

Obliquity

Obliquity



why our goals are best
achieved indirectly

John Kay

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Preface

For over ten years, I built and ran an economic consultancy business, and much of our revenue was derived from selling models to large corporate clients. One day, I asked myself a question: if these models were helpful, why did we not build similar models for our own decision making? The answer, I realised, was that our customers didn't really use these models for their decision making either. They used them internally or externally to justify decisions that they had already made.

They were playing what I now call Franklin's Gambit, after the American polymath Benjamin Franklin. He wrote: 'so convenient a thing is it to be a reasonable creature, since it enables one to find or make a reason for everything one had a mind to do'.¹ Franklin's remark about hindsight rationalisation is particularly significant, not just because he was a clever man, but because, as I will describe in chapter 10, he has come to be regarded as the founding father of scientific decision making.

Of course, we told ourselves privately, our clients were being stupid – that was why they didn't use our models. But we didn't think *we* were stupid, and we didn't use them either. I can remember a couple of occasions on which a spreadsheet analysis did help us to solve problems of our own, both of them related to the financing of the business. But that was all.

Like many economists we believed that if our models did not describe the world, the fault lay with the world, not the

model. But it isn't just economists who make that mistake. Politicians, investors, bankers and business people believe that although they don't solve problems according to a standard model of rational decision making, they ought to. So they pretend that they do – to others, and perhaps to themselves.

It is more than a decade since I escaped from an activity of which I was increasingly sceptical. Since then, I have seen disasters perpetrated by people who played Franklin's Gambit in both politics and business, in Iraq and on Wall Street. Mistakes made by those who could find a reason for everything they had a mind to do, and did.

These failures of both policy and prediction have been noticed. They have encouraged economists and other social scientists to begin the process of looking at what people actually do rather than imposing on them models of how they think they should behave. One popular book with this approach adopts the title *Predictably Irrational*.² But this title reflects the same mistake that my colleagues and I made when we privately disparaged our clients for their stupidity. If people are predictably irrational, perhaps they are not irrational at all: perhaps the fault lies not with the world, but with our concept of rationality. Perhaps we should think differently about how we really make decisions and solve problems. Perhaps we should recognise the ubiquity, and inevitability, of obliquity.

1



Obliquity

why our objectives are often best pursued indirectly

I never, indeed, wavered in the conviction that happiness is the test of all rules of conduct, and the end of life. But I now thought that this end was only to be attained by not making it the direct end. Those only are happy (I thought) who have their minds fixed on some object other than their own happiness; on the happiness of others, on the improvement of mankind, even on some art or pursuit, followed not as a means, but as itself an ideal end. Aiming thus at something else, they find happiness by the way.

– John Stuart Mill, *Autobiography*³

Visionary companies pursue a cluster of objectives, of which making money is only one – and not necessarily the primary one. Yes, they seek profits, but they're equally guided by a core ideology – core values and sense of purpose beyond just making money. Yet paradoxically, the visionary companies make more money than the purely profit driven companies.

– Jim Collins and Jerry Porras, *Built to Last*⁴

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He is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. By pursuing his own interest he frequently promotes that of society more effectually than when he really intends to promote it.

– Adam Smith, *The Wealth of Nations*⁵

Tell all the truth, but tell it slant. Success in circuit lies.

– Emily Dickinson⁶

The American continent separates the Atlantic Ocean in the east from the Pacific in the west. The route of the Panama Canal follows the shortest crossing of America. When you arrive at Balboa port on the Pacific coast you are some 30 miles to the east of Colón, where you left the Atlantic. The best route follows a south-easterly direction. The shortest straight line running from east to west goes through Nicaragua, and this 'direct' route is much longer.

The people who first found this route weren't looking west, and they weren't looking for oceans. Keats attributed the find to

... stout Cortez when with eagle eyes
He star'd at the Pacific – and all his men
Look'd at each other with a wild surmise –
Silent, upon a peak in Darien.⁷

Balboa, not Cortez, was the first European to see the Pacific, but Keats had the right general idea. The way to the ocean was found by conquistadors who were looking for silver and gold, not oceans. Not only was the route oblique, so was the means of its discovery.

The problem of finding the best traverse of America is



Fig 1 / Central America – direct and oblique crossings

easier than most problems we face in business, politics or our personal lives. We have almost complete knowledge of the territory and it doesn't change – or doesn't change much: the warming of the Arctic seas may make the North-West Passage a navigable route, enabling ships to sail routinely from Atlantic to Pacific without using a canal at all.

In the meantime, however, the best route is the Panama Canal. Ships go eastwards in order to reach their western destination more quickly and economically. They follow a trajectory that is oblique. Obliquity describes the process of achieving complex objectives indirectly.

In general, oblique approaches recognise that complex objectives tend to be imprecisely defined and contain many

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elements that are not necessarily or obviously compatible with each other, and that we learn about the nature of the objectives and the means of achieving them during a process of experiment and discovery. Oblique approaches often step backwards to move forwards. All these things were true of the activities that engaged Cortez (or Balboa). Like other great achievers, they tackled problems whose nature emerged only as they solved them.

In the twentieth century, technology emancipated builders from tradition and accumulated knowledge. Some architects believed that they could dispense with the oblique approach, the practice of incremental modification of concepts and observances enshrined in long-accepted conventions. They preferred deduction from first principles and believed that the direct could replace the oblique. There were many straight lines on their drawings.

The hope that rational design by an omniscient planner could supersede practical knowledge derived from a process of adaptation and discovery swept across many fields in the course of the twentieth century. This approach was generally described as modernism.⁸

The architectural commentator Charles Jencks declared that modernism ended at 3.32 p.m. on 15 July 1972, when demolition contractors detonated fuses to blow up the Pruitt-Igoe housing project in St Louis.⁹ Less than two decades earlier, the scheme had won awards for its pioneering, visionary architecture. Tower blocks were the supreme expression of Le Corbusier's view that 'a house is a machine for living in'.¹⁰ Le Corbusier himself designed the first such buildings in Marseille.¹¹ The *Unité d'habitation* was the product of one man's vision and was planned in detail – down to the furnishing of the flats – right from the start.



Fig 2 / Le Corbusier's *Unité d'habitation*, Marseille. (Roger Viollet/Getty Images)

The modernists knew less than they thought. A house is not simply a machine for living in. There is a difference between a house and a home. The functions of a home are complex: the utility of a building depends not only on its design but on the reactions of those who live in it. The occupants of the Pruitt-Igoe scheme were alienated by an environment that saw no need for oblique, unplanned social interactions. They disliked the projects, they hated their flats, they trashed the common parts. The practicality of the blocks proved, in the end, not to be practical.



Fig 3 / Notre Dame, Paris. (Getty Images)

An oblique approach recognises that what we want from a home, or a community, has many elements. We will never succeed in specifying fully what they are, and to the extent that we do, we discover that they are often incompatible and inconsistent. The interactions between a home and its occupants, or between the people who make up a community, are complex and uncertain. Experience of both previous and current problems guides the search for answers. Many people contribute to the outcome, and even after that outcome has been realised none of them necessarily holds a full understanding of how it came about. That is how the cathedral of Notre Dame was built, by many hands over several centuries.

Reengineering the Corporation by Michael Hammer and James Champy was one of the bestselling business books of the 1990s, and Hammer and Champy were as radical in aspiration as Le Corbusier:

These ideas, we believe, are as important to business today as Adam Smith's ideas were to the entrepreneurs and managers of the last two centuries. [Reengineering] means asking the question 'If I were re-creating this company today, given what I know and given current technology, what would it look like?' Reengineering a company means tossing aside old systems and starting over. It involves going back to the beginning and inventing a better way of doing work.¹²

Re-engineering was the substitution of design for adaptation and discovery – preferring the direct to the oblique.

The demand for such a direct approach found a manifesto in Lenin's *What Is to Be Done?*¹³ The future Russian leader argued that political and economic reform could be achieved only if imposed by a close-knit revolutionary cadre with a single vision. And although Le Corbusier was as far to the right as Lenin was to the left, and Hammer and Champy were certainly no Marxists, Le Corbusier would have approved wholeheartedly. Re-engineering was the essence of his conception.

It has been drawn up by serene and lucid minds. It has taken account of nothing but human truths. It has ignored all current regulations, all existing usages and channels.¹⁴

I cannot read such words without thinking of Pol Pot, who proclaimed that the Khmer Rouge takeover of Cambodia marked year zero, when everything began anew (two centuries earlier, the French Revolutionaries made the same claim). A reign of terror followed in both cases. Pol Pot not only destroyed the fabric of society, he killed or caused the deaths of some 1.5 million of his countrymen.

Hammer and Champy are not bad men. Perhaps they do not really mean what they appear to say, and re-engineering should be seen as a thought experiment, a way of asking

questions about the relevance of current practice, not a literal prescription. Still, Lenin and Le Corbusier did mean what they said. What they believed to be the height of rationality, the creation of ‘serene and lucid minds’, was not rational at all, because based on a false and oversimplified picture of the world. The environment – social, commercial, natural – in which we operate changes over time and as we interact with it. Our knowledge of that complex environment is necessarily piecemeal and imperfect. And so objectives are generally best accomplished obliquely rather than directly.

This book is divided into three parts. In Part One (chapters 2–6) I will illustrate the role of obliquity in our personal and our working lives. Happiness is not achieved through the pursuit of happiness. The most profitable businesses are not the most profit-oriented. The wealthiest people are not those most assertive in the pursuit of wealth. The greatest paintings are not the most accurate representations of their subjects, the forests most resistant to fires are not the ones whose foresters are most successful in extinguishing fires. Soviet planners managed the economy far less successfully than the adaptive, disorganised processes of market economies.

In Part Two (chapters 7–12) I will describe the factors that make direct approaches impracticable for so many problems and demonstrate the need for obliquity. Our objectives are often necessarily loosely described, and frequently have elements that are not just incompatible but incommensurable. The consequences of our actions depend on the responses of other people, and these responses spring not just from our actions but from their perceptions of our motives for undertaking them. We deal with complex systems whose structure we can understand only imperfectly. The problems we face are

rarely completely specified, and the environment in which we tackle them contains irresolvable uncertainties.

In Part Three (chapters 13–20) I describe the oblique approach to problem solving and decision making. In obliquity there are no predictable connections between intentions and outcomes. Oblique problem solvers do not evaluate all available alternatives: they make successive choices from a narrow range of options. Effective decision makers are distinguished not so much by the superior extent of their knowledge as by their recognition of its limitations. Problem solving is iterative and adaptive, rather than direct. Good decision makers are not identified by their ability to provide compelling accounts of how they reached their conclusions. The most complex systems come into being, and function, without anyone having knowledge of the whole. Good decision makers are eclectic and tend to regard consistency as a mark of stubbornness, or ideological blindness, rather than a virtue. Rationality is not defined by good processes; irrationality lies in persisting with methods and actions that plainly do not work – including the methods and actions that commonly masquerade as rationality.