
Dialogue and Discovery.

Introduction: Discovery, Dialectic, and Information

In this last paper, we will consider the question of the method of risk analysis in the broader scope which leading practitioners envision for the practice. We discussed this broader conception in Paper One in speaking about the life of the corporate entity as at once the defense of and advance towards goods. In Paper Three, we saw that the field of action is the domain of luck (*tuche, fortuna*) which presents both threats and opportunities. Vulnerabilities are relative to strengths, so a proper examination of risk is at the same time a discovery of capabilities for making one's way in rough that terrain. In inquiring about how risk assessment may be conducted in light of this more global, unified notion of it, we'll take up the bird's-eye view afforded by philosophy.

If risk analysis is expanded to become a method whereby companies are able to reimagine their possibilities and maximize their success, it is clear that what is being cultivated in that process is the kind of skilled insight and foresight which we have earlier discussed. But how is it being cultivated?

The analyst, in performing his or her function, conducts an inquiry into the state of the business which has hired his or her services. But this is not simply a discovery of passive facts, as in the case of natural science: although there are many facts to be discovered, they are discovered in large part through communication with people. In order to get a better understanding of what kind of conversational inquiry is taking place, some comparisons might be helpful here.

In forensic inquiries into the matter of criminal cases, the investigator is looking to discover facts: what happened, how it happened, and who did the crime; material is considered and judged as to whether it is real evidence. The same is true, *mutatis mutandis*, of the court procedure; there, though, the evidence itself is finally judged as pertaining to the question of whether an accused is actually guilty. Both procedures involve a discovery of fact.

Similarly, in the natural sciences, researchers engage in a process of discovery through positing hypotheses based on previous knowledge and phenomena of interest, and testing of those hypotheses through means of experiment. What is being sought is confirmation that a hypothesis is, so far can be known, truly or at least reliably descriptive of the actual state of affairs.

But the kind of inquiry in which risk analysts engage is different, especially given what seem to be broader re-envisioning of its scope and aims. It certainly involves much discovery of fact of a sort similar to that just described, but it is also looking to inform future decision of the moral agents on whose behalf the inquiry was undertaken, namely, the company which has hired the analyst. The function of the analyst is thus more akin to that of an expert advisor to statesmen, for example, than to that of a forensic investigator or a lawyer who argues cases.

It is also somewhat akin to the method of a good medical doctor. Earlier we used the metaphor of the *persona moralis*, with the attendant analogical notions of corporate "health", "fitness", and lack of same. A doctor's method of discovery involves a good deal of investigation of a sort which is similar to that which goes on in the natural sciences. But since the patient is a person, not only must the doctor rely on the patient to provide him or her with crucial information, the doctor is also assisting the patient to make informed judgments about self-care and self-direction. This is perhaps even more clearly the case in the practice of psychotherapy.

Like that of a doctor, a risk analyst's expert assessment aims at informing decision. Eric Cassell notes:

- As long as we are alive, we must act. In order to take action, however, decision must be made, and decisions always imply uncertainty. The more urgent the need to act, however, and the more threatening the situation in which action is required, then the more intolerable

uncertainty becomes. Thus the greater the need for action, the more accurate must be the information in order to reduce uncertainty.¹

The kind of discovery involved in risk analysis is necessarily conversational. We propose that the best name for this is the old philosophical term “dialectic”. The term is not unknown to business discourse. A definition appears in the popular online Business Dictionary:

Dialectic method:

- Planning and forecasting method in which two or more groups discuss the issues (first separately and then together) to analyze and synthesize various viewpoints into a comprehensive and coherent framework. See also dialectic.²

This a general and simplified modern account adapted for business purposes. The ancient Greek notion of dialectic, as first seen in Plato and Aristotle, is a related but somewhat different. It was the discovery of likely truths (*doxa*) the testing and reworking of opinions for truthfulness, but it was also related to what was called “*maieutic*”, or “midwifery”, and was used to describe the activity of guided mutual inquiry through which the true and the good might be more clearly discerned. The philosophical field which is concerned with the good is ethics, which meant then something more like “behavioral sociology” (though in a sense which was not, as Max Weber would wish it to be, value-free) than the idea of a narrow concern with rules of right and wrong, with which the term “ethics” is sometimes presently associated.

The leading interlocutor in the give and take of dialectic was said to be practicing maieutic, a term used metaphorically to describe education, the “drawing-out” of knowledge in someone’s mind. F. E. Peters writes:

- ...what was a species of verbal polemic (what Plato would call “eristic” or disputation; see Soph. 224e-226a, Rep. 499a, Phaedrus 261c) for the Eleatics was transformed by Plato into a high philosophical method. The connecting link was undoubtedly the Socratic technique of question and answer in his search for ethical definitions (see Plato., Phaedo, 75d, 78d; Xenophon, Mem. I,I, 16; and elenchos) a technique that Plato explicitly describes as dialectical (Crat. 390c)³

We have already given an overview of the ancient Greek ideas of the skill of right and successful action, *phronesis*, in Greek, or in Latin, *prudentia*. What we wish to suggest here is that it is precisely this global *prudentia* which the risk analyst finally seeks to help his client cultivate, and that the method or framework which comprehends all the tools and practices of the analyst can best be described as a dialogical method resembling, with regard to its specific field, what the Greeks spoke of as dialectic and *maieutic*. It is thus something of a specific application of the more general method.

What is called risk *analysis* is not simply assessing risk, nor even sussing up strengths, additionally, in order to help team leaders reform their organizations (though it can certainly be one or both of these things). For it is not as if these factors are simply given and apparent. Analyzing them requires first a process of discovery. Although the competent risk analyst knows well what to look for, in order to find it, he or she will almost certainly have to rely on information given by client personnel, which requires using the knowledge, whether tacit or explicit, of the personnel with whom he or she is working.

We have previously discussed the idea of a corporate persona, as well as collective expertise or corporate prudence, and its relation to individual members of an enterprise. In order to exercise his or her own expertise in forming descriptive judgments and in making prescriptive recommendations, the risk analyst will chiefly depend on the collective expertise and self-understanding of the client firm.

In cases where sought information is tacit, that is, is not something consciously articulated in a member of personnel or in the group,⁴ the intelligent risk analyst must be able to artfully elicit the knowledge he or she knows will be important to the analysis. But this can involve a number of fairly serious problems. Often there will be obstacles to the requisite transparency of information. Some will derive from personal psychology, some from social psychology, some

¹ *Talking with Patients, Volume 2: Clinical Technique* (Cambridge, MA: MIT Press, 1985)

² <http://www.businessdictionary.com/definition/dialectical-method.html>. Retrieved on 08-05-08.

³ F. E. Peters, *Greek Philosophical Terms: A Historical Lexicon* (New York: New York University Press, 1967) 36.

⁴ And for it to be articulate in the group might mean that it is articulate in archival form, documents, rather than as consciously articulate knowledge in team leaders.

from problems of disorganization, and some simply from instabilities inherent in imprecise communication. We will consider some here.

Personal psychology: Individual Motives

There are any number of reasons why personnel might not readily disclose information which would be either useful or even necessary for the risk analyst. To name a few obvious examples: fears of appearing incompetent or redundant; resentment of management personnel, whom the risk analyst might be seen as somehow representing or assisting; personal problems or complexes unrelated to work which impair the person's ability to reliably convey information.

Here, the analyst should avail himself or herself of relevant literature on the psychology and patterns of interpersonal communication.⁵ Some familiarity with game theory would also be useful, as a means of understanding the motives behind linguistic moves in constrained situations such as official interview.

Social Psychology: The "Culture"

Unhealthy forms of interpersonal relation and bad team habits, for example; also, real or imagined lack of incentive; a distinctly difficult example of which we might call: *Disorganization (dis-integrated team, dis-integration of knowledge)*

Where there is little fluent and reliable communication, little organization with attendant lack of assigned and consciously recognized responsibilities, and perhaps habits of shrugging off responsibility and assuming others will know, the knowledge the risk analyst hopes to arrive at will be difficult to gather. If significant numbers of personnel in key positions make this assumption, then situations arise in which crucial information effectively resides nowhere as knowledge.

There is a vast literature on this broad subject. Our point is simply that in this circumstance, the analyst will find himself or herself in the position of having to actively discover the necessary information required to help a business understand and better itself. This kind of discovery means a process of inquiry which goes beyond the application of any given specific tool of analysis.

Imprecise Communication: Speech

This is a serious problem in the corporate business world. Of course, without precision of speech, not much information can be usefully and reliably conveyed. But information is what the risk analyst needs to make his or her assessment. A great deal has been written on patterns of workplace communication from psychological and linguistic viewpoints, and it would be outside the scope of this overview to consider it here.

One notorious problem, mocked brilliantly in the BBC series *The Office*, is what is often called *management-speak*: the use of mostly meaningless jargon in order to give the appearance of technical competency and industry. This misuse of speech is very widespread and, although often ridiculed, is rarely remedied. The risk analyst must be able to distinguish noise from information. In many cases dialogical expertise will enable him or her to do that with some ease, even if he or she is not particularly familiar with the purported field of competence of the interlocutor. Any latent instinct or knack for discriminating information from noise would also be developed over time through experience in the field.

Nevertheless, there are many ways to deliberately and markedly develop this skill, and risk analysts will want to cultivate them, especially as the field develops beyond the conservative boundaries of risk analysis as it has mostly been practiced so far and moves into the more global sort of undertaking explored by pioneers in the enhancement of risk management.

Incompetent English Usage

Besides the obfuscation of management-speak, reliable communication is impaired by incompetent speech. Although the causes and degree of educational decline in the United States are somewhat controversial, the fact is generally admitted, and the arts of language have suffered particularly. Even many college graduates have significantly imperfect fluency in their native language, which impairs of course the ability to think clearly and

⁵ A very useful start would be: Paul Drew, ed., *Talk at Work: Interaction in Institutional Settings* (Cambridge: Cambridge UP, 1993).

quickly, and thereby seriously diminishes the possibility of reliable communication. Of course, it is not the job of risk analysts to remedy this. But they must be able deftly and patiently to tease out the meaning of even ill-formed expressions in order to arrive at sound judgments of a given situation.

This is a cursory review of the possible obstacles involved in the way of the analyst eliciting the relevant information he or she will need for a successful analysis, which require some proficiency to get past. Clearly, in order to gather the requisite information, more is required than the questionnaire sort of interview and investigation. But it is not even a matter simply of access, either to personnel or documentation; it is a matter of *interpretation* of what is disclosed, and even more basically, a matter of knowing how to seek what needs to be disclosed, and eliciting its disclosure.

Positive but Inarticulate Factors

But it is also true that many of the positive resources which an analyst will wish to identify and bring into the foreground are not being obscured by disorders of communication but are rather simply tacit or latent, residing in practices and manner of operation (style) which a company and might not have ever reflected upon or recognized in itself, much the way in which real persons live by a set of skills which are much more bodily and tacit than mentally explicit.⁶ These are also highly social and cultural, the kind of organizational habits and things taken for granted that Ludwig Wittgenstein would call a form of life.⁷ The analyst needs to be able to identify those practices and elicit further understanding of them.

Also, some of what is to be discovered is not latent as such, but is rather a vision of future action or invention *yet to be arrived at*, and will be projected on the basis of needs, possibilities, desires, and resources. This re-imagination of the possible agenda is also something a business consultant can assist into being (and it might well be his or her most important function), through a process which might best be called dialogical. By helping a client articulate its deepest concerns, goals and *ethos*, the *maieutic* analyst helps that client bring them to light and nurture them. Dialogue here is a collaboration in client self-understanding that facilitates the emergence of something new from established dispositions.⁸

What Philosophy has to Offer Here

There are many techniques, from the popular and relatively simple (e.g., Porter's Five schemata) to the highly sophisticated and rigorous (e.g., Bayesian methods), for assessing risk, strength, weakness, and strategic possibilities for the attainment of an enterprise's goals.

Many of these are very effective tools when rightly used in appropriately specific applications. Nevertheless, the problems of discovering relevant information outlined above require a kind of art on the part of a risk analyst which is not reducible to any calculus, algorithm, or checklist. Although the beginnings of such an art of deftly eliciting what needs to be known are intuitive, and some will have this intuitive beginning in a stronger degree than others might, it can be developed somewhat. Further, for the tools and methods of the risk analyst to be most successfully deployed, there ought to be a comprehensive vantage point from which the analyst can make global sense of the tools he or she is using.

This is in part because the tools are not going to be used by a competent business counselor as means to merely patch problems here and there, but will rather be used in the service of a broader assessment which aims at the reintegration and renewed direction of the firm. This involves a sort of conversation between the analyst and the corporation, in the persons of its representatives. This conversation goes beyond the application of specific tools of analysis, and is the framework in which their use actually occurs. It is thus of great importance to have a good understanding of what kind of conversation this is, and what it involves. The comprehensive and interdisciplinary approach which is the purview of philosophy has a great deal to offer here.

On the one hand, as we have argued in the earlier papers, what is finally involved in risk assessment is a kind of skilled visionary intuition — prudence — on the part of the assessor. On the other, this prudence is also something which the corporate interlocutors themselves can be taught to cultivate through the expert and counsel and example of the skilled analyst. What the analyst develops and deploys, and ideally conveys, is not a mere gut instinct apart from rigorous use of powerful tools,

⁶ See Michael Polanyi, *Tacit Knowledge: Towards a Post-Critical Philosophy* (Chicago: Chicago University Press, 1952).

⁷ *Lebensform*. See his *Philosophical Investigations*, G. E. M. Anscombe, trans. (New York: MacMillan, 1968).

⁸ On the notion of self-expression as both describing an identity already there, as well as bringing it into further being, see, Charles Taylor's exposition of J. G. Herder in *Source of the Self: The Making of the Modern Identity* (Cambridge, MA: Harvard University Press, 1988).

but rather a skilled foresight which works through a wide range of useful tools, from mathematical analyses to subtleties of interviewing. The foundational function of this insight can be seen in its ability to size up a situation and judge which tools ought to be applied in answering it, how they are to be applied, and to what ends.

In the setting of guided conversation, this foresight, exemplified by the analyst and emulated by the client, is a means of mutual discovery of the ideal shape of a corporation with regard to its horizon of good, and the cultivation of the sort of prudence which will enable that to be reliably obtained. Our purpose in this paper, then, is not to consider in any detail the advantages or disadvantages of any of the particular techniques typically employed by risk analysts, but rather, to consider the all-encompassing frame in which the engagement between analyst and client occurs: we will call it by the name of “dialectic”, a venerable term in Western philosophy whose origins go back to Plato.

Dialectic: the Art of Discovery in Dialogue

The art of dialectic is the art of discovery of truth in dialogue. This can mean using latent knowledge in further inquiry to discover new things, to answer posed questions; but perhaps most importantly, it means the art of finding the right questions in the first place, the art of thinking. One of the great commentators on the Socratic-Platonic tradition of discovery in dialogue was Hans-Georg Gadamer, and so it will be useful to cite him at length here in order to sketch out the meaning of dialogue:

- The essence of the question is to have sense. Now sense involves a sense of direction. Hence the sense of the question is the only direction from which the answer can be given if it is to make sense. A question places what is questioned in a particular perspective. When a question arises, it breaks open the being of the object, as it were. Hence the logos that explicates this opened-up being is an answer. Its sense lies in the sense of the question.

According to Gadamer, the question is the open-minded approach which allows one to see something of what there is to be seen. Without the question, one will attempt to fit the thing to be considered into the categories of preexisting answers, which means that one will not see what there is to be seen. Gadamer goes on to make an extremely important point:

- Among the greatest insights that Plato’s account of Socrates affords us is that, contrary to the general opinion, it is more difficult to ask questions than to answer them. When the partners in a Socratic dialogue are unable to answer Socrates’ awkward questions and try to turn the tables by assuming what they suppose is the preferable role of the questioner, they come to grief. . . . To someone who engages in dialogue only to prove himself right and not to gain insight, asking questions will indeed seem easier than answering them. . . . In order to be able to ask, one must want to know, and that means knowing that one does not know.

That is, one must be willing to temporarily forgo a comfortable sense of certitude, and approach the problem, task, or thing requiring new thought in a spirit of exploration; the posing of questions is the manner in which the shape of the solution or answer can appear in the mind. But this is not an open-mindedness without purpose; our needs, and the problem’s context, give a directionality and focus to this open-minded and creative inquiry:

- The openness of the question is not boundless. It is limited by the horizon of the question. A question that lacks this horizon is, so to speak, floating. It becomes a question only when its fluid indeterminacy is concretized in a specific “this or that”. In other words, the question has to be posed.⁹

Some knowledge of the art of dialectic, whether called by that name or not, is of utmost importance to the risk analyst. And not simply for use in situations which there is actual impairment of reliable communication due to causes of unwillingness or inability. Even where there is enthusiastic cooperation and competent communication, there are inherent limitations of perspective and information which require skill to transcend:

⁹Gadamer, Hans-Georg. *Truth and Method* (Second Revised Edition) (New York: Continuum, 1994) 362.

- The priority of the question in knowledge shows how fundamentally the idea of method is limited for knowledge. . . There is no such thing as a method of learning to ask questions, of learning to see what is questionable. On the contrary, the example of Socrates teaches that the important thing is the knowledge that one does not know. Hence the Socratic dialectic- which leads, through its art of confusing the interlocutor, to this knowledge- creates the condition for the question.¹⁰

The art of asking the right questions is subtle, and involves imagination and a disciplined detachment from preconceptions:

- It is the power of opinion against which it is so hard to obtain an admission of ignorance. It is opinion that suppresses questions. Opinion has a curious tendency to propagate itself. It would always like to be the general opinion, just as the word which the Greeks have for opinion, *doxa*, also means the decision made by the majority in the council assembly. How, then, can ignorance be admitted and questions arise?

Let us say first of all that it can occur only in the way any idea occurs to us. It is true that we do speak of ideas occurring to us less in regard to questions than to answers — e.g., the solution of problems; and by this we mean to say that there is no methodical way to arrive at the solution. But we also know that such ideas do not occur to us entirely unexpectedly. They always presuppose an orientation toward an area of openness from which the idea can occur- i.e., they presuppose questions. The real nature of the sudden idea is perhaps less that a solution occurs to us like an answer to a riddle than that a question occurs to us that breaks through into the open and thereby makes an answer possible.¹¹

This takes us back to something Gadamer says in the previous quote from him: “The priority of the question in knowledge shows how fundamentally the idea of method is limited for knowledge. . . There is no such thing as a method of learning to ask questions, of learning to see what is questionable.” This is a crucial point. The Socratic-Platonic idea of dialectic was in part developed in critical response to the claims of the Sophists, who put a premium on mental and verbal tools, but did little to recognize the mind as the origin and user of those tools. The Platonic point was that it is possible to be extremely skilled with tools but be little more than a tool oneself, because one lacked the inner skill of knowing why the tools are being used in the first place: that is, the art of asking the right questions, the art of vision.

In order to help illustrate the nature of discovery in dialogue, it will be useful here to consider its relation to methods. We have already considered, in an earlier paper, the nature, usefulness, and limits of mathematical analysis. We’ve discussed the relative merits of opinions which give primacy to intuition, and those which emphasize strict procedure and measurement. Peter Bernstein, in his excellent study of risk and risk management, puts the matter clearly:

- Nothing is more soothing or more persuasive than the computer screen, with its imposing arrays of numbers, glowing colors, and elegantly structured graphs. As we stare at the passing show, we become so absorbed that we tend to forget that the computer only answers questions: it does not ask them. Whenever we ignore that truth, the computer supports us in our conceptual errors. Those who live only by the numbers may find that the computer has simply replaced the oracles to whom people resorted in ancient times for guidance in risk management and decision-making.¹²

It is worth noting that Bernstein’s point underscores that of Gadamer: the technical equipment can only answer questions, it cannot ask them. Knowing how to inquire may be the most important skill of all. But Bernstein is not at all endorsing a loose intuitionism. He goes on to say:

- At the same time, we must avoid rejecting numbers when they show more promise of accuracy than intuition and hunch, where, as Kahneman and Tversky have demonstrated, inconsistency and myopia so often prevail. ¹³

¹⁰ Ibid. : 365.

¹¹ Ibid. : 366.

¹² Bernstein, Peter L. *Against the Gods: The Remarkable Story of Risk* (John Wiley and Sons Inc, 1996) 336.

¹³ Ibid.: p 336

In any given situation, the appropriate application of either intuition or technique, or the measure of their best mix, presupposes that the right questions are being asked. There are moments, as Bernstein points out, when the use of each becomes unreasonable. But the ability to determine when that is in fact the case has to do with the ability to frame the questions or discern the topics which will allow one to get to the crux of the matter at hand.

Methods such as the scenario conjecture developed by Pierre Wack and Arie de Geus, or the “lateral thinking” exercises of Edward de Bono, are closer to the core of the dialectical method, though they are not really examples of dialectic as such. Wack and de Geus are renowned for having applied the method of projected scenarios as means of testing the way in which a company would respond to types of unpredicted situations. The conclusions derived from the exercise could then inform the development of a system of BC/DR.

Too often, their methods have been narrowly construed as a means of conjectural determination of degrees of likelihood and threat of risk, in order to prepare for the likeliest and weightiest. It was always possible, however, to view the methods of Wack and de Geus as means of developing a discipline of corporate prudence, that is, as a means of constantly re-imagining an enterprise so that it can thrive and serve the interests of its members, its clients, and the broader society. And at that point, risk assessment is no longer simply risk assessment, but has become something more: a means of sustaining success, rather than merely sustaining the status quo. Thus the scenario method and many similar exercises, can be used as means of constantly re-imagining a company and its possibilities of success; in this way, then the scenario method (among others) becomes a means of developing successful entrepreneurship.

The transformation of risk assessment envisioned by innovative leaders in the field of risk management goes beyond the merely conservative use of the scenario method, since that use of projected scenarios is an anticipation of possible threat with the end of being prepared for the most plausible ones, and at its most positive, for charting an already determined course through a sea of possible variables. A more promising use of scenarios is not the conjecture of (problematic) futures in order that firms might be able to prepare for the likeliest or most potentially damaging of them. It is the use of scenarios such that they become, through the mediation of the skilled analyst, a means of cultivating entrepreneurship.

The art of discovery in dialogue thus goes far beyond simple problem-solving: it has to enable one to rethink the problems and what one is seeking altogether. That power of re-envisioning can be developed, but since it is the maker and user of technique and method, it is not reducible to any of those, and thus cannot be taught as a procedure— it can only be exemplified. Thus, Gadamer says, we must:

- . . . distinguish the unique art of dialectic from everything that can be taught and learned. The art of dialectic is not the art of being able to win every argument. On the contrary, it is possible that someone practicing the art of dialectic — i.e., the art of questioning and of seeking truth — comes off worse in the argument in the eyes of those listening to it. As the art of asking questions, dialectic proves its value because only the person who knows how to ask questions is able to persist in his questioning, which involves being able to preserve his orientation toward openness. The art of questioning is the art of questioning even further- i.e., the art of thinking. It is called dialectic because it is the art of conducting real dialogue.

We suggest that the kind of analysis involved in the broader, more constructive sense of risk management is more a kind of dialectical method that goes beyond mere fact finding and prescription, and that part of what is being revealed through this guided dialogical discovery is the latent sense of prudence. Thinking of things in this way allows for the risk manager to see his or her role as an expert in excellence—or *arete*, the virtue of the prudent.

Some illustrations might be useful here. Two of the most striking examples of dialectic, which which almost everyone will be familiar, are a) forensic cross-examination in the courts and b) the art of questioning employed by doctors. Both are, in a way, forms of “trial” in the general sense, or too, of “experiment”: and the scientific sound of that last word is to be welcomed here, because not only is scientific research a form of dialectic, but its distinctive method of proceeding by diverse hypotheses will be a useful illustration of a principle involved in risk analysis which we will later discuss.

Earlier we used a medical analogy. Corporate entities can be analogically spoken of in terms of whole and parts, and further, of health and disease. As is the case with real persons, corporate entities might “know their business” quite well, but suffer systemic disorders or weakness because knowing what their

own business is about does not necessarily imply a knowledge of what businesses as such are about, just as someone who is a reasonably successful and well-integrated person might not know enough of medicine or psychology to reliably anticipate, let alone diagnose and repair, crises of health.

Although a good doctor can teach a patient to cultivate and maintain his or her own health, especially so that the patient can in a sense be his or her own doctor in some limited degree, the requirements of the expertise necessary to be a competent medical practitioner generally precludes the majority of people obtaining it, and thus the profession of medical doctor is one of the first products of the division of labor in society, and doctors will always be necessary. Similarly, those who have a comprehensive competence in universal principles of business organization and activity will very likely always be a distinct profession. Businesses rightly have to spend most of their time knowing their own business, and thus expertise in the business of business will often be required in order to solve problems; even if those experts are retained directly by the business, it remains as distinct from the specific character of the business as accounting or the practice of law.

To continue with the medical analogy. Doctors work to assist people in the development and maintenance of health (whether physical or psychological as the case may be), and in doing so, they rely upon signs which they then interpret in the framework of their expertise. All sorts of tools, physical and methodical, are used to bring the signs into relief so that a diagnostic picture can be formed. The doctor very often relies simply on signs which he or she discerns without the personal participation of the patient, but on information which the patients themselves provide.

Thus the art of diagnosis is in many ways an art of conversation. Although there are many ways a doctor can read the signs of a situation without the patient's conversation, in very many cases, and certainly most of those where the patient is not unconscious, information from the patient will be necessary for the doctor to make a considered and hopefully accurate judgement. The kind of conversation necessary for this resembles the philosophical idea of dialectic.

This is a difficult art to master. In order to help his peers with it, the physician Eric Cassell wrote a brilliant introduction to the art of medical dialectic as means to diagnosis called *Talking With Patients*, which we have cited earlier. Many of the principles he discusses are broadly applicable to a number of fields, and risk analysis is one of them.

One of the first things which Cassell notes is that conversation is “logical”. He says:

- . . .all normal conversation is logical. With this understanding you will be able to hear not only what people say but also what they really believe. You will begin to hear a person's inner self talk or even multiple selves in a single speaker; just as we can be of “two minds” about something, we can also follow different trains of thought, each with a compelling logic, simultaneously the word “logic” is used to mean a system that relates a premise to a conclusion —a way of connecting a series of ideas in order to arrive at another idea. The philosophical field of logic deals with the complexities that can be introduced into systems that relate premises and conclusions. However, while the logic in a conversation can become quite tangled, a simplified general picture of the logic of conversation will be adequate for our purpose.

The point about the logic of conversation is especially important, because many people believe that conversation is illogical or that the mind itself is not logical. If this were really true, no communication could take place. No listener would be able to figure out what one sentence or phrase in a conversation had to do with one another.¹⁴ Logic here is not *firstly* a matter of inferring one thing from another according to a rule, though this is relevant, too. It is more a matter of making sense expressions (content) and understanding the point of the speaker in uttering them (force).

By “logical”, Cassell means essentially bearing information, expressive. The way in which the information is conveyed might not be direct, but it will be there to be discovered. However, the meaning might not be available on the surface. As we noted earlier, there may well be any number of impairments of communication with various causes behind them, and there is also the possibility that the listener is not listening closely enough:

¹⁴ Cassell, op. cit, *Volume 1: The Theory of Doctor Patient Communication*, 166.

- We have seen that the logic of a conversation — the thread that connects the ideas together- may not be obvious, because the basic premise comes late in the conversation or because the premise is unspoken, or is there, but we do not hear it. Where the premise is unspoken, the failure of the conversation reach closure to come to any satisfactory conclusion- signals that the real issue is not being attended to. Further I have suggested that speaking to those hidden premises does not necessarily lengthen, and indeed may shorten, the time required for conversing.

The logical premise of an utterance may be obscured because the listener does not “hear” what the speaker actually said.¹⁵

There is the general logic of all discourse, but specific discourses and kinds of conversation can of course have their own logic.

Cassell notes:

- Another kind of logic to be considered is the diagnostic logic of the doctor. It is received wisdom that the history of an illness, in the patient’s own words, is the most important source of diagnostic information. However, this underemphasizes the role of the doctor in the patient’s own storytelling. The process of taking the patient’s history, even when you are listening attentively, is an interactive process: both doctor and patient participate. The value of the sick person’s story develops not only through the narrative but also through the questions and answers that bring out the essential details. Although these details may only be known to the patient, the patient may not have been aware, prior to the questioning, of their existence and important. Hence it is the doctor’s trained inquiry that brings out the history of the illness.¹⁶

Here the alert reader will immediately discern the analogy to risk analysis. There are many levels of latent information whose existence must be discerned in and behind what is being offered up front in either verbal or documentary communication. Cassell considers all the information-bearing aspects of speech which are not directly syntactic or semantic as “paralanguage”: what is being spoken otherwise than in words. Attentiveness to these sorts of cues, and ability to sense their significance, is crucial in diagnostics which involve people: and businesses are made up of people.

The principles of listening and questioning which Cassell outlines are analogically applicable to the work of the risk analyst. They can be applied to one on one conversation, but they can also be applied to the “conversation” which takes place between the analyst and the whole persona moralis of a firm. What is the business trying, as it were, to say about itself? Since the analyst has the knowledge of what fitness looks like, he or she can take the information discovered and help make, so to speak, considered diagnoses and prescriptions.

Conclusion: Risk Management and Dialectical Method

In the Platonic and Aristotelian tradition, dialectic concerns likelihoods, not absolute certainties, although the dialectic of discovery might well use tools which lend a great deal of rigorous certitude to the matter at hand, which is usually the case when mathematical techniques are responsibly applied. Like medicine, as we have seen, risk analysis involves probabilities: its certitudes are not those of math. They are rather in the realm of what is called “moral certitude”, certitude sufficient for responsible action. Cassell writes:

We must look, then, at the function of information. What does information do? To go back a step, we can safely say that one thing that all of us have in common is the need to act. In the medical arena, all diagnoses are followed by action, whether it be surgery or despair. The possibility of action inevitably implies choice (Shall I laugh or cry?). And choice inevitably implies uncertainty. Where no uncertainty exists, there is no true choice. The opposite is also true: where there is no choice, there is no uncertainty. The problem of uncertainty in medical practice is a very important one because medicine is a probabilistic pursuit. Virtually nothing is certain and yet, because theirs is a profession of action, physicians must act. Two fundamental functions of information, then, are to reduce uncertainty and to provide a basis for action.¹⁷

¹⁵ Ibid, vol 2: 87.

¹⁶ Ibid., vol.. 1 : 2

¹⁷ Ibid., 150.

In the comprehensive approach to risk management, the leader of dialectic is the analyst, who brings a global knowledge of how corporate entities in general thrive in or fail to bear on any given situation, and assists leaders of a corporation to develop corporate prudence.

For what dialectic of a prudential sort deals with is not only the set of particular things which are already the case or might be the case; it also works to indirectly elicit and cultivate insight and prudence. And prudence, when it exists, is what will be the case in any case: that inner navigator which charts the adventure of best becoming through any waters.

What we are suggesting is that due to the nature of risk and the cultivation of corporate prudence necessary to handle it in a way which enables a firm to use it as a means of thriving, risk management can be envisioned as something not very different from what is claimed for business consulting: an expertise in excellence. The concerns and methods of risk management, however, take its practitioners closer to the very heart of business, its conditions of being, than the often superficial and undefined vantage point of much business consulting. The risk manager, as teacher of *prudentia* and guide of dialogical discovery, has a true opportunity to be a credible expert in excellence.

In our conversations with BAM, we have been given to understand that their method is finally a means of helping firms to arrive at a cogent understanding of their own missions, methods, and resources, and to acquire the ability to reshape themselves in accord with shifting circumstances so as to thrive. We have used the tools of philosophical inquiry to situate the practice of risk assessment and to describe the character of its incipient new form given the transformation of the discipline as developed by creative innovators in the field of BC/DR. That new character implies the risk analyst as a kind of dialectician, engaging in a disciplined and directed dialogue which aims to creatively discover both facts and possibilities, and the prudence necessary to act on them, in the quest for excellent performance.

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