmann et al. 2018b; Halverson 2004; Jeannot 1989; Malan and Kriger 1998; Mele 2010; Nonaka and Toyama 2007; Gibson 2008; Grassl 2010; Rowley and Gibbs 2008; Small 2011; Statler et al. 2006, 2007; Yang 2011).

Consequently, amidst the discussion regarding what constitutes practically wise leadership, we draw upon our extensive literature review on practical wisdom in a managerial context and expand upon Bachmann and his colleagues' (2018a, b) concept of practical wisdom in modern management. We aim to encapsulate several shared underlying assumptions found in previous research findings within the following summary chart (see Table 1). This framework of practically wise leadership coincides with the conceptualizations of Bachmann et al. (2018a, b) in terms of the normative, integrative, and cultural heritage dimensions of managerial wisdom. Additionally, in line with the theoretical perspective on the distinction between leadership and management, it incorporates three more dimensions: contextual relevance, action-orientation, and "wise and let wise".



Component	Assumption	Source/Author/Reference
Moral judgement	Practically wise leadership integrates the contradictory demands for ethics and effectiveness in organizations con- fronted with complexity and uncertainty.	Holliday et al. 2007; Küpers and Statler 2008; Mele 2010
	Practically wise leader facilitates the management of conflicting stakeholder interests and the identification of appropriate objectives to pursue in specific situations, guided by moral discernment and cultural values.	Bachmann et al. 2018a; Deslandes 2012
	Practically wise leader consider employees as rational and emotional human beings rather than mere calculative utility-maximizers.	Grassl 2010
Integral rationality	Practically wise leader synthesizes practical knowledge accumulated through experience with universal knowledge gained through education, combining subjective insight and objective knowledge to identify the optimal course of action.	Nonaka and Toyama 2007
	Practically wise leader reflects on and learns from experi- ences in a continually renewed manner; consistently com- paring current and stored experiences to gain new insights.	Ben-Hur and Jonsen 2012; Gibson 2008
	Practically wise leader makes decision based on both instrumental and practical rationality these two inseparable dimensions.	Mele 2010
Contextual relevance	Practically wise leadership is determined by the ability to make prudent decisions or take appropriate actions in response to given situations, rather than relying solely on logical analysis.	Nonaka and Toyama 2007; Rowley and Gibbs 2008
	Practically wise leader has the capacity to embrace para- doxical situations and contradictory arguments; taking a contextual framework of time, space, and sociality into consideration.	Clark 2010; Malan and Kriger 1998; Pruzan and Pruzan Mikkelsen 2007
Cultural embracement	Practically wise leader has the capacity to involve one's own traditions and cultures in decision-making processes.	Bai and Roberts 2011; Cornuel et al. 2010
	Practically wise leader has the capacity to embrace some cultural, spiritual and religious traditions and values.	Ben-Hur and Jonsen 2012; Cheng 2011; McDonald 2012
	Practically wise leader integrates cultural and religious values to enrich corporate culture.	Kay 2012; Tredget 2010
Action orientation	Practically wise leadership facilitates the realization of goals by transforming knowledge, beliefs, and experiences into actions.	Bachmann et al. 2018a
	Practical wisdom is manifested in the leaders' capacity to choose the appropriate goals and to successfully develop a feasible plan to reach them.	Bachmann et al. 2018b; Halverson 2004
"Wise and let wise"	Practically wise leadership requires the ability to foster practical wisdom in others and move them to action through communication, compelling or persuading others using metaphor, analogy, or narrative.	Rowley and Gibbs 2008
	Practically wise leaders not only improve themselves but also exert a positive impact on others, on their organiza- tions or a larger community.	McKenna et al. 2009; Yang 201; Zacher et al. 2014
	Practically wise leadership inspires followers, envisions goals, encourages moral behaviors, and sparks actions among employees.	Cheng 2011; Nonaka and Toyama 2007; Moberg 2008; Yang 2011



In the following section, we address the pragmatic questions that leaders and business educators may raise: If practical wisdom enables a leader to optimally integrate ethics and effectiveness in organizations with complexity and uncertainty, how can we develop practical wisdom in leadership? If practical wisdom also enables a leader to foster practical wisdom in others and exert external positive impacts, how can this process be achieved?

Scholars argue that practically wise leadership cannot be easily cultivated in a business school setting (Bachmann et al. 2018b). Instead, it must be gradually acquired by studying real-life examples, which are perceived as inspirational in daily-life contexts (Bachmann et al. 2018b; Tredget 2010), or through high-quality direct experiences with contemplation (Nonaka and Toyama 2007). Yang posits that practical wisdom results from learning from leadership experiences and that the scope of wisdom related to leadership tends to extend beyond individual organizations, having a positive impact on society (Yang 2011). Throughout the discussion of how wisdom in leadership may be effectively cultivated, demonstrated, and conveyed, the concept of narrative begins to emerge in the relevant literature (e.g., Auvinen et al. 2013a; Driscoll and McKee 2007; Gibson 2008; Halverson 2004; Malan and Kriger 1998).

#### **Narratives**

Narratives represent an original form of human culture; they possess a much longer tradition in cultural history than practical wisdom literature, indeed than documents in written form at all. For millennia, narratives have served as a powerful tool to connect communities, build their cultural identity, and pass it on from generation to generation (Gill 2011; Mladkova 2013; Snowden 1999). In essence, the history of human evolution and development is built upon stories. As indicated by the Sumerian clay tablets found in archeological sites of prehistoric Mesopotamian cities, narratives represent a crucial means of passing on wisdom to younger generations. For the narrators themselves, it also brings with it a social dividend - as it regularly grants them access to new support communities, thereby enriching their 'social capital' (Auvinen et al. 2013b; Baker and Boyle 2009; King 2004). Hence, successful narrators were keen to reach powerful and respected superior positions in ancient communities (Baker and Boyle 2009).

Contemporary research has well acknowledged the full potential and the wide variety of applications for this ancient and influential art (Kowalewski and Waukau-Villagomez 2011; Quong et al. 1999). Sole and Wilson (2002, p. 6) perceive narratives to be at the heart of human interactions as they represent the "sharing of knowledge and experiences through narrative and anecdotes in order to communicate lessons, complex ideas, concepts, and causal connections". Moreover, according to Parkin (2001), they also involve making sense of information. Simmons (2003, p. 41) defines story-telling as a "narration of a sequence of events that stimulates a visual, sensory, and emotional experience that feels significant for both the listener and the teller". According to Davis (1993), there are five sequential components that collectively constitute a well-established narrative framework: 'setting, build-up, crisis or climax, learning, and new behavior or awareness'. In the context of contemporary organizational literature, research on narratives is manifold and has identified its specific functions in the areas of knowledge management (Hannabuss 2000; Whyte and Classen 2012), communication (Barker and Gower 2010; Harben 1998), organizational cul-



ture (Zwack et al. 2016), change management (Bryant and Cox 1994; Gill 2011), leadership (Denning 2006; Harris and Barnes 2006) and organizational learning (Barker and Camarata 1998; Boje 1994; Lämsä and Sintonen 2006).

## The Role of Narratives in Leadership

Earlier studies have perceived managerial leadership tools as still overly rationality-based (Küpers and Statler 2008; Rowley and Gibbs 2008). Hence, in respect of the shifting challenges in today's dynamic business environment, they call for overcoming the traditional leadership approach of domination, rational analysis, and consistency. Rather, to adequately address contemporary leadership challenges, narratives gain attention in organizational literature and show their ample potential as an effective leadership tool (e.g., Auvinen 2012; Boje 2008; Denning 2005, 2006; Gabriel 2000; Grisham 2006; Harris and Barnes 2006).

Complementarily, narrative competencies also represent an important element of leadership formation. In this sense, Gardner (1995, p. 43) states that "the artful creation and articulation of stories constitutes a fundamental part of the leader's vocation". Specifying this more general indication, Auvinen et al. (2013a) find that influential leadership involves narratives in seven areas: motivation, inspiration, preventing/defusing conflict, influencing superiors, discovering a focus, role modeling, and constructing trust. Telling stories enables leaders to communicate collective values and organizational cultures, build a shared vision with followers and inspire their actions to fulfil the vision (Parry and Hansen 2007). Especially during periods of uncertainty and change, getting participants' buy-in to critical business model shift and corresponding strategy-changes of the organization represents a major challenge for corporate leaders (Denning 2006). Here, narratives bridge the barrier between leaders and employees (Gill 2011), and enable symmetrical communication/discussion - thereby facilitating understanding and sense-making for effective organizational change (Barker et al. 2004; Smith and Keyton 2001; Barker and Gower 2010; Maitlis and Christianson 2014). Stories about leaders' personal experience, empathizing with their employees' situation, can evoke emotions; they strengthen the perception of the leaders' trustworthiness and lead to employee loyalty and commitment (Auvinen et al. 2013a; Sole and Wilson 2002). Harris and Barnes (2006) also state that self-disclosure through narratives, in particular if it discloses failures and personal experience, has the paradoxical effect of building trust and openness among employees. In a similar vein, narratives have been also credited with playing a pivotal role in effective organizational knowledge sharing (Denning 2006; Hannabuss 2000; Whyte and Classen 2012). Compared with dry bullet points in PowerPoint slides or dull text formats, employees can capture and remember organizational knowledge (and wisdom) much more effectively if it is prepared and transmitted in the form of narratives.

As previously noted, effective narratives can have a significant impact not only on story-listeners but also on the narrators themselves. For example, scholars claim that leaders can use stories self-reflectively to achieve self-development (Auvinen et al. 2013a; Armstrong and McCain 2021). Their experiences, values, beliefs, and wisdoms are not documented by lists of dull facts and figures; rather, they are remembered in the form of narratives. Thereby, narratives (re)frame leaders' past and present and invite reflection on one's own past behavior. Moreover, they work towards establishing personal coherence, learning about own inner



principle, and projecting experiences into an uncertain future (Linde 1993; Quong et al. 1999). Leaders narrate stories thereby reorganizing the (chaotic) reality and strengthening their abilities to communicate authentically. Early social psychologist Ted Sarbin (1986, p.8) states that "human beings think, perceive, imagine, and make moral choices according to narrative structures"; similarly, organizational leaders also make perceptions and moral decisions in accordance with a narrative structure. Stories help leaders to make sense of unfamiliar complex situations by referring to precedents and experiences of others. Narratives fill the gaps between awareness and sense-making, which provides suggestions for future decisions and actions.

# **Developing Practically Wise Leadership Through Narratives**

The potential of narratives for cultivating managerial wisdom is already rooted in academic literature (Gibson 2008; Halverson 2004; Paton and Kotzee 2021). Having briefly reviewed the concept of practical wisdom in leadership literature in the previous section, we extract and purpose a set of six components that conjointly constitute practically wise leadership: moral judgment, integral rationality, contextual relevance, action orientation, cultural embracement, and "wise and let wise". These perspectives evoke strong parallels to contemporary research on narratives in managerial context. Pursuing this line of thought, we review and reorganize the theoretical insights from narrative literature under the proposed framework of practically wise leadership, in response to the two questions raised in the prior section. Thereby, we claim narratives as a tool to develop practical wisdom among and around organizational leaders.

**Moral Judgement** Brown et al. (2009, p.325) describe stories as "always replete with meaning, often containing moral judgments" and frequently eliciting emotional reactions. Drawing on Sarbin's (1986) notion that people think, perceive, and make moral choices according to storytelling structures, leaders also make perceptions and moral decisions in accordance with a narrative structure. The description of ethical and moral decisions and behavior naturally involves the telling of a story (Paton and Kotzee 2021).

Integral Rationality The practice of storytelling and retelling narratives is a fundamental method to foster personal growth and wisdom, as it helps leaders to reflect on their own behavior, construct meaning, and make sense of new experiences (Auvinen et al. 2013a). Narratives help leaders make sense of unfamiliar contexts by reflecting on precedents and experiences of others; using narratives, leaders establish inner principles by reorganizing the chaotic reality, which leads to an enhancement towards practically wise thinking and behavior. The process of wisdom cultivation is undertaken when an individual reflectively compares current experiences to the stored stories and thereby changes former cognitive representations (Schank and Berman 2002).

**Contextual Relevance** According to Dahlstrom and Ho (2012, p. 595), the narrative pathway "controls the encoding of situation-based exemplars". A well-constructed narrative presents the temporal sequence and contextual priorities and offers similarly situated practitioners comprehensible implications for recovering practical wisdom through instantiation



in authentic contexts (Halverson 2004). Therefore, narratives have the power to display the application of general paradigms based on responsive insights into particular contexts, which elucidates the wise decision in a form that leaders can learn from (Gibson 2008).

**Cultural Embracement** Narrative plays an important role in religious and spiritual traditions and cultures. Notable spiritual leaders throughout history, including Jesus Christ, the Buddha, and Mohammed, passed on spiritual knowledge and values through narratives (Driscoll and McKee 2007). For millennia, there has accumulated a wealth of wisdom- and religious-based stories that can be used to guide leaders' ethical behavior (Zagzebski 2013). Narrative also serves as a powerful tool for communities to reinforce their cultural values, build their cultural identities, and pass them on from generation to generation (Gill 2011; Mladkova 2013; Snowden 1999). Narratives have been viewed as windows into the patterns of cultures, including norms, rules, and traditions (McAdams 2001). Narrative that integrates moral and spiritual components has the potential to transform the organizational culture and visualize a higher purpose for the organizational members (Driscoll and McKee 2007).

Action Orientation The action-oriented feature is highly significant for wise leadership (McKenna et al. 2009). Practically wise leaders prefer concrete practical observations and clear action-guidelines to statistical models or analytic calculations (Malan and Kriger 1998), while the former – also representing practical knowledge – can be easily captured and communicated through narratives (Halverson 2004). Practical wisdom is also manifested in leaders' capacity to develop a feasible plan targeting the realization of their goals in practice (Bachmann et al. 2018b). In this vein, narratives are acknowledged as an important tool in planning practice (Myers and Kitsuse 2000). Sandercock (2003) even states that planning is performed through narrative. The future-directedness through imagination is enabled by stories and is especially relevant for planning practices (van Hulst 2012). Throgmorton (2003) claims that planning is constitutive and persuasive narrating about the future. According to Sandercock (2003, p. 9), narratives can be utilized as a tool for planning "in the service of change, as shapers of a new imagination of alternatives".

"Wise and Let Wise" It is one thing to be wise, but another thing to be a wise leader. While leaders can grasp deductive and inductive reasoning, universal insights derived from the particular must be conveyed in a clear and common language accessible to everyone. Conceptualized essence needs to be convincingly expressed as a vision that inspires and motivates people. Otherwise, the enlightenment remains buried inside the person and exerts no influence across the organization. In this respect, scholars argue that practically wise leaders require the ability to bridge the particular and the universal and foster practical wisdom in others through communication (Rowley and Gibbs 2008). Thereby, narratives represent one effective form of expression to achieve this (Nonaka and Toyama 2007; Parry and Hansen 2007; Rowley and Gibbs 2008). A good story has the capacity to connect people to their emotions and access deeply shared wisdom that lies beneath language (Simmons 2003). Therefore, leading with narratives enables leaders to reconnect people to their wisdom or common sense, and elude the dominance of routines, rules, and objective performance indices, which has distorted their work ability (Boal and Schultz 2007; Simmons 2003). Furthermore, leaders' life experiences, values, beliefs, and wisdoms are more likely to be stored and displayed in the form of stories, rather than in lists of facts and figures. Leader



stories told in organizations provide a window into a leader's worldview, moral and ethical propositions, and reflect deeply held assumptions, which brings in the benefits of leader role modeling and perceived integrity.

Having briefly reviewed the role of narrative in leadership and its interconnectedness with practically wise leadership, in the following section, we address the subsequent concerns that might arise: If narrative is an important tool for leadership, how should leaders apply this tool? What kind of role dose practical wisdom play here? If narrative enables the development of practical wisdom among and around organizational leaders, how can this process be achieved?

## The Dark Side of Narratives in Leadership

Even though the power of narratives is widely appraised by researchers (e.g., Auvinen 2012; Denning 2005, 2006; Grisham 2006; Harris and Barnes 2006), the instrumental use of stories as a leadership tool is still critically questioned (Auvinen et al. 2013a, b; Boje 2008; Parry and Hansen 2007). Challenges regarding ethics, manipulation, and inauthenticity of the narratives in leadership are, to some extent, discussed in recent literature (e.g., Auvinen et al. (2013b; Boje (2006). Gabriel (2008), for instance, raises a concern about transparency and authenticity in the process of narratives, as narratives can be utilized to embellish historical accounts. Yet, more cautions are placed on the leaders' misuse of narrative for manipulation of oneself, one's direct surroundings, one's own organization, as well as relevant stakeholders (Auvinen et al. 2013a, b; Driscoll and McKee 2007).

As leaders and followers find themselves in different power positions, the imbalance of power potentially leads to misbehavior of dominant communication in an attempt to establish greater control and influence in the relationship (Auvinen et al. 2013a). According to Auvinen et al. (2013b, p. 417), manipulation refers to "an umbrella concept for some forms of intentional behavior, such as lying or misleading (e.g. distributing disinformation)". Many cases of racial violence are induced by a misuse of stories for prompting racist lynching (Parry and Hansen 2007). During World War II, the image and power of Adolf Hitler as a great ruler and heroic leader were largely formed through collective and public manipulative storytelling, which took advantage of national salvation legends and semi-religious expectations and took place in forms of propaganda and brainwashing (Takala and Anvinen 2016). While in manipulation, the objects are often unware of the exertion of such power, and therefore, are less likely to provoke resistance (Auvinen et al. 2013b).

In an organizational setting, narratives promoting workplace spirituality may degenerate into shallow and hollow management stories spurring employees to achieve higher levels of productivity (Cavanagh and Bandsuch 2002), and as a means to maximize shareholder value without any improvement of employees' conditions (Driscoll and McKee 2007). Driscoll and McKee (2007) also suggest that many stories in organizations today are devoid of spirituality and morality. Instead, they focus on themes such as battlefields, jungles, games, and greed - thereby pushing employees to compete with each other or work longer hours without extra compensation. The rise and widespread use of the term '996' among IT companies in China is a noteworthy and representative example. The 996 work regime has become a default corporate culture among Chinese IT companies in recent years and derives its name



from its requirement that employees work from 9 a.m. to 9 p.m., 6 days a week (Wang 2020). Nevertheless, Jack Ma, the influential founder of Alibaba, expressed his support to '996' publicly on social media on April 14, 2019, stating that workers should consider it as "a huge blessing" as there is no other way to achieve great success without investing extra effort and time. He even used stories of scientists who worked extra hours to contribute to the Chinese aerospace industry to support his arguments. One unquestioned story in many business organizations is still about maximizing short-term shareholder value (Driscoll and McKee 2007).

Boje (2006) also criticizes that many narrative guidelines treat stories merely as a tool and provide leaders with simple recipes and quick-fix story practices yielding the promised results. In contrast, the ultimate question in leadership issues should not look for effective means of manipulation but should ask about the ethics of it (Ciulla 2005). In many cases, the storytellers see their subordinates more as means, not as ends, which goes against the principles of virtue ethics (Auvinen et al. 2013b). Indoctrination and manipulation through narratives are regarded as unethical ways of delivering leadership strategies (Takala and Anvinen 2016). Therefore, it is essential to have a stronger ethical orientation when applying narratives in leadership.

In this vein, Auvinen et al. (2013b) observe and conclude four different types of manipulative stories by leaders – humorous stories, pseudo-participative stories, seductive stores, and pseudo-empathetic stories – and three different forms of manipulation facilitated by these stories: disinformation, lying, and misinformation. Humorous stories can deliver concealed meanings like critique in the form of a joke (Gabriel and Griffiths 2004), exaggerate irrelevant and alien issues to distract attention (Auvinen et al. 2013b), or even poke fun at others. For example, in the study of Auvinen et al. (2013b), an interviewed CEO told a story of a hanged chef in a hotel where a senior consultant was staying in Africa in the 1970s to deal with employees' complaints about prevailing working conditions and conveniences. Pseudo-participative stories can disguise a leader's command and coercion by misleading listeners to a false conception of free choice. Boje (2001) also states that a story may have a disempowering outcome and narrow a follower's choices in terms of manipulation. Auvinen et al. (2013b) provide a real-life example in the car manufacturing sector, where the interviewed manager told the company's researchers a story that the Oldsmobile car manufacturer was fortunate to have a fire to destroy all different engines except one, which eventually made the breakthrough, as an attempt to lead the researchers to follow the strategy and get rid of projects in other directions. Seductive stories can create such a delicate and vivid scene that listeners cannot critically compare it with their own experiences, allowing leaders to misrepresent reality in a too positive and optimistic manner and mislead the followers (Sole and Wilson 2002). Similar to pseudo-participative stories, where the leader pretends to care about subordinates' participative opinions, pseudo-empathetic stories refer to situations where the leader pretends to empathize with an employee (Auvinen et al. 2013b).

Obviously, such manipulations cannot be simply stamped as a black or white case. During the interviews conducted by Auvinen et al. (2013b), the managers explained that they tried to avoid autocratic and coercive leadership through pseudo-participative stories and provide humane treatment of dismissed subordinates through pseudo-empathetic stories. In this vein, on some occasions, even though the stories involve concealed influence, the line between well-intentioned encouragement or empathy and manipulation vacillates (Takala



and Anvinen 2016). Narrative in leadership is first and foremost an ethical question: to increase leaders' awareness of their motives and harms related to their narrative practices, a value-based orientation is required that frames narrative practices in leadership to assure a balance between effectiveness and ethics.

Summing-up, even though narratives may bring significant benefits to the workplace, there exist potential dark sides of narratives in terms of manipulation, inauthenticity, and misleading, which pose ethical risks to leadership practices. Furthermore, current narrative studies are criticized for offering simple recipes and quick-fix story practices to complex problems, which fail to address the complexity of storytelling in context (Boje 2006). However, there are ways to prevent such pitfalls. As Driscoll and McKee (2007, p. 211) propose authentic storytelling - "well told, meaningful stories that are told from the heart and soul" - as the alternative solution, we suggest narrative oriented by practical wisdom is a more all-embracing approach.

## The Role of Practical Wisdom in Applying Narratives in Leadership

As reviewed earlier, Bachmann et al. (2018b) suggest three mutually intertwined components - (I) a normative dimension; (II) an integrative dimension; and (III) a cultural heritage dimension - underlie the concept of practical wisdom. When narratives are guided by practical wisdom (from a normative dimension), it stimulates the application of moral principles and spiritual values to leaders' narrative practices. Practical wisdom ensures people act rightly from the right intentions with the right emotions (Bachmann et al. 2018b; Paton and Kotzee 2021). At the same time, it guides leaders' actions in narrative practices. Narratives should be embraced with righteous, credible, and convincing intentions instead of manipulative, calculative, and utility-maximizing thinking. Practical wisdom is linked to personality and character, and adequate linkages impel leaders to act appropriately and authentically (Bachmann et al. 2018b), and to narrate the appropriate stories authentically.

Based on the integrative dimension, practical wisdom has the capacity to integrate different forms of knowledge and respond appropriately to a specific situation, considering the contextual framework of time, space, and sociality (Malan and Kriger 1998; Habisch and Bachmann 2017). Wisdom orientation may also serve as a response to the criticism of narrative studies, that quick-fix story guidelines and one-size-fit-all story recipes fail to meet the needs of the system complexity of storytelling (Boje 2006). In that respect, we suggest that narratives integrated with practical wisdom are more effective because they take the complexity of the specific situation into account: particularly audiences, places, and the dynamic and distributed process of storytelling. Similarly, Sole and Wilson (2002) identify the distraction from the real narrative purpose as one trap of stories. When they contain certain emotional triggers, some unexpected feelings in specific audiences may be provoked - thereby counteracting the actual narrative intention. One public example represents the shocking Nationwide's storytelling commercial "Boy" advertised during the 2015 Super Bowl. Here, an endearing young protagonist spoke about all the grown-up milestones he would never be able to achieve because of an accidental drowning: a narrative, which caused a social-networking uproar. The darkness of the story had entirely distracted the audiences' attention from the original goal: to promote an initiative for improving home safety for children. Emotional evoking, therefore, does not represent the almighty recipe



for narratives. Rather, effective narratives in leadership require the capacity to integrate different forms of knowledge and contextual understanding; they must balance rational and emotional thinking as a response to the diversity, complexity, and dynamics of leadership situations.

Finally, the cultural heritage dimension of practical wisdom, i.e., openness to embracing established customs, cultural norms, exemplary behavior, and lessons from spiritual tradition (Habisch and Bachmann 2016, 2017), also provides guidance for adequate narratives in leadership. In this vein, it is crucial for leaders to customize the narratives reflecting on specific cultural values and spiritual traditions to tie in with audiences' common understanding and identification. This echoes the statement pointed out before, that wise narratives are ingrained with spirituality and morality, thereby promoting a culture that facilitates ethical thinking (Driscoll and McKee 2007). Beyond internationally accepted moral principles, different cultures show unique standards of ethical and unethical behaviors (Donaldson 1996). People understand ethics in the context of their particular cultures. For example, while Japanese people refer to business ethics in terms of loyalty to companies and nation, Americans prioritize liberty rather loyalty (Donaldson 1996). Such cultural contexts must also shape leaders' narrative practices.

Thus, we argue that practical wisdom is essential for narratives in leadership to be communicated with effectiveness and integrity. Applying practical wisdom to guide leaders' narrative practices ensures, first, the capacity to perceive each particular situation as it is; second, the firmness of mind to define the right ends; and third, the professional and experiential knowledge to choose the fitting narrative as a means, thereby taking social, cultural, spiritual, and religious aspects into account.

# Narratives as a Tool for Practically Wise Leadership

Having tentatively articulated the important role of narratives in developing practically wise leadership and the essential role of practical wisdom for orienting leaders' narrative practices towards effectiveness and integrity, we are in a position to further discuss the role of narratives as a tool for practically wise leadership. The further development of ideas about it requires not only the enrichment of its theoretical foundation but also a more practice-oriented approach, which is, by way of illustration, to include real-life stories as practical evidence. Both routes are taken here.

So far, we have briefly reviewed the concepts of narratives in leadership as well as practical wisdom and the ways in which both topics are dynamically interrelated. Enacting and interrelating narratives and practical wisdom in leadership requires a comprehensive and integrative framework. Any single perspective and conventional approach can only partly represent the interdependent and complex processes involved. Therefore, we develop and apply a comprehensive framework to map the theories, arguments, and ideas from a diversity of relevant literature to constitute the role of narratives as a tool for practically wise leadership. It ties in with the overarching Integral Model of Ken Wilber (1999, 2000), which is also frequently applied in the leadership literature (Bradbury 2003; Küpers and Weibler 2008; Pauchant 2005; Volckmann 2005). Not occasionally, Wilber's framework has also found its first applications in providing an integral understanding of wisdom in leadership and organization (Küpers 2007; Küpers and Statler 2008).



## Ken Wilber's Integral Model

The contemporary American philosopher Ken Wilber (1999, 2000) introduces the Integral Model as an attempt to place a wide diversity of theories into a comprehensive, all-inclusive, and integral map and to seek an integral understanding and inquiry of the world from individual, collective, interior, and exterior perspectives. Wilber's (2006) integration of four different, yet equally valid methods of examining reality and human development constitutes an effective framework within four quadrants: interior individual reality, exterior individual reality, interior collective reality, and exterior collective reality. The Integral Model can be applied multidisciplinary to touch all the bases and perceive any life circumstance at any particular moment (Duffy 2020).

When applied to leadership in an organizational setting, the Integral Model helps leaders to examine the development of both themselves and the world around them in more comprehensive and effective ways. Regardless of the scope and depth of the organizational issues, all leadership occasions can be analyzed in a balanced and comprehensive manner through four irreducible perspectives that come from the leader's 'internal versus external' dimensions and 'individual versus collective' realms (Küpers and Weibler 2008; Pauchant 2005). Therefore, in this study, we adopt Wilber's framework to develop a multi-perspective and heuristic system of analytical lenses to visually display the dynamic interrelationships of narratives, practical wisdom, and leadership based on the enrichment of theoretical foundations and practical evidence. As such, it can provide a clear picture of the different narrative occasions in leadership and may therefore serve as a base for a comprehensive understanding of the role of narratives in practically wise leadership.

## A Narrative Model for Practically Wise Leadership

Our modified integral narrative model for practically wise leadership accommodates two basic lenses, which are the internal vs. external dimension and the individual vs. organizational dimension. The crossing of the two lenses generates four quadrants - representing four different analytical cases. The first quadrant represents the individual/internal perspective of a leader and involves his/her intrapersonal wisdom. The latter covers, as described before, expert and practical knowledge, moral discernment, and contextual understanding. The second quadrant encompasses the individual/external domain and represents the external and behavioral aspects of a leader's wisdom. The third and fourth quadrant involve all organizational (internal and external) issues of practically wise leadership. These four quadrants portray different narrative occasions in leadership; thus, they represent a comprehensive system of analytical lenses for studying narratives as a tool for practically wise leadership.

#### 1. Narratives and the internal-individual quadrant.

A personal narrative is associated with an individual's sense of personal and cultural identity, self-understanding, and personality structure (McAdams 2001). It may open up space for new experiences. Hence, leaders can utilize stories as a means of self-reflection to foster personal growth and development (Auvinen et al. 2013a; Armstrong and McCain 2021). Furthermore, processing certain situations with a narrative pathway may induce distinctly different comprehension. According to Dahlstrom and Ho (2012, p. 595), the narrative path-



way "controls the encoding of situation-based exemplars". It represents a format of comprehension to mentally simulate the possible realities from a particular human point of view (Oatley 1999), which leads to better prediction of cause-and-effect and enhances empathic thinking. The learning effect occurs when an individual reflectively compares current experiences to the stored stories; he or she thereby changes former cognitive representations (Schank and Berman 2002), ultimately contributing to the process of knowledge acquisition and wisdom cultivation.

In contrast to logical thinking, which aims to conclude abstract truths that remain valid across a set of specified situations (Dahlstrom 2014), narrative-based thinking is contextdependent. It generalizes meaning from the ongoing cause-and-effect relations in different situations. Forming a narrative is a cognitive act of establishing relations between actions of social agents, connecting causes to effects, assigning credit and responsibility, and in the meantime, self-orienting in a complex social world (Steen 2005). Narratives help leaders to perceive new situations and derive wise solutions to difficulties. Leaders make perceptions and moral choices in accordance with a storytelling structure. As mentioned before, practically wise leadership is context-relevant and determined by the ability to make appropriate decisions as a response to being engaged within a specific situation (Nonaka and Toyama 2007; Rowley and Gibbs 2008). The capacity to make practical decisions is based on deliberation and practical reasoning moderated by experience and the decision context (Rowley and Gibbs 2008). Narratives help leaders make sense of unfamiliar situations by referring to precedents and experiences of the past or others, filling the gaps between awareness and sense-making. Through transforming experience into stories, leaders create generalizations, scripts, and scenes out of the many cases they encounter. This lessens their burden of encountering new situations and enables them to make plans, predictions, and have expectations (Schank and Berman 2002). Their life experiences, values, beliefs, and wisdom are stored in the form of narratives, which frame and reframe their past and present. This allows them to reflect on their own behavior, as well as establish personal constructs, coherence and inner principles, and project their experiences into the uncertain future (Linde 1993; Quong et al. 1999). Practical wisdom, in the meantime, is cultivated over time through reflective attention to the meaning of experiences and is based upon cognitive schemas and involvement of personality and vision (Gibson 2008). To some extent, the set of narratives in one's mind constitutes one's worldview and characterizes one's belief system.

Narratives are characterized by four distinct feature - dramatization, emotionalization, personalization, and fictionalization. These influence positively on the four main steps of processing information: motivation and interest, cognitive resource allocation, elaboration, and transfer into long-term memory representations (Glaser et al. 2009). Personalization and identification enable perspective-taking and empathy (Glaser et al. 2009). Dramatization represents the structure of the narration's contents, which is organized into a pattern of events. Emotionalization implies that narratives enhance the information and contents with emotional arousal. Both positive and negative emotions have effects on knowledge acquisition. Positive emotions enhance openness to new experiences, willingness to explore people, thoughts, and behaviors (Fredrickson 2004), while negative emotions narrow down the attention on specific stimuli (Fredrickson and Branigan 2005). Furthermore, according to Glaser et al. (2009), emotions enhance knowledge acquisition in the way that they enable better encoding, elaborating new knowledge, and better connecting with prior knowledge. Positive emotions result in a creative and generative mindset, which is linked to wiser actions



across various leadership situations, including industrial negotiations, intuitive judgements, decision-making and creative problem-solving (Rowe et al. 2007).

Therefore, we conclude in this quadrant that narratives, when utilized by the leader personally (**internal/individual** level), may enhance self-reflection, empathy, ethical thinking, and sense-making, and cultivate inner practical wisdom. The following is an example of a narrative that we think embodies our statement in this quadrant. The former Starbucks' CEO, Howard Schultz (1997), reports in his book the following story about his father:

I grew up in federally subsidized housing in hardscrabble Canarsie. My father Fred had worked a series of blue-collar jobs, including truck driver, factory worker, and cab driver, and had three children to feed. In 1961, my father Fred broke his ankle at work and could not go to work, which meant that he had no income anymore. When the bill collectors called, my siblings and I were instructed to pick up the phone and pretend that our parents were not home. Our family had no income, no health insurance, or any other compensation to reply on.

Looking back at the past, he made his decision to be a leader that lives up to the value of behaving ethically towards employees; he strove to ensure their dignity by reflecting on this life-story his father had gone through after a workplace accident. As a result, Starbucks was one of the first private U.S. companies to provide employee health insurance as early as 1988.

## 2. Narratives and the external-individual quadrant.

It was Steve Denning who highlighted the influence of leaders' narratives on individuals in an organization (Denning 2005, 2006). A leader can employ narratives to explain ideas, implement change, communicate improvement, spark action, impart tacit knowledge, intensify innovation, create scenarios and visions, inspire followers, and so on (Auvinen et al. 2013a; Denning 2006; Mladkova 2013). According to Harris and Barnes (2006), business leaders have always used stories to inspire others toward right action. The former CEO of GE, Jack Welch, a great storyteller who has also encouraged his managers to improve their storytelling skills, is a prime example of it (Holtje 2011). Narratives are helpful in precipitating action because they "capture the imagination and elicit emotions that motivate action" (Zagzebski 2013, p. 196). Narrations bridge the barrier between leader and employees (Gill 2011), enabling leaders to build a shared vision of goals with employees and inspire their action to fulfil the goals (Parry and Hansen 2007). They are helpful in articulating long-term vision and resulting goals. Effective narratives increase the connectedness of employees to their jobs and offer a more holistic focus on goals. Narratives motivate employees to maintain a high level of performance and illustrate how individual goals fit with organizational objectives. They also enhance mutual communication and productive discussion, thereby improving employees' understanding and sense-making, for example, of organizational change (Smith and Keyton 2001; Barker and Gower 2010). During a one-to-one communication with an employee who seeks constructive feedback or guidance, it is helpful to convey the suggestions through a narration, which steers the conversation in a productive direction. Stories are described as "the preferred sense-making currency of human relationships" in an organization (Boje 1991, p. 106); this holds especially true in times of uncertainty and



change, where the major leadership challenge lies in getting employees' support for critical shifts in the organization (Denning 2006). Narratives may also inspire and promote innovation by stimulating cognitive and emotional responses and triggering associative thinking in linking present innovation efforts with experience and future aspirations (Bartel and Garud 2009). Through narratives, leaders blend an appeal to creativity, imagination, and emotion along with figure, logic, analysis, and critical thinking (Snyder et al. 2017).

Practically wise leaders choose the right goals and merge knowledge, experience, and decisions into a plan of actions in order to reach them (Bachmann et al. 2018a; Halverson 2004). In most cases, wise leaders facilitate envisioning goals and sparking action among the employees through communicating in a narrative structure. According to Rowley and Gibbs (2008), practically wise leaders can foster practical wisdom in others; they move them to action through communication, compelling or persuasion by narratives. Stories are intrinsically persuasive (Dahlstrom 2014). They strengthen the capacity for wise action in an accessible form: because general principles are applied with responsive insights into contextual specifics and reveal the ongoing causal relations between events and outcomes (Gibson 2008). Leaders transform their experiences, values, beliefs, and wisdoms into narratives, create generalizations out of the many cases they encounter (Schank and Berman 2002; Quong et al. 1999), and impart their experiential knowledge and wisdom on employees in the form of narratives. Employees are more open to accept normative views expressed in narrative form - especially in top-down communication.

For this quadrant, we propose that narratives, when told by the leader to an individual audience (external/individual level), are able to spark action and innovation, envision goals, inspire others, and foster self-reflection and the emergence of practical wisdom in that audience. Here we present a narrative as an example for better illustration. Mike Figliuolo, the founder and managing director of the leadership training firm *thought*Leaders, LLC, likes to share his previous experience in a field training with his employees (Smith 2019):

In 1995, Mike Figliuolo was a tank platoon leader in the U.S. Army in charge of fifteen soldiers. In a field training exercise, he commanded the lead tank, the first tank among four hundred vehicles, speeding towards the enemy as planned. When they approached the hills, he wasn't sure which way to go. So he had to make a decision: either he could stop and pull out the map to figure out the right way to go but leave all the other vehicles sitting in the open with his tank, being subject to enemy fire; or he could make a guess, keep moving forward and take his chances. He chose the latter option and his tank and crew were then declared dead and disabled. However, other vehicles in the battalion saw what happened and realized it was the wrong path. As a result, all of them flooded through the correct pass and defeated the opposing battalion on the other side.

With his own experience, Mike Figliuolo wants to share with the followers his leadership philosophy of decisiveness. In business, sometimes it is wiser to make a decision quickly. Even though this decision might be a mistake, but it could be corrected before too long, while indecision can cost the whole battle. Without narrative, it is obvious that such insight is difficult to be communicated to the followers by simply telling them "to make quick decision no matter right or wrong".



## 3. Narratives and the internal-organizational quadrant.

Compared with narratives in mutual communication with employees, storytelling at an internal and organizational level is a strategy realized in internal communications within the organization. Organizational communication is of vital importance for organizational success (Welch and Jackson 2007). Narratives, in particular, play a pivotal role in effective knowledge sharing in organizations (Denning 2006; Hannabuss 2000; Wijetunge 2012). Leaders who tell stories capturing knowledge and experience have a more significant impact on employee behavior. In that sense, narratives are regarded as "cultural storehouses for organizational intelligence" (Kreps 1990, p.191). In most cases, formal processes of knowledge communication remain incapable of meeting the organization's needs in the real world. In such circumstances, narratives may come to the fore; they facilitate an effective and efficient exchange of embedded and embodied, highly contextual, and experience-based tacit knowledge, which contributes to fostering wisdom within the organization. For example, employees at EduTech have written stories about past experiences in their internal magazines to prevent future similar mistakes and share tacit knowledge within organization (LeBlanc and Hogg 2006). Through narratives, people shape their understandings of ethical and contextually appropriate behavior in the organization. LeBlanc and Hogg (2006) claim that an increasing number of companies, such as Wendy's and Nike, are using narratives to increase employee morale and communicate mission statements across the workforce. The implication of stories builds up an organization-wide knowledge-processing network and a circle of shared experience, where bits and pieces of leadership and experience are recounted and communicated socially throughout the organization; they serve as precedent for guiding employees to make decisions and take actions (Boje 1991). Moreover, by conveying complex meanings across culture and language barriers, narratives have universal appeal to culturally diverse workforces with varied interests and perspectives (Snowden 1999).

Leaders' narratives of personal experiences, especially their own failures, can empathize with the employee's situation, evoke emotions, build trust, and encourage openness, thereby contributing to loyalty and commitment (Auvinen et al. 2013a; Harris and Barnes 2006; Sole and Wilson 2002). Utilizing narratives in an organization makes employees more passionate and committed to the organization. Leader narratives highlighting moral and spiritual values may stimulate the emergence of a corresponding organizational culture, so that employees feel connected to the organization and its higher purpose (Driscoll and McKee 2007). An organization that effectively communicates desirable collective values and visions enables employee identification and increases their loyalty and commitment towards the organization (Morgan and Dennehy 1997; Morgan et al. 2004). Subsequently, this generates positive word-of-mouth about the organization from employees and ultimately influences overall employee satisfaction (Dawkins 2004). Hence, the narratives told in an organization enable understanding of organizational culture. They reflect deeply held assumptions and morals, can influence the members' worldview, redefine organizational values (Kaye 1995), and create a new "organizational sense" (Fleming 2001). Indeed, large parts of the narrative literature in organizational studies show direct links to organizational culture studies (e.g., Harben 1998; Kaye 1995; Aidman and Long 2017). As an important aspect of the sensemaking process, narratives help organizational members to navigate complex, ambiguous, and uncertain situations by constructing meaningful interpretations of their environments



(Maitlis and Christianson 2014). Through personal reflections and sensemaking, employees' knowledge of essential norms and beliefs rooted in the organizational culture will be promoted (Boyce 1995; Morgan et al. 2004; Maitlis and Christianson 2014). In short, narratives represent a powerful tool "for helping organizations increase internal understanding of their values, products, service, and culture" (McLellan 2006, p. 17).

Narratives also play an important role in transferring spirituality, communicating, and shaping ethical and spiritual organizational values in the workplace (Driscoll and McKee 2007). Workplace spirituality is "a framework of organizational values evidenced in the culture that promotes employees' experience of transcendence through the work process, facilitating their sense of being connected to others in a way that provides feelings of completeness and joy" (Giacalone and Jurkiewicz 2003, p. 6). According to Driscoll and McKee (2007, p. 109), leader-led organizational narrations contribute to the "restoration of an ethical and spiritual organizational culture". Indeed, organizational stories, when connected to ethical leadership, are composed of spirituality and morality and can create a more ethical culture (Driscoll and McKee 2007). Narratives in this case allow employees to align organizational cultures, ethics, and values with their own philosophical or religious roots (Weston 2002). Employees nowadays seek more than financial rewards; they pursuit meaningful work that enables them to develop themselves, contribute to a larger purpose, and achieve greater values (Glavas 2012). The sensemaking of organizational stories helps employees understand the meaning of their work, understand themselves, feel more whole, and shape their identities. Narratives can enhance employees' understanding of the perceived impact and value of their work (Grant 2007), which encompasses greater good motivations and strengthens trust, loyalty, and commitment (Gill 2011).

Furthermore, through role model narratives, leaders can bring about ethical and spiritual changes in organizations, influence employees' ethical thinking, attitudes, and moral behavior, and elevate and empower their employees (Driscoll and McKee 2007). Narrative approaches to the acquisition of virtue indicate that people understand and acquire virtues mainly through narrative accounts of the behavior of moral exemplars (Zagzebski 2013). To achieve this, leaders need to walk their talk and represent a genuine role model. The importance of consistency in communication and behavior of leaders to effective role modeling is frequently emphasized in the literature (Driscoll and McKee 2007; Murphy and Enderle 1995).

In light of these theoretical perspectives, we conclude within this quadrant that narratives, when communicated by the leader in an organization's own communication media or at company meetings (**internal/organizational** level), can foster employee loyalty and engagement, the emergence of a certain organizational culture, or enrich the collective knowledge of the organization (a 'wise organization'). Here, we present an example from the book by Smith (2019). The story, in the form of a memo, was communicated to the entire company of the second-place brand in the cough/cold industry, which is obviously a seasonal business. Here is a synopsis of it:

Vivek grew up in Mumbai playing football. He was confused when he moved to the United States and watched his first basketball game. The basketball court is 94 feet long. Each team only actively defends the 24 feet in front of their goal, while lazily walking the other 70 feet uncontested. This would never happen in a football game. One day, Vivek's 12-year-old daughter signed up to play basketball on a new team



that consisted of girls who had never played the game, and they had no coach. Even with a coach, there was little chance of winning the game. Vivek volunteered to help them. Surprisingly, they ended up in the national championships. How did this happen? They changed the way they played basketball. Instead of the conventional way, Vivek's girls ran a full-court press all season long. Vivek's opponents had very little training against a full-court press. Even when they did get the ball within 24 feet, they were too exhausted to make a play. So when you're the underdog, you should let your opponent play the game they trained for and surprise them by taking another path.

This story was then connected to the company's future strategies as a second-tier brand aiming to catch up with or even overtake the dominant brand: running advertisements not just during the peak season, marketing their brand as not only good for colds and allergies, innovating with products, and so on. Compared to most boring strategy documents or incomprehensible leader-speak, such a story makes the complex strategy accessible to employees throughout the entire company, and most importantly, engages them to embrace and execute it.

#### 4. Narratives and the external-organizational quadrant.

As mentioned before, narratives through practically wise leadership are composed of spirituality and morality and are able to create an ethical corporate culture (Driscoll and McKee 2007). At the same time, narratives also represent a beneficial tool for framing public perception of a company. Appropriate narratives may establish emotional connections between stakeholders and the organization, garner credibility, and are value-laden. Elevating narratives from a management/employee level to an organizational/stakeholder level helps rally emotional and rational support and elicit unique emotional and cognitive responses from multiple external stakeholders (Kent 2015; Marzec 2007). Jim Sinegel, CEO of Costco, once told a story about how the company insisted on selling about four million pairs of Calvin Klein jeans at a lower price to keep faith with the customers, even though they knew these jeans would have sold out at a higher price (Denning 2006; Guber 2007). Through narratives, an organization can transmit its values and communicate its identity and goals to the stakeholders. Organizations produce stories to build their reputation and establish identity, influencing how external stakeholders perceive them and their products or services (Vendel 1998). This contributes to effective marketing communications, human resource marketing, and investor relations.

Youssef et al. (2018) deem stories as being capable of establishing a connection with external stakeholders, effectively facilitating a better understanding of the company's values (including ethical and moral values), and helping to establish a coherent corporate image. As previously concluded, practically wise leadership refers to the optimal integration of the contradictory demands for ethics and effectiveness in organizations faced with complexity and uncertainty (Holliday et al. 2007; Küpers and Statler 2008). For that purpose, however, the ability to foster practical wisdom in others and move them to action through communication, compelling, or persuading represents an important prerequisite. Narratives may serve as an important tool for that significant element of corporate leadership (Rowley and Gibbs 2008). They show the potential for leaders to not only improve themselves but also exert a positive impact on others, on their organizations, or a larger community (Yang



2011). Through narratives, practically wise leaders can draw the public's attention to ethical messages, promote social interests, and therefore connect with a larger population of external practically wise stakeholders on a deeper level. These external stakeholders are more likely to share values similar to the organization and can capture the intended messages in the organizational stories. Narrative through practically wise leaders can shed light on a shared commitment with external stakeholders. To achieve these positive consequences, however, narratives need to be perceived as consistent by stakeholders and the wider audience (Driscoll and McKee 2007).

In the last quadrant, we assert that narratives, when communicated by the leader in PR documents, corporate reports, or stakeholder group (shareholders, suppliers, etc.) assemblies (external/organizational level), can influence the public image of the organization or attract like-minded stakeholder groups (wiser community/society); they work towards a wiser community/society. Narratives in this quadrant are mostly conveyed through public channels, making them more accessible for external researchers. Here is one example among many of these public narratives, which we can find on the homepage of Warby Parker:

Once upon a time, a young men named Neil Blumenthal lost his glasses on a back-packing trip when he was still a student. The cost of replacing them was so high that he spent the first semester of grad school without them, squinting and complaining. He wondered why it was so hard to buy stylish glasses without spending a fortune on them. Together with his fellows, they found out that the eyewear industry was dominated by the same company that held all the licenses to all of the major eyewear companies. This monopoly was able to keep prices artificially high while reaping huge profits from consumers with no other options. With the beliefs that buying glasses should leave people happy and good-looking, with money in their pocket, and that everyone has the right to see, Warby Parker was founded to transform the industry and offer designer eyewear at revolutionary prices.

Through this narrative, the corporate values and mission of Warby Parker are clearly communicated to the public. The company 'walks its talk' and engages its consumers and partners in its social mission. To help address the social problem that millions of people around the world suffer from visual impairment without access to glasses, Warby Parker launched the program called "Buy a Pair, Give a Pair". With the help of many partners, they distribute a pair of glasses to someone in need for every pair of glasses sold.

#### 5. Practical wisdom and narratives in leadership.

In summary, we can visually display the results in our modified narrative model for practically wise leadership (see Fig. 1). While the above four statements from each quadrant indicate how narratives play an important role in developing practical wisdom along with the narrative paths and as a tool for practically wise leadership, we also highlight the statement that practical wisdom is essential for narratives in leadership to be communicated with effectiveness and integrity, which is drawn from our previous discussion on the role of practical wisdom in applying narratives in leadership. Practical wisdom plays a fundamental role in our model and serves as guidance for leaders' narrative practices.



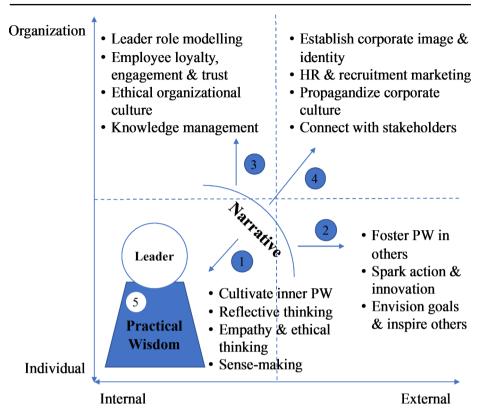


Fig. 1 A narrative model for practically wise leadership

#### Conclusion

Addressing the limitations of traditional leadership approaches, in this article, we first demonstrate that the concepts of practical wisdom and narratives in leadership exhibit numerous interdependencies, particularly in organizational contexts. In line with academic literature on 'wise leadership', we emphasize the contextuality, complexities, and interdependency of practical wisdom and narratives in leadership. We highlight that practical wisdom must be regarded as fundamental guidance for leaders' narrative practices and how narratives can play a crucial role in developing practical wisdom along with narrative paths. Consequently, based on this connection, we showcase a more integrative and practically oriented approach to explore the role of narratives as a tool for practically wise leadership. To further develop these ideas, we not only enrich the theoretical foundation through a literature review, but also provide practical evidence through real-life narrative examples in leadership contexts.

While previous studies have discussed either narrative or practical wisdom in the context of leadership, this article adopts a specific perspective on the integration of the concepts of narrative, practical wisdom, and leadership. van Hulst (2012) identifies two strands of research, in which narrative is approached as a model of planning or as a model for it. Adopting this line of thought, among the studies associating narratives in leadership context, we identify two strands of research: (1) Narrative as a model of leadership. In this vein,



Parry and Hansen (2007) propose that the story can be the leader. Auvinen (2012) states that leadership in an organization is constructed by narrative. (2) Narrative as a model for leadership. We have chosen the second view on narrative, which not only claims that leading is like narrating, but that narrating should be applied explicitly to improve leadership. Here, narratives are used as a tool for leadership. Given the abundant studies that have contributed to narrative's potential as an effective leadership tool (e.g., Auvinen 2012; Boje 2008; Denning 2005, 2006; Gabriel 2000; Grisham 2006; Harris and Barnes 2006), this article innovatively integrates the practical wisdom lens and argues that practical wisdom must be considered as fundamental guidance for leaders' narrative practices. Another innovative contribution of this article is that it demonstrates narratives' potential for promoting practically wise leadership. Previous studies have conceptually manifested the significant role of practical wisdom in leadership (e.g., Halverson 2004; Holliday et al. 2007; Küpers and Statler 2008; McKenna et al. 2009; Yang 2011), yet comparatively less attention has been devoted to discussing which particular tool can be applied to promote practical wisdom in leadership.

In this paper, we have proposed an integral and multi-dimensional framework to identify different occasions of leaders' narrative practices, as a prerequisite of a more comprehensive analysis of wise organizational leadership. To achieve this, we have addressed the diverse roles of narratives in practically wise leadership across the dimensions of internal vs. external and individual vs. organization. Our innovative result is not merely that narratives play a crucial role as a tool for practically wise leadership; rather, it is the recognition that their potential outcomes vary across the leadership situations where they are deployed. By integrating this contextual basis, our integral model offers a new perspective on the existing literature related to practical wisdom and narrative, and opens new avenues for research and refinement of existing theories.

As a framework, our model also provides a basis for mapping further empirical analysis and generating new research agendas. For instance, Gold and Holman (2001) discover that narrative facilitates leaders' multiple perspective-taking and promotes the creation of intelligible solutions in joint action with others. This was based on an analysis of a vast amount of written materials, including 53 managers' narrative logs and charts, as well as their reflections on them during a module study. The results of this study can be navigated through our model and placed into the internal-individual quadrant. In this vein, wide-scale and comprehensive empirical research can be generated to investigate the model's application by leaders in organizational contexts, in order to test its validity, enrich its applicability, and refine its still somewhat abstract nature. Methodologically, the narrative model for practically wise leadership may serve to map and empirically evaluate the outcomes of narrative strategies when utilized by practically wise leaders in different leadership situations within the organizational lifeworld. Consequently, our model allows for the exploration of the diversity, complexity, and flexibility of the multi-faceted nature of leadership situations and corresponding intricacies of practical wisdom practices.

Additionally, our model offers practical advancements. Organizational leaders and PR advisors could use the model as a guide when applying narrative strategies across various situations. Moreover, the model can direct organizational attention towards the significance of the interactive effects of practical wisdom and narrative on leadership, which might otherwise go unnoticed. As previously discussed, the misuse of narrative in leadership can lead to unethical risks concerning manipulation, inauthenticity, and misleading (Boje 2006).



To avoid these common pitfalls, we strongly emphasize that narrative practices should be guided by practical wisdom in a three-fold manner, including (I) normative guidance of moral principles and righteous intentions; (II) integration of different forms of knowledge as well as contextual and situational specifics; and (III) embracing culturally shaped spiritual traditions and values.

The model in its present form is neither complete nor definitive. Due to the complexity of the organizational lifeworld, the model does not encompass all narrative situations within and outside organizations, such as employees' and other stakeholders' narrative practices. Another unexplored question in this paper is how to effectively apply coherent narrative strategies across the two dimensions. Lastly, in recognition of the model's conceptual nature, its validation needs to be confirmed through wide-scale empirical investigations into leaders' narrative practices across various cultures and initial situations.

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