



DAY OF JUDGEMENT (or In Praise of Leprechauns)

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"It's the only game in town. First you listen to the leprechauns inside and then you make up your mind. But then you have to produce a solution that doesn't look too much as if you've just thrown the bones. And then you've got to get it right; well, seven times out of ten anyway. And it must just happen; once you start thinking about it, you're dead; you must trust the spirit and go with it."

(The Chief Executive of a multi-national Energy Corporation speaking about decision-making)

"The exercise of discretion has to do with judgement, sense, feel, discrimination, comparing, wondering, foreseeing and other contents of mental work—both conscious and unconscious."

E. Jaques

*God guard me from those thoughts men think in the mind alone;
He that sings a lasting song thinks in a marrow bone.*

W.B. Yeats

Requisite Institutions and the Exercise of Discretion

While both these ideas had been the subject of thought and literature over the centuries, Elliott Jaques' unique contribution was to forge a systematic set of connections between them. This chapter is about the part played by the exercise of discretion in his fundamental theme of requisite social institutions.

The social and economic climate of the 1990s might be more receptive to the exercise of discretion in requisite social institutions—hence the 'day of judgement' in the title—but the human dilemma of the spoken and the unspeakable remains—hence the leprechauns.

One of the earliest statements of the connection between discretion and requisite institution appears in *Measurement of Responsibility* published in 1956.

"Good discretion contributes to the . . . success of the enterprise. Bad discretion expresses itself in the concrete terms of calculable loss. Giving someone a job ... *means* nothing less than handing over to him or her a part of the resources of an organisation. These resources stand to be preserved or increased in value, or else diminished in value or lost, depending on the adequacy of the authorised discretion and judgement exercised by the person employed."

By 1970 Jaques was pointing out that the significance of requisite institution had to go beyond any particular organisation to the wider social context in which it was set. Requisiteness of social institutions is a matter of the health of the society as a whole and not the province of any particular organisation.

He defined a requisite institution as one that takes proper account of the work to be done and of 'the nature of human nature' by meeting four fundamental rights of the person: the

right to employment at full capacity; the right of appeal against the judgement of superiors; the right to participate in policy making; the right to equitable reward.

Twenty years later he combined the particular and the social context defining a requisite organisation as one that "not only achieves commercial objectives but also contributes to social health in that it provides for the major needs of the normal maturely independent individual."

"Both Sides of the Human Equation"

In this chapter I am primarily concerned with the first of the four rights—to employment at full capacity—and the implications this may have for the contemporary reception of the idea of 'requisite institutions.'

In order to understand the exercise of discretion I turn to *The Form of Time* published in 1982 where Jaques used the telling phrase "both sides of the human equation." On one side is unconscious sensing—the inner resource on which the person draws in exercising discretion; on the other—the surface part of mental activity—preconscious awareness and conscious knowledge.

Conscious knowledge provides the context within which we act; it is "the abstractor, the divider, the still photographer." Words and numbers are its language.

Preconscious awareness is the store of knowledge and awareness on which we can consciously draw; the flow in which we sense the ongoingness of the things we perceive as in motion; images and poetry are its language.

Unconscious sensing provides the continuously shifting direction of intentionality, of where we want to go; its essence is orientation and action, not words.

What then is 'the exercise of discretion' in work?

It may be thought of as the imagination, formulation and execution of a course of action which is not prescribed. To the extent that the person is capable of making the choices that must be made, he or she will not be conscious of exercising discretion.

"We are involved here with a sphere of psychological activity which, although extremely familiar, remains . . . ill-defined. There is no satisfactory, commonly employed language for it. We speak about judgement, intuition, nous . . . experience, know-how, discretion . . . 'guesstimating' . . . We cannot put into words what it is that we are taking into account in doing what we are doing, and in that sense we do not know that what we are doing will get us where we want to go, will achieve the result we want to achieve. We judge that it will, we think it will, but we are not sure, and only time will tell."

Turning to the conscious knowledge that provides the framework, Jaques drew attention to the etymology of the word in the Greek 'Gignoskein'—a reduplicated form emphasising that knowledge is man-made.

"That is why we can be so sure of it. We have made the rules and set the limits. And it is these ... that allow us to reduplicate it with such precision ... while knowledge is one of the essential tools of work, it is not the work itself ... in work knowledge alone will not see you through."

He then went on to argue that, in industrial society, the 'human equation' has become unbalanced. There has been a tendency to overvalue the critical, the conscious, the verbal, technology, everything to do with knowledge, the passing of exams as well as formal qualifications.

"(industrial society) has lost its ability sufficiently to value and to feel secure in relying upon the other side of the human equation—the side that contains intuition, judgement,

flowing un verbalized sense, the feel of the situation . . . the ability to sit back and reflect and remember."

Jaques is not alone in his concern: the philosopher Polanyi writes of the "faculties that centuries of critical thought have taught us to distrust" and, in his book *The Unconscious Before Freud*, L.L. Whyte argues that until Descartes made the attempt to choose awareness as the defining characteristic of mind there was no occasion to invent the idea of unconscious mind as a provisional correction of that choice. It is only after this that we find first the idea and then the term, "unconscious mind" entering European thought. Whyte suggests that Descartes laid the foundation of concern about that of which we are not aware.

Before we look at some of the contemporary moves to try to redress the balance, it is of interest to look briefly at the history that lies behind the exercise of discretion and knowledge as construction.

The History of the Idea of Discretion

The idea of drawing on an inner resource lies in a long historical tradition; two thousand years ago the Greek playwright Euripides wrote of 'the mind in each of us that is our god'.

In 1853 the English physician and naturalist W.B. Carpenter described—

"this act of 'unconscious cerebration' . . . this unconscious operation of the brain in balancing for itself all these considerations, in putting all in order so to speak, in working out the result. I believe that this process is far more likely to lead us to good and true results than any continual discussion or argumentation. . . The mind has obviously worked more clearly and successfully in this automatic condition, when left entirely to itself, than when we have been cudgeling our brains . . . to get the solution."

in similar vein the French mathematician Poincaré—

"as for the subliminal self, we know not its limitations, and this is why we are not too reluctant in supposing that it has been able in a short time to make more different combinations than the whole life of a conscious being could encompass."

And the nineteenth century physician Henry Maudsley argued that

"The most important part of mental action, the essential process on which thinking depends, is unconscious mental activity."

The history of knowledge as construction

The formulation of knowledge as construction also lies within a long tradition. For example, the pre-Socratic philosopher Xenophanes wrote:

The gods did not reveal from the beginning;
All things to us, but in the course of time
Through seeking we may learn and know things better.

But as for certain truth, no man has known it,
Nor will he know it; neither of the gods,
Nor ye of all the things of which I speak.
And even if by chance he were to utter
The final truth, he would himself not know it;

For all is but a woven web of guesses.

In the eighteenth century the Italian philosopher Vico argued that

"As God's truth is what God comes to know as he creates and assembles it, so human truth is what man comes to know as he builds it, shaping it by his actions. Therefore science is the knowledge of origins, of the ways and the manner how things are made."

Half a century later, Immanuel Kant wrote

"Our intellect does not draw its laws from nature but imposes its laws upon nature."

Contemporary Views of Knowledge

In the course of this century there has been growing support for an epistemology in which knowledge reflects not an 'objective', ontological reality but an ordering and organisation of a world constituted by human experience.

Einstein made this clear—

"The sense experiences are the given subject matter. But the theory that shall interpret them is man-made . . . it is the theory that decides what we can observe." The development of modern physics has led to the conclusion that, despite how it may seem, physics is not an undistorted picture of an already-made world but a way of talking about the world.

The insights of modern physics seem to suggest that we are less and less likely to discover what the world is—Xenophanes' 'certain truth'; that the best we can ever hope for is a grasp of what the world is not as we learn from our interactions with it what is and what is not possible.

In the school known as evolutionary epistemology (see Kant, Popper, Lorenz, Stenhouse, Campbell, Munz) the person is seen as a product of biological and social evolution and the external world as a setting which has allowed that evolution. Popper has argued that, while Kant was wrong to think that the laws people impose on nature are necessarily true, or even that we necessarily succeed in imposing them, he was right to view knowledge as man-made.

"Nature very often resists (our impositions) quite successfully, forcing us to discard our laws as refuted: but, if we live, we may try again."

For Popper knowledge is invented as people put "imaginative and bold conjectures" to the world, note whether or not they work, and if they are refuted, create fresh ones.

The idea of knowledge as man-made or constructivism as it is often called is crystallised in the title of two books—one by a physicist, B. Gregory, entitled *Inventing Reality* (John Wiley and Sons 1988), the other by a philosopher, P. Watzlawick, entitled *The Invented Reality* (W. W. Norton and Co.).

The knowledge engineering used to create expert systems for computers captures knowledge as it reaches the stage of being a 'reduplicated form' (for example E. Feigenbaum in J. Hayes and D. Michie, 'Intelligent Systems,' Ellis Horwood Ltd., 1984).

"Knowledge engineering allows a field to 'get its hands on' the real knowledge of the field. The real knowledge of the field is not in the textbooks. The textbooks lack the experiential, judgemental, heuristic knowledge of the excellent practitioners of the field. When experts argue, the basis on which they argue is largely unspoken. (Knowledge engineering) gives a way of bringing heuristic knowledge to the surface and making it

concrete, so that it can be discussed and consensus can be achieved . . . The gain to human knowledge by making explicit the heuristic rules of a discipline will perhaps be the most important contribution of the knowledge based systems approach."

In Jaques' terms, knowledge engineering relies on preconscious awareness which is available in latent verbalised form but does not touch the unconscious sensing which is the core of the exercise of discretion and individual judgement.

Contemporary Views of Discretion

In the last thirty years the growth of interest and research into the processes of decision-making has led to a different view in academic, applied and popular thinking: 'intuition' is becoming respectable.

In much of the literature a distinction is drawn between 'rational, logical and analytic' styles of decision-making which are readily expressed in words and numbers, and 'non-rational, intuitive' styles which find readier expression in symbols and images. (See for example, Polanyi 1956, Mintzberg 1976, Sternberg 1985 and Leavitt 1986.)

Some of this research has been underpinned by neurophysiological evidence (see Levy-Agresti and Sperry 1968 and Gordon 1986) and some by work in artificial intelligence and knowledge engineering (Barr and Feigenbaum, 1982, Michie and Simon 1979).

In short, a new value has been placed on 'tacit knowledge', 'insight', 'intuition', and access to non verbalised material. And it is now more and more widely accepted—even in the most 'rational' literature—that people make decisions as a consequence of an interplay between that which is articulated and that which is not, and that they make decisions without being able to report the thought process that took them to their conclusion (Salk 1983, Agor 1984).

Alongside has come a growing interest in 'creativity', 'brainstorming' and other techniques for strengthening access to nonverbalised material (Gordon).

In a recent article about the role of intuition and emotion in decision-making, Simon argued that it is fallacious to contrast 'analytic' and 'intuitive' styles and that the effective manager 'does not have the luxury' of choosing between the two.

This view is echoed in a recent book about the nature and sources of managerial judgement which divides the task of management into two categories: knowledge . . . the substantive issues that are taken as relevant facts; and ways in which typical uncertainties are resolved

"Defining managers as rational decision-makers is a misinterpretation which leads ... to a lack of respect for managers as well as to a misunderstanding of their real contribution to the firm ... the manager makes choices for which he, rather than the data, must bear responsibility ... the result of a purely logical decision may seem independent of the decider, but when we exercise our judgement we clearly make ourselves manifest in the world ... a manager who draws a conclusion can only do so by adding something of himself to the data available. This addition . . . cannot be justified logically . . . we can illustrate judgement as the process of information integration which precedes rational decision-making in a (context of uncertainties and unintegrated information)" (Spender).

There are a number of points to be noted about this book: the author came to management studies as a mature and experienced manager who found classical theory wanting; like Jaques, he sets out to develop a model of organisation which takes proper account of individual judgement; the book has been received with enthusiasm; there is no reference to Jaques.

Contemporary Social and Economic Climate

Alongside the changes in attitude to the significance of judgement and the nature of knowledge there has been substantial social, economic and political change. In very simple terms there has been a growing awareness of both the benefits and the disbenefits of capitalism: benefits in the form of individual choice, the effects of competition, the generation of resources to pay for welfare and education; disbenefits in the form of individual and community casualties, pollution, draining non-renewable resources, general damage to the environment.

The volatility of the social and economic environment tends to manifest itself for private sector organisations in the need to respond to global deregulation, vulnerability to take-over, an increase in 'knowledge workers,' a tendency towards a 'core' of employees supported by sub-contractors; for public sector organisations, in pressures to shift towards tighter management of the relationship between resources and service provided; for voluntary organisations, in a sense of pressure on resources and, particularly, on founding ideals which may be vulnerable to input of public funds and pressure to cooperate more closely with the public sector.

One of the effects of all these pressures is to heighten awareness of the need for strategic thinking, for clear accountabilities and responsibilities, the limitations of knowledge—partly because it is so rapidly outdated, the significance of individual judgement and the connection between the quality of the decisions made at all levels and the reputation and viability of an organisation.

Many organisations faced with the need to take proper account of these infinite complexities if they are to remain viable, turn to their most complex resource; the judgement of their staff.

We are back to:

"Good discretion contributes to the . . . success of the enterprise. Bad discretion expresses itself in the concrete terms of calculable loss. Giving someone a job . . . means nothing less than handing over a part of the resources of an organisation. These resources stand to be preserved or increased in value, or else diminished in value or lost, depending on the adequacy of the authorised discretion and judgement exercised by the person." (*Measurement of Responsibility*).

And to:

"in work—whether it is administrative, research, professional or creative—knowledge alone will not see you through. You are confronted . . . by problems which have no absolutely correct answer. You have to use knowledge and judgement in interaction." (*Work Creativity and Social Justice*).

The Day of Judgement

Are we then at the 'day of judgement'? The day of requisite institutions where, at minimum, people will have the right to use their capabilities to the full and the organisation will trust people to use their judgement? Perhaps, but the ambivalence towards leprechauns remains.

From my experience of listening to people at all levels in organisations as they speak about their work, I see a consistent pattern of disconnection between individuals and the organisation in which they work. People will say that, above all, they want to be trusted to use their own judgement; senior managers will say that they want to be able to trust the judgement of their staff but it appears to be so difficult to connect what people want to give with what organisations must have if they are to remain viable.

Judgement appears to be the quality most sought after and most prized by people working together—but, paradoxically, it is also feared. And the fear interferes with the realisation of a requisite institution.

It is welcomed because good judgements are beyond price; it is feared because it depends on an inner resource which is beyond words, inherently unpredictable in that it cannot be summoned to order, felt to be 'a flimsy support structure' on which to have to rely and yet—and this is almost the most disconcerting for the person—"It's when I don't trust it and go against it, that I make a mistake."

An additional source of confusion is that, in most organisations, relatively few people will be in positions where they feel completely at ease in using this inner resource to make sound judgements. A few are fortunate; they feel that their capabilities match the challenges of their work and, most of the time are not even consciously aware that they are exercising discretion.

But many more are either over- or underwhelmed by the complexities of their responsibilities. In either of these circumstances they are more reluctant to rely on their inner resource—it is felt not as evanescent but as dangerously flimsy; they know that they will make poorer judgements and that—when the costs are seen—they will be exposed and judgement itself will 'get a bad name.'

There is a further point about power within the organisation; people are made stronger by using their judgement and it is less easy for organizations to control them either through coercion or enlightened leadership.

For example, an organisation may decide to "push decision-making as far down as possible." The first response is likely to be of euphoria as those who have been unable to use their judgement to the full taste the fruits of freedom of "putting something of myself into the work; adding value because I am me." But the next stage is much more difficult to contain; energy has been released because people are more autonomous and the organisation feels that it faces a 'crisis of leadership' as it tries to focus and harness the energy.

At about the same time as this new energy is released, it becomes clear that not everyone is enjoying the new freedom: those who were at ease with the scope of challenge before are now overwhelmed by the plethora of choices with which they are faced and with exhortations to be 'more entrepreneurial,' 'more creative.' Brainstorming exercises continue but they are now rounded by 'creativity controls' (sic) introduced to prevent the emergence of 'too many ideas.' It begins to be obvious that many people are 'out of their depth,' and the tendency is to rein in the limits across the whole organisation rather than to take account of individual differences and match people to responsibilities accordingly.

But those who were underused before—and they are more likely to be people who are not members of the dominant group—are now more articulate, coming up with more ideas, questioning direction and objectives.

This is often a completely unexpected consequence, for which those who initiated the changes are unprepared. They are now faced with far more energy than they had bargained for, questions they have not anticipated from people who had not previously been visible and, at the same time, disappointment that many are apparently resisting the new freedom which they see as license that has rendered them vulnerable and confused.

The leprechauns are out and they are seen to be both exciting and disturbing. Euripides spoke of the 'god' within; the word he used was 'daimon'—eudaimonia is the state where the leprechauns guide towards sound decisions; kakodaimonia the state where the cackle of the leprechauns leads to chaos.

So what can be done? Give up the notion of the requisite as hopelessly idealistic? Remind ourselves of the other rights, especially participation in policy making? Clarify the structures? All of these would help but I want to suggest that we might follow two very different leads from Jaques: his praise of hierarchy and his threefold 'human equation.'

In his praise of hierarchy he suggests that:

"properly structured, hierarchy can release energy and creativity, rationalise productivity and actually improve morale."

But he then goes on to describe only one aspect of hierarchy; differences between levels: an emphasis that tends to be heard as advocating a ladder of command with each lower level under the control and supervision of the higher.

Although it is implicit in all his writing, he does not draw attention to the other aspect of hierarchy; integration of the parts into the whole by reference to what is held in common. (See Dumont 1966, Grene, Taylor, Gerard.) In terms of people, integration of individual judgements in the light of a common purpose in order to harness the energy released by the exercise of discretion.

Like conscious knowledge and preconscious awareness the differentiating and integrating aspects of hierarchy are figure and ground and it is virtually impossible to see them at the same time. Like conscious knowledge, differences between levels and requisite working relationships will set the context for the direction of the organisation. But it will feel empty, atomistic, technical if it is not balanced by the other side of the equation—the values, images and myths that sustain the whole.

If requisite institutions are to have the heart that Jaques intended and expressed in comments like:

"conditions of trust in working relationships and hence of authority with freedom and justice,"

description of their structures will have to include both the clear, specified, rational words about levels, and the poetry of the flow of values and myths that are the peripheral awareness—what is often called the 'culture' of the organisation.

An additional architecture for leprechauns must include well lit spaces where everything can be clearly seen and shadowed spaces for rest and reverie.

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