DISCERNMENT BEYOND THE CHURCH

By PAUL CARON

WHEN I WAS APPROACHED about writing an article concerning 'Discerning beyond the Church', I wondered whether I was not taking on too much. Should I attempt to write something, and if so, what could I possibly say on this nebulous and yet striking subject? After all, here is a retired banker with experience in the multinational corporate world who is asked to write on discernment with a big 'D' to an audience familiar with discernment in the Church. My own background is California, biology studies, law and business school and then running a number of different operations and banks for an American bank in Europe: seemingly a far cry from the subject.

Later I realized that discernment in the explicitly religious sense of attempting to follow God's will was not the only form of discernment, and perhaps there would be some value in reviewing how discernment together is used naturally in business. When thinking of the problem, it did occur to me that there might be something to say, at least in speaking of the changes corporate organizations must go through to survive, and how these are brought about, as well as the changes in other human organizations such as hospitals and non-profit organizations. Also, I was struck by the scientific function of discernment, arguably another way of defining intuition and creativity. After all, we live in a changing environment, and discernment of change and the need to refocus is really a basic and universal characteristic.

Therefore, with apologies for probably disagreeing with what many may regard as the normal 'proper' attitudes toward change and stability in the Church, I would like to discuss with you how we do change and how discernment, that most valuable human skill, is used by business people. Specifically, it might be valuable to review how groups benefit through the use of discernment and therefore agree to bring about change. One of the key variables for success in the business world is just that ability. Any executive in a small or large corporation will have as one of his or her greatest challenges the introduction of change to match the changes taking place in the environment and through the pressure of competition.

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As the world turns faster and the curves that reality throws at us become more and more surprising and dangerous, what could be more important than the simple virtue of figuring out 'what is going on' – or discernment. The formal, dictionary definitions are worth stating. The one which pleases me the most is Webster's definition of discernment as 'the quality of being able to grasp and comprehend what is obscure'; another which appeals is 'revealing insight and understanding' and, finally, 'to separate, distinguish between'.

How crucial this discernment is to maintain a business as viable is vividly illustrated by the case-history of IBM – its rise, fall and, hopefully, its rise again. What example could be better than IBM? We have all been touched one way or another by its might and success. Here is a company which was born with genius. The founder realized, or discerned dimly, that business might need computing power of a degree above the simple cash register. There were doubts from all sides, but Mr Watson persevered and convinced those around him. He conceptualized a model of the market and built a company to react to that model.

IBM developed accordingly and built remarkable machines that delivered computing power of increasing amounts for less and less cost to businesses and governments. The company had smart managers as well. They took Watson's vision which predicted the future of computing in the business world and broke it down into specialized areas, segregating different products for different markets and organizing the manufacturing. They had rules as well. A dress code was enforced: white shirts and dark suits, since their market was to sell to other businessmen and, I guess, in the thirties everyone dressed that way. They identified with the 'serious nature' of their business clients and in so doing they implicitly assumed that those clients were the only market.

Somehow the environment changed. The transistor chips that ran the computer became so powerful and so cheap that desk computers could be manufactured. IBM called them PCs or personal computers. But their model of the markets that Watson's vision had given them assumed that only larger organizations needed computing power. That vision had been turned into a smart, tough, well-run organization, but one which was based on a static reality. Hence the PC market when it arrived was regarded by them as a fluke, an adjunct to their main mission. And logically, the company continued to enforce the 'white shirts' rule as well.

However, no surprise, no longer did the 'white shirts' match the emerging market. That group was composed of Levis, T-shirts and

pizza. Somehow the people at IBM did not discern from the small pieces of evidence which were beginning to accumulate that a major paradigm shift was taking place. Perhaps, almost certainly, a few saw it coming. But the rules and regulations enforced by the administrators who ran IBM not only kept most people from seeing the change, but also prevented those that had some insight from reporting in an acceptable form, since what they wanted to say did not fit the 'model' of the business as it was run. And that 'model' was by now reduced to a set of rules and equations enforced by administrators. They, the administrators, were increasingly promoted because they were good at following rules as well as applying them. There were managers who could sense the shift, but they were 'voices crying in the wilderness' of an organization of incredible complexity. It was an organization that needed rules to run. But those rules and the logical enforcement of the original model gave no scope for a clear and simple enunciation of a new view of the markets and a new 'model' of a company that could be successful. As one manager said, 'We were like a dinosaur: they'd whack us on the tail and three weeks later we'd feel it in our brain'.

IBM lost the market to Apple. 'No Rules' was the rule at Apple. They listened to the wind and the calls from Berkeley and created something remarkable. IBM continued to follow the rules about mainframes. The rules for the sales force were focused on pushing mainframes. Even when Microsoft very humbly came to IBM suggesting a software operating system for a PC, IBM, with its priorities fixed, gave the market to them. Microsoft is now larger in market value than the sum of some of the largest US companies put together.

The key to the example is that the IBM staff blinded themselves by believing in the model *per se*, and not what the model was meant to represent, that is, the reality of the factors bearing on their product. They used rules as mental short cuts to getting things done, rather than following the more painful process of common sense and constant doubt about the fit between our mental pictures of reality, which we construct to help us operate, and the real thing, the 'Big Out There'.

It seems that there is always going to be a space between what we include in our model and the 'real'. That our models are pale reflections of reality is true not only for the external world but for the internal one as well.

When the subject of this article was first mentioned to me, my first reflection on the word was to define it as 'the ability to see what might not be there'. There was some basis for this: people looking at the same, limited evidence, for example, can differ in their conclusions.

And basing a decision on limited information implies that those who do feel or discern changes taking place, often important changes, may frequently very well be in the minority and/or wrong. To sum up, as Judge Learned Hand once wrote: 'Life is a series of decisions based upon insufficient evidence'.

It is worth mentioning, too, that making decisions on only a few indicators is frequently a lonely process. How many of us have not awakened early in the morning with an idea or decision, feeling that we have seen something special; perhaps a pattern or insight, which, we know, when discussed at lunch, will put us in the minority. Not all good ideas occur to the majority. On the contrary, really good insights occur with the few. It is similar to the sailor on the mast of the old sailing vessel who peers ahead and is the first to see something, not certain whether it is land or an iceberg. He sees something before anyone else on board has seen it, even if he is not sure of its nature.

Therefore, when we are talking of discernment, we frequently must allow for a minority view; we must help it define itself, hoping that it will be the correct one.

Judge Hand's remark grasped the important point that each of us must decide and yet we must do so in factual obscurity. Hence it is an individual process and one which by its very nature is inductive and intuitive. It is a process of seeing small signs and indices which point to a larger form; a process which gains from the empathy of friends and support from a group. In return, the members of a group can each contribute their own evidence, a sharing which may define more accurately the lines of the emerging form. In a secular way, there are few things more fun than working together as a group exploring and developing a project since, although one person may have the insight, the others pick it up quickly and the education is mutual. The process of discernment in a group is conducive not only to education but also to affirmation; through affirmation, the group gains a sense of commitment to the vision; the members accept the idea as theirs.

I would like to mention another major aspect that I believe is integral to discernment. Probably it is best to start out by saying that we all use short cuts of some sort, 'rules of thumb' that save us time and are simple to remember. In meeting a great number of people in my banking affairs, I always tried to remember a few key facts and personal preferences about each. It is fairly obvious that once one really gets to know someone, the complexity and subtlety is endless. But we need a handle on the enormous amount of facts and the almost infinite workings of the real world. Hence, we build models. You can

find them everywhere, certainly in the business world. Scientists talk of models of the weather, of the internal workings of the atom and so forth. We build organizations which are, in fact, models. We see the market-place and put together a team to produce and sell a product or service. This is, in fact, a model, almost reducible to a mathematical equation, which is organized to respond to a specific environment, market, competition and resources.

Therefore, together with the talent of insight or discernment comes a building process based on what we have discovered. I guess it is normal for a Newton to build his model of the planetary system after figuring out how gravity might influence mass. In the same way each of us builds models on the basis of our understanding of how things work. We do this in all areas of human interest: the physical world, ethics and in organizations are a few examples.

The thrust of all of this is that when we create these models inevitably we simplify, and in so doing consciously blind ourselves to much of the reality which seems extraneous to our immediate aims. But this has its dangers because, as we all know too well, things change. If we do not see the changes then we will not recognize that what we have built no longer works – as we have seen with IBM.

Discernment is a crucial attribute. How else can we navigate that shaded area between our temporary, reductionist view of things, as expressed in theories of physics, models of markets and organizations, and the infinitely more complex and changing world? Discernment can be compared to the Indian scout – he helps us plot a path into new territory.

Experiences in my banking career bear all this out. Those big, static buildings which we identify with banks hide absolute turmoil. We had models for the business but everything was moving under our feet. Interest rates can suddenly change, markets explode or even disappear. In fact, thinking back, I would say that fully half of what I did as a young banker has now completely disappeared and fully three-quarters of what is done today did not exist then. The bankers seem to work harder now as well. How can we handle that change? For me it was always fun. I was dealing with interesting people and there was always something new to figure out. When I took over private banking in Switzerland, the Middle East and Europe, we were going through the oil crisis, the introduction to 'heavy duty' information technology, and a brand new market was emerging.

Obviously, 'muddling through' is a great principle for change, but there were certain action characteristics which were helpful. For

example, the most interesting insights into what was taking place usually came from the youngest. We had daily meetings to get everyone together to discuss what was going on and the newer bankers, who devoted almost all of their time to clients rather than administration, had invaluable comments. They might say, for example, that a certain client was asking for an interesting new service, or they might have heard of particular economic developments through a situation described by a client. They were much closer to the reality of the market-place than the more senior people. They acted as a strong check on ill-conceived authority.

There had to be some discipline in all this, so the role that frequently fell to me was that of a facilitator. 'Fell' is the right word, since I would much rather have had the opportunity to conceptualize it all, in one fell swoop: good marching orders and all that. But it did not work like that. Rather, it was necessary to allow as much information as possible to accumulate from everyone and to allow it to 'simmer'. By that I mean we needed to discover how the facts could fall into place with internal consistency. Opportunities in the market needed to be proved, our competitors had to be watched to see how they reacted and so on. The internal consistency of the model was obviously crucial as proof of content. It also helped to get everyone on board. It was very important to include everyone, especially the outstanding technical experts who made the 'back-office' work.

All of this took a tremendous amount of time. I always budgeted sixty per cent or more of my time to talking with the members of the bank at all levels of responsibility. In fact, through several different postings, in Paris, Brussels and Geneva, I always moved out the desk from my office and moved in sofas and a large, low table, because the aim was to encourage as much honest and focused discussion as possible.

Although all cultures have their processes of discernment, the Japanese corporations have developed and named the steps. They wished to institutionalize discussion and oblige the managers to gain the enthusiastic support of their collaborators across functional lines – a very important issue. There are two elements: *nemawashi* (consensus-building) and *ringi* (shared decision-making). The Japanese are lucky because they have close physical proximity and shared cultural values. For a true multi-cultural corporation much more effort needs to be invested.

The result, of course, is to gain vital information about markets, competition, the internal organization, and to collate it into a usable,

concise model for action. To have everyone participate in the model's construction means a higher probability of success in the implementation. This is not to say that the crucial insights were not personal. They almost always were. The individual had to fight to make their case, and frequently he or she was wrong. But with charity and a certain 'suspension of disbelief' the process can work.

Hence model-building and discernment go hand in hand. This remarkable 'search and build' process exists in all important areas of human conduct. The most easily explained area is in the world of science. But from our examples, we know it exists in the organizational world of business. Something similar applies in our efforts to behave responsibly and ethically. Even with the best of insight, even though our ability to discern is coexistent with the human process of conceptualizing how things work, the result is only a weak reflection in an old mirror. Yet we need these models. We use them to operate, even exist, in a changing reality, giving us our ability to create models for controlling processes and operating structures around us which allow human progress. The model is as intimately tied to discernment as paint to canvas.

Conditions are changing today at a rate never before seen by us. At this point, discernment, or our ability to sense the new and its impact, coupled with honest doubt and courage, will be a most important human gift, since it allows us to intuit whether 'things have changed' sufficiently to discard the old model and develop a new one. Remember that all models are attempts to approach reality; therefore the 'new' can be as valid a reflection of first principles as the old.

Does this make sense? It does if the reader accepts that there is change and that there exists also a distinction between principle and application (as in cultural values). After all, how can we deal with poverty realistically when the world's economy is changing from one based on physical capital to one that is increasingly going to be controlled by informational capital? We have industry today that has marginal unit costs of almost zero in production. An example is the millionth copy of my 'Windows' software. What does this mean? It means that we are gradually moving from a world of relatively static or slowly growing wealth into one of rapid change, in a context that can make the cost of products almost free, if the user is trained to use them and the costs of distribution are properly handled.

How then do we now define wealth and, more importantly, poverty? Can we rely on the judgements, true in their time, of right and wrong, when the economic models used by theologians were based on a slow

or static environment? To be rich might have meant to own animals or a factory, to share meant to give something, or to sacrifice for another. Today, just to challenge the reader, is there any real cost in sharing information, or a software program? Today, is the definition of being poor that condition which precludes utilizing new wealth i.e. technology, because of lack of education?

In the same way, we have built organizational structures dedicated to a purpose. The worth of structures is predicated on an efficient achievement of our intentions as builders of these models. And organizations are models in that they can be expressed mathematically as a series of functions and seen as dynamic flow charts. Certainly, we see organizations as groups of people, and in one real sense that is what organizations are, but the modelling comes from the aims to be achieved and the actions that the members of that organization are required or take upon themselves to perform. The creators of the organization have forged a tool, quite simply, which works better or worse, depending upon how they have built in relationship to the environment they wish to effect.

We follow the same curious path in our reliance on all human organizations. As was said, these are models or dynamic moving structures that we humans construct for various purposes. For example, a hospital is staffed and funded, the mechanism of concerted human effort is now in effect, and so on. It is a wonderful invention of humankind, a real tool to accomplish things, to heal the sick. Yet it also can contain the seed of its own demise or transformation. We see the errors, the frictional costs of 'doing business', the sub-maximal use of resources, as individuals create their advantages within the larger organization. Finally, we see the environment changing and the organization staying still. How can the complex structure be brought up to date? Should the hospital be dealing with newer diseases? What is the role of out-patients? Should the interface with the medical community be reviewed? Are obvious decisions made easily or are they held up by bureaucratic 'log jams'? And so on.

In a recent study at Harvard Medical School which had as its purpose the review of the occurrences of health-endangering errors by staff, the researchers were surprised by the results. In a very large number of cases, errors, seemly human, were in effect the result of outmoded systems or organizational structures. One case in point: a doctor gave the wrong dosage to a patient. Human error, malpractice? No, since the researchers found that the information system whose duty (or purpose) was to keep the professionals updated on new drug

research was not performing. Hence the doctor was using old dosage figures. Who was responsible? Was anyone really thinking of the systemic aspects of a well run organization? More to the point, how many professionals knew that the system was not doing its job, but did not suggest a change?

Here is where the individual can play another crucial, but sometimes lonely role: we must challenge the model sometimes. It is not always people who cause the problems. If we explore we will find that the assumptions used to build the model have now changed. To make a change will take, however, the process of discussion, collation, testing and accepting. This may lead into a discussion of discipline in an organization: why it is necessary and at what price. Obedience to what is not true can be really harmful, judging from much experience with many managers working for projects or responsible for organizations they know not to be valid.

The needs imposed by environmental change can sometimes only be dimly seen; at other times the need is as clear as a fire alarm, but frequently the organization does not change and the mechanism no longer serves the aims of its creators or its present members either. Current staff may be individually aware of what is going on 'outside'. There may be greater or lesser personal frustration at 'not doing the job we should'. There can be a general feeling that the organization is not doing its intended job with a resulting decline in morale. Here is where discernment and its use in groups can play its true role.

This may seem to be a wide detour from the original subject, 'Discernment beyond the Church', but it is integral to the argument. To summarize, then, a model is a dynamic equation, with its variables and constants which, in one form or another, is there to represent an infinitely more complex reality. It is a mechanism which, when functioning well, should accomplish certain predetermined tasks. Whether we are talking of a human organization such as IBM or a religious order, we are referring to 'rules of thumb' of conduct and right thinking.

We need models because, in spite of all our efforts, we have come to realize how slow and limited is our capacity to think and see clearly. We therefore picture the truth in the easier-to-use 'packages' of models and short cuts, the 'rules of thumb' of our normal existence.

Discernment, in the context of our modern lives, means to me one important thing. It is to challenge these models, or rather to have the courage to look for the faults and to identify the small facts that might or might not cause us to modify our organizations. Until you have said,

'Let's look again, with patience, charity and discipline: are the assumptions of yesterday still valid?', nothing will change. Perhaps 'challenge' is too strong a word; I prefer to picture it metaphorically: the Indian scout moves softly through the forest tracking that beautiful beast, reality, and discovers signs of its passage, the metaphorical 'broken twigs and bent flowers'.

Discernment in itself is not change, but is the ability to be open to those signs which indicate a lack of fit between our present model and reality. It is that common sense which feels that something is wrong, and with courage and uncertainty it explores what must be changed. It refuses to accept the 'merciless logic' of any model and announces with strength of purpose that the results are not those intended.

We all have the chance to be Einsteins. He saw anomalies in the models of the physical world proposed by the strict 'realism' school of Mach. There were few clues at that early time, but they pointed out that our vision of time and space was flawed. Einstein discerned, from very few pieces of evidence and a courageous logic, a new model of space and time. Today we are changing more rapidly in our technology and social environment than in physics. The need for discernment, of testing each 'strut' of our structure to see if it rings true, is needed even more. It will allow us to build new models, organizational and other, which will be closer to obtainable truth and still better at helping us on our journey.

Without discernment, the largest of our endeavours can be brought low. The implication is that one of our most remarkable and distinguishing characteristics as humans is discernment. To use it requires not only courage, but faith and a certain suspension of disbelief, for by its definition it is insufficient as proof. We live in uncertainty and the one who points to the needed changes might well be the one in a hundred who sees the signs. Hence the seeds for discernment may lie with the minority. It is saying to the unconvinced, 'We've taken a wrong turn, we are lost'. Our prayers therefore should be for the courageous, that they may point to the right direction for the future, and that they may remain humble, because they can be so often wrong.