

The Relevance of Phronetic Knowledge Exchange in Theory and Practice: Some Reflections on how to incorporate practical wisdom into the exchange of knowledge.

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Introduction

This paper will examine a way to respond to the current debate around the notion of impact, or not, of management knowledge on wider society. This concern is reflected by Sandberg & Tsoukas (2011) who argued that

“There is an increasing concern that management theories are not relevant to practice. In this article we contend that the overall problem is that most management theories are unable to capture the logic of practice because they are developed within the framework of scientific rationality.”

The argument for the need to look at how to improve the exchange of knowledge has recently been reiterated by the Confederation of British Industry (CBI, 2015) who suggested that

“Effective collaboration between the higher education sector and business has a crucial contribution to make, not only to individual firms’ competitiveness but also to UK economic growth.”

This report echoed the following governmental consultation that found a new to improve the use of academic knowledge in a commercial context.

“Growth is at the heart of the Government’s economic agenda, and it has made clear the importance of the UK becoming a leader in sectors such as the life sciences and advanced manufacturing. ... The Committee therefore held an inquiry into how the Government and other organisations can improve the commercialisation of research.” (House of Commons Science and Technology Committee, 2013)

Review of Knowledge Exchange in practice

Recent work referred to below has supported previous work that found that identifying these challenges does not in and of itself propose approaches to meeting these challenges.

“The world of academic research is ‘a jungle, not an orchard’, and it can be hard for businesses to identify appropriate sources of expertise” (CBI, 2015)

Assuming relevant expertise can be identified, the next challenge is how to effectively manage the translation of academic research into commercial application, described recently as “valley of death” (House of Commons Science and Technology Committee, 2013).

Another common finding is the importance of focusing inter-personal relationships that goes beyond the technical research aspects of collaboration.

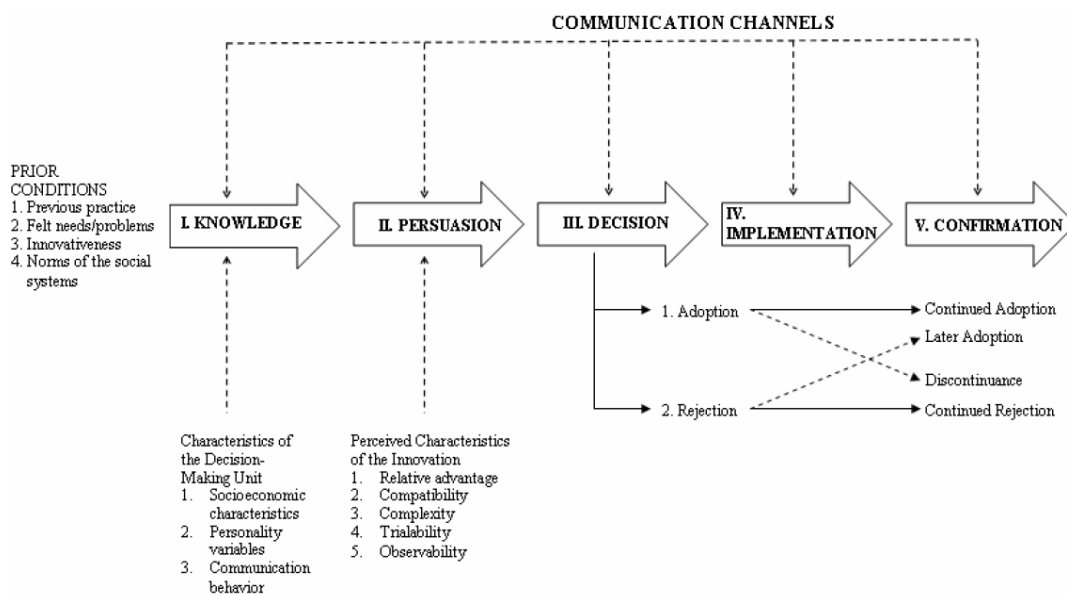
“One of the most consistent messages to emerge from the consultation meetings was that strong personal relationships were found at the heart of any successful collaboration. This was also reflected in written submissions, where ‘strong and trusting personal relationships’ was the most frequently cited key success factor ... Building trusting relationships that enable the collaborating partners to have an open dialogue over a period of months, or years, provides an essential foundation for a partnership.” (Dowling, 2015)

Whilst this point is critically important in the authors' experience of knowledge exchange, it does not provide much insight into the practical aspects of 'how' to develop these "strong personal relationships" given the diversity of cultures, backgrounds, expectations, external pressures and performance measures of each of those parties involved in knowledge exchange.

It is also very important to highlight a central feature of knowledge exchange for many organisations that is frequently misunderstood when the focus is on the Science, Technology, Engineering and Mathematics (STEM) activities. As (Rogers, 2003) stated in his seminal book on innovation diffusion that

“An innovation is an idea, practice, or project that is perceived as new by an individual or other unit of adoption”

This contradicts the notion that only 'blue sky' research constitutes innovative activity and may therefore be worthy of government support. The process of the Innovation- Decision process is described by Rogers as



(Rogers, 2003)

We will now review what we have found to be a promising avenue through which to address the challenges highlighted above.

Practical Wisdom and Knowledge Exchange

Aristotle's intellectual virtue of *phronesis* has been alternatively referred to as practical judgement, practical wisdom, or prudence, and has been examined in a number of different areas of management research including entrepreneurship (Johannisson, 2011), strategy (Nonaka and Toyama, 2007), creativity (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). There has been less research into how to develop these ideas in the field of knowledge exchange.

Its promise derives from the fact that Aristotle distinguished *phronesis* from two other virtues that predominate the field of knowledge exchange: *episteme* or procedural knowledge based upon law-like generalisations; and *techne* or practical know-how (Johannisson, 2011; Nonaka and Takeuchi, 2011; Kavanagh, 2012). This distinction was based upon three main characteristics of *phronesis*: (1) its ethical and moral basis; (2) its situational basis; and (3) its experiential basis.

The first major difference is that *phronesis*, unlike *episteme* and *techne*, involves a form of ethical or moral judgement. In particular, *phronesis* concerns itself with living the good virtuous life and involves judging what is good or bad about a particular course of action (Nonaka and Takeuchi, 2011). The good itself can be an individual good or a common good that is beneficial to the wider community beyond the individual (Clegg, Jarvis, and Pitsis, 2013; Erden, von Krogh, and Nonaka, 2008). Taking such a perspective of knowledge exchange would mean going beyond merely understanding the general principles of a medium of knowledge exchange and knowing how to exchange knowledge to considering whether exchanging knowledge across such a medium is, in and of itself, a good thing for the wider community.

The second major distinction is that the moral judgements of how to act are situational ones. Unlike *episteme* which refers to the ability to apply universal laws to any situation, *phronesis* refers to the ability to make moral judgements in specific, concrete and unique situations. Particularly, it involves the capacity to draw out the most important features of a given situation and making judgements accordingly while realising that the features of one situation cannot be made universal to all situations given the unique nature of each given situation (Johannisson, 2011; Shotter and Tsoukas, 2014; MacKay, Zundel, and Alkirwi, 2014). Taking such a perspective of knowledge exchange would mean acknowledging that every instance of knowledge exchange is unique to itself. Thus, this would problematise the practice of presenting knowledge exchange solutions that are seen as generic. Instead, a useful implication would be to identify the important features of each knowledge exchange situation and then making judgements accordingly regarding whether the knowledge exchange approach is a good one for the wider community in this instance.

Finally, this ability to make moral judgements in specific situations is one based upon experience. Particularly, it is based upon experience of those courses of action which support the common good and those which contravene it (Holt, 2006). As actors gain more of these life experiences their ability to make moral judgements in becomes more refined (Nonaka and Takeuchi, 2011; Shotter and Tsoukas, 2014). Indeed, given the experiential basis of *phronesis*, its further development requires actors to take a reflexive stance whereby they reflect upon the ethics of their own actions within each situation experienced (Mowles, 2012; Clegg, Jarvis, and Pitsis, 2013). This experiential basis separates it from the scientific knowledge of *episteme* which is based upon taught instruction which does not require experience while the focus on the good and bad of each experience separates it from the instrumentalism of *techne*. Taken this perspective towards knowledge exchange means taking experience seriously and being able to reflect upon those experiences and one's actions within them in order to refine the ability to discern whether adopting a particular medium is a good thing.

Further Development of Paper

Specific case studies of the usefulness of the concept will be developed in order to apply this concept to the extensive authors' experience of knowledge exchange activities including 10 Knowledge Transfer Partnerships (KTP), Innovation for Profit conference and EU funded Knowledge auditing programme. This experience is drawn from decades work with a wide variety of small, medium and large firms and not for profit enterprises.

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