

The Wise Leader

Smartness is the operating currency of organizational culture in the 21st-century. Whether it's called cleverness, practical intelligence, or savvy, one can never have too much of it in a company. Smart leaders can see patterns in seemingly random information, enabling them to take decisive action and make the strategic choices that bring competitive advantage.

In a recent strategy + business article adapted from the book, *From Smart to Wise: Acting and Leading with Wisdom* by Prasad Kaipa and Navi Radjou, Silicon Valley-based executives, the authors define two categories of smartness, both of which carry benefits and risks. Most executives favor one or the other, and that makes it more difficult for them to lead.

"Business smart" leaders, like GE's Jack Welch and Oracle's Larry Ellison, are big-picture thinkers who recognize that opportunities are unlimited, at least for those ready to seize those opportunities. They are competitive, dynamic, and proactive. They relish high-stakes games, and display an aggressive, winner-take-all mentality. But these leaders' expeditious and sometimes self-centered approach to decision making can also cause trouble.

"Functional smart" leaders are grounded in the concrete, tangible, and tactical, enabling them to achieve operational and execution effectiveness. Like Genentech co-founder Herbert Boyer and HP founders William Hewlett and David Packard, functional-smart leaders tend to have deep expertise in narrow domains. They understand that constraints are unavoidable, but also know that they can be managed by those willing to design appropriate solutions. Functional-smart leadership may seem like a safer bet, but these leaders are prone to repeating poor decisions or procrastinating on tough decisions. They are more likely to be caught in the weeds of habitual practice, neglecting things outside their purview.

Today's business leaders need to balance narrow and broad views of their business and of the world, and to combine flawless execution with big-picture thinking. This ability to navigate swiftly and effectively between the two forms of smartness, coupled with a focus on a higher purpose and enlightened self-interest—the belief that a rising tide can lift all boats—is what Kaipa and Radjou call "wise leadership."

Becoming a wise leader is not always a smooth journey—people can easily revert to their familiar smart behaviors. Practical wisdom requires the unlearning of one's past success formulas. While struggles are to be expected, wise leaders are flexible and resilient. Most importantly, they learn from failure. The business-smart leader can give voice to aspiration, the functional-smart leader can appreciate limits and execute within them—and the wise leader can do both.