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### Aristotle meets Polanyi

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Aristotle Meets Polanyi: Exploring the tacit dimension of practical wisdom

**Abstract**

This paper looks to explore the tacit dimension of practical wisdom or *phronesis*. It shows that recently the tacit dimension has been increasingly taken-for-granted in discussions of practical wisdom. Through a comparison of the work of Aristotle and Polanyi it shows that tacit knowledge is not a form of practical judgement, a process guided by practical judgement or a component of the knowledge that results from practical knowledge. Instead, it shows that it is one half of an ongoing process of action whereby an actor continuously draws particulars from experience based on his or her view of the good life – particulars which are then integrated to form a conception of the good life.

## Introduction

In recent years, the Aristotelian concept of *phronesis* (practical judgement or wisdom) has become an important one in management studies. Research over the past ten years has examined the role of *phronesis* in a range of areas. These have included developing strategy (Nonaka and Toyama, 2007), developing video games (Zackariassan, Styhre, and Wilson 2006), business school research and teaching (Sliwa and Cairns, 2009; Antonacopoulou, 2010) and leadership (Grint, 2007; Nonaka and Takeuchi, 2011; Shotter and Tsoukas, 2014). Three prominent authors in the discussion of *phronesis* – Ikujiro Nonaka, Haridimos Tsoukas, and Ralph Stacey – were also involved in an in-depth debate on the nature of tacit knowledge in the early 2000s. However, as each author migrated into considerations of *phronesis*, their view of the tacit element became increasingly taken for granted.

The purpose of this developmental paper is to address this danger by teasing out the tacit component of *phronesis*. It does so by, firstly, summarising the debate between Nonaka, Tsoukas and Stacey regarding the nature of tacit knowledge in order to show their differences on the topic. From there, the paper highlights how each author has treated *phronesis* in order to show the lack of debate on the tacit component to the point that it is treated as an input, process and output of *phronesis*. Following that, the paper will attempt to tease out the tacit component of *phronesis* by comparing Aristotle's work on intellectual virtues with Polanyi's work on tacit knowledge. Finally, the paper will postulate some future developments for the paper.

## The Tacit Knowledge Debate of the Early 2000s

The first thing to consider is the debate that took place between the three authors regarding the nature of tacit knowledge. Here, Tsoukas and Stacey, from different perspectives questioned Nonaka's original conception of tacit knowledge. When he introduced tacit knowledge into management studies, Nonaka (1994) treated tacit knowledge as one of two types. The tacit knowledge type referred to knowledge that was very difficult to express other than figuratively. This Nonaka contrasted with explicit knowledge which was easy to express and share. He then stated that, while both types were mutually exclusive, they interacted with each other in a conversion process comprising of four stages: (1) socialisation (where tacit knowledge is converted into further tacit knowledge through direct shared experience); (2) externalisation (where tacit knowledge is converted into explicit knowledge through the use of dialogue and figurative language); (3) combination (where explicit knowledge is shared through documents and databases); and (4) internalisation (where explicit knowledge is converted into tacit knowledge through learning-by-doing).

Tsoukas and Stacey both critiqued this view of tacit knowledge as one of two mutually exclusive types that interact with each other in a conversion process. However, they both did so based on different sources. Tsoukas (2003) went back to Nonaka's inspiration, Polanyi, and argued that Nonaka had misinterpreted his work. Tsoukas went on to argue that Polanyi was, in fact, pointing to a process of tacit *knowing* that underpinned all knowledge. This process had three aspects to it: (1) a functional aspect where the knower draws upon particulars (such as features of a face) of which he or she is only partially aware when focussing on something (such as recognising a face); (2) a phenomenal aspect where the knower intuitively integrates different sensory experiences into a new sensory experience much like when a blind person integrates the different sensations felt when the stick hits the pavement into a different sensory awareness of surroundings; and (3) a semantic aspect

which is the meaning relating to the area of focus such as when a dentist knows what the different sensations of a probe mean for the health of a patient's mouth.

Stacey (2001), meanwhile, took a very different view of tacit knowledge. Building on analogies drawn between George Herbert Mead's theory of communicative interaction and the complexity sciences, Stacey developed a theory of knowledge as meaning in the form of themes that emerge continually from the ways in which people relate to each other on an ongoing basis. The tacit component of this meaning was not a specific type of knowledge or a functional, phenomenal, or semantic structure but instead those themes which participants were unaware of as they continually relate to one another.

Thus, the preceding summary demonstrates some fundamental differences between the three authors. Nonaka saw tacit knowledge as predominantly an input; one of two parts that interact to create knowledge. Tsoukas perceived tacit knowing exclusively as a process. Stacey viewed tacit knowledge as simultaneously an input and output; as unconscious themes that emerge from and organise local interaction. Yet, as these authors moved to phronesis their views on tacit knowledge appear to have become conflated and less in-depth.

### **The Current Phronesis Discussion**

When Nonaka moved into the area of practical judgement or wisdom, tacit knowledge became less well defined. For instance, he has argued that practical wisdom or judgement is a 'high quality' form of tacit knowledge that is developed from experience and enables individuals and groups to ascertain how to act properly in a given situation based upon held values (Nonaka & Toyama, 2007; Erden, von Krogh & Nonaka, 2008). Conversely, practical judgement is seen by Nonaka as the value judgements necessary to convert tacit knowledge into explicit knowledge and vice versa (Nonaka, Toyama, & Hirata, 2008; Nonaka, Kodama, Hirose & Kohlbacher, 2014; Nonaka, Chia, Holt & Peltokorpi, 2014). Finally, Nonaka has presented practical judgement as the knowledge that derives from the synthesis between tacit and explicit knowledge (Nonaka, Kodama, Hirose, & Kohlbacher, 2014). In essence, Nonaka is arguing that practical judgement is a particular type of knowledge, a process of knowledge conversion, and the outcome of knowledge conversion.

Tsoukas, meanwhile, adopts a view of practical judgement as an ability to draw out the important aspects of a situation and to develop a range of possible responses based upon held values. The tacit element of this is as a structure whereby actors draw upon particulars of which they are only subsidiarily aware when focussing on an activity. With regards practical judgement, he sees the tacit component as precisely that inarticulate background that practitioners draw upon when they make judgements (Shotter and Tsoukas, 2014a; Shotter and Tsoukas, 2014b).

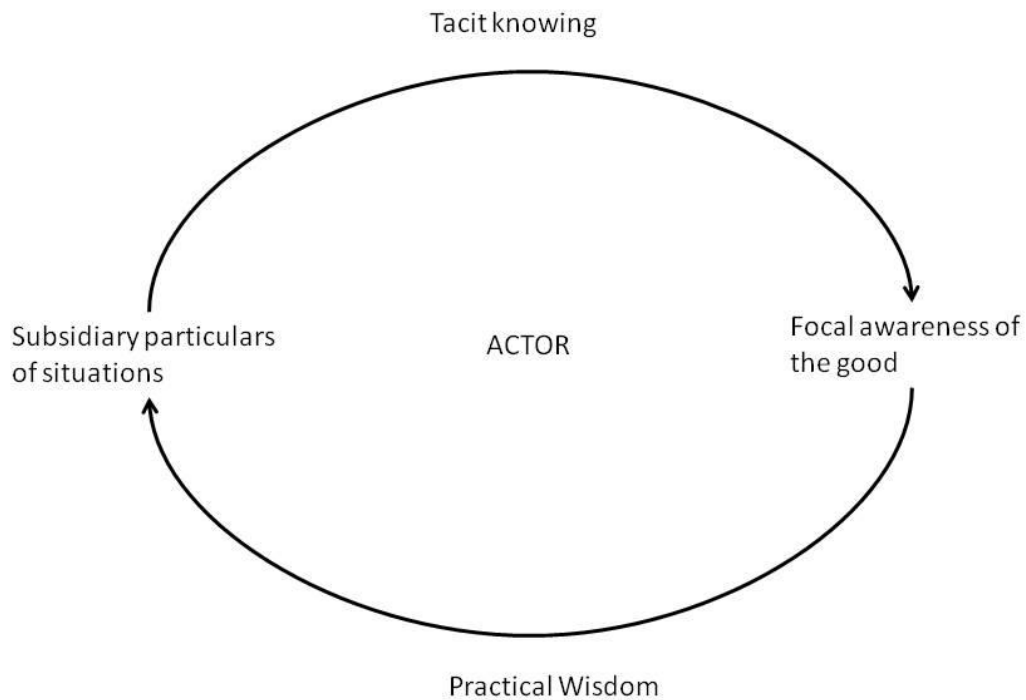
Stacey adopts a very similar perspective of the tacit element of practical judgement as both Nonaka and Tsoukas. For instance, like Nonaka, he perceives practical judgement as a largely tacit form of knowledge that is gained from experience and is employed on a situational basis (Stacey, 2012; Stacey & Mowles, 2015). However, he also follows Tsoukas in seeing practical judgement as a tacit process of knowing when he states that, "Practical judgement is the experienced –based ability to notice what is going on and intuit what is most important about a situation" (Stacey, 2012, p.108).

Thus, taken together practical judgement has been seen as a form of tacit knowledge, a process of tacit and as the tacit component of the outcome of practical judgement. The debate surrounding tacit knowledge in the early 2000s seems to have become conflated with the tacit component itself being increasingly taken for granted. The next section tries to explore the tacit dimension of practical judgement by ascertaining the commonalities between Aristotle's intellectual virtues and Polanyi's tacit knowing.

### **Exploring the Tacit Dimension of Phronesis**

It is hardly surprising that the tacit dimension of phronesis has become increasingly taken-for-granted. This is because Aristotle himself did not see phronesis as having a tacit component. As interpreted by Nonaka, Tsoukas, and Stacey, phronesis for Aristotle was the ability of an individual to reflect upon what was good for himself and about how to conduct the good life (McKeon, 2001). This ability was employed in changing situations and involved drawing out what was morally important about those situations (McKeon, 2001). Finally, it was seen by Aristotle as an ability that was based upon experience and which acted as a guide for virtuous action (McKeon, 2001). This ability he contrasted with the only one of the virtues that did imply a tacit component – *intuitive reason* (McKeon, 2001). Unlike practical wisdom, intuitive reason was not concerned about the good but instead the development of first principles from which scientific knowledge could draw upon. In addition, intuitive reason was unlike phronesis in that it dealt with first principles that were unchanging rather than the changeable features of given situations that were the focus of phronesis. Finally, while it acted as a guide for scientific inquiry it did not guide action nor was it based upon experience. Taken this into account, it is hardly surprising that present accounts of phronesis in management studies have not considered a tacit component.

In addition, Polanyi's (1958) work seems to suggest a lack of connection. His work focussed purely on the tacit component for practical knowing which is far more akin to Aristotle's view of intuitive reason as the basis for scientific inquiry since it talks about drawing upon subsidiary particulars of a body of knowledge when conducting practical and scientific acts. However, there is one way in which the two can be combined. For Polanyi, the process of tacit knowing had a structure of moving from the particulars to the whole while Aristotle perceived practical judgement as using the whole (view of the good) to guide the drawing out of particulars in given situations. Taken together, these two processes combine to form the following cycle (see **figure 1**).



**Figure 1: Tacit Knowing and Practical Wisdom** (Adapted from Tsoukas, 2003)

As shown in **Figure 1** tacit knowing remains the process by which an individual actor draws upon particulars of which he or she is subsidiarily aware while focussing his or her awareness on something else. In this case those particulars are those relating to the good which are drawn out from changing situations while the focus is on what is the good life. This focus on the good life, in turn, guides the drawing out of subsequent particulars in other situations. Thus, the tacit component of practical wisdom is not a background to be drawn upon, nor a process of practical wisdom, nor the tacit component of the result of practical wisdom. Instead, it is one part of an ongoing process by which particulars are integrated to form a notion of the good which, in turn, guides the identification of further particulars.

### **Further development of the paper**

The further development of the paper seeks to do the following:

- Further development of the tacit knowledge debate by bringing in other authors
- Further development of the phronesis debate by bringing in other authors
- Further development of the combination of tacit knowing and practical judgement by looking at the paradoxical aspects, the role of the particulars and the whole, the role of experience, and the individual basis
- Looking at implications for different aspects of management studies

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