

Partial transcript of [interview](#) of Russ Ackoff by [Phyllis](#)

[Haynes](#) (see also [IMDb](#)) for a CSL4D blog post “Ackoff’s Triple Systems Explanation Whopper”

Only part of the interview is transcribed here, from 0:33 to 1:50 and from 5:09 tot 8:00, reducing the total length of maximum interest to just over 4 minutes. These 4 minutes are explained in the concept map at <https://wp.me/pGaM4-ZD>. The three ‘systems explanation whoppers’ are: (1) organizations can only do well if they learn (i.e. improve effectiveness) from errors of commission; (2) conventional management disregards the errors of omission and avoids the errors of commission; (3) conventional management further emphasizes efficiency, which prolongs the wrong actions that follow from the errors of omission. A fourth point is not mentioned in this video, but is important nevertheless: (4) conventional management or organizations, countries or businesses tends to commit the ‘environmental fallacy’, which means that it ignores the various complex, larger systems. Systems approaches, whether of the type of Churchman, Checkland or Ackoff provide practical, scientific methods to address these four whopping problems, each in their own way. There is an interesting and important complementarity between their methods, which is the subject of a book I am working on.

[0:33] Ackoff: Data, information, knowledge and understanding are all concerned with increasing our efficiency. Wisdom is concerned with effectiveness. It’s only fairly recently we’ve come to understand the difference between the two, we used to use them synonymously. The best distinction I’m aware of its one that was made by Peter Drucker when he said there’s a difference between doing things right and doing the right thing. Doing the right thing is wisdom, effectiveness. Doing things right is efficiency. And the curious thing is the righter you do the wrong thing, the wronger you become. If you’re doing the wrong thing and make a mistake and correct it you become wronger. Okay, so it’s better to do the right thing wrong than the wrong thing right, you see. It turns out that almost every major social problems in front of us today is a consequence of trying to do the wrong things righter. So instead of looking at the efficiency with which we’re pursuing our objectives we are given to re-examine the objectives. [1:50] [Ackoff’s gives various examples: the healthcare system and the educational system [...].

[5:09] Ackoff: You can take each system, you know, your health, welfare and so on, and you find out that they’re all pursuing objectives which are contrary to their intention. So it’s not a matter of efficiency, it’s a matter of the effectiveness. [Phyllis Haynes asks: I wasn’t planning on asking a philosophical question but given the power of your first answer I need to ask you this question since you have this wisdom and this insight that strikes me as quite powerful. What is the reason that it isn’t the predominant force, or will this kind of thinking be the predominant force?]

[5:52] Ackoff: That’s a very good question. It goes back to something very simple that becomes complex quickly. You never learn by doing something right, because you’re already doing it right. You only learn from mistakes, right? There are two kinds of mistakes. One is when you do something you shouldn’t have done. A company bought another company that it shouldn’t have bought. Eastman Kodak bought Sterling Drug. It turned out to be a serious mistake and they had to get rid of it, for example. That’s called an error of commission. The other type of error is when you didn’t do something you should have done. Eastman Kodak didn’t buy Xerox when they could have. That would turn out to be a serious mistake. Now it turns out that errors of omission are much more important than errors of commission if you look at companies, organizations or countries that fail it’s because what they didn’t do not because of what they did. But now, if you look at the accounting system we use, public and profit, they only record the cause of errors of commission. When you don’t do something it never appears in the books. So if you try to find out what it cost Eastman Kodak not to buy Xerox you can’t find out. If you want to find what it cost to buy Sterling Drug, which they bought, you can find that. All right, now you’re in an organization that says making a mistake is a bad thing and you’re a manager so you want to keep your job and maintain stability. Yiu don’t want to make a mistake. But what kind of mistake? The only kind they record: doing something you shouldn’t have done. Now how do you minimize the chance of doing something you shouldn’t have done? By doing nothing! You got it. That’s the answer to your question. It’s our treatment of error that leads to a stability which prevents significant change. We have to start to recognize the importance of errors of omission, record and correct those errors when they are made, and that requires a whole new way of thinking

[8:00] From here Ackoff goed on to pinpoint the troubles the world is in and the role errors of omission are playing in that.

Transcript by Sjon van ’t Hof at CSL4D.org, 24/12/2020.