

**DBA THESIS (2008)**

**OK Baji as an Exemplar of  
*Phronetic* Leadership  
(Executive Summary)**



**Hideki Kawada**

**DBA Program in International Business Strategy  
Graduate School of International Corporate Strategy  
Hitotsubashi University**

## Executive Summary

More than 2,300 years ago, the Greek philosopher Aristotle argued that the knowledge of human beings could be divided into three types: *Episteme*, *Techne*, and *Phronesis*. *Episteme* corresponds to science, and *techne* is what is now referred to as technology, but what then is *phronesis*? Most individuals are likely unfamiliar with Aristotle's concept of *phronesis*, which can be described by various expressions, but for the purposes of this study it is considered the practical wisdom to serve the common or social (humanitarian) good. Aristotle's three types of knowledge are today known as science (*episteme*), technology (*techne*), and the practical wisdom to serve the common good (*phronesis*).

We have seen so many problems that are of our own making. At this very moment, somewhere on the Earth, civil wars are being fought, children are starving, people are suffering from poverty, more and more individuals are committing suicide, and many other atrocities of human origin are taking place. By looking at these problems, there is doubt whether we will live better in the future or even if we, human beings, will exist in the near future. If what Aristotle said 2,300 years ago was correct, each of us should possess and cultivate *phronesis* as knowledge to serve the common good and live better lives in harmony with others around us. But how can we construct a better understanding of *phronesis*?

This thesis is based on direct observations of OK Baji, an individual social worker, as he performed his activities in the heart of the mountains of Nepal. This person was chosen as the object of study in order to gain a better understanding of *phronesis*, or practical wisdom to serve a common social good. For the past seven years I have worked under the tutelage of OK Baji and directly observed the impact of his social works.

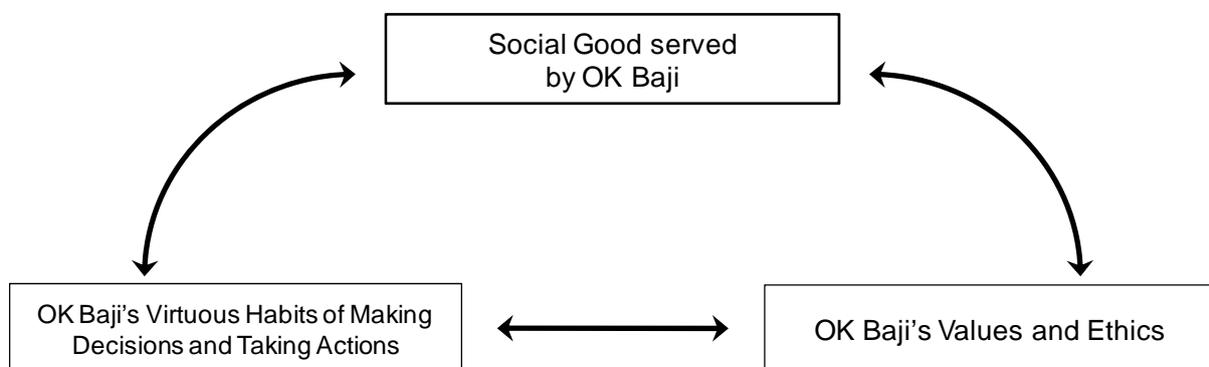
OK Baji's real name is Kazumasa Kakimi. He was born in 1939 in Tokyo, Japan, and was an English teacher at a prominent high school in Tokyo for 23 years prior to moving to Nepal in 1993. In Nepalese, *Baji* means "old man." When Kakimi moved to Nepal, he could not speak a single word of Nepalese. He communicated, or tried to communicate, using English. Every time a villager requested something from him, he replied, "OK," and smiled. After repeating this routine, day after day, Kakimi was eventually nicknamed "OK Baji" – the old man who always said "OK." From that point onwards, at the age of 53, Kazumasa Kakimi became OK Baji.

In this thesis, I attempt to construct a better understanding of *phronesis* using OK Baji as a living exemplar of an individual who embodies practical wisdom used to serve the common good.

Ikujiro Nonaka, a leading authority on knowledge creation, embedded Aristotle's concept of *phronesis* into the theory of the knowledge creating-company and developed the model of social knowledge creation. Nonaka and Toyama (2005, 2006, and 2007) and Nonaka et al. (2007) define *phronesis* as virtuous habits of making prudent decisions and taking actions to serve the common good based on values and ethics. By applying this social knowledge creation model, this thesis identifies OK Baji's *phronesis* in his continuous commitment to help disadvantaged villagers in Nepal based on the above definition of *phronesis*.

OK Baji's *phronesis* as knowledge to serve the social good will be examined in detail by dividing it into three elements: (1) social good, (2) virtuous habits of making prudent decisions and taking actions, and (3) values and ethics (Figure 1). Accordingly, by examining OK Baji's *phronesis* along these three elements, this thesis attempts to identify key insights that will help individuals to cultivate their own *phronesis* towards a better world.

**Figure 1 Three Elements of *Phronesis***



The analysis consists of four parts, looking at the three elements of *phronesis* as presented in Figure 1 and guided by a series of questions in Table 1 about OK Baji's way of living based on field research. The first part of the analysis looks at the social good served by OK Baji. The second part looks at OK Baji's virtuous habits for decision-making and taking action. The third part looks at OK Baji's values and ethics. The fourth and final part looks at the extensions of OK Baji's influence in Nepal, in Japan, and in my own personal life.

**Table 1 Analysis of OK Baji's *Phronesis***

<i>Phronesis</i> element	Analysis Questions
Social good	<ul style="list-style-type: none"> <li>• What outputs towards social good has OK Baji achieved?</li> </ul>
Decision-making and actions	<ul style="list-style-type: none"> <li>• What decisions and actions has OK Baji taken to serve towards social good?</li> <li>• What are OK Baji's creative routines that support his efforts to foster social good?</li> </ul>
Values and ethics	<ul style="list-style-type: none"> <li>• What values and ethics guide OK Baji's decisions and actions to towards a common social good?</li> </ul>

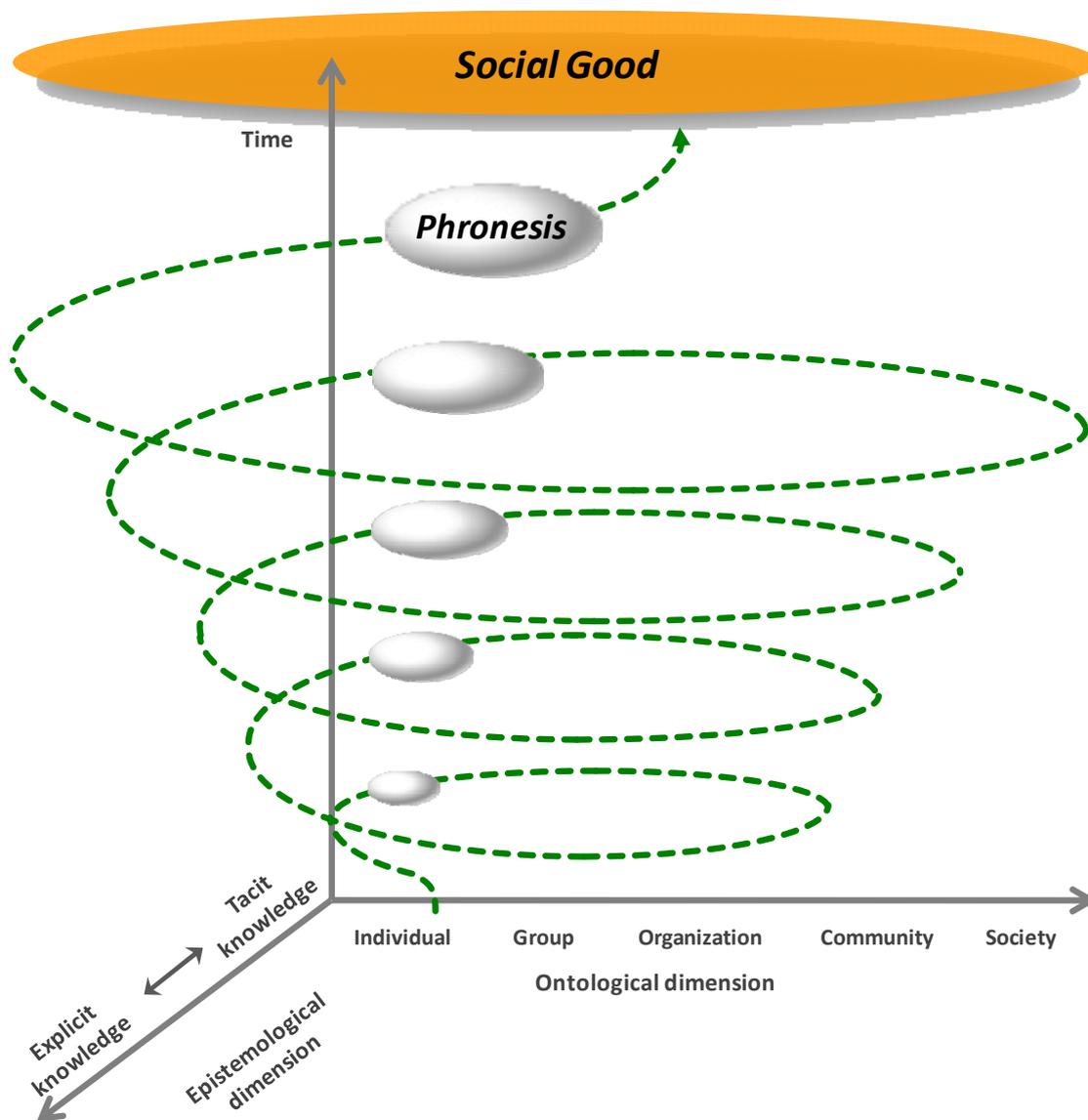
From my firsthand observations of OK Baji in the field, I find that his *phronetic* way of living could be broken down into three components: 1) OK Baji's activities promote a process of social knowledge creation, 2) every aspect of OK Baji's lifestyle is geared towards fostering social good for the villagers in Eastern Palpa, and 3) OK Baji employs creative routines in activities stemming from his own adaptation of the knowledge creation process.

According to Aristotle, the activities of human beings are thought pursue a common good that benefits more than the individual. This study describes such a pursuit, based on observations from over seven years of fieldwork, to understand how an individual actor – OK Baji – can create and cultivate the practical wisdom – *phronesis* – required to serve the social good.

The underlying premise of this study is that *phronetic* leaders, which OK Baji is presumed to be, foster practical wisdom in three ways: 1) By living (practicing) a way of life (process) that creates social knowledge to better society, 2) by cultivating *phronesis* over time, and 3) by extending *phronesis* in others.

The three ways of fostering *phronesis* take place along three dimensions – the epistemological (knowledge), the ontological (number of actors), and the temporal (time). As illustrated in Figure 2, the dynamic interaction of different actors along these dimensions gives rise to a spiral as knowledge is created, converted from tacit to explicit (and vice versa), and transferred (diffused) from individuals to groups, organizations, communities, and society (and vice versa). Accordingly, with each loop of the spiral, the level of *phronesis* in the individual grows as experiences accumulate over time.

**Figure 2 The spiraling accumulation of individual *Phronesis* (ellipses) along the Epistemological, Ontological, and Temporal Dimensions**



The way of living of a *phronetic* leader can be seen as a continuous process of social knowledge creation towards a common good through constant interaction with other individuals. Accordingly, each activity in this process, including the virtuous habits developed to support it, should increase *phronesis* in the leader and, by extension, other individuals who interact with the leader. In the case of OK Baji, his way of living to aid the people of Nepal can be articulated (or visualized) as a six-step process of social knowledge creation composed of the following six gerunds: walking, feeling, talking, entrusting, working, and writing. His actions at each step are designed to improve village life in Eastern

Palpa, Nepal and are related to a common social aim.

*Phronesis* – the practical wisdom to serve the common or social (humanitarian) good – has accumulated over time, cultivated by individuals, like OK Baji, who have succeeded to instill this wisdom in others, generation after generation, through an ontologically expanding, self-perpetuating spiral of social knowledge creation.

As long as people continue to cultivate *phronesis*, the human race should eventually discover a way to persevere and overcome every catastrophe, calamity, and disaster it will face in the years to come. And with *phronetic* leadership, it can be achieved.