

The Benefits of Wise Organizations for Employee Well-Being

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Abstract: Similar to personal wisdom, which is believed to be beneficial for individuals, others, and the larger community, wise organizations are likely to have a positive impact on employee well-being if their ultimate goal is to promote the common good. To test this hypothesis and create a wise organization index, the cognitive, reflective, and compassionate dimensions of the Three-Dimensional Wisdom Model were integrated with the psychological needs for competence, autonomy, and relatedness of Self-Determination Theory. The wise organization index consisted of the average ratings of ten scales by forty-seven to 1,930 employees in twenty-four organizations. Analyses of two-level hierarchical linear models showed that the positive association between the wisdom scores of twenty-four organizations and the well-being scores of 9130 employees was mediated by supervisor support and job fulfillment. The study suggests that employees who are treated well, feel well and fulfilled at work, which likely benefits the organization's long-term success.

Key Words: three- dimensional wisdom model, self-determination theory, virtues, wise organizations, supervisor support, job fulfillment, employee well-being

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Based on theoretical considerations and empirical evidence, personal wisdom, which is often envisioned as the pinnacle of human development, is beneficial for the individual, others, and the larger society (Kekes 1995; Sternberg 1998; Baltes and Staudinger 2000; Kramer 2000; Csikszentmihalyi and Nakamura 2005; Kupperman 2005; Fischer 2015; Ardel 2019). Is it possible that

organizations can also possess wise characteristics, and do wise organizations enhance employees' well-being? If they do, they might ultimately benefit their own organization through greater employee commitment and engagement.

To answer these questions, it is first necessary to define what a wise organization is. Similar to the various definitions of personal wisdom (for an overview see Sternberg and Glück 2019), a generally agreed upon definition of a wise organization or organizational wisdom does not exist, although many definitions focus on understanding and knowledge management. Organizational wisdom has been described as comprehension of complexity and application of knowledge and judgement to establish and attain desired goals (Bierly, Kessler, and Christensen 2000), efficient and effective knowledge application to succeed in a complex, diverse, fluid, and interdependent business environment (Kessler 2006), efficient knowledge management that is incorporated into company actions and shaped by company and employee emotional intelligence (Pinheiro, Raposo, and Hernandez 2012), "contextualized exceptional understanding operationalized with prudence, through firm systems, interactions and decision-making" (Mora Cortez and Johnston 2019, 1175), a virtuous learning organization guided by the principles of practical wisdom (Rowley and Gibbs 2008), an organization that does the ethical right thing through reflection, learning, and a synthesis of intelligence, knowledge, and experience to contribute to the greater good (Hays 2008), stewardship of the interconnectedness of life to create flourishing communities and ecosystems (Spiller et al. 2011), and workplace spirituality (Zaidman and Goldstein-Gidoni 2011). Yet, most of the existing definitions of organizational wisdom have not been operationalized and tested in empirical research.

To arrive at a comprehensive definition of a wise organization that includes cognitive, reflective, motivational, and affective aspects and can be assessed empirically, Nonaka's (Nonaka and Toyama 2007; Nonaka and Takeuchi 2011; Nonaka et al. 2014) and Kristjánsson's (2022) conceptualization of collective *phronesis* was expanded to incorporate the Three-Dimensional Wisdom Model (3D-WM; Ardel 1997; Ardel 2003, 2004) and Self-Determination Theory (SDT; Deci 1980; Deci and Ryan 2002; Ryan, Huta, and Deci 2008; Ryan, Curren, and Deci 2013; Ryan and Deci 2017; Koole et al. 2019). Because this new definition derived from models of personal wisdom and flourishing, these models are introduced first before transferring them to the organizational context.

Personal Wisdom as the Blueprint for a Wise Organization

The ancient Greeks differentiated between different types of wisdom. *Episteme* meant scientific knowledge about the properties of the natural world. *Sophia* referred to timeless and universal truths and the ultimate meaning of life, which could only be glimpsed through contemplation. *Phronesis* or practical wisdom applied the deep knowledge, insight, and understanding of life obtained through *episteme* and *sophia* to do the ethical right thing in concrete and specific situations (Robinson 1990; Swartwood and Tiberius 2019). For Aristotle (384–322 BC), *phronesis* belonged to the moral sphere of ethical character and was the master virtue that orchestrated all other virtues (Schwartz and Sharpe 2006; Fowers 2008; Swartwood and Tiberius 2019; Kristjánsson 2022).

Nonaka and Toyama (2007, 378) described *phronesis* “as the ability to determine and undertake the best action in a specific situation to serve the common good” and as “high-quality tacit knowledge acquired from practical experience that enables one to make prudent decisions and take action appropriate to each situation, guided by values and ethics.” Because *phronesis* depends on the specificity of a particular situation and the people involved, it is difficult to codify (Kristjánsson 2022). Yet, while it might not be easy to assess *phronesis* as enacted in concrete situations, it is possible to measure the characteristics of wisdom.

Even though conceptualizations and operationalizations of wisdom vary (Sternberg and Glück 2019), both lay persons and experts agree that wisdom is a combination of cognitive, reflective, and benevolent elements (Jeste et al. 2010; Weststrate, Bluck, and Glück 2019; Ardel, Ferrari, and Shi 2020). These cognitive, reflective, and compassionate wisdom characteristics are represented by the Three-Dimensional Wisdom Model (3D-WM; Ardel 1997; Ardel 2003, 2004), which was originally derived from research on lay people’s conceptions of wisdom (Clayton and Birren 1980). The cognitive dimension of wisdom refers to deep knowledge and understanding about the human condition and the intrapersonal and interpersonal aspects of life, while being simultaneously aware of the limitations of knowledge. To attain this kind of knowledge requires the reflective wisdom dimension, which is defined as perceiving phenomena and events, including oneself, from many different perspectives. Through perspective-taking, self-examination, and self-observation individuals are able to gain greater insight into life, understand themselves and others better, and overcome subjectivity and projections. This leads to a reduction in self-centeredness, greater tolerance toward oneself and others, and increased sympathy, compassion, and concern for others, which describes the compassionate wisdom

dimension. This definition of wisdom is compatible with *phronesis* as it emphasizes the knowledge, social, and moral aspects of wisdom. Individuals who possess these cognitive, reflective, and compassionate wisdom characteristics are likely to undertake the morally best course of action in concrete situations, because they can perceive and understand the salient aspects of situations and the people involved (Nonaka and Takeuchi 2011; Kristjánsson 2022) and have the compassionate intention to benefit all.

Wise persons are inherently moral, because they comprehend that moral behavior does not only benefit others but also benefits themselves. Individuals whose life is grounded in moral virtue and who make decisions and act based on practical wisdom achieve what Aristotle (1998) called *eudaimonia*, which can be translated as psychological flourishing and well-being through the fulfillment of positive human potentialities that are experienced as meaningful (Robinson 1990; Fowers 2008; Ryan, Curren, and Deci 2013; Ryff 2014; Fowers et al. 2021).

According to Self-Determination Theory (SDT), the fulfillment of human potentialities requires the satisfaction of people's basic psychological needs for competence, autonomy, and social relatedness (Deci 1980; Deci and Ryan 2002; Ryan, Huta, and Deci 2008; Ryan, Curren, and Deci 2013; Ryan and Deci 2017; Koole et al. 2019). Competence is the desire for personal development and a sense of control, efficacy, and purpose in human endeavors. Autonomy refers to voluntary chosen, self-directed behavior, and relatedness is the need for social affiliation, inclusion, and significant social connections. Aristotle believed that the goal of society and its institutions should be to enable its citizens to flourish by fulfilling their potential (Aristotle 1998; Ryan, Curren, and Deci 2013). Therefore, a wise organization will provide its employees the opportunity to engage in work that fulfills their productive potential to contribute to the common good.

A New Definition of a Wise Organization

The basis of a wise organization is a strong culture of collective *phronesis* (Nonaka and Takeuchi 2011; Kristjánsson 2022). According to O'Reilly and Chatman (1996, 166) a strong corporate culture is "a set of norms and values that are widely shared and strongly held throughout the organization." This means that a strong culture of collective *phronesis* is based on ethical and moral values that are collectively shared and practiced by employees at each level of the organizational hierarchy. Nonaka and colleagues (Nonaka and Toyama 2007; Nonaka and Takeuchi 2011; Nonaka et al. 2014) suggest that wise leaders are necessary

to establish such a culture of collective *phronesis*. Wise leaders of wise organizations know what is ethically good for the organization and society, create a shared higher purpose, motivate people to contribute to the common good, facilitate a community of learning, mutual understanding, trust, and caring, and promote the development of wisdom throughout the organization through role modeling, mentoring, apprenticeships, and training programs. Moreover, wise organizations likely recruit and be attractive to leaders that possess the cognitive, reflective, and compassionate qualities of wisdom. Wise leaders do not only have knowledge, intelligence, and creativity but also (self-)reflective and interpersonal skills to support and motivate employees to do their best work, which fosters employees' flourishing (Nonaka and Takeuchi 2011; Intezari and Pauleen 2018; McKenna and Rooney 2019; Nonaka and Takeuchi 2019; Zacher and Kunzmann 2019; Sternberg 2020). Wise leaders are honest, fair, generous, grateful, compassionate, altruistic, humble, and open to the opinion of others, because they care about the welfare of people and understand that organizational success depends on the cooperation and shared work-related purpose of all employees (Bennis 1997; Limas and Hansson 2004; Hays 2008; Sternberg 2018; McKenna and Rooney 2019; Edmondson and Chamorro-Premuzic 2020). In a wise organization, a partnership exists between the organization's leadership and employees based on trust, goodwill, cooperation, and the absence of exploitation (Ryan, Curren, and Deci 2013).

The ethical foundation and ultimate purpose of a wise organization is the intention to contribute to the common good and make the world a better place through its products or services and also by providing a good livelihood to its employees through a workplace that allows the fulfillment of their productive potentials (Nonaka and Takeuchi 2011; Ryan, Curren, and Deci 2013; Kristjánsson 2022). Earnings and profits enable an organization to do this, but the maximization of profits is not the final goal of a wise organization if it interferes with contributing to the common good (Nonaka and Toyama 2007).

A wise organization helps its employees to flourish. Flourishing means to engage in work that is objectively good and realizes an employee's potential while simultaneously experiencing fulfillment and satisfaction by doing this work (Ryan, Curren, and Deci 2013). Based on SDT, organizations that fulfill employees' need for competence, autonomy, and social relatedness enhance employees' work-related flourishing. This suggests, for example, that businesses that treat their workers as a piece of machinery or organizations that encourage employees to engage in unethical or deceptive business practices do not fulfill employees' productive potential and deprive them of work-related

fulfillment and satisfaction. By contrast, satisfaction of the need for autonomy, competence, and relatedness at work predicts work-related well-being (Baard, Deci, and Ryan 2004; Stone, Deci, and Ryan 2009; Ryan, Bernstein, and Brown 2010).

Aristotle's theory of *phronesis* and *eudaimonia* invites a critical evaluation and comparison of organizations in the cognitive, reflective, and compassionate dimensions of wisdom regarding their support for employees' psychological needs for competence, autonomy, and relatedness to experience work-related flourishing and general well-being (Ryan, Curren, and Deci 2013). By integrating the Three-Dimensional Wisdom Model (3D-WM) with Self-Determination Theory (SDT) a new comprehensive definition of a wise organization can be developed that includes cognitive, reflective, motivational, and affective elements. The cognitive dimension of the 3D-WM integrates with the competence component of SDT. Employees of a wise organization know that the ultimate purpose and reason for its existence is to contribute to the common good and benefit all stakeholders, including shareholders, employees, customers, clients, suppliers, the surrounding community, the society as a whole, and the environment (Bierly, Kessler, and Christensen 2000; Rowley and Gibbs 2008; Nonaka and Takeuchi 2011; McKenna and Rooney 2019; Zacher and Kunzmann 2019). By contributing to the common good, wise organizations elicit in their employees a sense of accomplishment and the feeling that their work has meaning and makes a positive difference (Ryan, Curren, and Deci 2013). Wise organizations encourage employees' professional but also personal development and growth through positive role models, mentoring, education, and training programs (Nonaka and Toyama 2007; Nonaka and Takeuchi 2011). Wise organizations combine the reflective dimension of the 3D-WM with the autonomy component of the SDT to create groups of mutual learning, understanding, and reflection and give employees the freedom to accomplish their tasks self-directed rather than being treated as a piece of machinery with timed and narrowly prescribed tasks. Wise organizations also provide employees enough time and flexibility to achieve a satisfactory work-life balance with down-time to reflect and recuperate from work. The compassionate dimension of the 3D-WS integrates with the relatedness component of the SDT in wise organizations to create a caring, mutually supportive, inclusive, and participatory working environment. Such an environment is characterized by an ethical organizational culture (Nonaka and Takeuchi 2011; Kristjánsson 2022) that takes the organization's impact on the community, society, and environment into account and promotes fairness, appreciation, and respect for all employees, including a sense of job security and fair pay.

To summarize, wise organizations foster their employees' flourishing in the cognitive wisdom dimension by promoting employees' competence and sense of accomplishment through meaningful work, role modeling, mentoring, education, and training programs, in the reflective wisdom dimension by granting autonomy and flexibility and building a community of mutual learning and reflection, and in the compassionate wisdom dimension by providing opportunities and spaces for positive social relationships to encourage empathic and compassionate understanding, appreciation, respect, and support.

The Present Study

The purpose of the present study was to examine the impact of wise organizations on their employees' flourishing, assessed as work-related fulfillment and physical and subjective well-being. Past literature has described the characteristics of organizational wisdom (Bierly, Kessler, and Christensen 2000; Kessler 2006; Hays 2008; Rowley and Gibbs 2008; Spiller et al. 2011; Zaidman and Goldstein-Gidoni 2011; Pinheiro, Raposo, and Hernandez 2012; Mora Cortez and Johnston 2019), how supportive leaders contribute to employees' job satisfaction (Aydin and Ceylan 2009; Neubert et al. 2009; Schyns, van Veldhoven, and Wood 2009; Toor and Ofori 2009; Long et al. 2014; Hoch et al. 2018; Khan and Lakshmi 2018; Qing et al. 2019), and the positive effects of job satisfaction on health and subjective well-being (Abramson et al. 1994; Cass et al. 2003; Judge and Ilies 2004; Faragher, Cass, and Cooper 2005). However, the direct effects of wise organizations on employees' work-related fulfillment and personal well-being have rarely been empirically investigated. In previous research, Ardelit and Sharma (2021) conducted a path analysis with a sample of nine organizations from the United States and 821 employees to find that wise organizations contributed to greater job satisfaction directly and to physical and subjective well-being indirectly, mediated by wise leadership and job satisfaction. The present study in part replicates this earlier study with a larger international data set of twenty-four organizations, a more comprehensive assessments of wise organizations, and an analysis strategy that is more appropriate for organizational and individual level data.

The following hypotheses were tested:

- (1) Wise organizations nurture supportive leadership through hiring and internal cultural practices and have a positive effect on their employees' sense of job fulfillment and their physical and subjective well-being.

- (2) Supportive leaders foster employees' job fulfillment. Therefore, the positive association between wise organization and employees' job fulfillment is mediated by supportive leadership.
- (3) Job fulfillment is positively related to employees' physical and subjective well-being. Hence, the positive association between wise organization and employees' physical and subjective well-being is mediated by supportive leadership and employees' job fulfillment.

Methods

Design

To test the hypotheses, secondary data from the Generations of Talent Study (Pitt-Catsouphe and Sarkisian 2014) were utilized to analyze two-level hierarchical linear models with wise organization assessed at the organizational level and all other variables nested within organizations and measured at the employee level.

Procedure and Sample

The data, which are available from the Inter-University Consortium for Political and Social Research (ICPSR 35034), were collected in 2010 from employees in twenty-four organizations in eleven countries and five different sectors (tech, consulting, pharma, energy, and finance). Employees of selected organizations were contacted by the Sloan Center on Aging and Work at Boston College, which originally conducted the study (see McNamara et al. 2017 for details of the data collection procedure). The number of respondents with valid organizational data in each organization ranged from forty-seven to 1,930 employees ($M=420$, median=308.5 employees), resulting in a sample of 10,082 employees across the twenty-four organizations. The employees ranged in age from eighteen to ninety-one years ($M=37.77$, $SD=9.75$). Thirty-five percent were supervisors, thirty-nine percent were female, twenty percent had no university degree, fifty percent had an undergraduate degree only, and thirty percent had a graduate degree.

Measures

Wise organization was measured at the organizational level as the average of the organization's employees' scores. The wise organization index was the average of ten variables. The item wording and respective answer categories, Cronbach's alpha-values, means, standard deviations, and number of employees who

responded to the ten variables are displayed in Table 1. The cognitive wisdom dimension/competence component was assessed by three items for competence, three items for professional development opportunities, and one item for personal development opportunities. The reflective wisdom dimension/autonomy component was represented by five items for autonomy, five items for the flexibility at work index, and four items for work-life balance. The compassionate wisdom dimension/relatedness component was measured by two items assessing perceptions of working in a caring organization, five relatedness items for non-supervisory employees and seven relatedness items for supervisors, two items for job security, and five items for fair pay and benefits. All items were either measured or transformed into 1-6 scales before the average of all ten variables was computed, resulting in a Cronbach's α of .84.

Table 1: Assessment of Wise Organization

Variable	Items	α	M	SD	N
<i>Cognitive wisdom dimension/Competence component</i>					
Competence	How satisfied are you with the following? ^b				
	- The sense of accomplishment you get from work.	.88	4.35	1.00	9084
	- The extent to which you use your skills and abilities on your job.				
	- The way your job allows you to make a difference in your community or the world.				
Professional development opportunities	To what extent do you agree or disagree that the following statements describe your current work situation? ^a				
	- I have real opportunities to improve my skills at this company through education and training programs.	.79	4.20	1.07	9803
	How satisfied are you with the following? ^b				
	- Resources and opportunities for training and development to improve your skills or learn new skills that your employer provides.				
	- Opportunities which exist in this organization for advancement or promotions.				
Personal development opportunities	How satisfied are you with the following? ^b				
	- Benefits that promote health, wellness, and psychological well-being, such as nutrition programs; fitness facilities; or programs that provide information, counseling, or referrals.	-	3.99	1.21	9061
<i>Reflective wisdom dimension/Autonomy component</i>					
Autonomy	To what extent do you agree or disagree that the following statements describe your current work situation? ^a				
	- I have opportunities to do a number of different things.	.79	4.46	0.85	10079
	- I have opportunities for independent thought or action.				
	- I have opportunities to do a job from beginning to end (e.g., the chance to do the whole job).				
	How often have you had these feelings about your work during the past year? ^c				
	- I have control over what happens on my job.				
	- I am free to decide how my job is to be done.				

Variable	Items	α	M	SD	N
Flexibility at work	To your knowledge, does your organization offer the following types of flexible work options? ^d <ul style="list-style-type: none"> - Flexibility in the number of hours worked, such as part-time work or part-year work - Flexible work schedules, such as changes in starting and quitting times or choices about shifts - Flexible place, such as being able to work from home or at a different worksite in the organization - Options for time off, such as paid/unpaid leave for dependent care or paid/unpaid sabbatical - Flexibility in changing career path, such as being able to transfer to a job with reduced or increased responsibilities 	-	3.90	1.68	9663
Work-life balance	To what extent do you agree or disagree that the following statements describe your current work situation? ^{2a} <ul style="list-style-type: none"> - Overall, I have access to the flexible work options I need to fulfill my work and personal needs. - In this organization, employees who make use of flexible work options are viewed as less serious about their careers than those who do not make use of such options. (reversed) - Employees are regularly expected to put their jobs ahead of their personal or family lives. (reversed) - I feel comfortable discussing my needs for flexibility with my supervisor. 	.58	3.84	0.89	9843
<i>Compassionate wisdom dimension/Relatedness component</i>					
Caring organization	To what extent do you agree or disagree that the following statements describe your current work situation? ^{2a} <ul style="list-style-type: none"> - My employer does as much as it can to help solve society's problems (poverty, discrimination, pollution, etc.). - My employer has a genuine interest in the welfare of its employees. 	.75	4.27	1.05	10074
Relatedness	To what extent do you agree or disagree that the following statements describe your current work situation? ^{2a} <ul style="list-style-type: none"> - I have opportunities to develop positive relationships with co-workers. - I have opportunities to develop positive relationships with supervisors/managers. - For supervisors: I have opportunities to develop positive relationships with subordinates. How satisfied are you with the following? ^{2b} <ul style="list-style-type: none"> - The person who supervises you—your organizational superior. - Your relations with others with whom you work—your co-workers or peers. - The inclusiveness of your organizational culture in terms of welcoming diverse employees. - For supervisors: Your working relationships with subordinates. 	.79 ^e and .83 ^f	4.80	0.76	10037
Job security	To what extent do you agree or disagree that the following statements describe your current work situation? ^{2a} <ul style="list-style-type: none"> - I expect to be able to keep my present job at least for the next 5 years. How satisfied are you with the following? ^{2b} <ul style="list-style-type: none"> - Your job security. 	.52	4.45	1.14	9802

Variable	Items	α	M	SD	N
Fair pay and benefits	To what extent do you agree or disagree that the following statements describe your current work situation? ^a				
	- I earn more money than I would earn elsewhere.				
	- My pay reflects my skills, experience, and efforts.				
	How satisfied are you with the following? ^b				
	- The progress you have made financially so far.	.85	3.92	1.05	10036
	- Benefits that have monetary value such as profit-sharing schemes; retirement benefits; paid time off; paid sick days or medical leave; subsidies for child care, dependent care, education, or housing; health insurance; or long-term care insurance.				
	- The pay you receive for your job.				

Note: The original answer categories of the items can be identified by the respective superscript. All answer categories were transformed into 1-6 scales before the mean and standard deviation were computed.

^a (1) Strongly disagree, (2) Moderately disagree, (3) Somewhat disagree, (4) Somewhat agree, (5) Moderately agree, (6) Strongly agree;

^b (1) Strongly dissatisfied, (2) Moderately dissatisfied, (3) Somewhat dissatisfied, (4) Somewhat satisfied, (5) Moderately satisfied, (6) Strongly satisfied;

^c (1) Never, (2) Rarely, (3) Sometimes, (4) Often, (5) All the time;

^d (1) No, (2) Yes;

^e non-supervisory employees;

^f supervisors

Table 2: Assessment of Supportive Leadership, Job Fulfillment, and Employee Well-Being

Variable	Items	α	M	SD	N
<i>Supportive leadership</i>					
Supervisor support	To what extent do you agree or disagree that the following statements describe your current work situation? ^a				
	- My supervisor gives me helpful feedback about my performance.				
	- My supervisor provides assignments that give me the opportunity to develop and strengthen new skills.				
	- My supervisor cares about whether or not I achieve my career goals.	.93	4.29	1.12	9972
	- My supervisor makes sure I get the credit when I accomplish something substantial on the job.				
	- My supervisor really cares about the effects that work demands have on my personal and family life.				
	- My supervisor often asks for my opinion before making important decisions.				
	- My supervisor gives me clear instructions.				
<i>Job fulfillment</i>					
Organizational commitment	To what extent do you agree or disagree that the following statements describe your current work situation? ^a (transformed to 0-10)				
	- To help this organization succeed, I am willing to work harder than I have to.				
	- I would take almost any job to keep working for this organization.	.75	6.09	2.02	9802
	- I would turn down another job for more pay in order to stay with this organization.				
	- I consider this organization a "great place to work."				

Variable	Items	α	M	SD	N
Engagement at work	How often have you had these feelings about your work during the past year? ^b (transformed to 0-10) - At my work, I feel bursting with energy. - I find the work that I do full of meaning and purpose. - I am enthusiastic about my job. - I am immersed in my work.	.88	7.53	1.95	9545
Overall work satisfaction	- Which of the following best describes how you feel about your job, overall? ^{c,d} (transformed to 0-10) - How satisfied are you with the success you have achieved in your career? ^d (transformed to 0-10) - On average, what percentage of the time when you are at work are you "delighted"/strongly satisfied with your job? (recoded 0-10)	.73	6.32	1.91	9143
<i>Employee Well-Being</i>					
Subjective well-being	- Which of the following best describes how you feel about your life these days, all things considered? ^{c,d} (transformed to 0-10) - What percentage of the time are you "delighted"/strongly satisfied with your life these days? (recoded 0-10)	.75	6.87	2.07	9131
Physical well-being (not available for four tech companies)	- Overall, how would you rate your health during the past 4 weeks? (reversed) ^e - During the past 4 weeks, how much difficulty did you have doing your daily work, both at home and away from home because of your physical health? ^f (reversed and recoded to 1-6)	.72	4.84	1.00	8146

Note: The original answer categories of the items can be identified by the respective superscript.

^a (1) Strongly disagree, (2) Moderately disagree, (3) Somewhat disagree, (4) Somewhat agree, (5) Moderately agree, (6) Strongly agree;

^b (1) Never, (2) Almost never—A few times a year or less, (3) Rarely—Once a month or less, (4) Sometimes—A few times a month, (5) Often—Once a week, (6) Very often—A few times a week, (7) Always—Every day you work;

^c (1) Terrible, (2) Unhappy, (3) Mostly dissatisfied, (4) Mostly satisfied, (5) Pleased, (6) Delighted;

^d (1) Strongly dissatisfied, (2) Moderately dissatisfied, (3) Somewhat dissatisfied, (4) Somewhat satisfied, (5) Moderately satisfied, (6) Strongly satisfied;

^e (1) Excellent, (2) Very good, (3) Good, (4) Fair, (5) Poor, (6) Very poor;

^f (1) None at all, (2) A little bit, (3) Some, (4) Quite a lot, (5) Could not do daily work

Table 2 provides the items, answer categories, Cronbach's alpha-values, means, standard deviations, and number of employees who responded to items for supportive leadership, job fulfillment, and employee well-being. *Supportive leadership* was assessed by one variable, supervisor support, with seven items (Cronbach's $\alpha=.93$). *Job fulfillment* was the average of three variables (Cronbach's $\alpha=.93$): organizational commitment (four items), employee engagement (four items), and overall work satisfaction (three items). *Subjective well-being* and *physical well-being* were measured by the average of two items each (Cronbach's $\alpha=.75$ and $.72$, respectively). Physical well-being was not assessed in the four tech companies. *Controls* were supervisor position (0=no, 1=yes), age (in

years), education level (1=*no university degree*, 1=*undergraduate degree only*, 2=*graduate degree*), and female gender (0=*no*, 1=*yes*).

Results

Preliminary Analyses

To construct the wise organization index at the organizational level, a one-way ANOVA with employees' average wise organization score as the dependent variable and organization identification number as the independent variable was conducted. All 10,082 employees contributed to the average wise organization index. Table 3 shows the average wise organization score for each organization, sorted from the highest to the lowest score. The twenty-four organizations' average employees' scores ranged from 3.83 (Finance Botswana) to 4.74 (Tech US) with a mean of 4.25 ($SD=0.24$) and a median of 4.28 on a 1-6 scale. One-way ANOVAs showed that the wise organization index was significantly different between the twenty-four organizations, $F(23,10058) = 41.23, p < .001$, and the five sectors, $F(4,10077) = 128.97, p < .001$, with tech companies scoring significantly higher than all other organizational sectors ($M=4.56, SE=.020, p < .001$) and consulting firms scoring significantly lower than all other sectors ($M=4.02, SE=.014, p < .001$). The average wise organization index did not significantly differ between the pharmaceutical, finance, and energy sectors.

Interestingly, tech companies tended to be rated by their employees significantly higher than all other organizational sectors on six of the ten variables that make up the wise organization index: personal development opportunities ($M=4.52, SE=.034, p < .01$), autonomy ($M=4.70, SE=.025, p < .05$), flexibility at work ($M=4.98, SE=.042, p < .001$), work-life balance ($M=4.17, SE=.027, p < .001$), being a caring organization ($M=4.77, SE=.030, p < .001$), and relatedness ($M=5.01, SE=.022, p < .01$). By contrast, consulting firms tended to be rated significantly lower than at least three of the remaining four sectors on six of the ten variables: competence ($M=4.16, SE=.22, p < .001$), personal development opportunities ($M=3.60, SE=.026, p < .001$), autonomy ($M=4.34, SE=.017, p < .01$), work-life balance ($M=3.60, SE=.018, p < .01$), being a caring organization ($M=3.86, SE=.021, p < .001$), and fair pay and benefits ($M=3.50, SE=.021, p < .001$).

The analysis sample comprised the 9,130 study participants with valid values on supervisor support, job fulfillment, and subjective well-being. Because the demographic control variables had a relatively high number of missing values, possibly in an attempt to preserve anonymity when rating one's organization, the Markov Chain Monte Carlo (MCMC) multiple imputation method

Table 3: Average Wise Organization Scores Sorted from Highest to Lowest

Company	N	M	SD	SE	95% Confidence Interval	
					Lower Bound	Upper Bound
Tech US	269	4.74	0.61	0.04	4.67	4.82
Tech UK	306	4.60	0.58	0.03	4.54	4.67
Pharma Brazil	88	4.57	0.63	0.07	4.43	4.70
Tech India	184	4.53	0.73	0.05	4.42	4.63
Consulting Netherlands	146	4.43	0.56	0.05	4.33	4.52
Pharma US	490	4.40	0.71	0.03	4.34	4.47
Pharma Mexico	722	4.37	0.66	0.02	4.33	4.42
Pharma Spain	470	4.35	0.64	0.03	4.30	4.41
Pharma Brazil	477	4.32	0.73	0.03	4.26	4.39
Tech China	218	4.31	0.57	0.04	4.23	4.38
Finance South Africa	334	4.30	0.76	0.04	4.21	4.38
Pharma US	287	4.29	0.70	0.04	4.21	4.37
Pharma China	1070	4.26	0.60	0.02	4.23	4.30
Consulting Mexico	479	4.23	0.64	0.03	4.17	4.28
Energy UK	115	4.19	0.73	0.07	4.05	4.32
Energy Spain	223	4.16	0.67	0.05	4.07	4.25
Pharma Japan	1930	4.16	0.61	0.01	4.13	4.18
Consulting Netherlands	487	4.15	0.61	0.03	4.09	4.20
Pharma UK	47	4.14	0.64	0.09	3.96	4.33
Pharma China	54	4.13	0.67	0.09	3.94	4.31
Consulting India	311	3.92	0.83	0.05	3.83	4.02
Consulting Brazil	801	3.88	0.75	0.03	3.83	3.94
Consulting Japan	475	3.84	0.66	0.03	3.78	3.90
Finance Botswana	99	3.83	0.93	0.10	3.64	4.01

in PRELIS 9.30 was used with all 10,082 cases to impute demographic missing values. Among the smaller sample of 9,130 cases, one value was imputed for supervisor position, 17 values for age, 174 values for education level, and 172 values for gender.

Bivariate Correlations

Table 4 shows the bivariate correlations among all the variables. Employees' evaluation of the organization at the individual level was added for informative purposes only. The correlation between the organizational level and the individual level wise organization index was moderate ($r = .29, p < .01$), which

Table 4: Bivariate Correlations; Pearson's r

	1	2	3	4	5	6	7	8	9	M	SD	N
Wise organization index (organizational level)	-									4.23	0.20	9130
Wise organization (individual employee evaluation)	.29**	-								4.22	0.69	9130
Supervisor support	.21**	.64**	-							4.29	1.12	9130
Job fulfillment	.26**	.71**	.53**	-						6.65	1.65	9130
Subjective well-being	.20**	.36**	.22**	.47**	-					6.87	2.07	9130
Physical well-being	.16**	.27**	.13**	.27**	.38**	-				4.84	1.00	8137
Supervisor (0=no, 1=yes)	-.04**	.06**	.03*	.06**	-.02	-.02	-			0.35	0.48	9130
Age	.28**	.13**	.01	.09**	.00	.07**	.12**	-		37.79	9.75	9130
Education	.07**	-.03*	-.01	-.08**	-.01	.05**	.07**	-.02	-	2.10	0.70	9130
Female (0=no, 1=yes)	.03	.00	.01	-.01	.09**	-.02	-.08**	-.11**	-.03	0.39	0.49	9130

Note: *** $p < .001$, ** $p < .01$, * $p < .05$

indicates some agreement but also some divergence of employees' evaluations of their organization based on different perceptions and/or different positions, benefits, and privileges within the organization.

The wise organization index was positively correlated with perceptions of supervisor support, job fulfillment, and subjective and physical well-being. Not surprisingly, compared to the correlations with the organizational level wise organization index, the correlations with employees' individual evaluations of their organization were considerably stronger, especially for the two work-related variables. This shows that employees' perception of their organization has a spill-over effect on their perception of leadership support, their organizational commitment, engagement at work, and overall work satisfaction. However, this study focuses on the average evaluation of an organization by its employees to assess organizational wisdom comprehensively at the organizational level rather than at the individual employee level.

Supervisor support, job fulfillment, and subjective and physical well-being were all positively correlated with each other. One interesting finding related to the control variables is the positive correlation between the wise organization index and age, which was stronger at the organizational level than at the individual employee level, indicating that wise organizations tend to retain older workers.

Analyses of Two-Level Hierarchical Linear Models

The MIXED procedure in IBM SPSS Statistics 27 with ML estimation was used to conduct several two-level hierarchical linear model analyses. Wise organization was the level-two (organizational) variable. All others were level-one (employee) variables nested within organizations. Because the level-two variable was of substantial interest, all independent variables, except the dichotomous variables, were centered at the grand mean (Enders and Tofighi 2007).

First, intercept-only models (unconstrained or unconditional models) with supportive supervisor, employee job fulfillment, physical well-being, and subjective well-being as the outcome variables were analyzed (Woltman et al. 2012). The variance in the four outcome variables by organization was significantly different from zero ($p < .01$), and the intraclass correlation coefficient (ICC), which is the ratio of the group-level error variance over the total error variance (Albright and Marinova 2010), ranged from .08 for supportive supervisor to .14 for job fulfillment and subjective well-being, indicating that organizational variation accounted for eight to fourteen percent of the variation in the dependent variables.

Table 5 displays the results of the hierarchical linear model analyses with all twenty-four organizations but without subjective health as the dependent variable, as this variable was not assessed in the four tech companies. Table 6 shows the results for physical and subjective well-being as the dependent variables for the twenty organizations that assessed physical well-being. Standardized coefficient estimates were obtained by repeating the analyses with standardized variables. Due to the large number of cases for the level-one variables, which resulted in some statistically significant coefficient estimates that were relatively small and not substantially meaningful, only effects with standardized coefficient estimates greater than .10 are discussed.

Model 1 in Tables 5 and 6 tested the fixed effect of organizational wisdom on the dependent variables after controlling for employees' supervisor position, age, education level, and gender. As predicted by Hypothesis 1, the wise organization index was positively related to supervisor support, job fulfillment, physical well-being, and subjective well-being. After adding supervisor support to the models (Model 2 in Tables 5 and 6) the effect of wise organization on job fulfillment, physical well-being, and subjective well-being became non-significant. Because wise organization was positively related to supervisor support, and supervisor support was positively related to job fulfillment and physical and subjective well-being, this meant that supervisor support mediated the positive effect of wise organization on job fulfillment and physical and subjective well-being. Model 2 in Table 5 for job fulfillment as the dependent variable corroborated Hypothesis 2 that the positive association between wise organization and employees' job fulfillment is mediated by supportive leadership. Model 2 in Table 5 also included a significant random effect of supervisor support, indicating that the effect of supervisor support on job fulfillment and subjective well-being varied between organizations.

The effect of supervisor support on subjective well-being (Table 5) and physical well-being (Table 6) became non-significant after adding the significant positive effect of job fulfillment in Model 3. However, the positive effect of job fulfillment on subjective well-being was only slightly reduced and remained significant after controlling for the significant positive effect of physical well-being on subjective well-being in Model 3 in Table 6. Models 2 and 3 combined support Hypothesis 3 that the positive association between wise organization and employees' physical and subjective well-being is mediated by supportive leadership and employees' job fulfillment. Moreover, the random effect of job fulfillment on subjective well-being was significant in Model 3 in Table 5 and in Models 2 and 3 in Table 6, but the random effect of supervisor

Table 5: Effects of Wise Organization on Employee Subjective Well-Being Mediated by Supervisor Support and Job Fulfillment

Dependent Variables	Supervisor support			Job fulfillment			Model 1			Model 2			Model 3		
	Model 1			Model 2			Model 1			Model 2			Model 3		
Independent Variables	<i>b</i>	<i>SE</i>	β	<i>b</i>	<i>SE</i>	β	<i>b</i>	<i>SE</i>	β	<i>b</i>	<i>SE</i>	β	<i>b</i>	<i>SE</i>	β
<i>Fixed Effects</i>															
Intercept	4.26***	.046		6.57***	.100		6.86***	.133		6.88***	.138		6.90***	.114	
Wise organization	1.15***	.189	.21	.66	.421	.08	1.49*	.560	.15	1.00	.581	.10	.71	.487	.07
Supervisor support	-	-	-	.74***	.031	.50	-	-	-	.39***	.040	.21	-.02	.025	-.01
Job fulfillment	-	-	-	-	-	-	-	-	-	-	-	-	.54***	.027	.43
Supervisor (1=yes)	.09***	.025	.04	.16***	.031	.04	-.02	.044	-.00	-.06	.043	-.01	-.15***	.040	-.03
Age	-.01***	.001	-.05	.01***	.002	.08	-.00	.002	-.00	.00	.002	.01	-.01**	.002	-.03
Education	-.03**	.017	-.03	-.23***	.024	-.09	-.08**	.030	-.03	-.06*	.029	-.02	.05	.027	.02
Female (1=yes)	-.05	.025	-.02	-.08*	.035	-.02	.18***	.043	.04	.20***	.042	.05	.23***	.039	.05
<i>Random Effects</i>															
<i>Variance Components</i>															
Residual	1.15***	.017		1.67***	.025		3.52***	.052		3.34***	.050		2.86***	.042	
Intercept	.04**	.013		.22**	.066		.38**	.115		.41**	.123		.27**	.083	
Supervisor support	-	-		.02*	.006		-	-		.03*	.011		.00	.004	
Job fulfillment	-	-		-	-		-	-		-	-		.01*	.005	
<i>Overall Model Fit</i>															
AIC	27265.82			33551.89			37493.34			37051.49			35641.76		
BIC	27322.77			33608.84			37550.30			37122.69			35727.19		

Note: *n* = 9130 in twenty-four organizations; maximum likelihood estimation using hierarchical linear modeling; *b* = unstandardized coefficient estimate, *SE* = standard error of coefficient estimate, β = standardized coefficient estimate; AIC = Akaike's Information Criterion, BIC = Schwarz's Bayesian Criterion *** *p* < .001, ** *p* < .01, * *p* < .05

Table 6: Effects of Wise Organization on Employee Physical and Subjective Well-Being Mediated by Supervisor Support and Job Fulfillment

Dependent Variables				Physical well-being						Subjective well-being					
Independent Variables	Model 1		Model 2		Model 3		Model 1		Model 2		Model 3				
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE			
<i>Fixed Effects</i>															
Intercept	5.09***	.055	5.09***	.056	5.10***	.057	6.95***	.150	6.99***	.124	4.85***	.152			
Wise organization	.68*	.267	.52	.272	.39	.278	2.06*	.740	1.19	.611	1.04	.556			
Supervisor support	-	-	.11***	.010	.01	.011	-	-	-.02	.027	-.03	.022			
Job fulfillment	-	-	-	-	.15***	.008	.25	-	.51***	.026	.45***	.025			
Physical well-being	-	-	-	-	-	-	-	-	-	-	.42***	.020			
Supervisor (1=yes)	-.08**	.023	-.09***	.023	-.11***	.023	.01	.047	-.13**	.043	-.08	.042			
Age	.00**	.001	.00***	.001	.00	.001	-.00	.003	-.01**	.002	-.01***	.002			
Education	.03	.016	.03*	.016	.07***	.016	-.12***	.032	.02	.029	-.01	.028			
Female (1=yes)	-.17***	.023	-.16***	.023	-.16***	.022	.16**	.045	.21***	.041	.27***	.040			
<i>Random Effects</i>															
<i>Variance Components</i>															
Residual	.88***	.014	.86***	.014	.83***	.013	3.43***	.054	2.82***	.044	2.67***	.042			
Intercept	.05**	.017	.05**	.017	.05**	.019	.40**	.133	.27**	.090	.22**	.075			
Supervisor support	-	-	-	-	-	-	-	-	.00	.005	.00	.003			
Job fulfillment	-	-	-	-	-	-	-	-	.01*	.004	.01*	.004			
<i>Overall Model Fit</i>															
AIC	22102.45		21969.67		21615.24		33217.31		31637.09		31210.94				
BIC	22158.48		22032.70		21685.29		33273.34		31721.14		31301.99				

Note: *n* = 8137 in twenty organizations (without tech companies); maximum likelihood estimation using hierarchical linear modeling; *b* = unstandardized coefficient estimate, *SE* = standard error of coefficient estimate, β = standardized coefficient estimate; AIC = Akaike's Information Criterion, BIC = Schwarz's Bayesian Criterion
 *** $p < .001$, ** $p < .01$, * $p < .05$

support became non-significant. This suggests that the effect of job fulfillment on subjective well-being rather than the effect of supervisor support varied between organizations.

Overall model fit was determined by Akaike's Information Criterion (AIC) and Schwarz's Bayesian Criterion (BIC), with smaller values indicating a better model fit (Albright and Marinova 2010). As shown in Tables 5 and 6, model fit improved from Model 1 to Model 2 and from Model 2 to Model 3.

Discussion

The results of the two-level hierarchical linear model analyses are summarized in Figure 1. The unstandardized/standardized fixed effects for twenty-four organizations ($n = 9130$) but without physical well-being are shown above the arrows, while the unstandardized/standardized fixed effects for twenty organizations ($n = 8137$), including physical well-being, are shown below the arrows. All analyses controlled for supervisor position, age, education level, gender, and preceding model variables.

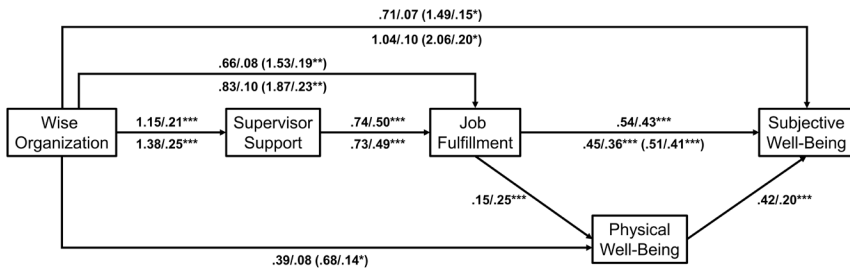


Figure 1. Note: $n = 9130$ for twenty-four organizations but without physical well-being above arrows; $n = 8137$ for twenty organizations (without tech companies) and including physical well-being below arrows; two-level hierarchical linear model analyses with ML estimation; unstandardized/standardized coefficient estimates. Unmediated direct effects of wise organization on job fulfillment, physical well-being, and subjective well-being are shown in parentheses. All analyses controlled for supervisor position, age, education level, gender, and preceding model variables. *** $p < .001$, ** $p < .01$, * $p < .05$.

The significant unmediated direct effects of wise organization on job fulfillment, physical well-being, and subjective well-being are shown in parentheses and confirm *Hypothesis 1* that wise organizations are positively related to their employees' job fulfillment and physical and subjective well-being. As predicted, the effect of wise organization on job fulfillment was mediated by supportive leadership (*Hypotheses 2*), and the effects of wise organization on physical and subjective well-being were mediated by supportive leadership and employees' sense of job fulfillment (*Hypotheses 3*).

Wise organizations affect employees' work-related, physical, and subjective well-being indirectly through a chain reaction from wise organization to supportive leadership, from supportive leadership to job fulfillment, and finally from job fulfillment to physical and subjective well-being. In part, this research is a replication of an earlier study by Ardel and Sharma (2021) that found the same chain reaction from wise organization to physical and subjective well-being. However, several differences exist between the two studies.

First, the earlier study only included a US national sample of nine organizations compared to the present study of twenty-four organizations located in eleven countries. Second, the organizational sectors that were included in both studies are not identical. The earlier study recruited organizations from pharmaceutical, finance and insurance, retail, health care and social assistance, and higher education sectors, while the organizations in the present study came from pharmaceutical, finance, tech, consulting, and energy sectors. Third, due to the small number of organizations, the earlier study used path analysis, while the present study analyzed two-level hierarchical linear models, which are more appropriate for data that include organizational-level and employee-level variables. Fourth, the variables were similar but not identical in the two studies. The earlier study assessed wise organizations with six rather than ten variables, which did not include measures of personal development opportunities, competence, caring organization, and fair pay. Yet, the earlier study was better able to assess wise leadership as a combination of fair and supportive leadership, whereas only supervisor support was available in the present study. In addition to organizational commitment and employee engagement, the measurement of job satisfaction/fulfillment in the earlier study included career perceived as a calling and satisfaction with career progress, while the present study added a scale on overall work satisfaction. The number of items and the question wording to assess physical and subjective well-being also differed between the two studies.

Fifth, the earlier study was based on longitudinal data that made it possible to assess wise leadership at least six months before measuring employees' work-related and personal well-being, whereas the present study relied on cross-sectional data. Separating the assessment of the organization's leadership from employees' work-related and personal well-being reduces the impact of common methods variance, which might bias the results (Podsakoff, MacKenzie, and Podsakoff 2012). Although the cross-sectional nature of the data is a major limitation of the present study for determining the direction of the effects between variables, it is reassuring that the earlier study also found a significant

positive relation of wise leadership on job satisfaction/fulfillment even though the two variables were assessed at least six months apart. Despite these differences between the two studies, the substantive findings were the same, with one exception. In the earlier study, the direct effect of wise organization on job satisfaction/fulfillment remained statistically significant.

Yet, both studies also shared limitations, including possible non-representativeness of respondents within the selected organizations, self-reported survey data that are susceptible to a social desirability or self-deception bias (Johnson and Van de Vijver 2003; Krumpal 2013; Larson 2019), and data collection that occurred more than ten years ago. Therefore, it is not clear whether the results would be the same in contemporary samples of employees.

Taken together, however, these two studies provide strong and robust evidence that wise organizations benefit their employees through greater leadership support and job fulfillment, which tend to have salutary effects on employees' physical and subjective well-being (Zacher and Kunzmann 2019) and reduce the likelihood of employee burnout (Maslach and Leiter 1997). Reversely, employees who feel physically and mentally well are likely to be more engaged at work and committed to their organization, which benefits the organization through higher employee productivity or better customer service (Ugboro and Obeng 2000; Bhatti and Qureshi 2007; Halkos and Bousinakis 2010; Pantouvakis and Bouranta 2013; Fassoulis and Alexopoulos 2015; Giolito et al. 2020). Therefore, establishing a wise organization consisting of cognitive, reflective, and compassionate dimensions by fulfilling employees' psychological needs for competence, autonomy, and social relatedness at work is not only beneficial for employees but might also turn out to be a wise and successful business decision.

Unfortunately, many organizations are still primarily motivated by profit than by employee well-being and often treat their employees as pieces of machinery that can easily be replaced if they are 'broken' or 'malfunctioning' rather than as members of the organization's 'family' that need to be supported and cared for to reach their maximum potential. Companies that pay the lowest wage to their workers that the law and the labor market allow, while rewarding their CEO and higher leadership with extraordinary salaries, bonuses, and perks not only violate ethical principles of fairness and justice but also do not grant their employees the dignity to earn enough money to make ends meet. Yet, even if employees are paid a living wage, income inequality within the organization contributes to relative deprivation and a sense of injustice, unfairness, resentment, and unhappiness among many employees (Stewart 2006; Smith and Huo 2014; Greitemeyer and Sagioglou 2019). If CEOs make on average 351 times as

much as employees (Mishel and Kandra 2021) and only the leadership is given a share of the companies' growing productivity and profits (Lowenstein 2017; Desilver 2018), employees are more likely to feel demoralized and less inclined to be dedicated to their organization and engaged at work (Feldman, Leana, and Bolino 2002). Although this strategy might be successful in the short-term, it is less likely that it leads to long-term organizational success.

However, salary fairness is not the only factor that distinguishes wise organizations from not-so-wise organizations. By integrating the Three-Dimensional Wisdom Model (Ardelt 2003) with Self-Determination Theory (Deci 1980; Deci and Ryan 2002; Ryan and Deci 2017; Koole et al. 2019), organizations can offer their employees not only a fair salary but also help them to flourish as individuals. For example, Laurent Ledoux, partner and founder of Phusis-Partners (<https://www.phusis-partners.com/>), has used Self-Determination Theory to transform organizations into wise organizations and improve the organizations' success through greater employee flourishing and a positive impact on society.

Through the cognitive dimension of wisdom, wise organizations satisfy their employees' need for competence by giving employees the opportunity to feel a sense of accomplishment through meaningful work and providing professional and personal development opportunities. Within the reflective dimension of wisdom, wise organizations fulfill their employees' need for autonomy through self-direction and flexibility at work and a work-life balance that allows time off work for reflection and recuperation. Lastly, through the compassionate dimension of wisdom, wise organizations cultivate an ethical and moral organizational culture of fairness, understanding, appreciation, respect, and support, and care for all stakeholders, including employees, that gratifies employees' need for relatedness. This wisdom dimension includes job security and fair pay and benefits, because employees who feel secure in their job and fairly compensated are also more likely to feel appreciated, cared for, and acknowledged by their organization. By contrast, growing income inequality in an organization signals to workers who are left out that they are unimportant, invisible, and replaceable, and that their needs can easily be ignored, which has a general demoralizing effect on the workforce.

It is disconcerting that employees of consulting firms reported one of the lowest average scores on receiving fair pay and benefits and the lowest average score on working in a caring organization that helps solve society's problems and has a genuine interest in the welfare of its employees. The task of consulting firms is to help other organizations succeed (Graubner 2006). Yet, it appears that employees of consulting firms tend to believe that their own organization does

not care about society's problems in general and their own welfare in particular. Based on social learning theory (Davis and Luthans 1980; H. P. Sims and Manz 1982), this does not bode well for the consulting advice that these firms give to other organizations if the goal is to increase organizational wisdom.

Conclusion

A large body of research has focused on the cognitive-competence interplay of managerial practices as the preferred method for organizational decision-making (Csaszar and Eggers 2013; Baker, Ginsburg, and Langley 2016; Abubakar et al. 2019). Yet, organizations that focus primarily on knowledge and ignore the reflective and compassionate dimensions of wisdom fail to consider and foster the interests of all stakeholders in their business decisions, which might lead to ethical problematic goals, such as maximization of profits, market share, resources, and CEO salaries at the expense of other stakeholders and the common good (Perel 2003; R.R. Sims and Brinkmann 2003). By contrast, wise organizations are grounded in ethical and moral values that strive for the common good by balancing cognitive, reflective, and benevolent aspects in managerial decision making (Messick and Bazerman 2001; Nonaka and Takeuchi 2011; Kristjánsson 2022).

The present study provides sufficient empirical evidence to consider how integrative dimensions of wise organizations advance economic justice for the common good. This study makes several contributions to this new and emerging area. First, at a fundamental level, wise organizations were conceptualized as an integration of the Three-Dimensional Wisdom Model with Self-Determination Theory. Conceptualized in this way, wise organizations strive to fulfill their employees' basic psychological needs for competence, autonomy, and social relatedness at work with the ultimate goal of contributing to the common good and make the world a better place (Nonaka and Toyama 2007; Nonaka and Takeuchi 2011; Spiller et al. 2011; Hart and Zingales 2017; Aldwin and Levenson 2019). Integrating the compassionate wisdom dimension with the cognitive and reflective wisdom dimensions in managerial decision-making ensures that ethical considerations and outcomes for all stakeholders, including shareholders, clients, consumers, employees, suppliers, the community, and the environment, are not neglected.

Second, the study confirmed that wise/supportive leadership plays a mediating role between wise organizations and employees' sense of job fulfillment. Supportive and ethical supervisors seem to have a positive psychological effect on employees, which tends to enhance employees' commitment to their

organization, engagement at work, and overall work satisfaction and likely results in organizational success. For example, employees' perception of top managers' morality and trustworthiness was positively correlated with greater business productivity and profitability (Guiso, Sapienza, and Zingales 2015). While personal attitudes and intentions of employees might also affect job fulfillment, the presence of supportive and ethical leadership accentuates the positive effects of wise organizations on employees' work-related well-being. One of the biggest benefits of wise organizations is that they promote ethical attitudes, wise decision-making, and ethical business practices among employees (Nonaka and Takeuchi 2011; Intezari and Pauleen 2014; Oden, Ardel, and Ruppel 2015). Future research could investigate whether ethical leadership behavior relates to institutional settings in specific countries and cultures or whether it depends more on the personality of leaders (Chen 2010).

Third, the present study confirmed that wise organizations and supportive leadership contribute to the common good by enhancing employees' work-related and personal well-being (Zacher and Kunzmann 2019). To overcome the limitations of the present study, future research could collect longitudinal data that assess wise leadership, job fulfillment, and personal well-being at different points in time from representative samples of employees in diverse organizational sectors. Survey data could be supplemented with qualitative individual or focus-group interviews that ask employees in-depth questions about the positive and negative aspects of their organization and their work situation.

Employees who are treated well and, therefore, feel well are likely to reciprocate with greater organizational and work commitment (Ganzach et al. 2002; Cropanzano and Mitchell 2005). Thus, future research could evaluate whether wise organizations create a sense of obligation among employees to reciprocate with greater commitment towards the organization and its stakeholders. For example, organizational opportunities for professional and personal development might lead to a greater sense of attachment and responsibility toward the organization. If this is the case, organizations that intend to secure greater commitment from employees could enhance organizational caring so that employees reciprocate with higher levels of engagement and long-term commitments. Future studies could test whether wise organizations have a business advantage compared to not-so-wise organizations in terms of greater employee commitment and productivity, reduced employee burnout and turnover, and higher customer satisfaction and loyalty, which likely translates into organizational long-term financial success.

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