In search of a fitting moral psychology for practical wisdom: the missing link for virtuous management

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In search of a fitting moral psychology for practical wisdom: the missing link for Virtuous Management

**Abstract**

While business existed for thousands of years as a social activity involving communities of persons embedded in dense relational networks and practices, the modern legal foundations of business and its theoretical and psychological moral foundations narrowed down the understanding of practical wisdom. Although practical wisdom has recently gained ground in business ethics and management studies mainly thanks to Anscombe’s recovery of virtue ethics, her observation regarding the lack of a moral psychology that genuinely complements the nuanced philosophical perspective of a virtue-centered moral philosophy has still been neglected. Herein, we aim to contribute to filling this gap by suggesting two opposing paradigms, namely the Inter-processual self and the Autonomous self, which are classified according to the assumptions they make about the self, human agency and action more broadly, as well as how they relate to practical wisdom. Upon presenting these moral psychologies, we will bring this proposal back into conversation with business ethics to show how the IPS paradigm can enable and support good management and decision-making.

Keywords: practical wisdom, moral psychology, virtue ethics, personalism, autonomous self, inter-processual self

I. Introduction

A recovery of practical wisdom with a virtue ethics lens has emerged in business and management literature with the novel and important intersection of virtue ethics and management studies (Fontrodona, Sison & De Bruin 2013; Ferrero & Sison 2014; Hartman...
This, in part, was a result of Elizabeth Anscombe’s claim — in *Modern Moral Philosophy*— that the modernist approach to ethics should be abandoned (1958). Since then, many have turned to the virtue ethics field (Chappell 2013a; b) as a better alternative for realizing the possibility of practical wisdom. However, despite the fact that Anscombe explicitly highlighted that her effort to recover a virtue-centered moral philosophy “should be laid aside at any rate until we have an adequate philosophy of psychology, in which we are conspicuously lacking” (Anscombe 1958: 1), little progress has been made in this direction.¹

This leads us to suggest that recovering the Aristotelian notion of *phronesis* requires a moral psychology that, in addition to human action, focuses on the agent’s unity and continuity, where we find the deepest meaning of human praxis (Vigo 1993). This, in turn, aims to place moral identity as foundational to practical wisdom (Weaver 2006, Alzola 2015), or, in other words, to put the question, “What should I do?” on the same level as considerations of the question, “Who am I?” (Weaver 2006: 344).

The business realm should not be exempt from these theoretical questions. A virtue ethics applied in business acknowledges moral identity as the basis for a stable morally mature character who fulfils the unity of virtue and how to capture moral maturity of persons from which stems practical wisdom is a matter of moral psychology (Wolf 2007, Alzola 2015) precisely because it is more complicated than the (philosophical) conception and more profound than a list of psychological traits or behaviours we see with naked eye.

We theoretically contribute to the related call for research by presenting a systematic classification of moral psychology attempts to capture practical wisdom into two contrasting paradigms according to their corresponding assumptions about the ontological roots of the self: they correspond to the “Autonomous Self” or AS and the “Interprocessual Self” or IPS (Akrivou, 2016).

¹ The modern evolution of psychology as an autonomous discipline left aside normative assumptions, which means that questions of ethics are not central in the theory of the self. The philosophy of psychology that Anscombe calls for is not just a theoretical reflection, but also a call for the recovery of the natural integration of cognitive, practical, relational/affective and moral aspects of the mature (virtuous) person, instead of conceiving of these aspects as separate, and even competing or antagonistic, domains (Akrivou & Orón 2016).
Orón & Scalzo 2018). Upon presenting these contrasting paradigms’ corresponding moral psychologies and conceptions of a morally mature person, we will show that AS models of moral psychology—mainly influenced by modernist thought—generally tend to capture a narrower conception of practical wisdom. On the contrary, moral psychology models that relate to IPS aptly capture the Aristotelian conception of *phronesis*, considering practical rationality with attention to the cognitive, ethical, affective and relational aspects of the self as integrally interrelated aspects of the same phenomenon emanating from the person as a unity (Akrivou & Orón 2016). Each refers to how people “see” (understand) themselves and others implicated in their practical rationality. Hence, each of the suggested moral psychologies has profound implications for management and business. As a social activity involving communities of persons embedded in dense relational networks and practices, to be humanized, business needs to expand the narrow modern rationality expressed in the AS paradigm. IPS proposes instead insights in that direction to inform business and virtuous management.

II. Virtue Ethics in Business and Practical wisdom

Practical wisdom is an invaluable and timeless cornerstone of a virtuous character, a construct that has filled Western philosophical literature since Aristotle’s foundational work in the history of normative thought (Bachmann et al. 2017; Westberg 1994). Although Aristotelian *phronesis* originally captured practical dimensions of a virtuous character’s rational excellence (Bachmann et al. 2017), as the virtue *par excellence* (Sison 2016: 103), its meaning has been gradually and significantly degraded throughout time (Aubenque 1999), and has largely been transformed into a self-interested rationality that aims squarely at attaining ends (McCloskey 2008).

Certainly, virtue ethics largely lost favor in Modernity (MacIntyre 1967; Gillespie 2008; Frede 2013), but won back philosophical interest in the second half of the twentieth century (Polo

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2 It should be noted here that the contraposition of AS and IPS as moral characterizations is theoretical, in line with Weberian ideal types, which, as a vehicle for theory building, are difficult to find in reality in exact and precise occurrence (e.g., 100 percent selfish, or 100 percent cognitive). Yet, they are very useful for characterizing reality. Hence it is not unusual for moral philosophers or psychologists to include elements from both.
Although there are different streams among virtue ethicists, this philosophy’s main branch focuses on recovering the Aristotelian tradition, which highlights not only moral character, but also emotional aspects of the person who makes moral judgments (Hartman 2008) to enable others’ flourishing and development (Koehn 1995). In the last decades, a large number of neo-Aristotelian scholarship applied virtue ethics to business management and organizational theory (Boatright 1995; Fontrodona, Sison & de Bruin 2013; Hartman 1998, 2008; Koehn 1998; Moore 1999; Schudt 2000; Solomon 1992) as a consequence of a wider realisation that there is a direct relationship between personal action (virtue) and organizations’ (firms) potentiality to contribute to the wider flourishing improving lives of all involved, truly acting as rational and moral agents (Koehn 1995; Moore 2002; Sison and Ferrero 2015; Weaver 2006).

Aristotelian ethics is premised upon a proper human function (ergon) that expresses reason; human excellence or virtue resides in rightly fulfilling this function through human activities—energeia—in accordance with reason (Sison 2015: 242). Virtue is an excellence that consists in “living or doing well” (Nicomachean Ethics 1095a, henceforth, NE) in accordance with the proper exercise of reason (NE1098a), which corresponds to what is best in human beings. Practical wisdom is thus the excellence that reason may acquire as it relates to action (NE 1178b; Murphy 1993: 87) aimed at attaining happiness as our highest end (eudaimonia, or human flourishing). According to this approach, for business management to contribute to human flourishing, practical wisdom should become a master virtue in how to restore management as a profession (Moore 2008; Khurana 2010).

Phronesis is the form of rational excellence that is concerned with choices regarding how to act in a practical/ethical way, while the proper development of this excellence is essential for man to attain his own perfection (Scalzo and Alford 2016). Although it is an intellectual virtue, since it perfects reason in its practical function (Nyberg 2008: 549), it acquires a moral character; Aristotle defines it as “a true and reasoned state of capacity to act with regard to the things that are good or bad for man” (NE 1140b). In other words, phronesis is the ethical component that helps us deliberate on how to live, relate and act well as a human being in each concrete instance and situation (Sison and Hühn 2018:166, Scalzo & Alford 2016). However, when there is no internal commitment to virtue (moral indifference toward the end), and only external displays of instrumental action or mere compliance with rules, we cannot
speak of practical wisdom: “Aristotle actually has a name for the mere appearance or ‘fake’ practical wisdom: \textit{panourgia} (“craftiness,” “cunning,” or “astuteness”) (NE 1144a)” (Sison and Hühn 2018: 167-8). This kind of action fits better with theoretical and technical knowledge than with practical-ethical knowledge and, regarding morality, shifts the focus of action from the “best way to live”— i.e., a concern regarding goodness in everyday life— to “the right thing to do.” (Nyberg 2008).

For virtue ethics rules are not a substitute to human judgement while, human action with virtue(s) allows to act well in different business situations by finding the mean between defective extremes and practical wisdom allows us to judge how to achieve a virtuous means between extremes in alternatives we have and how to resolve conflicts regarding incommensurable goods (Schwartz 2018). Moreover, “virtue ethics tell us that what is right is to be a certain kind of person (...) the specification of rules of right action is largely a secondary matter—one that in many ways presupposes the kind of practical wisdom possessed by the person of virtue” (Zwolinski and Schmidtz 2013: 221, \textit{emphasis added}). This, therefore, means that \textit{phronēsis} is premised upon a morally mature, virtuous character; it is found in the concrete realm and depends on the agent and the circumstances that reflect his whole life (Russell 2013: 2).

\textbf{III. Practical wisdom and moral psychology}

How a person proves to be morally mature in a way which reflects one’s whole life and the circumstances opens difficult questions. Indeed, that goes back to the very beginnings of philosophical reflection, and whose answer was traditionally related to the pursuit of a certain idea of “wisdom.” Although with substantial differences, in almost every tradition of thought, ethics closely traces the answers given to this question. This was especially the case in ancient ethics, where all philosophical schools saw a close connection between virtue and life’s final end (\textit{telos}, or larger purpose) (Kamtekar 2013: 29), and this connection has played a central role in the history of Western moral discourse (Russell 2013), especially in the way that Aristotle presented it.

Nevertheless, as noted earlier— following Anscombe’s 1958 remark— this recovery of virtue ethics still lacks a psychological proposal that genuinely complements the nuanced philosophical perspective of practical wisdom in Aristotle (Sison & Hühn 2018: 166-168).
In the psychological literature, there is no commonly accepted definition of practical wisdom and most theories do not see a difference between wisdom itself—the Aristotelian notion of *sophia* (which refers to a deeper understanding of reality)—and practical wisdom (Trowbridge 2011). Moreover, they tend to use a reductionist conception of human virtue—“[as] behavioural dispositions to act in conformity with certain rules of action” (Alzola 2015: 295) that cannot fully express the richness of the human person and, as a consequence, her true development.

Recently, there have been some theoretical, as well as empirical, attempts to characterize practical wisdom (Sternberg 1998), but only a handful of psychological definitions of wisdom accord with Aristotelian *phronēsis*, namely those with a focus on integrating mind (intellectual) and action (practical) (Baltes & Staudinger 2000; Trowbridge 2011). Instead, most empirical research focuses on different ways of capturing the knowledge component of wisdom (Moberg 2006: 545; Baltes and Smith 1990) on the premise that “[w]isdom is knowledge about the human condition at its frontier, knowledge about the most difficult questions of the meaning and conduct of life, and knowledge about the uncertainties of life, about what cannot be known, and how to deal with that limited knowledge” (Staudinger 2008: 108).

The fact is that modern psychology’s limitations in properly understanding practical wisdom cannot be overcome by avoiding the ontological question of *what it is to be human*. In this direction, the neo-Aristotelian Spanish philosopher Leonardo Polo (2012: 281) offers a synthesis of the key ontological concerns in the history of philosophy regarding this question, the so called three fundamental roots (*radicals*) of being human, specifically: 1) The fundamental rooted in our “nature,” based on Aristotelian philosophy that includes our shared and distinct biological, cultural and traditional sources; 2) The modern “subject-agent”

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3 These efforts have led to two basic major branches: *implicit and explicit theories of wisdom* (Baltes & Staudinger 2000). Implicit theoretical approaches to wisdom judge wise persons by their ability to offer a wise solution in their context, balancing their intrapersonal, interpersonal, and extra-personal interests in the short and long term (Sternberg 2004: 167). Explicit theories are theoretical constructions from experts and researchers working on the psychology of human development (Sternberg 1998: 349) that focus on behavioral manifestations, and so rely on empirical and quantifiable research. The psychological work of the Berlin School is the most influential of this branch.
fundamental that captures subjectivity and human drive to create novelty and to master the wider human and non-human environment via self-interested autonomous agency with a focus on external results; and, 3) The fundamental of being a “person” (or the Christian radical as Polo calls it [Polo 2012]), which emphasizes human beings’ personal singularity and uniqueness, as well as our intrinsic relationship to others since personal relations are an integral part of the self and its virtuous growth (Alford 2018).

Considering that, “wisdom may be beyond what psychological methods and concepts can achieve” (Baltes and Staudinger 2000: 123), integrating these fundamentals becomes a key reference for approaching the ontological question of what it is to be human and aids in delineating an appropriate moral psychology that captures the essential, complex relationist lens that a proper understanding of phronetic action entails.

Aimed at contributing to the characterization of practical wisdom’s appropriate moral psychology, based on meta-analysis of proposals related to adult and moral psychology, and with a view towards the history of knowledge, we introduced a paradigm on self and action called the “Inter-Processual Self” (IPS) (Akrivou, Orón and Scalzo 2018.) It is an attempt to ground a moral psychology beyond the analytic and modernist assumptions that have inspired a reductionist vision of the self. Evidence from most meta-analyses of empirical research focuses on the knowledge mastery component of wisdom—especially in explicit theories of wisdom (Moberg 2006: 545; Baltes and Smith 1990)—and points us toward classifying them as modern moral psychology, the so-called Autonomous Self (AS). We argue that this latter paradigm does not account for the richness of the human person and, therefore, practical wisdom itself.

While modern psychology’s foundational axioms tend to emphasize external results, and the creation of theory that spans across cognition, emotion, identity, development and the self, among other fields, the IPS model, by integrating those domains, better explains

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4 This way of ontologically tying relatedness and personhood and personal growth goes way beyond just an acknowledgement linked to transactional logic (in Kohlberg 1969), a mutual care rule (e.g., Gilligan & Attanucci 1996) or conceptions of care that have limitations from a virtue ethics perspective. The idea of personhood involves positing that each person is (a) a singular, unique and transcendental being (exists in addition to the sum of its parts) and co-existent with others and, (b) a priori is free, in the deepest sense of “freedom for” (Akrivou & Orón 2016).
(inter)personal action and role integrity as part of a systemic process of ethical engagement. This more complete and unified understanding of human development helps overcome limitations by recovering relational/affective aspects of the self and integrating them into practical wisdom. In this moral psychology, being a **person**, i.e., the humanistic and transcendental anthropological basis of being, self and agency, is extremely important. We coined the related paradigm of human maturity, action and knowing as “inter-processual” because being a “person” implies that everyone’s uniqueness processually and intentionally evolves **in relation to** others. This is far more complicated than a mere cognitive integration approach to the self and action, and it transcends the idea of the self captured in the terms self-identity and self-realization from mainstream psychological and sociological theory. The person as a transcendental unity pre-exists action, including action that develops identity and the self. Although we align our proposal with the Neo-Aristotelian tradition, we aim to go beyond it and integrate the paradigm of the person—the aforementioned “**third fundamental**”—to highlight that the final end of human life is unrestricted personal growth. This approach further inspires the metaphysical appreciation that all things are intimately related, including the self as unity and action in systemic, rather than autonomous, terms (Akrivou, Orón & Scalzo 2018: 78-82; 103-104; 136-138; 141-143; 146-148; Trowbridge 2011: 155).

In concentrating on the psychological aspect of moral agency, we will start by showing that the so called “Autonomous Self” (AS) has an understanding of moral maturity which is mainly cognitivist, leading to a narrowly rationalist conception of morality that ultimately undermines genuine virtue because it reduces practical wisdom to cleverness, adding moral concerns and rationalization which align moral rules with personal action. Thereafter, we will develop our proposal in hopes of overcoming these limitations.

**IV. The modernist approach to moral psychology: The “Autonomous Self”**

As we have previously shown (Akrivou, Orón and Scalzo 2018), the overwhelming majority of contemporary modern proposals on the self emphasize a model of human growth based on cognitive separation between the self and the world. Accordingly, the self is because the self
“thinks” and chooses to control its agency as a subject whose action is oriented towards the mastery of the object-world (including the cosmos, other living beings and even mastery of other domains of the self). The so-called Autonomous Self (AS) is rooted in the philosophical premise that underpins the entire analytic or modern tradition in the history of knowledge and its representative works in modern philosophy and psychology (Akrivou, Orón & Scalzo 2018).

The AS view of moral maturity tends to emphasize action premised upon cognitive distance between the acting subject and the non-self to rationally bring about willed outcomes. This requires control of the will over the self and its relationships (we will see how this colors AS’s practical wisdom). A common assumption in models classified as AS is found in the sharp and unbridgeable dualism or antithesis separating the self’s cognitive-rationalistic mental aspects from its affective ones. The basis of AS is mainly cognitive. For example, in modern philosophy “self-interest,” rational “self-love” or even “sympathy” for others are cognitive insofar as they aim to serve rationalistic ends of the acting subject, while affective forms of agency that do not serve these aims are thought of as pre-rational, such as “pity” (Force 2003). But both aspects aim at the subject’s cognitive “mastery” being mirrored in action. In

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5 The first explicit developments of moral identity were an attempt to lay the foundations of personal identity on the empirical content of the “self” as a subject of representations (Vigo 1993: 273). Based on the Critique of Pure Reason (B 132), Vigo highlights that, for Kant, a multiplicity of representations is possible thanks to the original synthetic unity of transcendental apperception, expressed in the proposition “I think” (Vigo 1993: 274). However, for Kant, the “self” is not a relational, but rather an isolated, reality, a logical necessity since every action requires an author. Kant differentiates between the ontological and empirical self. The ontological self is an argumentative necessity because someone has to link the data, even though we know nothing about that someone except that it simply and logically must exist. The empirical self is the experience of the self, especially based on its physical presence. However, as he explains it in the Critique of Pure Reason (1998), we do not have, nor can we have even the slightest knowledge of the real self; we only have a logical knowledge of the “self” (A 350), and that “self” is nothing more than the formal condition, the logical unit of all thought (A 398).

6 AS mainly self-represents the acting subject’s cognitive focus. Cognition in AS is aimed at acting via theoretical activity. AS’s focus is on the cognitive object and on process valuing, rational-abstract exercises (e.g. “I relate to the moral rule” as an object). Certainly, AS may not always be cognitive, but it is always self-referential, which we can see in the works of Richard Ryan, who focuses on the will, but is still a key psychology theorist for AS based on his self-referential focus (Deci & Ryan 2013: 29; Deci & Ryan 2002: 3-33). For him, the most human of characteristics is self-determination, where the will is central in its search for autonomy, that is,
addition, ethical aspects of action are understood as an aspirational ideal that can be finally developed—what theory understands as higher cognitive complexity (Akrivou 2011) via “higher” or “upper-end” cognitive developmental processes.

Hence, a modernist AS conception of the self and action sees cognitive, practical, relational/affective and moral aspects of a mature (virtuous) person naturally separate from that same reality (Akrivou & Orón 2016). AS’s primacy in what is seen as a morally mature self idealize the adoption of morally mature action following either normative moral universals (e.g., Kohlberg 1969) or the (cognitive) mastery of the object world and the self—versus affective-intuitive aspects of self maturation. Mastery over the self and relations is seen through the acting subject’s increasingly independent capacity for autonomous agency via either cognitive mastery or a more emergent, spontaneous and affective response capacity, which, while less cognitive than the main path in AS, can only be rediscovered in some models at the end of cognitive growth. This is so because development of intellectual complexity is first required, to enable knowledge of why it is important to follow principles in our approach to moral dilemmas and life itself.  

In addition, the acting subject is concerned primarily with actions’ outcomes—as an external product—that dominates the actor’s chosen decisions, solutions and pathways to action.

Through this paradigm, the self relates to its own selfhood via cognitive regulation while the

what really matters is the fact that the self decides, no matter what or how. Similarly, Adam Smith is not a clear AS theorist, as his work is an exception in the tradition in terms of its view of self-interest (McCloskey 2008) since, although he has some elements of AS, his proposal departs from a pure AS characterization to a more processual kind of ethics since it is not mainly cognitive. With his concept of the Impartial Spectator (Smith 2010), he introduces an inner moral compass in the self which aims to bring reason and moral sentiments to the problems associated with how to be a virtuous person and live with our fellow citizens (however, the impartial spectator still represents an imagined other, not an authentic relationship with others in their identity, and therefore we see this as a partly cognitive way of internalizing the imagined other through identification). But, on the other hand, Smith proposes a self-referential way in which the self proceeds with the question of the right thing to do, which perfectly fits an AS characterization in this sense. However, other scholars argue that Smith can be considered a neo-Stoic, hence he proposes a cognitive stance to ethical problems in life (Force 2003; Hirschman 1977). In short, we recognize that Smith stands between the AS and IPS models.

7 For example, Kohlberg, who is a Kantian psychologist, refers to this in Kohlberg and Ryncarz (1990). But his last proposed (seventh) stage of morality, which is less cognitive, must emerge after the subject achieves sufficient cognitive mastery.
“object” world more broadly involves the mastery of relationships, and control over things and nature itself, which are all considered important as means for achieving individual goals. We could thus say that AS’s agency is primarily cognitivist with a narrower understanding of rationality as a mechanism for efficiency regarding how the self manages itself (emotions, behavior, moral action) to ensure externally effective agency.

Despite the fragmentation of modern psychological models on the self, there is agreement in the literature that moral maturity is linked with an autonomous and intentional free will that is rational and formal, arising from (rational) motivational processes in the self, and the emotional regulation. It is of interest to note that all these proposals in the literature contain an understanding of the moral agent’s self as fragmented, i.e., *lacking unity and integration*; integrative action can only be achieved with a proper understanding of practical wisdom, which in this case is seen as emerging from maturity in the process of completing a prescribed model of moral cognitive growth (Akrivou 2008; Akrivou, Orón & Scalzo 2018). Thus, *phronetic* action with concern for wider systemic flourishing is seen as possible at the end of personal maturation.

A salient aspect of AS’s moral psychology is that it reflects the dualism inherent in modern philosophy as its purpose is pragmatic logic for action which aims to bring about the expected outcomes; it reflects this as characteristic of a goal to render moral philosophy a modern science— the modern subject in AS is indeed being born in connection to a new thinking on practical wisdom prevalent across Newton, to Scottish Enlightenment, Descartes and even Smith, irrespective of their differences (Lázaro 2002). This drives a new kind of wisdom for the average man (in business and society) which, since then is not seeking practical wisdom as way to act according to the Good and Wisdom (*Sophia*) but as an effort to master practical life and there, practical wisdom for the gross of mankind is to do so using pragmatism and utility. This kind of practical reason takes human action in business away from a genuine pursuit of

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8 Some models see a rational drive to achieve autonomous self-direction or self-authorship as (rationally) motivating an acting agent to progress towards higher-order cognitive processing. These integrative processes coincide in positing that human organisms have inner tendencies that strive toward actualizing themselves through a rational choice approach to agency motivated by the need to cover increasingly diverse needs, gradually aiming toward establishing greater self-unity.
virtue (Lázaro 2002) and it is precisely what characterizes the moral psychology of AS and its practical wisdom.

Despite AS’s external, observable conduct and outcomes that resemble Aristotelian prudence, it inconsistently emphasizes or altogether lacks an inner and genuine commitment to the virtuous self and others’ growth. The very richness of human and personal feeling is sometimes characterized and experienced as a burden that must be harnessed and regulated. The moral psychology of AS is inconsistent, superficial (basic) or even absent, which, as a result, makes it difficult to choose appropriately with means and ends that enable wider action oriented toward the good and growth beyond that which corresponds to the acting agent. AS applies rationality, but that application is not enough to effectively resolve the complexities and wisely respond to nuanced particulars of life with a commitment to the telos of flourishing of all involved and to enable the good life, seeing beyond efficient solutions to particular issues or challenges. In AS, what appears to be an efficient, intelligent, clever, or crafty form of rational excellence is not true practical wisdom and does not entail concern for integrating intellectual, practical and technical excellence associated with one’s being and growing as a virtuous person. In the best cases, AS manifests as a virtuous self and agency via mastery of communication and effective outcomes, but, in his autonomy, the agent benefits even when following universal moral norms.

As we have shown here, the moral psychology associated with the AS paradigm cannot simultaneously capture all aspects of practical wisdom; instead, it considers the ethical dimension of action as exclusively tied to higher forms of intelligence and agency that express craftiness and cleverness, but not genuine practical wisdom. In addition, due to these theoretical limitations, even AS models that approach action in a practically wise manner cannot capture the complexity found in human lives and reality or how individual practical wisdom surpasses individual or group flourishing to enable wider human flourishing.

V. An appropriate moral psychology for practical wisdom: The Inter-processual Self

The person’s identity and moral integrity is a central concern in virtue ethics (Alzola 2011; Sorabji 2006); for Aristotle, *phronesis* depends on *proairesis*, i.e., the judgements and deliberate decisions of a person of practical wisdom (Vigo 2007: 200, 188). This subjective perspective is present in his definition of virtue as “a state of character concerned with choice,
lying in a mean, i.e., the mean relative to us, this being determined by a rational principle, and by that principle by which the man of practical wisdom would determine it” (NE 1107a 1-3). This means that the rational principle for determining virtue is the standard that a “qualified agent” (Hursthouse 1999: 28)—the person of practical wisdom, *phronimos*—uses to determine her correct action, but it is the *phronimos* herself who determines the rationality of the principle, which, in turn means that the person of practical wisdom has already developed an appropriate stable moral character—a reason why Aristotle relate it with experience as a prerequisite for *phronesis* (NE 1142a)—which is key to understand the essence of this excellence and its relationship with happiness. Besides happiness, this teleological approach to ethics is grounded on a conception of human nature that provides an *ergon* (function) to human live (NE I, 7 1097b), i.e., a distinctive and fundamental *telos* (end), which in the case of men is reason (NE 1098a). Practical reason (*phronēsis*) is the excellence for human action (NE VI, 3, 1139b-1145a). Indeed, according to Vigo “when combing relevant passages to reconstruct something like an Aristotelian conception of the personal ‘self,’” we find that almost all of Aristotle's texts clearly point to a predominantly ‘practical’ conception of the nature of the ‘self’” (1993: 278). He continues by noting that the “personal self” as “‘a subject capable of praxis’ is characterized by having a set of habitual dispositions (*hexeis*) of character, as well as a temporal opening towards a horizon of meaning that informs and gives meaning to all his actions, that is, to his practical present” (Vigo 1993: 279; see also Sherman 1989).9 His notion of practical wisdom, together with the proper *telos* for human development, gives us clarity on this matter. However, a current account of practical wisdom as “the capacity to think well for the sake of living well” (Schuchman 1980: 30)—that is, living a

9 According to Vigo, “rationality supports, so to speak, the specific unity and identity of the personal ‘self.’” Yet, this is but the first level in the constitution of the personal ‘self’ and is still insufficient to account for its character of singular individuality and definite non-interchangeably with other members of the same species. These characteristics of individuality and singularity seem to belong to people in a much more essential way than to other substantial objects. The personal subject’s individuality and essential singularity cannot simply be derived from her substantial form, since said form only expresses what she has in common with all other individuals of her kind rather than, as such, her individual, intimate core. To account for this constitutive aspect of personal being, Aristotle does not simply appeal, in fact, to substantialism, but rather appeals to what can be called ‘habitualism’” (1993: 280). See also Sorabji (2006).
whole life with all it entails (NE 1098a; 1140a 28)– should consider every dimension of what it means to be human, as well as the best way to improve interpersonal relationships.\(^{10}\)

The moral psychology associated with IPS is focused on the person as a unity and is an effort to enrich Aristotle’s philosophical account of human nature with the even richer proposal of personalism. The moral psychology associated with the IPS is grounded in Polo’s three radicals (2012) with *primacy placed on the “personal” radical* (Akrivou, Orón & Scalzo 2018). This rootedness (2012) acknowledges what we are and that we increase our human development by more fully realizing a) our uniqueness premised upon our singularity and transcendental being and b) our natural concern for cultivating co-existence and relationships with others as part of how we enable shared growth towards happiness. Being a person means we are intrinsically related to others, meaning that our “being-related is ontologically core to our very being itself” (Alford 2018: 700). This elevates our responsibility toward both our own and others’ growth and happiness. For IPS, the most fundamental kind of freedom is that which allows us to choose growth through the *I-Thou* relationship (Akrivou & Orón 2016; Polo 2007) via a different set of initial assumptions with profound implications for practical wisdom.

The IPS paradigm requires rejection of the AS mindset rather than a mix and match approach. It is premised on personalism and its complicated notion of personhood involved in the personal, fundamental root of being human in Polo’s (1998; 2003) transcendental philosophical anthropology (Akrivou, Orón & Scalzo 2018; Akrivou & Orón 2016). Its ontological understanding of person is transcendental and its approach to knowledge relates to the unity of knowledge and action (Akrivou, Orón & Scalzo 2018); it emphasizes personalist (Mounier 1936) virtue, as well as involves a realist (e.g., see Baker 2002) understanding of the self in relationships. For IPS, the self is a complicated (integrated) unity beyond what consciousness can “scientifically grasp:” “My person is not the consciousness … of it”

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\(^{10}\) We must note here that the idea of the self, as well as the notion of the human person, was not addressed as such in Ancient philosophy, which was interested in human essence (what all men have in common) rather than in individuality or even identity. As Spaemann (2006) shows, for Aristotle, there is no difference between essence and existence (“*vivere viventibus est esse*, De Anima II, 4, 415b 13), and although Aquinas realizes that the person is more than essence (*Summa Theologiae*, I, 30, 4), this insight was not further developed until modern personalism, especially as found in Leonardo Polo.
We can thus, at times, capture another person with “intuitively feeling,” but such an understanding requires the self and others to have virtue of character because each person is a complicated, singular and unique whole at any given moment (Akriou, Orón & Scalzo 2018). Each person is, at the same time, differentiated (complicated) and integrated, that is, a complicated (transcendental) unity of being (Akriou 2008; Orón 2015).

Another basic starting point, as noted, is that the self pre-exists and grows in relationship; thus, persons in real relationships are IPS’s unit of analysis. Its moral psychology does not assume that the person is an (inner-outer) boundary, but rather assumes a unity of knowing and acting; this moral proposal understands that being, knowing and acting are not separate domains (Akriou & Orón 2016) because it is based on a nonrepresentational theory of knowledge and action (Frisina 2002; see Akriou, Orón & Scalzo 2018). Persons in relationships are understood in the context of an open and free system theory (Polo in Pérez López 1993; Polo 2007).

There are various implications linked to these assumptions. For one, cognitive, affective, practical aspects of the self and action are inseparable, but differentiated aspects that make up one reality, which corresponds to the person as an ever-integrated unity (Orón 2015).

Other implications relate to how human and personal development are understood in IPS in relation to others and our intimacy, rather than autonomously. Action is personal, but always associated with a personal offering (of a person to (an)other with whom we choose how to relate, guided by our freedom for). Action entails possibilities for growth; growing positively11 is the conscious effort to facilitate virtuous growth (which directly involves the acting person and her relations, and is not regulated by third party observers). Here, an integral dimension is never a separate concern (Akriou, Orón & Scalzo 2018).

Hence, the open-endedness of development is a key premise in IPS: “openness” in the case of human beings is expressed through intimacy in relationships. This involves personal processes that require careful consideration of the kind and degree of commitment. But because this process is circular and open, the higher and more genuine a commitment, the more people’s “growth [and relationships] becomes unrestricted” (Polo 2007: 123). The idea of unrestricted

11 Human development can grow in positive or negative terms, but it is marked by the universally human effort to intensify and enhance relationship(s).
personal growth in relationships (Polo 1985; 1988a; 1988b; 1994, 2003) follows, but can transcend nature; thus, IPS as a moral psychology deepens the classical/Aristotelian fundamental of nature beyond natural disposition. Instead, growth increasingly requires commitment to goodness in relation to one’s own and others’ flourishing (Akrivou, Orón & Scalzo 2018).

Human development in IPS is characterized by laws of free and open systems that are congruent with its basic assumptions; the content and directionality of growth are not predetermined and are premised upon persons as “open and free systems” (see Akrivou, Orón & Scalzo 2018, citing Polo 2007: 124). Development in IPS is permeated by moments of deeper wisdom and insight regarding what is “intuitively felt” via one’s own interiority and others’ action, which requires ongoing, genuine integration between one’s intellect, intelligence and affect and that of others. The practice of the virtues and a virtuous self are required in order to remain constant in terms of quality ethical commitment, as is in terms of genuinely correcting action and improving relationships, including learning from past failures when our action lacked a virtuous disposition.

Each person requires openness and freedom in terms of how to use wisdom for the good of all involved, as well as how to respect others and their openness, freedom, interiority and singularity. For this moral psychology, action is not passive, but rather is important for personal growth and development, consistent with Aristotle’s praxis (see Akrivou, Orón & Scalzo 2018 for details; NE 1102b). This involves a practically wise use of the intellect since, when we act, we do not know the future, nor have we perfect information regarding any given present moment or past actions beyond the externally observed acts that produce results. In addition, our actions come back to inform the kind of person we are; hence, they are significant for the kind of growth we choose as ethical beings. This practical wisdom is not just about cautious, self-protective action. In IPS, practical wisdom considers that, “one’s actions return to affect the core of the self…” (Akrivou & Orón 2016: 232), which guides us to act with concern for avoiding vice even in stages of development that, per Aristotle, usually include weak displays of virtue (NE 1102b), such as states of incontinence. But we also must experience how action lacking virtue does not really help develop our relationships to genuinely orient ourselves in ways that allow for overall flourishing. This processual learning toward habituating a higher practice of virtue guides practical wisdom. In terms of IPS’s
profundely relational ontology, learning how best to relate in each concrete situation and with each concrete being is a complicated and open process. Both our freedom for others as well as others’ responses evolve in real time; thus, IPS’s notion of practical wisdom integrates relational/affective aspects of the self into an intelligent use of reason and a dimension of action.

This view of development is at the heart of ongoing action in the IPS paradigm and, thus, human development (virtue) is not a predetermined process with clear steps or end goals. This is also consistent with the dense and complicated nature of practical wisdom (Sison 2016) and the idea that truly understanding virtue and its moral psychology in action—following Anscombe’s remark—is extremely difficult to fathom. This is so because a virtuous character requires ongoing commitment that is hard to “see” from the outside, although the modernist stance on the self and action certainly tries.

In order to further analyze why this proposal is the appropriate moral psychology for practical wisdom, we proceed by providing more detail regarding the notion of “development” in this moral psychology and a brief analysis of practically wise action in this paradigm.

For IPS, personal development cannot be understood apart from how we grow in our capacity and inner commitment to develop virtue in personal relations is guided by freedom for supporting other’s growth within the logic of gift (Baviera et al. 2016). Of note, this logic is not a modern (rule-based) ethics of care (which puts care as a rule-oriented normative ethics); rather, it requires deeper personal engagement in relationships, arising from personal freedom and intimacy, which involves a teleological notion. The telos here involves the flourishing of all directly and indirectly involved in each relationship and it does not just lie at the end of the process, as an abstract ideal to strive towards. Teleological aspects of action are practiced within a realistic context, but depending on the degree of virtue of all involved and the ethical quality of relationships, they can be more or less overtly achieved. This requires personal, practical wisdom regarding how to act to enable growth in relationships and action that considers how others with whom we relate act.

Development in IPS is thus permeated with moments in which rich knowledge and understanding of the realities we face and others’ interiority as manifested in their actions strike us with the realization that we must rethink action to correct and improve things we or others have wrongly or poorly done. The moral psychology of IPS opens up space for personal
vulnerability, as much as it entails personal commitment to a concrete way of life, and for enabling a more inclusive flourishing beyond the autonomous self and utilitarian notions of the good life. Concern for others’ flourishing is not an ideal in the search for equality, but rather a means that enables each person to make progress and do better based on where they are at a particular time and on the direction in which they wish to and can meaningfully grow, while enabling others growth and good action.

The key premise regarding how to exercise practical wisdom is found in development towards ethically good action. This moral psychology sees and applies practical wisdom within a context of ethical pluralism in the self, empathy for self and others, sensitivity to the complex ways in which interpersonal relationships are intertwined. Consequently, practical wisdom is not thought of as the main or most important virtue. Rather, it values a deeper, ethically plural approach to virtue that involves concern for living an examined and good life that draws on and learns from all the virtues and their comprehensive richness.

It should be noted that practical wisdom, for the IPS, is not mainly self-centered, but rather integrates wisdom for a good life that cares for self, interpersonal and wider happiness, in line with supporting a sustainable and humane cosmos. But in line with virtue ethicists (e.g., Finnis, 1980; Hartman, 2006; Koehn, 1995; Solomon, 1993; Sison, 2014), the priority of the virtues (and practical wisdom) in IPS relies on an orientation to an integrity or wholeness in one’s life, and the continuity and unity of the actor’s personal identity is underlined and always present. It links past, present and future action in relation to the actor’s ongoing moral search regarding the question of “who I am” and how to become more fully and essentially human (which includes exposure to the self and the other, as well as the vulnerability both entail).

Practical wisdom herein asks each person to attend to and respect their and others’ integrity and intimacy because our intimacy is personal and is not a commodity (Akrivou, Orón & Scalzo 2018). However, in terms of IPS’s relationally ontology, our “margin of freedom” for agency in each context is also related to how our actions reduce or enhance virtue in others’ capacity to relate to each other and oneself. Acting in ways that bolster people’s agency vis a vis others increases or decreases relational integrity, but, in this case, we may need to consider how excessive agency makes others passive (prohibiting them from developing virtue in relational terms). An awareness of this open process means realizing that acting merely as
rationally calculating agents is not helpful; instead, each person must face and ethically make sense of a range of negative emotions (fear, frustration, a sense of emotional fatigue, vulnerability when committing to work with difficult people, a sense of disappointment, burn-out due to social expectations from people in certain contexts or due to their gender, ethnicity etc.) as information that increases our understanding of our own humanity and that of others. This includes not just a reductionist cognitive element, but also how best to capture goodness that naturally integrates the kind of reason imbued with an emotional and motivational spirit since “[p]ractical wisdom requires the accurate discernment of the emotional climate on a particular matter and the ability to draw from a complete spectrum of emotional responses to craft one that both brings about good outcomes and is good itself” (Moberg 2006: 542).

Staying committed to the IPS-based virtuous growth and avoiding a more convenient, autonomous kind of realization means being a certain kind of person and living a certain kind of life with a telos (Sison & Hühn 2018). Of course, this depends upon practically wise choices involving the self, others and relational systems in a complicated dynamic process, including single acts. Rather than being fully up to oneself to direct and master this process, it rests upon each person to commit to acting with virtue at the heart of their motivations and actions vis-a-vis others in their relationships under assumptions of free and open systems. This requires a patient and balanced practice of the virtues, as well as an understanding that acts starting from an autonomous self-will alone do not guide relational growth. This makes the process and effects of practical wisdom in IPS more complicated as an inter-connected kind of praxis. Complicated philosophical systems such as those found in the work of Wang and Whitehead more deeply capture this complexity and its wisdom (see Akrivou, Orón and Scalzo 2018).

This moral psychology entails the notion of circularity, i.e., an ongoing process that involves the practical, personal-relational aspects of growth regarding our own self-knowledge and integrity, as well as how we can best realize our freedom and openness to facilitate the good. Thus, this moral psychology proposal— in contrast to that of AS— elevates human relationships beyond a means or object of reference regarding personal action and developmental processes. AS’s emphasis on a “clever” or “astute” “third party observer,” which generates external dimensions of virtue, is not good according to IPS logic. Indeed, the moral psychology of IPS relies on expanded reason whereby mutual, relational (personal) growth is fundamental for
systemic growth, which is why IPS foresees the importance of internal unity among the person’s reason-affect-ethical and action aspects. IPS utilizes reason in a way that involves personal judgment and choice, which is “intuitively felt and reasoned” as the appropriate means-ends choice, considering all who are involved in their concrete human dimensions and respecting one’s own and other’s relationships and choices. For IPS, moral psychology, the boundary between the self and the object world is somewhat artificial, and one cannot choose the right means-ends to face particular situations by maintaining a safe, “third party observer” distance in an effort to practically orient action. The moral psychology of IPS considers integrity an ongoing challenge in relation to how to be a good person and to help others to grow; herein, a person chooses how best to engage in deliberation and choice(s) in relation to personal and interpersonal relationships and how we experience freedom for specific others (not an impersonal we-they-it) in open and free systems. In choosing to act, the person primarily considers the integrally interrelated cognitive, practical, relational/affective and ethical-moral aspects of the self, which relate to the same phenomenon that underlies humanity’s equally significant and complementary experience. Hence, in IPS’s moral psychology, “normativity” is integrally tied to understanding what acting as a human being, who is by definition a moral agent, means. Normativity is not therefore primarily ascribed to external mechanisms (norms) or authority itself (Akrivou & Orón 2016). Assumptions in the IPS paradigm are not limited to or primarily guided by some normative “rule” in order to achieve just and fair outcomes. Living and relating are ongoing activities that tap into the notion that being human entails the good (learning and relearning with others in concrete situations requires personal experience). The ethical dimension in IPS is thus integrally part of this moral psychology and involves an ongoing, complicated effort that requires persons to examine themselves in their relationships, intentions, actions and potential consequences, which is all congruent with a virtue ethics epistemology (Koehn 1995) and the Aristotelian notion of practical wisdom. As is often mistaken when practiced within the boundary of the self, this moral psychology requires systematic acts of proper relationality, genuine commitment to dialogue, moral inquiry and “feedback” on how to improve displays of genuine concern for one’s own and other’s growth, flourishing and shared humanity.

In short, the appropriate moral psychology for practical wisdom is premised upon the idea that cognitive, relational/affective, practical and ethical aspects of self and agency are integral
and inseparable. This moral proposal also understands that being, knowing and acting are not separate domains (Akrivou & Orón 2016) because it is based on a nonrepresentational theory of knowledge and action (Frisina 2002). IPS rejects the fundamental assumption of the inner self as boundary, which analytic psychology assumes and which is a narrow way of thinking about cognition as a rational guide for action.

Table 1 summarizes these conflicting lenses in light of our analysis.

VI. Implications for business, management and future research

The two moral paradigms we have described thus far are like night and day when it comes to practical-wisdom based actions with virtue at their core; each “mindset” offers a different assumption and vision of how to understand and lead organizational relations and networks to positively influence growth involving wider forms of community. An IPS-based moral psychology bears various implications and applications for business and management. Human growth for IPS is the intensification or maximization of interpersonal constituent relationships (Knowles 1973, 1980), which implies that the person’s end is to encourage interpersonal relationships for ethical growth, i.e., authentic encounters with the other, rather than to dominate the object that she seeks to know or achieve. An AS mindset approaches virtue as an object (rule) and making relationships instrumental to it. In other words, AS can objectify (instrumentalize) the other in order to enable rational mastery. In the IPS paradigm, the object becomes a process through which the self develops by making stronger relationships of mutual flourishing. In both cases, the object is mastered and the relationship is present, but the two approaches are very different; it can be said that, while AS instrumentalizes the relationship to reach its object, for IPS the object is an opportunity to reach the person as an end.

This approach gains relevance if we consider the firm as a community of work (Solomon 1994; Melé 2012), instead of a set of contracts. While the latter approach promotes a technocratic, value-neutral and rationalistic management (Hendry 2001; Akrivou et al. 2018), the former aims to achieve unity, inasmuch as each of its members is devoted to finding his or her self-fulfillment through helping other members fulfill themselves. This involves caring for them to grow in freedom and responsibility, and other aspects of human flourishing (Finnis 1980).
Our proposal supports research suggesting that ethical leadership for interpersonal relational growth in organizations-- whereby being a truly good person is itself leadership as it influences employees openness to ethical influence-- and discouraging from models of leadership aiming for moral influencing via compliance through managerial positional power, which is negatively associated to ethically influencing employees’ behaviour (Verdofer and Peus 2020). This genuine leadership is consistent with the notion of practical wisdom in the IPS moral psychology, which balances affective, practical, cognitive, and ethical aspects of human relational excellence.

Our argument on the limitations of practical wisdom in AS is in line with decision making approaches which understand it as a rationalist value free action.\textsuperscript{12} Instead research arguing for integrated approaches in the ethical and practically wise decision making literature (Díez Gómez and Rodríguez Córdoba 2019) is consistent with an understanding of decision making which is more akin to leaders with a moral psychology of IPS. These approaches favour democratic and balanced deliberation of all involved to promote common goods and fully inclusive notions of personal and group flourishing.

From our analysis of the two moral psychologies AS and IPS and their corresponding notions of practical wisdom, we suggest that the practical wisdom associated with IPS moral psychology is akin to participatory approaches to management and governance; this supports the analysis of Bernacchio and Couch (2015) of the virtues and links to common goods associated with participatory governance. This allows for a call for work on how to restore the role of managers in such organisations and how IPS kinds of practical wisdom can support participatory governance as an alternative to shareholder maximization which we see more consistent with AS. The moral psychology and practical wisdom conceptualised as IPS are consistent with moral standards in managerial decision making which adopt virtue ethics consistent understandings of philia (friendship) and goods upon which human relationships rest (Procópio 2019).

\textsuperscript{12} More broadly, a connection can be made about the degree to which AS kinds of practical wisdom may be linked to neurotic and psychologically socially harmful effects, and we agree (De Colle and Freeman 2019) that more research is needed to explore how neurotic management styles be associated with ethical failures in organisations and the degree to which this is more likely linked with AS notions of practical wisdom.
Moreover, an IPS paradigm emphasizes management education with deeper humanistic foundations in personalism, which can help indeed reverse the degradation of business education that took place in late modern years (Khurana, 2010), addressing for the need to reshape the moral psychology, the professional values, identity and future action potentiality of management as a profession (Koehn, 2006). Such a proposal is in line with an educational model that opposes a sole focus on specialization or technical training (Peters 1966:34, 1967). Since the distinction of true practical wisdom (based on the person and the unity of the virtue) “does not lie in external behaviors,... [but] it’s in the internal dispositions and commitment to a certain goal or lifestyle as final end” (Sison and Hühn 2018: 168), we suggest that the IPS proposal is required for the deeper personal growth via education from which stems a truly practical ethical reason how to act wisely when acting as a professional (in decision making and in ways influencing professional relations) to enable virtuous growth via the practice of our professional roles, for the sake of our growth and others involved.

Hence, we offer a non-prescriptive proposal that goes beyond a focus on merely cognitive or external behavioral components, and encourages personal reflection and choice while supported by role modelling IPS via interpersonal relationships. Examples of how such a management educational philosophy can affect practice are found in the development of a mindset whereby relationships are harnessed for their intrinsic and genuine value rather than for their instrumental one, which would bring out a different potentiality for management and a wider professional ethics respecting dignity, humanity, and also the singularity of each person encountered (Schwartz & Sharpe 2010; Shotter & Tsoukas 2014). This approach moves management education beyond ingrained reductionist views of management as a profession (Beabout 2012, 2013; Ploum et al. 2018).

The management role according to an IPS approach features practically wise action that develops strong relationships based on the fact that the manager first sets out to become a role model whose ends do not involve mastering or instrumentalizing others (Hatami & Firoozi 2019), but rather to relating to the other(s) as ends beyond a profit-driven mentality (Ploum et al., 2018). Our proposal offers a theoretical framework to approach management based on interpersonal virtues in business, including trust, cooperation, gratitude, forgiveness, and even charity, helping to enrich a common good theory of the firm, i.e., the firm as a true community of people. Ethical decision-making is another important business realm for which our
approach implies a significant shift that transcends paradigms based on self-interested rationality and decision-making that focuses on short-term gains (McCloskey 2008; Procópio 2019; Rua et al. 2017). Accordingly, practically wise decision-making requires from decision makers deeper engagement with reality and with the identity of all who are involved and directly affected.

Concerning related debates in the literature (for example, on the most crucial antecedent for ethical behavior in management and organizations from Rua et al. 2017) our contribution critically argues that who/what we really are as humans involves being and growing as an integrated person which involves engaging with a certain way of life (the good) and not just observable behaviors or the ends we strive to achieve (Sison and Hühn 2018). This, in turn, requires integrating the three aforementioned fundamentals that are cross-culturally important for understanding the self, human action and meaning; in other words, it involves integrating human nature, each personal and singular reality and the capacity to produce new realities. Specifically, it aims to integrate the paradigm of the person—the “personal fundamental”—to highlight that the final end of human life is unrestricted personal growth. That growth—of the self, of others involved and of the wider cosmos—is possible insofar as we act in a way that bears in mind said ends and possibility.

Our proposal is naturally connected to the efforts of scholars who critique the reductive anthropology emanating from neoclassical economics, and who aim to restore a virtue ethics that applies to, but also transcends, business by aiming toward human and social well-being and flourishing (Dierksmeier and Celano 2012). Virtue ethics highlights that human excellence cannot exist without the participation and cooperations, i.e., that human goods, such as friendship, education, work, health, or religion, are achieved in communities and only in this way can they contribute to flourishing (eudaimonia) (Sison & Ferrero 2015). Taking an additional step, our proposal offers a theoretical framework that addresses what we could call the virtues of interpersonal relationships, such as gratitude, forgiveness, cooperation, trust, gift-giving, etc. that are foundational to any contractual relationship.

VII. Conclusions

We started with the need for an appropriate moral psychology to support virtue ethics, which has been an area of focus in recent business ethics development. We introduced two opposite paradigms that capture different aspects of reality and conceptions of the self: (1) the so-called
Autonomous Self (AS), based on analytic and modernist assumptions grounded in a reductionist view of the self, and (2) the Inter-processual Self (IPS) as an attempt to ground an appropriate moral psychology that enables human flourishing and practical wisdom. Although a commitment to virtuous growth is possible for both AS and IPS, because acting with virtue as a value involves intelligence in both cases, the way they use virtue and the kinds of ends they incorporate are different. Through this lens, we approached the relationship between moral psychology and practical rationality. We have also shown that these two opposing paradigms are respectively related to the classical conception of practical wisdom (IPS) and its vice, panourgia (AS), which creates a strong link with Aristotelian virtue ethicists who support a deeper understanding of and appreciation for practical wisdom in business and the management profession, beyond a focus on mere cognitive or external behavioral elements. This is quite a feat since practical wisdom is hard to capture from traditional ethical theories that “are primarily concerned with evaluating ethical reasoning based on the outcome of their consequences according to utilitarianism; or, deontological moral rules based on duty, rights and justice” (Nyberg 2008: 587; Dunham 2010). Through a systematic analysis of the self and moral development, we have sustained the argument that, in contrast to AS models, IPS captures the cognitive, practical, relational, and affective aspects of the self as interrelated, integrally linked aspects of the same phenomenon, and that it complements Aristotelian insights into human nature with the richness that the human person entails. This means that IPS-based moral psychology models are congruent with the Aristotelian notion of practical wisdom or phronesis.

Practical wisdom in IPS is neither an abstract theory of development, nor an idealistic pursuit of the good life and (practical) wisdom, but rather involves a personal-relational action process (praxis) whereby a particular (virtuous) way of life (Vigo 2008) enables development through valuing the diversity and richness of the person in all her dimensions. This, of course, taps into virtue as an aspect of stable personal character because integrity of character is required for practically wise forms of action that maintain genuine humanity and integrity (Akrivou 2018; Robson 2018) while displaying practical wisdom within a richer, nuanced repertoire of key virtues. This virtuous growth involves a more dynamic process; it requires self-awareness, wisdom and experience put to good use for deeper understanding (of the self and others), while it emphasizes interpersonal virtues, including trust, cooperation, gratitude, forgiveness,
or even charity, overcoming, through a personalist lens, the reductionist and analytic assumptions that guide AS (Alford 2018; Melé 2009; Polo 2007).

This paper is a first attempt to link a moral psychology proposal capturing practical wisdom consistently with virtue ethics and personalism with business and management, and to suggest how it differs from modernist models that capture a narrower conception of practical wisdom.

The systematically presented IPS paradigm applied to business acknowledges moral integrity linking the self and relationships’ concurrent growth via the notion of gift (Akrivou, Scalzo and Orón 2020) as a basis for practical wisdom which integrates its cognitive, ethical, affective, and practical aspects and is a precondition for good action in business and management. This proposal for an open rationality enables a humanization of business practices since it helps to overcome the contractualist approach to business relationships which has been a status quo throughout capitalism but especially in late modernity. We are not proposing a radical change in the legalistic environment (foundations of current business), but rather a way to improve a social and interpersonal activity that involves communities of persons embedded in dense relational networks and practices. In other words, we suggest that a humane and sustainable change in our business and economic practices should rest on a more realist anthropology, which requires a proper moral psychology guiding human action.

Future research aims to connect the IPS framework with debates surrounding personalist and human dignity-centered business ethics (Dierksmeier 2015; Mea and Sims 2018; Melé 2009; Pirson et al. 2016; Sison, Ferrero & Guitián 2018). Our proposal specifically and novelly interacts with virtue ethics through a personalist philosophical lens and emphasizes a way forward for approaching dignity that is different from the normativity involved in moral rules. Instead, it values and builds upon the complexity and richness of human life, and specifically on what “growth in common” means, the main challenge to making the firm a genuine community of people that could include all its stakeholders in a common good.

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Table 1

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<th>Autonomous Self (AS)</th>
<th>Inter-processual Self (IPS)</th>
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<tr>
<td>Table 1: A summary of AS and IPS regarding Practical Wisdom</td>
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<tr>
<td>Final end or <em>telos</em></td>
<td>-Self-determination, mastery (self, relationships, wider cosmos as objects)</td>
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<td></td>
<td>-End goal-oriented toward achieving (some notion of) individual integrity</td>
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<td>-Personal development (full human flourishing involving the person in relation)</td>
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<td>-Process-oriented toward growth as a self-integrated person in relationships</td>
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<td><strong>Main moral/psychological component</strong></td>
<td>-Individualist or impersonal -Focus on cognition</td>
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<td></td>
<td>-Personal - Relational actions -Integration of cognition, affect, and ethical aspects of action</td>
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<tr>
<td><strong>Model of the self (agency) and relationships</strong></td>
<td>-Open adaptive system -Rule-oriented toward mastery (of object world) and regulation of the self -The self instrumentalizes the person to reach his object</td>
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<td></td>
<td>-Free and open system (person) -The self approaches the object as a way to improve the (personal) relationship</td>
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<td><strong>Human and moral development</strong></td>
<td>-Self-referential and goal-oriented growth (mastery, domains) -Autonomous and self-interested rationality (closed) -Idealist</td>
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<td></td>
<td>-Unrestricted human growth -Processual (ongoing), integrative, and relational (personalist) -Realist and sensitive to context</td>
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<tr>
<td><strong>Dominate approach to practical wisdom and ethics of business management</strong></td>
<td>-Experimental-analytical -The Right Moral Universal (Rule) guides action -Technical practical wisdom that amounts to cleverness or craftiness (<em>panourgia</em>)</td>
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<td></td>
<td>-Systemic-relational -Virtue and personalist ethics -Ethical, practical wisdom (<em>phronesis</em>)</td>
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References


