

Managerial Discernment: An Examination in the Case of Employee Appraisal[♥]



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We present a preliminary investigation of the concept of managerial discernment. Discernment provides managers with a structured process invoking both the rationality and the spirituality of the decision-maker in order to improve decision quality. First we introduce the core concepts, using Ignatian discernment as a basis. Second, we illustrate managerial discernment using an actual case of employee appraisal, combined with a simulation based on the information obtained from the case. Finally, we discuss the implications, both in the context of appraisal and more generally organizational settings.

Key words: *Managerial discernment, employee appraisal, case study, spirituality*

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In this paper, we present the preliminary results of a larger research project on managerial discernment. Like other management scholars and business practitioners, we have been intrigued by the possible implications of spirituality in organizational settings (Kirwan-Taylor, 2000; Mitroff & Denton, 1999). Anecdotal evidence as well as prior research suggests that beyond the quest for effectiveness and efficiency, traditional management approaches often fail to provide meaning in the workplace for several categories of organizational stakeholders (Varela, 1996). Considering a radically new approach such as managerial discernment therefore appears as a worthy endeavor, both theoretically and practically.

Nonetheless, investigating discernment within organizations is a challenging and complex task. Scientific, ideological, and religious beliefs can easily conflict in a research context, and organization studies are no exceptions in that regard (Strategor, 1997). Coming primarily from the fields of philosophy, ethics and religion, discernment can easily be challenged and discarded by management scholars who are more grounded in the social sciences.

In the first part of the paper, we summarize the main intellectual roots, and then introduce the core concepts of Ignatian discernment, which serve as the basis for our subsequent discussion. Discernment benefits from a venerable tradition that is only now beginning to be explored in an organizational context (Delbecq, 2001; McGee, 2001). Discernment provides applications in the area of managerial decision-making and judgement that can be very impactful in our opinion. The real case and associated simulation discussed in the second part of the paper provide an illustration of the potential and implications of managerial discernment in the context of employee appraisal.

THE PRINCIPLES OF DISCERNMENT

Discernment is a structured framework that combines rational elements with spiritual dimensions of decision-making. These internal movements or "spirits" are recognized as signals of decision confirmation, or on the contrary, discomfort with some parts of the process. The roots of discernment lie in Aristotelian philosophy, but it developed over time in the context of Christian spirituality, in particular with the contributions of Ignatius of Loyola in the 16th

century (Loyola, 1599). We first summarize the intellectual roots of the approach, and then introduce Ignatian discernment.

Intellectual Roots

Scholars attribute the foundations of discernment to Aristotle's reflections on the nature and structure of decisions (Schuchman, 1980). Aristotle contrasted finality (praxis) and means (proairesis) as critical components of a decision. By finality - or ultimate end - he meant the overarching purpose toward which all humans strive. Aristotle considered, along with Socrates, that achieving the common good, personal virtue, and happiness is humans' finality. Because finality remains an unachievable ideal - a Platonic concept - Aristotle also believed that a person has to choose the best one among possible means (Aubenque, 1963). Still, when deliberating, individuals take their finality into account in the formulation of their choice between means, as Aristotle clearly explained in the *Nicomachean Ethics* (Smith & Ross, 1908-1952).

In Aristotle's perspective, choice of the means requires deliberation. Deliberation is a stage of personal reflection and examination of possible options when confronted with a choice. Its purpose is to reconcile feasible means with an ideal finality. The moment of the choice, which is the selection of one means over the others, ends deliberation.

For Aristotle, the actions resulting from a phase of deliberation are viewed as an expression of individual freedom. The inclination to act, which stems from deliberation, reflects human prudence (*kairos*). With prudence, individuals decide in the world at a given time according to their own finality. Aristotle's approach is therefore contingent: "Man is a being in context, living principles according to events and specific situations" (Aubenque, 1963: 65). Actions resulting from individual decisions are made depending on the world and at the same time to modify the world.

Important components of discernment can also be found in other fields. In "The Prince", Machiavelli (1514) recommended that political decisions, which bear on the means chosen by the prince, be oriented toward a same and unique finality, the Peace of the City: "Controlling chaos justifies the harshest means in order to have men escape violence. ... This finality corresponds to a specific political

ethic, the survival and the permanence of the City, supreme value in the eyes of Machiavelli, without which the City does not exist and political life becomes impossible" (Valadier, 1996, 82). In Machiavelli's perspective, "realism can lead to pragmatism; moral ideals are compatible with amoral, or even immoral, means" (Winnenberger, 1996: 567). The cynical view is that efficiency may justify immorality.

Machiavelli (1514) also provided an alternative explanation to Aristotle's tension between end and means. In the stage of deliberation, Machiavelli saw the opportunity to tame "human passions, which are the first obstacle that need to be overcome to control our own destiny ... and free ourselves from the tyranny of fear and violence in which we are living naturally" (Spitz, 1996: 887).

Others have echoed Machiavelli's emphasis on passions. Lewis (1963), perpetuating the devilish tradition of Dante and Goethe, depicted the struggle of Screwtape and Wormwood, two devils, against "the Enemy" to capture their victim's soul. He particularly insisted on the discernment of the spirits that inhabit each individual. Thus the value of Lewis' (1963) humorous essay is to show that, no matter how good the end, human souls have to arbitrate between good and evil thoughts in its pursuit.

While concepts underpinning discernment have developed in different literatures, the contribution of Christian spirituality and the experience of major figures of the Church such as Augustine and Ignatius need to be acknowledged (Toner, 1981). In Christian spirituality, discernment is based on the finality defined by God's will as revealed in the Bible.

The central Christian belief is that individuals are gifted with an internal capacity of perception, an enduring spiritual inclination, and a deep personal knowledge that are the expression of God's will and purpose for the Creation (Coté, 2000; Gen., 2, 7). Therefore in the Christian tradition, the discernment of spirits is at the heart of one's decisions, to recognize and attend the internal movements that reflect the Spirit of God in the world.

The Old Testament is filled with examples of critical choices that have confronted biblical figures such as Adam, Caïn, Abraham, as well

as the people of Israël. These writings emphasize the Judeo-Christian attitude of discernment, to detect the good or bad spirits that act within each individual (1 Cor. 12, 10; 1 James, 4, 1).

Later in time, there is the example of Saint Augustine who dedicated himself to a religious life after experiencing the moral limitations of rational thinking and the importance of interior conflicts in the determination of his choices. Among the Fathers of the Church, Origen discussed the origin of human thoughts, to an extent such that "it would [now] be easy to write a treatise on the discernment of spirits where all the teachings of the Bible would be condensed" (Viller, 1930: 46).

Saint Ignatius's experience in the XVIth century is equally striking (Aveling, 1981; O'Malley, 1993; Toner, 1981). Ignatius of Loyola was born in 1491 and raised at the Spanish Court according to his aristocratic rank. For a while, he served Antonio of Manrique, Duke of Najera and Viceroy of Navarre. In 1521, he was seriously wounded at the famous siege of Pamplona. During his recovery, Christianity took a new meaning for him. From then on, he studied, travelled, meditated, and finally formed the original group of Jesuits in 1540, who committed to serve wherever the Pope would send them. Ignatius made a major contribution to the elaboration of discernment in Christian spirituality, whose tenants were gathered by early Jesuits in the "Spiritual Exercises" (Loyola, 1599). According to Loyola, "discernment consists in evaluating the origin, good or bad, of individual states of mind, or spirits, prompted by the evocation of some image of current life or Christian tradition" (Perrot, 1992: 131). As such, parables are frequently used to help foster an attitude of discernment. The concept of discernment has continued to evolve within Christian as well as other spiritualities.

Most recently, scholars have emphasized the imaginative side of discernment, especially as it applies to organizations (Jackson, 1999; Poorman, 1993; Magill, 1992). According to Magill (1992: 129), imaginative discernment relies on "the imagination's use of religious metaphors to engage the meaning of terms and the validity of arguments, especially with regards to the inter-relatedness of complex data in business". In a related development, Jackson (1999) suggested turning to the moral imagination permeating from world religions to overcome the limitations of compliance-driven and code-

based international business ethics. Religious metaphors bring a new dimension to supplement classical moral ethics in the resolution of complex business issues (Magill, 1992). In the next section, we introduce the concepts underpinning Ignatian discernment.

The Concepts of Ignatian Discernment

Influenced by Aristotelian philosophy, Loyola (1599) developed a methodology that helps foster an attitude of discernment. Consistent with Aristotle, Ignatius proposed finality as a pre-supposition to any decision. As indicated above, finality depends on one's vision of and position in the world. For instance, Aristotle the philosopher saw finality as the service of the Common Good, and a state of virtue and happiness. Machiavelli the politician, talked about the service of the City and the maintenance of peace. Loyola (1599) viewed finality as the service of God, in relation to one's special calling.

Loyola (1599) considered it important as part of an attitude of discernment to be in a positive psychological state. There are two possible psychological states when initiating discernment: 1) positive, uplifting, and oriented toward the finality; and 2) drifting, letting go, and counter to the finality (Viard, 1996). In the latter case, discernment scholars recommend postponing deliberation until the psychological state improves, to avoid decisions that do not stem from one's finality and that can be later regretted (Toner, 1982, 1991).

Once finality has been established and the psychological state is positive, Ignatian discernment proposes that a phase of deliberation be initiated. On the one hand, deliberation is an internal dialogue based on rational criteria which considers the personal and social consequences of one's choices (Dhotel, 1991). On the other hand, deliberation also involves "becoming aware of internal movements and distinguishing them from one another" (Viard, 1996: 262). These internal movements, also termed moods of discernment, may be divided into desolation and consolation. Desolation is characterized by obscurity, agitation, confusion, and distress (Mendiboure, 1992). Consolation, conversely, is reflected by a state of peace, coherence and a will to act in congruence with one's finality. Thus, consolation is a sure sign of striving toward the finality. The willingness to evaluate moods in conjunction with rational factors as components of a choice is another important part of an attitude of discernment.

Defining the question of the choice is the first step of deliberation. According to modern discernment scholars, three methodological aspects are critical in that regard. First, the question must be formulated as an alternative (Gouvernaire, 1986). Using such a format clarifies the choice by taking constraints of the context into account and by laying out the options available. Questions can be formulated in two different ways. The first represents a choice between two options: "is it preferable that I take this course of action or that course of action?" The second type of questions is to accept or to refuse an offer. Since refusing is more difficult than accepting, discernment scholars have recommended that the question be reformulated as a positive alternative: "Should I accept this offer, or should I not accept this offer?" (Dhotel, 1991). This subtle change is but one illustration of the importance of methodology in discernment. Second, the question must be stated in terms of the individual's freedom and finality: "Is it preferable that...?" Focusing on preferences ensures that the person is motivated to implement the choice (Dhotel, 1991). Finally, the question must be truly hypothetical. Discernment would be pointless if the person was already committed to one option. To conclude, the question is critical, as an inappropriate formulation could reduce individual freedom of choice while deliberating (Loyola, 1599).

Once the question has been formulated in the form of an alternative oriented toward the finality, i.e. "Is it preferable to chose option one or option two?" or "Is it preferable to accept this offer or not to accept it?", three times of discernment may be used to reach a choice in the second step of deliberation (Toner, 1991). The first time is intuition and evidence, whereby one's choice becomes clear and obvious immediately, without further deliberation. The second time, review of movements of the will, attempts to answer questions regarding choices between two different options. Finally, the third time of free exercise of reason is more focused on the second type of questions, acceptance or rejection of an offer. Table 1 summarises the five steps and Table 2 details the three times of the discernment process.

In our presentation of the methodology, the link between type of questions asked and time of discernment used is formally established. In practice, things are more complex (Toner, 1991). For

Table 1. Five Steps of the Discernment Process

Step 1	Define finality
Step 2	Formulate question in form of an alternative oriented toward the finality: a) Is it preferable to choose option 1 or option 2? Or b) Is it preferable to accept this offer or not to accept it?
Step 3	Use times of discernment to deliberate on the internal and external implications of the choice (see Table below).
Step 4	Make a choice: Adopt the emerging option based on rational and spiritual factors.
Step 5	Confirm the choice internally and externally to reach a decision.

instance, the review of movements of the will has been recommended for intuitive individuals, while the free exercise of reason is thought to be preferable for rational persons. Further, the free exercise of reason may be combined with the review of movements of the will for major "life style" decisions, e.g. a career change. Thus while the methodology is quite structured, the appropriate times of discernment depend on the individual and the context, and their interpretation and implementation are flexible (Loyola, 1599).

After deliberation, choice is the fourth step of the Ignatian discernment process. The final choice should result in a significant improvement of the individual's position. Discernment leads to the identification, adoption, and implementation of the option that translates into a personal momentum stronger than the fears associated with the choice. The structure of the Ignatian methodology helps one reach a state of freedom when faced with a choice that is a key condition for interpreting internal movements as well as pondering rational arguments in the course of deliberation. The final choice is often associated with a reflection of the decision-maker on herself or himself: "I am different from what the others thought and what I imagined" (Demoustier, 1996: 186).

Confirmation of the choice results in the final decision, and is the last step in the Ignatian discernment process. First, there is

Table 2. Three Times of the Discernment Process

	Intuition and Evidence	Review of Movements of the Will	Free Exercise of Reason
Principles of Discernment	Evidence of one option.	Identify the variations produced internally by each option. Identify the most attractive option that best allays the fears associated with the choice.	Define arguments for and against the offer. Used for critical decisions, or if the previous methods have not worked.
Steps of Deliberation	No deliberation needed. Immediate determination of an obvious choice.	Spend equal time on each option. Anticipate consequences based on individual experience.	Method 1 in five steps: <ul style="list-style-type: none"> • Ensure question's clarity • Abstract oneself from the stakes of the decision • Be willing to implement the results of discernment • Weight arguments for and against the offer; Eliminate arguments that appear on both sides of the alternative • Make the choice Method 2 in two steps. Answer two questions: <ul style="list-style-type: none"> • Which choice would you advise to an unknown person presenting the alternative? • Which choice would you make if you knew that an unexpected event could prevent implementation?
Expression of Choice	Immediate.	One option gradually emerges as the choice that best contributes to the finality.	Option for which arguments are the most powerful.

internal confirmation, through the mood of consolation, which results in feelings of liberation and peace after making a choice. There is also external confirmation, based on the validation of the choice by two or three other persons. These outsiders need not reconsider the choice resulting from personal deliberation, but rather provide their opinion on the choice. External advice is valuable to put internal movements into perspective and to consider the multiple implications of a choice in the context.

In that regard, consultants can make an important contribution during confirmation as well as the previous steps, by sharing their experience and training their mentee in the process of discernment. Their main responsibility is to provide support and guidance so that individuals reach a genuine attitude of discernment and evolve toward their finality. Further, a consultant can help prevent illusions and traps, and assist in overcoming reticence associated with certain personal and contextual factors.

DISCERNMENT IN THE CASE OF EMPLOYEE APPRAISAL

The following case discusses the decision of the chief operating officer of a food product company, Mr. X, regarding the possible termination of the recently promoted director of operations. Investigating discernment in the case of employee appraisal is particularly relevant due to decision-making biases that have been identified in prior literature (e.g. Hedge & Borman, 1995; Bretz, Milkovitch, & Read, 1992), and the frustration that managers and employees regularly experience with performance appraisal (Taylor, Tracy, Renard, Harrison, & Carroll, 1995). The employee appraisal process is often criticized for its lack of fairness (Cawley, Keeping, & Levy, 1998), the authoritarian nature of the relationships involved (Gosselin & Murphy, 1994), and politicization (Longenecker, Sims, & Gioia, 1987). Improvement in the decision-making process has therefore the potential to significantly improve appraisal outcomes, beyond possible procedural refinements (Hedge & Borman, 1995; Bretz et al., 1992).

During the time period of the case, Mr. X had two interviews with the new director of operations. First, they jointly defined his

objectives in January 2000. Then, a second meeting took place in May 2000 when Mr. X started seriously doubting the competence of the new director of operations and considering his termination. The main events of the case are summarized below.

Description of the Case

Mr. X is 40 years old. He has been working for four years as marketing director at the family firm where his father is CEO. The firm has 280 employees and manufactures a variety of ready-to-eat breakfast products. Before joining the firm, Mr. X worked for 10 years, first in the marketing department of a major retailer, then as the co-founder and partner of a marketing and communications consulting firm.

In October 1999, Mr. X was promoted to the position of COO, at the same time as a major reorganization of the firm occurred. His promotion was generally well received by the management team, since Mr. X had developed a reputation for being very focused on performance. Directors and managers thought that Mr. X had done a convincing job in marketing, and because family members had been at the helm of the company for nearly a century, accepted him as heir apparent.

Between October and December 1999, Mr. X proceeded on several fronts. First, he spent time learning about the various departments for which he was responsible, including finance, information systems, and human resources, but also about other areas, in particular operations, as a way to acquire more in-depth technical knowledge. Second, he sought out a consultant on discernment, and they agreed to meet once every two weeks. Finally, Mr. X started working closely with the CEO on specific investment projects and other strategic issues.

In December 1999, the CEO, in agreement with Mr. X, decided to fire the director of operations because a death had nearly occurred following an accident at the factory. Mr. X discovered that plant maintenance had not been completed for several months, and that associated budgets had been diverted for other purposes. Subsequently, the director of production was promoted to replace the director of operations.

The period from January to April 2000 was hectic. In the course of frequent contacts with employees, Mr. X found out that the new director of operations was not very reliable. In particular, he seemed to make a number of management mistakes regarding organization and personnel. Interaction between Mr. X and the new director of operations and members of his team was frequent, not only to help them manage, but also to control, intervene and modify some decisions. In addition, the CEO and Mr. X often met with the new director of operations to obtain management updates and correct some actions. At meetings with unions, issues related to manufacturing were becoming increasingly sensitive. Of course, the new director of operations also needed to be trained and supported in his role.

In the middle of April 2000, the plant shut down for a planned maintenance during eight days. Mr. X and the CEO went on vacation during that week. The day before Mr. X returned, he learned that the plant could not resume operations. Technical errors and a lack of coordination with suppliers caused a one-week delay, during which Mr. X was on the spot day and night. By the beginning of May, a huge delay had built up. The CEO and Mr. X were putting increasing pressure on the new director of operations for product delivery.

At the beginning of May 2000, Mr. X had a meeting with the new director of operations for a review of the past four months. In mid-May, Mr. X discussed these events with the consultant, who suggested completing a process of discernment on the matter of the new director of operations. Mr. X responded that it was out of the question to lay him off, because he had been with the firm for so long. In addition, the position of director of production had been eliminated in December. The consultant's response was to ask Mr. X what would happen if the new director of operations fell ill, or had an accident. Obviously, answered Mr. X, the operations of the plant would still go on. The consultant then again suggested that time was ripe to initiate a process of discernment, to which Mr. X agreed. They began by determining Mr. X's finality. The consultant helped Mr. X formulate his alternative as the following question:

“Should we keep the new director of operations, or,
Should we not keep the new director of operations?”

Analysis and Interpretation

The real case of Mr. X illustrates several critical aspects of managerial discernment. Two other managers who wanted to learn the discernment methodology subsequently participated in a simulation using this case. The first step was to determine each manager's understanding of the finality of Mr. X in his role of chief operating officer. The consultant worked with the two managers to validate their finalities and guided them through the steps of discernment on the day of the simulation, as he had done for Mr. X (Appendix 1 documents their processes and outcomes).

There are four important observations that can be made on the use of discernment in the real and simulated cases. First, the finalities expressed by Mr. X and the two other managers, while related, differed significantly (see Table 2). Mr. X focused on the development of the firm, the second manager on the survival of the firm, and the third manager on the performance of the firm. This difference in emphasis was reflected in the factors selected as the basis for the choice. For example, as Table 2 shows, Mr. X focused on “building a team of managers with a single objective: the development of the firm” as the primary rationale to terminate the new director of operations. Then, the second manager emphasized “major hole in management ranks” and “bring in new blood” as key factors in his decision. Finally, the third manager mentioned “reducing the amount of time it takes now to help the new director run the operations”.

In addition to a clearly expressed finality, managers had to explicitly address the primary alternative of their choice, sometimes in spite of their current position, personal history, and other contingency factors. For example, as of May 2000, Mr. X had still not considered the critical alternative of terminating the new director of operations. In the course of the exercise, the consultant queried Mr. X about what would happen if the director of operations became unavailable, for example due to sickness or accident. The purpose was to discover if the first time of discernment, intuition and evidence would provide an obvious and immediate answer, which would have been interpreted as a sign of confirmation. Mr. X immediately responded that the absence of the director of operations could be dealt with, and in the process became aware of the option of laying him off.

Subsequently, Mr. X started discerning on this alternative, identifying courses of action that might have otherwise remained unconsidered.

The third observation concerns the use of the free exercise of reason, which is the third time of discernment. The free exercise of reason is generally combined with the review of movements of the will for major organizational, group, or individual decisions, due to the complexity of their implementation. In the proposed situation regarding a termination decision, both times of discernment were quite applicable. The free exercise of reason, as applied in this case, relies on a form of double entry accounting that goes beyond the simple listing of pros and cons, and is recommended as a valuable tool for deliberating (see Table 2 for an example). This method has several advantages. First, it contributes to a sounder evaluation by making the differences between options more explicit. For example, both Mr. X and the third manager reversed their original choice after laying out factors associated with both sides of the alternative. Along these lines, some discernment experts recommend starting with regrets, in order to avoid narrowing down too rapidly on any one option (Dhotel, 1991). Second, this technique allows eliminating factors irrelevant to the choice when they weight equally on both sides of the alternative. For instance, the second manager noticed that both terminating and not terminating the new director of operations might not resolve the firm's manufacturing issues. Among regret factors, he mentioned on one side "How am I going to turn around manufacturing?" and on the other side "May not solve the operations issue" (see Table 2).

The value of external confirmation must finally be emphasized. In addition to the consultant, Mr. X relied on his brother, the CEO of another subsidiary, and his wife to confirm his choice. The CEO of the firm, also an intended source of confirmation, did not provide validation immediately. He advised Mr. X to postpone his decision, and in the interim, without Mr. X's knowledge or approval, hired a management consultant to audit the operations department. As a result, Mr. X had to rethink his approach to removing the new director of operations. First, he announced to the new director of operations that an external consultant would work with him to diagnose and turn around manufacturing. After three months, the director resigned. Subsequently, Mr. X had to select a new candidate

for the position of director of operations. His options were the management consultant and a manufacturing executive from another subsidiary of the holding company. After a new period of discernment that factored in the outcomes of the previous decision, Mr. X chose the manufacturing executive, whom he believed would be a better fit for the family-owned firm.

This situation illustrates how discernment allows managers to incorporate personal as well as contextual factors, however frustrating they may be to consider, and still reach an effective decision reflective of their finality in the long run. One year later, Mr. X was actually vindicated in his choice by the smoothness of the management process and the best levels of productivity ever reached at the plant.

Lessons Learned

The concept of finality in discernment translates into the notion of roles for managers and employees in an organizational context. More specifically, it implies expectations regarding managerial responsibilities and individual contributions. For instance, the role of a human resource manager at a manufacturing site could be to develop employees' competencies throughout the plant. Finality differs from goals, a concept that is often used in organizational settings. Goals, unlike finality, can be laid out in finite and achievable terms. For instance, the goal for a human resource manager, in congruence with the role suggested above, could be to deploy a new human resource system to the entire factory. Goals can therefore be viewed as concrete steps that are taken to move closer to one's organizational role, the unattainable finality that is never fully achieved and that generates the inevitable tension prompting individuals to action within organizations.

The second lesson is that choices proceed as much from "spirits", which managers need to learn to interpret, as from rational arguments. First, a clear expression of their finality can sometimes lead decision-makers to change their initial commitments by reconsidering alternative courses of action. Second, the moods of desolation and consolation are strong indicators of the dynamics and fears associated with a decision. For example, the second manager discarded reasons that mattered to him, e.g. "lack of expertise", a regret factor, based on his expressed finality of ensuring firm

survival. In the process, the second manager had to reconcile internal movements with rational arguments in reaching the choice. In the real case, Mr. X discovered that the option of terminating the new director of operations was associated with fears of revealing a failure of general management as well as his own personal weaknesses.

Meditating a text can sometimes be more effective than outside advice to uncover the moods of discernment. For example, the consultant suggested to Mr. X to read a few pages from Machiavelli's "The Prince". This approach enabled Mr X's to analyze the key drivers of his actions, interpret the rationale of his fears, and identify the means to remove them more autonomously.

The real case and the simulation show how the use of discernment can lead to increased self-awareness and the realization of important contextual factors, which is the third lesson learned. For instance, the initial intention of the third manager of keeping the new director of operations was primarily motivated by a lack of time to consider all the options and by a functional expertise that led to an emphasis on fairness to the individual as opposed to firm's survival. Taking time to deliberate and consider the decision in terms of an alternative that permitted the removal of the manager from his position without his dismissal led the third manager to reverse the initial choice.

A fourth lesson is that in the context of discernment, procedures and methods are no longer used as a-priori causal models that organizational stakeholders need to apply consistently. Instead, managers and employees shift from an instrumental management style to a management of organizational contradictions (Brabet, 1993).

In the real case discussed above, Mr. X performed an evaluation of the new director of operations in response to the pressing operation problems encountered by the firm, not because the human resource system dictated employee appraisal at regular intervals. It is the emergence of his doubts regarding the effectiveness of the new director of operations in his job that prompted Mr. X to start discerning about the situation. The discernment process helped Mr. X address his doubts in light of his finality.

The fifth and final lesson concerns the notion of choice "fit". Both the real case and the simulation underscore how discernment is

driven by a few primary rational factors and internal movements that are specific to each manager. Therefore, a good choice is one that "fits" and choices may differ across individuals in the same context, based on their respective finalities. This statement is vividly illustrated by the split decision concerning the dismissal of the new director of operations (two terminate and one keep). The different choices should not be surprising, given that participants pondered rational factors and internal movements with respect to their own finality during deliberation. In Aristotle's words, the crux is to figure 'as one ought', and 'as one ought not', and 'when one ought or ought not'" (Smith & Ross, 1908-1952: 1475).

Impact of Discernment on Employee Appraisal

The incorporation of discernment to employee appraisal is consistent with the "split roles" proposed in the literature (Meyer, Kay, & French, 1965). Discernment emphasizes the formulation of a question to face a choice that is as relevant and realistic as possible. This requires at the beginning of the process that managers undertake an evaluation of employees' work prior to defining the questions that are later used for appraisal decisions. Evaluation, from the Latin *valere*, consists in the determination of the elements underpinning the importance and value of an object (Lalande, 1983). Toward the end of the process, managers need to proceed to an appraisal, during which they can explain the rationale of their decision to employees. Appraisal - derived from *pretium* - refers to the comparison of the value of an object to an absolute reference.

A three-step process. An employee appraisal process incorporating discernment would therefore comprise three major parts:

1. Conduct an evaluation interview regarding employees' work to understand the context and identify the questions. During the evaluation phase, managers and employees establish representations of the work context, competencies, and results, based on explanations in the course of the interview as well as past conversations. In this process, they let important technical, intellectual, and affective criteria emerge. Managers identify and provide feedback on major questions relating to employees' competencies, training, development, and compensation based on their on-going interaction with

employees, and not a-priori causal models embedded in organizational procedures.

2. Use discernment to make decisions on critical outcomes, such as career planning, compensation, training, or employment termination, but recognize that the process encourages managers to creatively tackle complex organizational problems. For example, a career planning decision could be formulated in alternative terms: "Is it preferable to propose a new job to this employee or to suggest a transfer to another department?" One of discernment's critical points is to establish priorities and correctly formulate the initial question. Once the choice has been made and the decision has been confirmed, discernment proceeds with the formulation of other alternatives, which flow from the response to the initial question. For example, following the first question above, the subsequent question could be: "Should I propose this job or that job?" The succession of alternatives subjected to managerial discernment helps clarify the means, or options, in light of the organizational role, or finality.
3. Conduct an appraisal interview to discuss and explain decisions to employees. Decisions may result from any of the three times of discernment, including intuition and evidence, review of movements of the will, or free exercise of reason. To the extent possible, important factors, such as the goals set by senior management and the policies defined by the human resource department, are incorporated in the decision. During the appraisal interview, managers inform employees of their decision and explain their rationale in reaching it. This culmination of the process should help address employee's concerns about procedural and interactional fairness (Masterson, Lewis, Goldman, & Taylor, 2000).

Expected process outcomes. When applied to employee appraisal, the major outcome of discernment is to help managers make sounder decisions. Within the structure of the methodology, managers are required to act in congruence with their organizational roles, evaluate thoroughly the consequences of their actions, and obtain external confirmation from outsiders. In conjunction, these components of discernment should prevent managers from overlooking critical

policies, resource constraints, as well as personal factors, thereby leading to an improved quality of their decisions. In turn, this should lead to a higher rate of decision implementation and less renegeing on promises made to employees during interviews. As a result, managers' credibility during the employee appraisal process should be enhanced, rather than diminished.

The use of discernment should also alleviate employees' questions regarding the rationale of appraisal decisions and keep them better informed about the motives of their supervisors. Managers and employees have the opportunity to discuss their respective interpretations, and employees learn about their managers' decisions during the evaluation and appraisal interviews.

There may be instances however when managers do not divulge all their reasons for a particular decision, e.g. a planned reorganization that makes a job movement untenable. In this case, complete information simply cannot be communicated at a given time and employees are likely to be dissatisfied with the absence of full disclosure. The increase in decision soundness and managers' credibility should facilitate the development of sufficient trust between managers and employees to merit employees' willingness to wait in good faith for further information that would clarify managers' motives in making a particular decision.

Finally, the role of the human resource staff is also likely to be impacted by the adoption of discernment as a part of the employee appraisal process. Rather than emphasizing their role as guardians of the organization's human resource procedures, such as compensation, training, and career planning, the addition of a discernment approach to employee appraisal should broaden their advisory role, as they serve as consultants to managers regarding question formulation, deliberation, and confirmation following choices.

DISCUSSION AND CONCLUSION

We proposed an approach, discernment, which can address some of the shortcomings of managerial decision-making that often occur in complex and politicized organizational settings. Discernment is a structured process that helps incorporate both rational factors and

internal movements in the course of decision-making. Discernment requires a personal commitment from managers to make decisions in light of their organizational role, or finality.

We outlined the principles underlying Ignatian discernment and then analyzed the approach in the context of an actual case of a manager considering the dismissal of a key executive at his firm, as well as a simulation of the case involving two other managers. The real case and associated simulation suggested that discernment can result in clearer organizational roles, increased awareness of the self and contextual factors, a more flexible and effective interpretation of organizational procedures, and ultimately decisions that "fit" better, depending on the manager and the context.

Given the adoption of a three-step process of evaluation, decision, and appraisal, discernment can provide a useful addition to employee appraisal, resulting in sounder decisions, higher rate of decision implementation, less renegeing on promises to employees, enhanced managerial credibility, and greater acceptance of appraisal outcomes by employees. It may also contribute to the emergence of an expanded advisory role, rather than monitoring one, for the human resource staff.

At this point, there are still multiple limitations to this research. First, the case studied here involves two senior executives in a situation where few formal rules were defined, unlike the formal procedures typical of the appraisal literature. It might be that we overemphasized the importance of decision-making due to the specificity of this case, although recent research has pointed in this direction for potential improvement of the appraisal process (Hedge & Borman, 1995; Bretz et al., 1992).

Second, an attitude of discernment - as a preamble to deliberation - may be a challenging state to achieve and maintain for many managers. It requires from the decision-maker to initiate an internal dialogue, evaluate what each option of the choice truly represents for her/him, and accept certain personal limitations that become obvious in the process. An attitude of discernment may take time to acquire and needs to be nurtured through a progressive spiritual experience.

Third, the psychology literature warns us of some of the phenomena that might interfere with the process (e.g. blind spots, defence

mechanisms), which are also described in the discernment literature as the intrusion of the evil spirits (see, e.g., Lewis, 1963).

Finally, there is "the danger that executives turn the process into a ritualistic exercise, using the cloak of Ignatian wisdom to disguise long-standing problems in decision-making - e.g. the "intuitive" time of the process being used to justify capricious decisions, or the validation by others being used to justify groupthink".

Discernment is a fairly new concept in the field of management, and there is limited evidence of its effectiveness. Our own proposals were derived from the lessons learned from the case of employee appraisal. Nevertheless, we were impressed by the findings of the "dismissal" case study and its related simulation with two other managers. These results strongly suggest the value of further empirical examination on the proposed effectiveness of discernment in overcoming some of the weaknesses associated with managerial decision-making.

Whereas we focused on employee appraisal, future research could be conducted for other applications at the individual, group, and organizational level. In particular, communal discernment (Dhotel, 1991; Habermas, 1993; Collier & Esteban, 1999) may be an area ripe for investigation in organizational settings.

Finally, it will be important in the future to outline in more detail the contribution and specificity of discernment as compared to other approaches to managerial decision-making. The case study was limited to understanding the workings of discernment and potential implications on decision-making in the case of appraisal. There is for instance a substantial literature in applied psychology pertaining to affect, emotions, and moods (e.g. Isen, Rosenweig, & Young, 1991; Izard, Kagan, & Zajonc, 1984), and it will be necessary to clarify what is the contribution of the classic discernment writings as compared to these more modern and highly relevant research streams.

Discernment provides a structured process that helps reach an increased awareness of the self and the environment when making decisions, discussed here in the case of employee appraisal.

* Comment from an anonymous Academy of Management Reviewer

Discernment's critical contribution is to consider internal movements, or "spirits", as an important component of managerial decision-making. A discernment approach can help managers decide in complex business situations when rational models and ethical rules sometimes prove insufficient to reach a satisfactory decision. With managerial discernment, reflection becomes the center of action (Dewey, 1992).

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Appendix 1. Documentation of Consultant's Work with Two Managers: Actual and Simulated Choices of Mr. X and the Two Managers

Finality

Mr. X	Second Manager	Third Manager
Develop the Firm	Ensure the Survival of the Firm	Achieve the Highest Performance Possible

Option 1: Should I Terminate the New Director of Operations?

Mr. X	Second Manager	Third Manager
What I Regret	What I Regret	What I Regret
What I Like	What I Like	What I Like
<ul style="list-style-type: none"> • Get a fresh start • Motivate the teams • Save time on operations • Give responsibilities to unit managers • Less internal conflicts • Restore some order • Control networks and cliques • Build management team with single objective: The development of the firm 	<ul style="list-style-type: none"> • Commitment of the new director of operations to the firm • Motivation of other employees • Perspective of my father • Lose a relationship • May not solve the issue of operations • Find another manager • Major hole in the management ranks • Lack of expertise • Lot of work in the short term • Resistance of local community and union 	<ul style="list-style-type: none"> • Opportunity to take on more responsibilities • Bring in new blood in the firm • Goodwill of suppliers and customers in the short term • Management shake-up
<ul style="list-style-type: none"> • A failure of general management* • A waste of time and money for one year 	<ul style="list-style-type: none"> • Other people may feel threatened • I will feel I acted unfairly • I will feel bad that I hurt this person • I will acquire a poor reputation in the firm • I will destroy the trust others have in me by firing him • I will be overwhelmed by the responsibility for maintenance activities 	<ul style="list-style-type: none"> • I will stop him from running manufacturing any longer • I will reduce the amount of time it takes now to help him run operations • I will feel I can act on my beliefs • My father will be proud of me

Appendix 1 (cont'd.)

Option 2: Should I Not Terminate the New Director of Operations?

Mr. X		Second Manager		Third Manager	
<p>What I Regret</p> <ul style="list-style-type: none"> No real change of operations in terms of organization Organizational climate worsens* No trust with labor representatives and unions He does not have control of his teams He does not realize the impact on people, financials, and customers He lacks perspective regarding his job He does not know how to manage priorities He has a negative image internally 	<p>What I Like</p> <ul style="list-style-type: none"> He is new in the job He can improve if he wants and truly invests personally Stability in operations: No absenteeism, reassure workers 	<p>What I Regret</p> <ul style="list-style-type: none"> What am I going to do with this person? He costs me a lot and does not contribute the way I want How am I going to turn around manufacturing? How do I build the future of the firm with this person? Frustration of my father and myself 	<p>What I Like</p> <ul style="list-style-type: none"> Quell the concerns of local community and union I can still reorganize the firm and achieve growth This person is not a major part of my plans 	<p>What I Regret</p> <ul style="list-style-type: none"> I lose a chance to show that I can act decisively 	<p>What I Like</p> <ul style="list-style-type: none"> I avoid distrust of others I avoid feeling bad I avoid making other people think I responded too quickly

* Bolded items indicate the primary factors driving the choices.

Choice

Mr. X		Second Manager		Third Manager	
<p>Terminate</p>		<p>Not Terminate</p>		<p>Terminate</p>	