impact executives
HARVEY NASH GROUP
GLOBAL INTERIM MANAGEMENT

" Serendipity matters
– in business and in life."

OBLIQUITY

AIM OFF THE TRUE TARGET TO REACH YOUR GOALS

The fundamental premise of John Kay's book ***Obliquity*** is that goals are more likely to be achieved when pursued indirectly, so instead of a linear rational model, the best approach to problem-solving is oblique, an approach for which he coins the word "obliquity". Obliquity is necessary because we live in a world of uncertainty and complexity. The problems we encounter aren't always clear – and we often can't pinpoint what our goals are anyway; circumstances change; people change – and are very hard to predict.

For instance, happiness is attained when people are absorbed by a meaningful activity – psychologists call this state "flow". Trying to be happy is a recipe for misery. High profits may be the outcome of a passion for engineering or writing software but it may be commercial suicide to make profits the sole purpose of business. The book gives several other examples of the principle of "obliquity", or aiming off the true target. The wealthiest people don't obsess about making money. Forests are less vulnerable to destruction by fire when some fires are allowed to burn.

The book starts with an intriguing concept: serendipity matters in business and in life. The argument is made using different case studies, all written in John Kay's common sense style. His disapproval of some business strategies is both funny and different. Economics is viewed as an ethical issue which may well be right - after all, Adam Smith was a professor of moral philosophy, not an economist.

He then explains why problems cannot be solved directly because rational models fail to capture the real dynamics of political decision making. He demonstrates why this is the case when alternative outcomes may exist, and where complexity and incompleteness confuse our understanding of problems.

For me the real strength of this book is that you can apply the underlying concept to everyday life, and to making decisions on any scale. The key is to think and act around problems and not just go for the most obvious approach. It seems so brilliantly simple but the idea is also startlingly original, as Kay himself notes, elements of it can be seen as far back as Plato, but it was restricted to utilitarian philosophy and has never, until now, been applied so broadly to achieving goals.

The most novel and interesting part of the book concerns using obliquity to assess decision-making; an important point when voters judged the record of the last government and the promises of those who have taken its place. All too often we make what Kay terms "the teleological fallacy". That is, we assume that good or bad outcomes are the result of good or bad policies or decisions. Usually luck plays a greater part. Enron was believed to be run by geniuses when doing well and by crooks when it failed, but the general movement of the stock market had more impact on its results. Successful investors often have "Lady Luck" rather than their skills to thank. At the heart of Obliquity is an attack on formalism, rationalism and modernism. "It is hard to overstate the damage done in the recent past by people who thought they knew more about the world than they really did," says Kay. He includes in this category the financiers who did so much damage to the world economy and also government ministers, architects, planners, military leaders: anyone who values theory over practical experience and common sense.

One alarming consequence of this fallacy is that people who claim to have direct answers are much more likely to be acclaimed for their wisdom than the oblique thinkers who are likely to get better results. Kay concludes that decision makers can choose between being effective and being popular. Voters reward those who are least likely to be good problem solvers: a sobering thought post-election campaign from one of our most innovative thinkers!

John Kay is a regular columnist for the Financial Times, a visiting professor at the London School of Economics and a fellow of St. John's College, Oxford. His academic career has included chairs at London Business School and Oxford University. He is a Fellow of the British Academy and the Royal Society of Edinburgh. He is currently a visiting professor at the London School of Economics. He also had a career in the policy world which established the Institute for Fiscal Studies as one of the most respected think tanks, and a business career in which he established, developed and sold a substantial consulting firm and in which he has been a non-executive director of Halifax plc and several companies.

"Read this book for pleasure, and indirectly – obliquely – you will gain invaluable insights into how successful decisions are made."
Mervyn King, Governor of the Bank of England

John Kay is an admirable debunker of myths and false beliefs –he can see substantial things others don't. Read this book."
Nassim N Taleb, Author of The Black Swan