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Doing well by doing right: where is practical wisdom in business?

Raysa Geaquinto Rocha, Essex Business School, University of Essex

Paulo Pinheiro, Business & Economics Department, University of Beira Interior (UBI)

Florian Kragulj, Vienna University of Economics and Business

Célia Nunes, Department of Mathematics, University of Beira Interior (UBI)

Marcia Juliana d'Angelo, Fucape Business School

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Abstract

Purpose: This study aims to empirically examine the unexplored effects of organizational spirituality on the relationship between knowledge sharing and organizational practical wisdom (phronesis). By integrating these constructs, we seek to uncover the mechanisms through which organizations can cultivate practical wisdom and foster a more humanistic approach to management. Contributing in this way aids in the advancement of sustainable and ethical business practices. Drawing upon the theoretical foundations of knowledge dynamics and spirituality in the workplace, this research offers novel insights into the enablers of organizational phronesis.

Design: To explore the influence of spirituality on the relationship between knowledge sharing and practical wisdom, we conducted a comprehensive study. We used an online survey to collect answers from 365 workers, ensuring a diverse and representative sample. We then employed partial least squares structural equation modeling (PLS-SEM) to test our hypotheses.

Findings: Our research reveals a significant correlation. Knowledge sharing, when supported by spirituality, enhances workplace efficiency, and extends its positive impact beyond the workplace. This underscores the importance of embracing organizational spirituality and knowledge sharing to embody organizational phronesis and achieve a humanized strategy. By fostering this, organizations can promote effective decision-making and problem-solving, thereby enhancing their sustainable performance.

Originality: This research breaks new ground by empirically investigating and establishing the previously unexplored effects of knowledge sharing and organizational spirituality on organizational phronesis, thereby contributing to the evolving field of organizational behavior, sustainability, and business ethics.

Keywords: organizational practical wisdom, organizational spirituality, knowledge sharing,

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3 humanized strategy.
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7 8 **Introduction** 9

10 For decades, society has been calling on organizations to commit to delivering products and
11 services that meet current and future needs while doing good (Carroll, 2000; Mitroff, 1998; Nonaka
12 & Takeuchi, 2021a; Porter & Kramer, 2011; Rocha et al., 2022; 2024). Indeed, "good firms supply
13 far more than just profits for their owners" (Ahlstrom, 2010, p. 11). Organizations should orient
14 toward society and the future, be dynamic, and keep people at the center (Nonaka & Takeuchi,
15 2021a). It entails the practice of virtue (Moore, 2005), humanizing strategies by high-level values
16 and principles guiding towards a better future (Nonaka & Takeuchi, 2021a). For this purpose,
17 academics are reencountering the ancient concept of practical wisdom (*phronesis*), "a reasoned and
18 true state of capacity to act with regard to human goods" (Aristotle, 2009: 106 – VI.5, 1140b, 20-
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35 *Phronesis* is essentially moral and embedded in character (Halverson, 2004). From a eudaimonial
36 perspective, it is "the ability to determine and undertake the best action for 'common goodness' in
37 a specific situation" (Nonaka & Toyama, 2007, p. 378). In the organizational context, "a practically
38 wise organization is both a virtuous and a learning organization" (Rowley & Gibbs, 2008: 367).
39 Experiential knowledge fuels reasonable actions in complex situations in which there is no right
40 answer (Aristotle, 1893; Desjardins, 1995; O'Grady, 2019). Then, practical wisdom merges
41 intellectual and moral virtues (Steyl, 2020). Nevertheless, despite its increasing appearance in the
42 management literature (e.g., Schudt, 2000; McKenna et al., 2009; Domingo & Melé, 2022; Koehn,
43 2022), it is still little understood empirically (Kragulj, 2023; Rocha et al., 2022; Bachmann et al.,
44 2018a; Bachmann et al., 2018b; Ryan, 2022).
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5 Advancing our understanding of *phronesis* within organizational contexts necessitates research
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8 with high ecological validity that integrates its relationship with other constructs (Rocha et al.,
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10 2022). Stichter (2024) presents a compelling critique of current wisdom models (e.g.,
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12 psychological and philosophical), asserting that they ascribe an overabundance of diverse functions
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14 to wisdom, resulting in conceptual redundancy. As an alternative, he posits that wisdom's unique
15
16 role lies in guiding the establishment and revision of goals pertaining to well-being and virtues.
17
18 This goal-oriented approach aligns seamlessly with the present study's emphasis on the intricate
19
20 interplay between knowledge sharing, spirituality, and wisdom in shaping the aspirations and
21
22 conduct of organizational members. Consequently, knowledge sharing, and organizational
23
24 spirituality emerge as promising perspectives for investigating *phronesis* within organizational
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26 settings (Bierly et al., 2000; Rocha & Pinheiro, 2020, 2021a). This study aims to bridge this gap
27
28 by integrating these concepts and examining their interplay through the lens of employee
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30 perceptions, thereby contributing to a more comprehensive understanding of the antecedents and
31
32 enablers of practical wisdom in organizations. By empirically investigating the complex interplay
33
34 between knowledge sharing, spirituality, and organizational *phronesis*, this research seeks to
35
36 advance our understanding of how these factors collectively contribute to the development of
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38 practically wise businesses. Through illuminating the unexplored role of spirituality and its
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40 interaction with knowledge sharing in the embodiment of practical wisdom, this study endeavors
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42 to provide actionable insights for leaders striving to foster wise decision-making and cultivate more
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44 humanistic organizations.
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54 This study contributes by uncovering the previously unexplored impacts of spirituality on
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56 *phronesis* at the workplace (Rocha & Pinheiro, 2021; Rocha et al., 2022). It breaks new ground by
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3 integrating knowledge sharing and spirituality through an empirical investigation of employees'
4 perceptions regarding *phronesis*. This research not only makes theoretical contributions but also
5 provides practical insights. Establishing the effects of spirituality on *phronesis* offers guidance for
6 organizations seeking to redesign the workplace, redefine successful work (Correll et al., 2014),
7 and cultivate a meaningful and nourishing workplace. By blending knowledge sharing and
8 spirituality, it also presents practical strategies for enhancing employees' perceptions of *phronesis*
9 and promoting effective decision-making and problem-solving within organizations. Moreover, it
10 contributes to the growing body of literature on the relevance of integrating spirituality into
11 management theory and practice.
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26 The insights derived from this research have valuable practical implications for organizational
27 leaders. By understanding the interplay between knowledge sharing, spirituality, and
28 organizational *phronesis*, leaders can strategically cultivate an environment conducive to the
29 development of organizational practical wisdom. Specific recommendations include fostering a
30 culture of open knowledge sharing, promoting spiritual values such as care, trust, love, compassion,
31 and integrity, and providing opportunities for employees to engage in reflective practices.
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42 The present paper is organized as follows. Firstly, we provide a comprehensive literature review
43 that synthesizes the existing knowledge on organizational *phronesis*, knowledge sharing, and
44 spirituality. Secondly, we develop our hypotheses that propose the interrelationships between these
45 constructs. We then describe our methodological procedure, which encompasses the data collection
46 techniques and the partial least squares structural equation modeling analysis. The results section
47 presents the outcomes of the hypothesis testing, followed by a discussion of their implications.
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56 Finally, we conclude by summarizing the key implications, limitations, and avenues for future
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research.

Theoretical background and literature review

Phronesis in organizations

The Aristotelian concept of *phronesis* has been attracting researchers' interest in management studies (e.g., Akgün et al., 2019; Ames et al., 2020; Bachmann et al., 2018; Rocha & Pinheiro, 2021b; Sasse-Werhahn, 2019; Sasse-Werhahn et al., 2020; Shotter & Tsoukas, 2014). Knowledge dynamics, in particular, has recently seized on the concept (Ding et al., 2019; Matthews, 1998; Nonaka et al., 2014; Nonaka & Takeuchi, 2021b). According to Nonaka and colleagues (2014; 2007), *phronesis* is complementary to tacit and explicit knowledge and is considered a metafaculty that moderates the latter categories of knowledge based on judgments about what serves the common good (Bierly et al., 2000). Accordingly, Rowley (2006, p.257) defines wisdom as "the capacity to put into action the most appropriate behavior, taking into account what is known (knowledge) and what does the most good (ethical and social considerations)".

Fundamentally, practical wisdom is tied to the wise person and, correspondingly, Bierly et al. (Bierly et al., 2000) outline three individual pathways to build *phronesis* (i.e., personal experiences with one's environment; spirituality imparting faith, courage, and hope; passion providing self-efficacy). Researchers agree, however, that *phronesis* can become organizational *phronesis* through organizational learning (Nonaka & Takeuchi, 2019, 2021a; Rowley, 2006; Rowley & Gibbs, 2008). Elaborating on this organizational perspective, Rowley (2006: 262) characterizes a wise organization as "mak[ing] sophisticated and sensitive use of knowledge us[ing] judgment - ...] - to] weigh[t] the interest of multiple stake holder's - sic!]; tak[ing] into account wider social and ethical considerations; exercise[ing] wisdom in decision making - ...]; tak[ing] a long-term

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3 perspective". Nonaka and Takeuchi (2011, 2019, 2021a) have extended this idea, suggesting that
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5 wise leadership is crucial for disseminating and instilling practical wisdom in others to make it a
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7 valuable asset for the organization.
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12 Considering the concept of organizational practical wisdom from the International Encyclopedia
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14 of Business Management, it is "the organizational proficiency of acting efficiently and effectively
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16 toward its purpose and values leading to high performance and the common good, doing the least
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18 harm, and envisioning the long turn. It is supported by integrating leaders' and members' practical
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20 wisdom into the organizational framework." (Rocha et al., 2024, p. 2). Accordingly, to embody
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22 practical wisdom at the organizational level, companies must go beyond merely efficiently and
23
24 effectively applying knowledge. They ought to consider the impact of their actions on all their
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26 immediate stakeholders and even beyond, and anticipate any potential effects (Rocha et al., 2024;
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28 Rocha et al., 2022).
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36 In sum, the dissemination of practical wisdom to an organizational level might support the
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38 development of humanistic management practices, diminishing work-related problems, such as
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40 precarious work (Kalleberg, 2012) and the absence of learning ambiances in organizations (Inanc
41
42 et al., 2015). Stichter (2024) critiques current models of wisdom as redundant and proposes a
43
44 unique role for wisdom in goal-setting regarding living well and virtues.
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49 *Knowledge Dynamics*

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51 Bratianu & Bejinaru (2023) have stated that the DIKW hierarchy, which stands for Data,
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53 Information, Knowledge, Wisdom, is a simplified model that fails to fully capture the complex
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55 dynamics and multiple interpretations of the concepts of information, knowledge, and wisdom.
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3 They have argued that there is a need to extend beyond this hierarchy in order to comprehend the
4 semantic links between these concepts, particularly in the context of knowledge dynamics
5 (Bratianu & Bejinaru, 2023). The most established (Nonaka, 1994; Nonaka & Takeuchi, 1995,
6 2019, 2021a) and emergent (Bolisani & Bratianu, 2018; Bratianu, 2015a; Bratianu & Bejinaru,
7 2019a) approaches to knowledge dynamics are suitable for this research.

8
9
10 Nonaka and Takeuchi (2019) suggest that the intellectual grounds of wisdom, practical wisdom,
11 and *ba* (shared context) will promote organizational constant innovation and the spiral up of SECI
12 at the social level as a method to produce a better future. Revisiting the first SECI model, the
13 authors blend the two interactive processes, the ontological (people interacting) and the
14 epistemological (tacit and explicit knowledge interacting), adding time as the third dimension
15 (Nonaka & Takeuchi, 2019). In the SECI Spiral Model (Nonaka & Takeuchi, 2019), *phronesis* is
16 the driving force of the spiral movement that creates continuous innovation. “knowledge that is
17 created at one level spirals up to a higher level over time, enlarging the knowledge base as new
18 meaning is created, and expanding the community of knowledge practitioners who have a higher
19 purpose in mind” (Nonaka & Takeuchi, 2019: 43). The authors acknowledge that wise and good
20 decisions require more than knowledge sharing. They argue that *phronesis* “allows people to make
21 prudent judgments in a timely fashion, and to take actions guided by values, principles, and morals”
22 (Nonaka & Takeuchi, 2019: 43) and “It catalyzes the spiral by cultivating a knowledge-
23 creating/practicing community whose members share a higher purpose” (Nonaka & Takeuchi,
24 2019: 86).

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27 Adopting a metaphorical approach, knowledge can be understood as an energy that manifests itself
28 in different forms, and each form can transform into another (Bolisani & Bratianu, 2018; Bratianu,
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3 2015a; Bratianu & Bejinaru, 2019a, 2019b). One should consider three fields: rational knowledge
4 equating to explicit knowledge, emotional knowledge as the response to the ambiance, resulting in
5 emotions and feelings, and spiritual knowledge as values and ethical principles (Bolisani &
6 Bratianu, 2018). Spiritual knowledge is essential in decision-making since the value settings
7 strongly influence rational arguments (Bolisani & Bratianu, 2018, p. 19). Knowledge dynamics is
8 crucial for enhancing members learning capabilities and providing value to rational knowledge
9 through a transformation provided by spiritual knowledge (Bratianu, 2015b; Bratianu & Bejinaru,
10 2019b, 2019a).

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24 Considering an organization's efforts to manage knowledge (Hislop, Bosua, & Helms, 2013), we
25 highlight that knowledge is the object of strategies (Bolisani & Bratianu, 2018). "Knowledge is not
26 only a resource but also a product itself that can be the object of a market transaction. People are
27 knowledge seekers because they have to solve problems in conditions of uncertainty and
28 incompleteness information" (Bolisani & Bratianu, 2018, p. 27). Hence, knowledge management
29 should expand the assessment of knowledge quality and measurement of the organizational
30 learning support to organizational performance (Bolisani & Bratianu, 2018), both in economic and
31 social terms (Inanc et al., 2015). A learning organization is a context where members can
32 continually discover how to change and create their own reality (Senge, 1990). Consequently, a
33 learning organization should produce knowledge and sway societal changes (Bolisani & Bratianu,
34 2018). Furthermore, knowledge sharing and perceived corporate social responsibility are
35 intrinsically related (Chtioui et al., 2023).

53 *Organizational Spirituality*

54 Spirituality is a dimension of human existence and experience; it is a human phenomenon existing,
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3 at least potentially, in all of us (Elkins, Hedstrom, Hughes, Leaf, & Saunders, 1988: 8). Once
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5 spirituality is a complex and multidimensional construct comprised of numerous major factors
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7 (Elkins *et al.*, 1988: 9), in this research, we use Elkins *et al.* (1988) humanistic-phenomenological
8
9 concept of secular spirituality. “Spirituality, which comes from the Latin, *spiritus*, meaning ‘breath
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11 of life’, is a way of being and experiencing that comes about through an awareness of a
12
13 transcendental dimension and that is characterized by certain identifiable values in regard to self,
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15 others, nature, life, and whatever one considers to be the Ultimate” (Elkins *et al.*, 1988: 10).
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17 Likewise, other research echoes personal growth (Driver, 2005). For example, it “is considered the
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19 animating life principle or life-breath that provides the deepest dimension of human experience:
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21 the intangible reality at the center of one’s personality” (Yang & Fry, 2018). Hence, it “is concerned
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23 with those qualities of the human spirit-such as love and compassion, patience tolerance,
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25 forgiveness, contentment, a sense of responsibility, a sense of wholeness and harmony, which
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27 brings happiness to both self and others” (Fry, 2003; Yang & Fry, 2018).
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35 Organizational spirituality determines an organization’s identity (Rocha & Pinheiro, 2021a), i.e.,
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37 the shared sense transcends the individual (Ashforth et al., 2011). “Therefore, it comprises
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39 organizational values, mission, vision, discourse, practices, and outcomes”. (Rocha & Pinheiro,
40
41 2021a, p. 248). Thus, workplace and individual spirituality are organizational spirituality elements
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43 (Rocha & Pinheiro, 2021a). Likewise, the “workplace spirituality is a framework of organizational
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45 values evidenced in the culture that promotes employees' experience of transcendence through the
46
47 work process, facilitating their sense of being connected to others in a way that provided feelings
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49 of completeness and joy” (Giacalone & Jurkiewicz, 2003, p. 13). Three key perspectives can
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51 approach it: “(a) Human resources: Spirituality enhances employee well-being and quality of life;
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54 (b) Philosophical: Spirituality provides employees a sense of purpose and meaning at work; and
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3 (c) Interpersonal: Spirituality provides employees a sense of interconnectedness and community”
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5 (Karakas, 2010: 92). In addition, workplace spirituality supports organizational citizenship
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7 behavior (Srivastava & Madan, 2023) and has a positive relationship with job performance (Do,
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9 2018). In organizational spirituality, we seek the guidance of high-level values to a humanized
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11 strategy fostering sustainability and innovativeness.
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17 Hypotheses

19 Building upon the theoretical foundations discussed in the literature review, we propose a research
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21 framework that integrates knowledge sharing, organizational spirituality, and organizational
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23 phronesis (see Figure 1). By examining the interplay between these constructs, we aim to uncover
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25 the mechanisms through which organizations can cultivate practical wisdom and foster a more
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27 humanistic approach to management.
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40 *Knowledge sharing direct effect on organizational practical wisdom*

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42 Knowledge sharing and organizational learning are foundational to organizational practical
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44 wisdom (Bierly *et al.*, 2000; Nonaka & Takeuchi, 2019; Rowley & Gibbs, 2008). Putting
45
46 knowledge into action leads to knowing and experience, essential for developing practical wisdom
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48 (Aristotle, 1893). Organizations need to manage emotional knowledge (intuitions and feelings),
49
50 rational knowledge (theories, concepts, and mental models), and spiritual knowledge – values and
51
52 future vision (Cegarra-Navarro *et al.*, 2023a; Bratianu & Bejinaru, 2019a) to become a wise
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54 company. Furthermore, Nonaka and Takeuchi (2019) advocate that *phronesis* is an elevated kind
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3 of tacit knowledge.
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8 In regard of collective knowledge, symbolic communication is perceptive through metaphors and
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10 other figures of speech that become embedded in organizational memory, serving as a common
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12 language for the group. Hence, individual knowledge shapes collective knowledge (Cook &
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14 Brown, 1999; Erden, von Krogh, & Nonaka, 2008; Grant, 1996; Senge, 1990), and the common
15
16 purpose bonds it (Erden *et al.*, 2008; Nonaka & Takeuchi, 2019; Popper & Lipshitz, 2004; Senge,
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18 1990). Likewise, a workplace that foster learning is essential to growth beyond the organization
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20 (Inanc *et al.*, 2015). Based on that, Rocha & Pinheiro (2020b) propose the first hypothesis (H1)
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22 about knowledge sharing having a direct positive effect on organizational *phronesis*:
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28 **Hypothesis 1:** Knowledge sharing fosters organizational practical wisdom (*phronesis*).
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33 *Knowledge sharing direct effect on organizational spirituality*

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35 Knowledge management is every purposeful effort to manage an organization's labor force
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37 knowledge. It can be achieved through various practices (Hislop *et al.*, 2013). In addition,
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39 Knowledge dynamics can transform employees' learning and enhance value to rational knowledge
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41 through spiritual knowledge (Cegarra-Navarro *et al.*, 2023a; Bratianu, 2015b; Bratianu & Bejinaru,
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43 2019b, 2019^a). As approached before, spirituality is deeply related to meaning, sensemaking, and
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45 purpose (Bennet & Bennet, 2008; Driver, 2007). Additionally, Schwandt (2005: 182) states,
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47 "sensemaking is seen as providing a connection between cognition and actions – but not in the
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49 sense of a set of prescribed, functional, or predictive formulas. Rather, the connection focuses
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51 attention on subjective interaction, multiple socially constructed realities, and the embeddedness
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53 of the process with its context". Moreover, "since meaning is essential to knowledge, purpose and
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3 values are central to knowledge creation and knowledge practice. Whether you are aware or not,
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5 you always create and practice knowledge for a certain end and based on certain values” (Nonaka
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7 & Takeuchi, 2019, p. 154).
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11
12 Bratianu (2015b) proposes spiritual knowledge, a person’s values, and future vision, as
13
14 complementary to rational and emotional knowledge. Individual spirituality is a person’s values,
15
16 state of mind, way of being, and manner one experiences awareness about a transcendent dimension
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18 (Elkins *et al.*, 1988). The epistemological base of organizational spirituality is the organization’s
19
20 values, mission, and vision (Rocha & Pinheiro, 2020a), and it is the cornerstone of organizational
21
22 learning (Senge, 1990). Knowledge sharing might support disseminating organizational
23
24 spirituality. Hence, the second hypothesis (H2) regards the positive direct effect of knowledge
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26 sharing on organizational spirituality reads as:
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33 **Hypothesis 2:** Knowledge sharing fosters organizational spirituality.
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38 *Organizational spirituality direct effect on organizational practical wisdom (phronesis)*
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Wisdom is a recurrent topic in spirituality research (Izak, 2013). “Both wisdom and spirituality
share elusive qualities and metaphysical nuances while being frequently deliberated themes in
ancient treatises” (Takahashi, 2019, p. 626). Academics have recently tried to locate a relationship
between both concepts (e.g., Rocha & Pinheiro, 2021b; Takahashi, 2019). Cegarra-Sanchez and
colleagues (2023b) provide a detailed explanation of practical wisdom, emphasizing the
significance of maintaining a balance between rational, spiritual, and emotional abilities while co-
creating practical wisdom. They suggest that achieving an appropriate balance between these
abilities can help individuals develop a more comprehensive understanding of complex situations,

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3 which can lead to the identification of effective solutions for intricate problems (Cegarra-Sanchez
4 et al., 2023b). However, there is controversy about this relationship (Jeste *et al.*, 2021).
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6 Accordingly, the third hypothesis (H3) positions that organizational spirituality has a direct and
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8 positive effect on organizational practical wisdom:
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14 **Hypothesis 3:** Organizational spirituality fosters organizational practical wisdom.
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19 *Indirect effect of knowledge sharing on organizational phronesis through the mediating effect of*
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21 *organizational spirituality*
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24 Beyond rational knowledge, it is essential to consider that spiritual knowledge also plays a role in
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26 decision-making (Cegarra-Navarro et al., 2023a; Bratianu & Bejinaru, 2019a). Decisions that apply
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28 the right means and achieve good outcomes (*phronetic* decisions) require high-level values
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30 (Aristotle, 1893). Culham (2015: 298) advocates that "the good is the means by which knowledge
31
32 is apprehended or known". Bierly *et al.* (2000) defend three pillars of organizational wisdom:
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34 passion for learning, experience, and spirituality. Consequently, based on the direct effects (H2 and
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36 H3), we offer the fourth hypothesis (H4), knowledge sharing has a positive indirect effect on
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38 organizational *phronesis* through organizational spirituality:
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45 **Hypothesis 4:** Organizational spirituality mediates the relationship between knowledge sharing
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47 and organizational practical wisdom.
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51 *The moderating effect of organizational spirituality*
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54 We ought to acknowledge some issues regardless of positive statements concerning spirituality in
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56 organizations. It is frequently discussed spirituality in business as a servant of capitalistic scopes
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(e.g., Rocha & D'Angelo, 2021; Ul-Haq, 2020). This rhetorical use of spirituality in organizations raises prejudice about it. That may deteriorate managers' reputation and image once members tend to marginalize or reject organizational spirituality (Zaidman & Goldstein-Gidoni, 2011). Another issue is the mysticism surrounding spirituality in business, approximating the construct to the transcendental phenomenon excessively while distancing the construct of organizational practice (Friedman et al., 2005). Therefore, in the last hypothesis, organizational spirituality is tested as a moderating variable:

Hypothesis 5: Organizational spirituality moderates the relationship between knowledge sharing and organizational practical wisdom.

Research design

Sample and data collection

The study includes Portuguese- (Lusophone) and English-speaking employees. After approval by the Ethics Commission, we sent the survey on social media (Instagram, Facebook, Linked In, and Research Gate), e-mail, and mobile messages. We also sent the survey to Portuguese, Brazilian, South African, Algerian, Austrian, and Malaysian universities, companies, and industry federations listed in free databases. The survey was available online in two links of Google Forms, one in English and the other in Portuguese. Employees answered the survey on a 5-point Likert scale from 1 – "I completely disagree" to 5 – "I agree completely" (Hair *et al.*, 2019; Likert, 1932). The final sample is suitable in size (Hair *et al.*, 2017, p. 48); 365 employees answered the survey, 207 in Portuguese and 158 in English.

Measures

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3 We carried out an online self-perceived survey to measure knowledge sharing (KM), organizational
4 spirituality (OS), and organizational practical wisdom (OPW). It includes three scales, (i)
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6 organizational spirituality scale (Kolodinsky et al., 2008), (ii) organizational practical wisdom
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8 scale (Rocha et al., 2021), and (iii) knowledge sharing scale (Rocha, 2022).
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14 Knowledge Sharing items ($C\alpha = .891$) include: "The company promotes the experience sharing
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16 among the members", and "The knowledge sharing between employees to solve problems is
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18 supported by the company".
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24 Organizational Spirituality items ($C\alpha = .951$) include: "The company promotes health and inner
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26 peace", "It is important for this company that the employees feel whole and complete people", and
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28 "In this company, there is a sense of the sacredness of life".
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33 Organizational Practical Wisdom items ($C\alpha = .951$) include: "There is a response to the moral and
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35 ethical expectations of stakeholders (members, customers, suppliers, partners, and others)",
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37 "People can effectively choose and apply the appropriate knowledge in a given situation", and
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39 "This company can adapt to changes and instabilities in the environment".
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44 The questionnaire's content and comprehensibility were evaluated by experts in knowledge
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46 dynamics, strategic management, organizational spirituality, and quantitative data analysis for
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48 management. We ensured the English version measurements were consistent with the Portuguese
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50 version by conducting linguistic validation of its translation. Portuguese and English speakers
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52 pretested the questionnaire and provided feedback on its comprehensibility, leading to some
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54 wording changes in the items. The two scales were evaluated through Exploratory (EFA) Factor
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3 Analysis conducted in IBM Statistics SPSS software, version 27. We also examined the factor
4 structure of the three scales using a Confirmatory Factor Analysis (CFA) performed in Smart PLS
5
6 structure of the three scales using a Confirmatory Factor Analysis (CFA) performed in Smart PLS
7
8 3.3.3 software, as proposed by Hair *et al.* (2019) and Hair *et al.* (2018).
9

10 11 12 **Data Analysis**

13
14 We have divided the examination of the findings into three sections. The initial section involves
15 conducting a descriptive analysis of the data using IBM Statistics SPSS software, version 27.
16
17 Categorical variables are described using absolute and relative frequencies. The second and third
18 sections involve analyzing the Structural Equation Model (SEM). The partial least squares
19 structural equation modeling (PLS-SEM) has higher statistical power for exploratory investigation
20 examining still-developing theories (Hair *et al.*, 2019, p. 7). We considered the Smart PLS
21 software, version 3.3.3 (Ringle, Wende, & Becker, 2015), to conduct a PLS-SEM because of its
22 capacity to be used in exploratory research, with a theory not fully grounded (Bido & Da Silva,
23 2019). "It enables them to estimate complex models with many constructs, indicator variables, and
24 structural paths without imposing distributional assumptions on the data" (Hair *et al.*, 2019, p. 3).
25
26 The second part communicates the measurement model's analysis, evaluating the convergence and
27 discriminant validity; the third part entails the structural model analysis (Hair *et al.*, 2019). The last
28 two analyses lead to either the support or non-support of the hypotheses. A Measurement
29 Invariance of Composite Models - MICOM (Henseler *et al.*, 2016) was also conducted to establish
30 the invariance across groups (Portuguese- and English-speaking).
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51 *Descriptive data analysis*

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53 We conducted the descriptive data analysis with SPSS software, version 27 (Tables 1 and 2). The
54 sample comprises 52.9% (= 193) female, 46.8% (= 171) male, and one respondent (0.3%) preferred
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3 not to disclosure the sex. Considering the COVID-19 pandemic context (World Health
4 Organization, 2020), regarding the work conditions, 20.3% (= 74) of the respondents were in home
5 office, 49.6% (= 181) were working on-site, 29.3% (= 107) in a mixed condition, and others 0.8%
6 in layoff (= 4). The participants represent 41 different nationalities, and we have gathered responses
7 from 17 nationalities with multiple answers. Additional details about the participants are presented
8 in Table 1.
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19 Insert Table 1 about here
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24 Concerning the organizations, Table 2 exhibits the summarized characteristics. We gathered 272
25 responses regarding its year of establishment, with 93 values being absent. Almost half launched
26 their activities in the second half of the last century – 45.95% (= 125) between 1951 and 2000;
27 19.48% (= 53) between 2001 and 2010; 16.9% (= 46) in the last ten years; 9.19% (= 25) up to 1901;
28 and 8.45% (= 23) between 1902 and 1950. We inquired about the location of their organization,
29 and the responses showed that it is present in 38 different countries (we list 18 countries that were
30 mentioned more than once).
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46 *Partial Least Squares Structural Equation Modeling*

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49 We conducted the framework analyses. The sample size is suitable to a significance level of 1%
50 and a minimum R^2 value of 0.10, with a 1% probability of error (Hair *et al.*, 2017, p. 48). We
51 performed a default PLS Algorithm and 5000 subsamples of PLS Bootstrapping using default
52 advanced settings at a significance level of 0.05. We connected all latent variables, adding the
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3 moderator effect by a two-stage approach with standardized product term generation because of its
4 statistical assessment power (Becker, Ringle, & Sarstedt, 2018). As clarified in subsection 3.5, the
5
6 statistical assessment power (Becker, Ringle, & Sarstedt, 2018). As clarified in subsection 3.5, the
7
8 moderator effect was added based on theoretical criteria. We have chosen a Path weighting scheme
9
10 and set the maximum iterations to 300, and the stop criterion to 7, with default advanced settings.
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12 According to Hair et al. (2017), it is recommended to have less than 5% missing data per indicator.
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14 None of the indicators had more than 2.7% missing values. Consequently, we addressed all missing
15
16 values by replacing them with the mean. A schematic of the PLS-SEM is presented in Figure 2,
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18 depicting paths using relative values, path coefficients, and the p-values of Student's t-tests
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20 obtained through the bootstrapping module. It demonstrates that, in all instances, the correlations
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22 and regression coefficients are statistically significant.
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33 We used Hair and colleagues' (2019) guidelines to assess the model. To assess the convergent
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35 validity, we used the Average Variance Extracted (AVE) because it explains "the extent to which
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37 the construct converges to explain the variance of its items" (Hair *et al.*, 2019, p. 9), considering
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39 scores bigger than 0.50 as acceptable (Hair *et al.*, 2019). The Composite Reliability (CR) was used
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41 to "assessing internal consistency reliability" (Hair *et al.*, 2019, p. 8). The score of 0.7 (Table 3)
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43 indicates strong convergent validity (above 0.5), considering Cronbach's Alpha ($C\alpha$) score a
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45 conservative measure.
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51 We consider Cronbach's Alpha ($C\alpha$) score as a conservator quality criterion (Hair *et al.*, 2019).
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53 Hair *et al.* (2019) indicate that values between 0.708 and 0.95 are satisfactory to good. Table 3
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55 shows KM, OS, and OPW Cronbach's Alpha scores meeting these criteria and indicating internal
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3 consistency reliability.
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7 We conduct Fornell-Larcker Criterion (FLC) and Heterotrait-monotrait ratio (HTMT) of
8 correlations to assess discriminant validity (Hair *et al.*, 2019; Voorhees *et al.*, 2016). As predicted
9 by Hair *et al.* (2019) and Henseler *et al.* (2015), FLC should be replaced by HTMT when constructs
10 are conceptually very similar (in this research, organizational spirituality and organizational
11 practical wisdom). All values of HTMT are below 0.85 as recommended for a conservative
12 assessment (Hair *et al.*, 2019). The HTMT value of H3 (OS -> OPW) is .842, indicating the
13 conceptual similarity and context of latent variables as constructs at the organizational level, as
14 measured by members of an organization. Therefore, the analysis unit is the individual's perception
15 of an organizational phenomenon, which is more homogeneous than if each case were an
16 organization (Bido & Da Silva, 2019, p. 8). We used the Variance Inflation Factor (VIF) to measure
17 collinearity issues (Hair *et al.*, 2019). The scores of both predictor constructs (KM and OS) and the
18 moderating effect fit the criteria of VIF below 3 (Hair *et al.*, 2019), see Table 4.
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37 Insert Table 3 about here
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42 After a satisfactory measurement model assessment, the following step assesses the structural
43 model (Hair *et al.*, 2019). We conducted a default blindfolding-based cross-validated redundancy
44 measure Q^2 (Hair *et al.*, 2019, p. 11). The results obtained range from 0.25 to 0.50, indicating
45 moderate predictive accuracy of the model (Table 4). As stated by Hair *et al.* (2019: 12), Q^2
46 "combines aspects of out-of-sample prediction and in-sample explanatory power".
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We also took into account the R^2 *adjusted*, which is a metric indicating the proportion of the dependent variable's variance that is accounted for by the model (see Figure 2 and Table 4). In OS, its value is medium ($0.33 < R^2 < 0.67$), while OPW presents a high value ($R^2 > 0.67$), based on Chin (1998). To measure the effect size, we also provide f^2 . The results presented in Table 4 display that H1 (KM -> OPW) and H5 (OS moderating effect) have a small effect size (f^2 scores between 0.02 and 0.15), whereas H2 (KM -> OS) and H3 (OS -> OPW) have a large effect size ($f^2 > 0.35$) (Hair *et al.*, 2019).

Insert Table 5 about here

All Outer Loadings presented a value above 0.7 (Hair *et al.*, 2019). Once the model is substantiated explanatory, we assess its statistical significance and path coefficient relevance (Hair *et al.*, 2019, p. 13). We conducted an Importance-Performance Map Analysis (IPMA) to compare the structural model's total effects (Hair *et al.*, 2019, p. 13). Table 5 and Figure 3 display the effects scores.

Insert Figure 3 about here

Measurement Invariance

We conducted a Measurement Invariance of Composite Models (MICOM) with 5000 permutations using SmartPLS (Hair *et al.*, 2018; Henseler, Ringle, & Sarstedt, 2016) and following the three-step procedure indicated by Henseler *et al.* (2016). This analysis tests the measurement invariance (or equivalence) by identifying potential differences between the samples (Hair *et al.*, 2018: 740;

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3 Henseler *et al.*, 2016). We aim to assess whether the groups (Portuguese- and English-speaking)
4
5 perceived and used knowledge management, organizational spirituality, and organizational
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7 *phronesis* (basic structure) similarly and whether their relationships are the same (theoretical
8
9 relationship equivalence).
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14 Initially, we assured the same model structure to both groups (first step: configural invariance).
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16 The configural invariance determines that both models have identical indicators, data treatment,
17
18 and algorithm settings/criteria (Hair et al., 2018; Henseler et al., 2016); the software provides it
19
20 automatically. The equivalence in the relationship between observed and latent variables (metric
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22 invariance) is provided by observing the outer loading results supporting a nonsignificant variance
23
24 invariance) is provided by observing the outer loading results supporting a nonsignificant variance
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26 (Hair et al., 2018). In the first MICOM, the outer loading includes three items in the organizational
27
28 spirituality latent variable with constraints: i) The leader values the relationship between all those
29
30 who work here; ii) The leader fosters our continuous improvement; iii) In this company, there is a
31
32 sense of the sacredness of life. In this alternative process, we excluded these items parsimoniously
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34 (Hair et al., 2018).
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40 Then, we evaluated the compositional invariance (second step) by meeting the quality criteria of
41
42 original correlation with equal or greater than 5% quantile (Henseler *et al.*, 2016), leading us do
43
44 not reject the hypothesis that correlation equals one ($p > 0.05$). In the third step, we assess that the
45
46 (a) mean values and (b) variances are equal, fitting the quality criteria once both original differences
47
48 are between the 2.5% and 97.5% limits and have a p -value above 0.05, indicating no significant
49
50 variance (Henseler *et al.*, 2016). Table 6 displays the results of steps two and three.
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The impact of knowledge sharing and organizational spirituality on organizational practical wisdom is the focus of this study. As a result, we formulated five potential hypotheses. Thorough data analysis validated all hypotheses ($p < 0.01$), supporting existing research on organizational practical wisdom (e.g., Bierly et al., 2000; Rocha & Pinheiro, 2021abc). The findings confirm the direct influences of knowledge sharing and organizational spirituality on organizational practical wisdom, as well as the indirect influence of knowledge sharing on organizational practical wisdom through the mediating and moderating role of organizational spirituality.

Concerning each hypothesis strength, H1 (Knowledge sharing fosters organizational practical wisdom) has a small path coefficient ($= 0.247$), detecting that knowledge sharing alone has a modest effect on organizational *phronesis*. Organizational learning, as the ultimate goal of knowledge management practices (Bolisani & Bratianu, 2018), has the potential to bridge this gap. The moderating effect (H5) is even smaller ($= - 0.117$). These results strengthen previous research in terms of how spirituality can have a negative effect on organizations (e.g., Friedman *et al.*, 2005; Tourish & Tourish, 2010; Ul-Haq, 2020). Regarding H2 (knowledge sharing fosters organizational spirituality) and H3 (organizational spirituality fosters organizational practical wisdom), especially, the path coefficients have reasonable values ($= 0.689$ and 0.578). Organizational spirituality has more effect on organizational practical wisdom than knowledge sharing. The mediating effect (H4: organizational spirituality mediates the relationship between knowledge sharing and organizational practical wisdom) is partial ($= 0.645$). Therefore, adding organizational spirituality complements the relationship between knowledge sharing and organizational *phronesis* enhancing knowledge sharing effect. These outcomes reinforce previous research and increasingly demonstrate the need to address values and purpose in companies.

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5 The process of measurement invariance indicates that knowledge sharing and organizational
6 practical wisdom fit the criteria for the invariance. Although organizational spirituality had
7 constraints in three observed variables, it was foreseen in the literature, once culture (national,
8 social, and organizational) influences spirituality (Fry & Rocha, 2023; Fry, 2003; Luis Daniel,
9 2010; Rocha & Pinheiro, 2021a), then it may be the factor affecting organizational spirituality
10 variance values.
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21 Discussion

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23 Recent literature has emphasized the relevance of practical wisdom in organizational contexts,
24 particularly in relation to knowledge sharing, spirituality, and ethical decision-making.
25 Kristjánsson (2024) and Stichter (2024) both defend neo-Aristotelian accounts of *phronesis* as
26 crucial for professional ethics and goal-setting regarding well-being and virtues. Similarly,
27 Caniglia et al. (2023) argue that practical wisdom enables sustainability researchers to navigate
28 complex normative challenges in knowledge co-production. These perspectives align with the
29 present study's findings on the significant effects of knowledge sharing and organizational
30 spirituality on organizational practical wisdom. The results confirm that spirituality plays a key
31 role in fostering wisdom, reinforcing previous research by Bierly et al. (2000), Pinheiro et al.
32 (2012), and Zaidman and Goldstein-Gidoni (2011). However, the modest effect of knowledge
33 sharing alone on *phronesis* suggests that additional factors, such as organizational learning
34 (Bolisani & Bratianu, 2018), may be necessary to fully realize the potential of knowledge
35 management practices in cultivating wisdom.
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56 The present study's findings also contribute to ongoing debates about the relationship between
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3 spirituality and organizational outcomes. While some research has highlighted the potential
4 negative effects of spirituality (e.g., Friedman et al., 2005; Tourish & Tourish, 2010; Ul-Haq,
5 2020), the current results indicate that organizational spirituality can have a stronger positive
6 impact on *phronesis* than knowledge sharing alone. Moreover, spirituality partially mediates the
7 relationship between knowledge sharing and practical wisdom, enhancing the overall effect. These
8 findings underscore the importance of addressing values and purpose in organizational contexts,
9 as emphasized by Holst (2024) and D'Souza and Introna (2023). The measurement invariance
10 analysis further suggests that cultural factors may influence the expression of spirituality in
11 organizations (Fry & Rocha, 2023; Rocha & Pinheiro, 2021a), highlighting the need for context-
12 sensitive approaches to fostering wisdom.
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28 The SECI model proposed by Nonaka and Takeuchi (2019) offers a useful framework for
29 interpreting the present study's findings and their implications for knowledge creation and wisdom
30 development in organizations. The socialization phase of the SECI model involves the sharing of
31 tacit knowledge through shared experiences and social interactions. The significant effect of
32 knowledge sharing on organizational spirituality found in this study underscores the importance of
33 socialization processes in fostering a shared sense of purpose and values. The externalization phase,
34 in which tacit knowledge is articulated into explicit concepts, can be seen as analogous to the
35 process of setting organizational goals and aspirations related to well-being and virtues, as
36 highlighted by Stichter (2024). The combination phase, where explicit knowledge is integrated and
37 systematized, aligns with the role of *phronesis* in integrating and adjudicating between potentially
38 conflicting considerations, as emphasized by Kristjánsson (2024) and Caniglia et al. (2023).
39 Finally, the internalization phase, in which explicit knowledge is embodied into tacit knowledge
40 through practice and reflection, resonates with the experiential and context-dependent nature of
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3 practical wisdom emphasized by D'Souza and Introna (2023) and Holst (2024). By situating the
4 current findings within the SECI framework, this study offers a novel perspective on the interplay
5 between knowledge creation, spirituality, and the cultivation of practical wisdom in organizations.
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10 11 12 *Implications for Theory and Practice*

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14 Our research has significant theoretical and practical implications. We investigated organizational
15 wisdom from the perspective of uncharted organizational spirituality and knowledge sharing. Prior
16 research focuses especially on leaders, managers, and consultants (e.g., Rocha and Pinheiro,
17 2021c), while our research focuses on organizations' employees. Nevertheless, assessing
18 organizational practical wisdom continues to be a challenge.
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28 We strive to bring together organizational wisdom, knowledge sharing, and organizational
29 spirituality as interconnected organizational components. The research findings strongly support
30 the alignment of organizational spirituality with our research model, emphasizing the need for
31 organizations to prioritize this aspect. This study provides compelling evidence of the crucial role
32 of organizational spirituality in the realization of organizational practical wisdom. It is crucial to
33 cultivate a long-term vision and a dedication to continuous learning for sustainable and highly
34 effective humanistic management. This framework expands upon existing research on
35 organizational wisdom (e.g., Bierly et al., 2000; Kragulj, 2023; Rocha et al, 2022) and offers
36 valuable insights for enhancing our understanding in this area.
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51 Although our discussion is at the level of organizations and considering the importance of
52 spirituality in business (Rocha & Pinheiro, 2021a), we emphasize that universities and business
53 schools play a central role in bridging the knowledge gap; their privileged role should support new
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3 bridges between society and business (Starkey & Tempest, 2005; Culham, 2015). Both at the level
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5 of explicit/rational knowledge and tacit/spiritual/emotional knowledge of future leaders and
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7 workers. Moreover, scientific knowledge is so praised in academia that some researchers forget
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9 how imagination, curiosity, and reflection are required in scientific knowledge crafting (Bell,
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11 2020). Besides, all emotions and spirituality supporting them should be acknowledged (Rocha &
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13 Pinheiro, 2021b).
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19 Practical implications of this study focus on exploring employees' views on organizational practical
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21 wisdom and the impact of organizational spirituality and knowledge sharing on it. The research
22
23 framework offers valuable insights for leaders based on their employees' viewpoints. Also, to
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25 redesign work and redefine successful work (Correll et al., 2014) while addressing issues as
26
27 precarious work (Kalleberg, 2012; Chong, 2021) and lack of learning contexts in organizations
28
29 (Inanc et al., 2015). Organizations should engage spirituality and knowledge sharing practices to
30
31 embody organizational *phronesis* to achieve a humanistic management. We offer two examples:
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33 (i) leaders should be aware of the transcendental meaning and mission of their organizations and
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35 how to address it daily to offer social value besides economic growth; (ii) Leaders should
36
37 comprehend the needs of their team members with regard to aligning values, fostering
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39 interconnectedness, and establishing meaning and purpose as an initial step in imbuing knowledge
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41 sharing with a sense of purpose. This in turn enhances organizational wisdom, leading towards a
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43 human-centered approach to management.
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51 *Limitations and Agenda for Future Research*

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53 The pandemic has significantly impacted individuals and organizations, altering their dynamics.
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55 While this article provides valuable insights, it does have its limitations. Conducting online surveys
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3 for data collection can be challenging due to the lack of random sampling, despite its widespread
4 use. Future research should focus on refining survey methods and conducting them with
5 representative samples and in different languages. Additionally, the results from the MICOM
6 indicate the necessity of testing responses to these constructs across various cultures and in
7 multicultural organizations. Furthermore, organizational spirituality and organizational practical
8 wisdom are still in their developmental stages in management research, leading to endogenous
9 issues that need to be addressed.
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21 Future research ought to focus on other approaches concerning organizational *phronesis*. We
22 highlight the necessity of research concerning organizational *phronesis* and organizational
23 citizenship behavior, especially how organizational *phronesis* can enhance innovativeness for
24 sustainability. Analyzing companies' actions and their road toward innovation through
25 organizational *phronesis* is essential, using longitudinal and qualitative methods, such as
26 experimentation, [action research](#), and case studies. It is essential to employ qualitative and mixed
27 methods to enhance our comprehension of organizational practical wisdom and innovation. Public
28 administration also should receive attention in future research. Lastly, further studies should
29 explore the role of organizational religious plurality (Parboteeah *et al.*, 2009) in embodying
30 practical wisdom.
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47 **Conclusions**

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49 This study makes a significant contribution by uncovering the previously unexplored impacts of
50 organizational spirituality on organizational *phronesis*. Moreover, it breaks new ground by
51 integrating knowledge sharing and organizational spirituality through an empirical investigation of
52 employees' perceptions regarding organizational *phronesis*. This research not only makes
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3 theoretical contributions but also provides practical insights. Establishing the effects of
4 organizational spirituality on organizational phronesis offers guidance for organizations seeking to
5 humanize their management and cultivate organizational success through a meaningful and
6 nourishing workplace. By blending knowledge sharing and organizational spirituality, it also
7 presents practical strategies for enhancing organizational *phronesis* and promoting effective
8 decision-making and problem-solving within organizations.
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19 Organizational *phronesis* is a route toward a humanistic management. Developing high-level
20 organizational spirituality and knowledge sharing organizations can boost the embodiment of
21 organizational *phronesis*. Its awareness among members and its significant connections can offer
22 valuable insights for leaders, especially in knowledge-intensive organizations. Further
23 comprehensive research on organizational practical wisdom and its various associations is needed
24 in management literature. Hopefully, research on organizational practical wisdom will increase.
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Table 1. Respondents' sociodemographic information.

Age			Literacy		
	Number	%		Number	%
18 to 29 years	116	31.8%	Up to high school	51	14%
30 to 39 years	99	27.1%	College	100	27.4%
40 to 49 years	100	27.4%	Postgraduate	69	18.9%
50 to 59 years	44	12.1%	Master's Degree	97	26.6%
60 to 69 years	4	1.1%	PhD	48	13.2%
70 years or more	2	0.5%			
Nationality			Department		
	Number	%		Number	%
Brazilian	142	38.9%	Administration	84	23%
Portuguese	68	18.6%	Sales	40	11%
Austrian	51	14%	Finance	36	9.9%
Other	24	6.6%	Operations	51	14%
Indian	16	4.4%	Research and Development	45	12.3%
Indonesian	14	3.8%	Human Resources	12	3.3%
German	13	3.6%	Other	93	25.5%
Pakistani	6	1.6%	Missing	4	1.1%
Malaysian	5	1.4%	Total	365	100%
Spanish	5	1.4%			
Serbian	4	1.1%	Time in the company		
Bulgarian	3	0.8%		Number	%
Hungarian	3	0.8%	Up to 1 year	73	20%
Russian	3	0.8%	1 to 5 years	132	36.2%
Polish	2	0.5%	5 to 10 years	53	14.5%
South African	2	0.5%	10 to 20 years	55	15.1%
Slovak	2	0.5%	More than 20 years	52	14.2%
Croatian	2	0.5%			

Table 2. Companies' characteristics.

Companies' headquarters location			Industry		
	Number	%		Number	%
Brazil	131	35.9%	Agriculture	2	0.5%
Portugal	75	20.5%	Retail	27	7.4%
Austria	72	19.7%	Civil Construction	15	4.1%
Indonesia	13	3.6%	Manufacturing	34	9.3%
Other	12	3.3%	Services	227	62.2%
India	10	2.7%	Public Administration	60	16.4%
USA	9	2.5%	Number of employees		
Spain	6	1.6%		Number	%
Germany	5	1.4%	Up to 10	68	18.6%
United Kingdom	5	1.4%	11 to 50	55	15.1%
Iraq	5	1.4%	51 to 250	49	13.4%
Switzerland	4	1.1%	More than 250	193	52.9%
Pakistan	3	0.8%	Annual revenue		
Serbia	3	0.8%		Number	%
China	3	0.8%	Up to 2 million	98	26.8%
Canada	2	0.5%	2 to 10 million	49	13.4%
Hungary	2	0.5%	10 to 50 million	51	14%
France	2	0.5%	More than 50 million	89	24.4%
South Africa	2	0.5%	Nonprofit	42	11.5%
Missing	1	0.3%	Missing	36	9.9%

Table 3. Construct Reliability and Validity scores and Discriminant Validity by SmartPLS software.

Construct Reliability and Validity				Fornell-Larcker Criterion			
LV	$C\alpha$	CR	AVE	KM	Mod Eff	OPW	OS
KM	0.906	0.926	0.641	0.800			
Mod Eff	1.000	1.000	1.000	-0.312	1.000		
OPW	0.934	0.944	0.627	0.691	-0.385	0.792	
OS	0.935	0.945	0.633	0.689	-0.279	0.789	0.796
Paths	H	HTMT	CI _{95%} (HTMT)				
KM -> OPW	H1	0.747	0.657 – 0.824				
KM -> OS	H2	0.740	0.660 – 0.811				
OS -> OPW	H3	0.842	0.796 – 0.882				
Mod Eff -> OPW	H5	0.398	0.263 – 0.507				

LV - Latent variable; $C\alpha$ - Cronbach's Alpha; CR - Composite Reliability; AVE - Average Variance Extracted; FCL - Fornell-Larcker Criterion; H - hypotheses; HTMT - Heterotrait-monotrait ratio; KM - Knowledge Management; OS - Organizational Spirituality; OPW - Organizational *phronesis*; Mod Eff - Moderating Effect.

Table 4. Smart PLS Algorithm, blindfolding analysis, and Path Coefficients between the latent constructs.

LV	VIF	R^2 Adjusted			Q^2	
KM	OPW	OS				
KM	1.963	1.000				
Mod Effect	1.117					
OPW			0.681		0.420	
OS	1.922		0.474		0.298	
Effects	PC	<i>t-value</i>	<i>p-value</i>	f^2	CI _{95%}	
KM -> OPW	H1	0.247	4.871	<0.001	0.098	0.037 – 0.199
KM -> OS	H2	0.689	19.736	<0.001	0.905	0.616 – 1.322
OS -> OPW	H3	0.578	13.338	<0.001	0.549	0.352 – 0.832
KM -> OS -> OPW	H4	0.645	16.270	<0.001		0.561 – 0.717
Mod Effect -> OPW	H5	-0.117	4.204	<0.001	0.061	0.015 – 0.130

KM - Knowledge Management; OS - Organizational Spirituality; OPW - Organizational *phronesis*; PC - Path coefficients; VIF - Variance Inflation Factor; CI - Confidence Intervals; LV - Latent variable; Mod Effect - Moderating Effect.

Table 5. Importance-Performance Map Analysis by SmartPLS software.

IPMA									
Path coefficients			Indirect effects			Total effects			
	KM	OPW	OS	KM	OPW	OS	KM	OPW	OS
KM		0.247	0.689		0.398			0.645	0.689
Mod Effect		-0.117						-0.117	
OPW									
OS		0.578						0.578	

KM - Knowledge Management; Mod Effect - Moderating Effect; OS - Organizational Spirituality; OPW - Organizational *phronesis*.

Table 6. MICOM analysis.

Step 2 – Compositional invariance				
Composite	Original Correlation	5% quantile	Permutation p-values	
KM	1.000	0.999	0.577	
OPW	0.999	0.999	0.068	
OS	1.000	0.999	0.576	
Step 3a – Mean values equality				
Composite	Mean - Original Difference	Mean - Permutation Mean Difference	95% Confidence Interval	Permutation p-values
KM	0.203	-0.001	[-0.210; 0.207]	0.056
OPW	0.021	0.001	[-0.208; 0.208]	0.846
OS	0.091	0.001	[-0.213; 0.213]	0.404
Step 3b – Variances equality				
Composite	Variance - Original Difference	Variance - Permutation Mean Difference	95% Confidence Interval	Permutation p-values
KM	-0.096	-0.005	[-0.369; 0.357]	0.597
OPW	-0.061	-0.003	[-0.380; 0.365]	0.739
OS	-0.158	-0.004	[-0.304; 0.293]	0.309

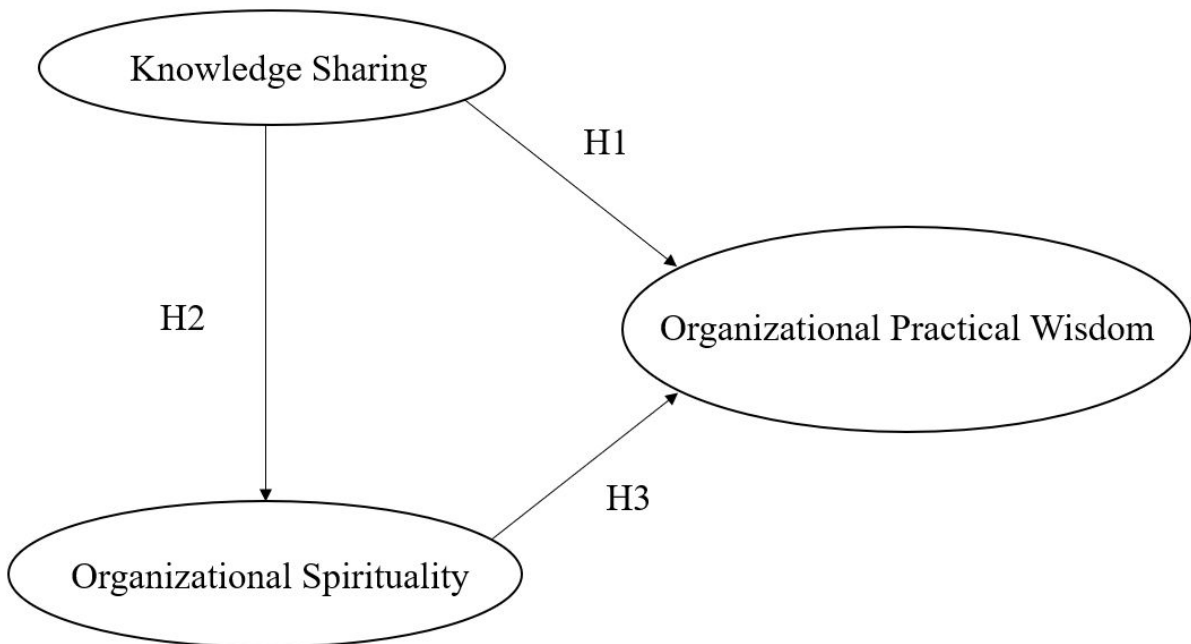


Figure 1. Research Framework.

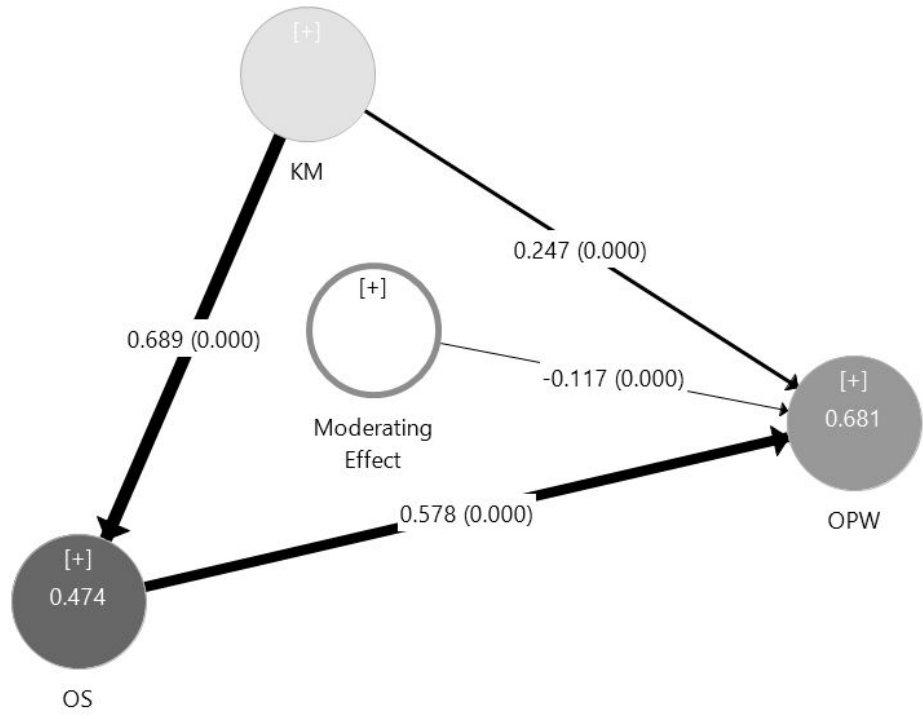


Figure 2. PLS-SEM displays the values of the Path Coefficient, the p-value of the Student's t-tests, and R Adjusted obtained through the Bootstrapping module of the SmartPLS software.