Making Choices in Time

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Introduction

In his paper, Dan Raff challenges us to "do something with time." It is a challenge business historians should take seriously. The discipline has given little time to methodological issues; nonetheless, as Raff himself notes, "some careful thought about method can be helpful before confronting evidence."[1] As a community, we can seem epistemologically naive, convinced of our ability to tell the truth through (re)constructing narrative accounts of past events. We also tend to be very interested in outcomes; why did this firm succeed where another failed; why that industry there and not here? These sorts of questions can seduce us toward overly determined answers. The result is, in Raff's terminology, backward-looking history (and the history of winners for the most part). Integral to this backward-looking history is a particular conception of time—time's arrow ran straight and true, in one direction, and hit its target. What this view rarely stops to consider is how people experience and behave in time. For the most part, this experience of being in time is a much more chaotic, uncertain, and unsettling one than that recounted by history. This is where Raff's most important emphasis lies—instead of ends and outcomes, he suggests we switch our focus to experience, acting, and, above all, choosing and deciding. If we are to take seriously the claim "that moments of decision-making, suitably embedded in operating environments and cash constraints,

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My thinking in this area has been deeply influenced by conversations with Robin Holt and Mike Zundel. Mike, in particular, has had a direct impact on this particular text.

1. Daniel Raff, "How to do Things with Time," *Enterprise & Society* 14, no. 3: 435–66, quote from 436.

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are a more revealing and less distorting focus than outcomes," then we must also recognize that "Time plays a central role in any such analysis . . . as the medium through which understanding, and the imagination of possible future courses of action, develop."[2] In other words, if business history is to develop forward-looking understandings of how our subjects acted and chose, then it needs to consider not only historical time but also time *qua* time. I entirely agree.

Raff's paper is wide ranging, but I will concentrate on just one issue, which I believe to be fundamental; the way in which we understand decision making. I want, first, to think about the temporal context of choosing. Here, I begin with a basic proposition derived from the work of English economist G. L. S. Shackle: the future does not exist. Like Raff, Shackle was very concerned to find a way to write nondetermined history and his work gives us some fundamental principles for thinking about decision making in time. Second, moving forward from this position, I want to think about how actors choose in such a temporal context. If we want to write forward-looking history, we have to ask what it is that actors face when they look forward, that is, in to the as-yet nonexisting future?

Decision and Time

> It is patent that men's *decisions* are not choices among *actual* but among *imagined* outcomes.[3]

Shackle was preoccupied with the interlinked themes of choice, decision, imagination, and creativity. Critically, he explicitly considered decision's positioning within our experience of time and how that positioning affects how we make choices and from among what options we choose. In turn, this interest in decision making within time leads Shackle to forge a nondeterminative vision of history. Shackle's vision of history is one exhibiting not only a "wild play" but also constantly "coming into being," thus being fundamentally antiteleological. The unfolding brings with it a profound tension that is "beyond uncertainty"—what Shackle called "unknowledge."

For Shackle, the assumptions within economics with regard to the completeness, knowableness, and timelessness of choice sets, of perfect information, of unbounded rationality, and stable preferences motivated by the always-fixed ends of maximization and optimization render the notion of choice and thus also of decision entirely redundant (Raff relaxes these assumptions very considerably, but we will return to that). In such a "determinist world, decision is illusory;

2. Ibid.

3. G.L.S. Shackle, *The Nature of Economic Thought: Selected Papers, 1955–1964*, Cambridge, UK: Cambridge University Press, 1966, 126.

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. . . [and] in a world of certainty, it is empty." If, on the other hand, we fully reject these assumptions and retreat to a vision of a "world without discernible order," then decision is "powerless." All space for "the truly and strictly inceptive thought" is closed down. This is the paradox of decision under most forms of economics—and perhaps also much economic and business history. Shackle connects these arguments to a vision of history. His arguments lead him to ask whether, if we are to accept the orthodoxy: "We can suppose that history is a book already written, whose pages the hand of time is merely *turning*, not composing," then all possible future rational choices are already contained in the conditions passed on by history.[4]

Shackle argues that choice and decision reflect as much the effects of creativity and imagination as they do the structures of determining circumstance. His first task is an essentially temporal attack on the assumptions underlying determinist approaches: a fully structured, determined world is impossible because the future is not merely uncertain (that is, it is unclear but is still there in some sense and amenable to probabilistic reasoning) but is radically uncertain and in essence unknowable. Ultimately, "To give to *decision* the meaning of a creative act, a *source* of history, we have to assert the non-existence of the future."[5] These arguments return Shackle to choice in the context of time:

> Amongst what, then, are men free to choose? Not amongst situations or events which exist or occur in some objective reality, for when something is actual the time is too late for choosing something else . . . Not [either] among perfectly specified situations or events whose occurrence in some future is somehow guaranteed, for there is no such perfect knowledge and no such guarantee.

Instead, "It is only future experiences, events and situations which can be chosen, and where is the future? It is only inside man's mind, it is imagined."[6]

In many ways, all that Shackle is proposing is that we might "elect to follow intuition and the universal tacit assumption of ordinary discourse and practical life, and take for granted that decision can be *inceptive*." The language is important; this is not decision between competing *existing* alternatives but decision that is itself creative and *incipient*: "outcomes are thoughts, and . . . in the most essential and strictest sense *originate* in the decision-maker's mind."[7] If decision must, because of the nonexistence of the future, be a creative inceptive act, then decision itself has a particular temporal location: "Now

4. Ibid; 72.
5. Ibid; 100.
6. Ibid; 126.
7. Ibid; 107, 109.

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if these experiences, in hope of which he acts in one way rather than another, are to be in his own mind, where are they in *time*? They must, we may claim without argument, be in his *now*. For there *is* no other place in *time as he experiences it."* Decision thus occurs in what Shackle calls the "*solitary present*." Time conceived of as a space or a dimension of space, "'a stretch of time,'" is "let me again insist, something imagined or constructed, and it *exists* in each new solitary present moment."[8] The historian may stand "*outside* the time which provides the "space" for the events he studies," but *the actor does not have this luxury*. Decision always takes place in the solitary present moment and in the daunting face of the void of "unknowledge" that is the future. His vision is of each of us engaging in the "imaginative creation of outcomes for each action, in a stream whose ending cannot be discerned at the moment when the necessity of deciding cuts off the process."[9]

Throughout, Shackle is motivated by one fundamental question: "How . . . can there be a non-determinative theory of history?"[10] Creative, inceptive, imaginative decision within the solitary present moment is the answer to how we can posit a world "wherein decision will appear as the source of history, creating essential novelty from moment to moment," allowing us to perceive and comprehend "a world where there is action and not merely the illusion of action: a world where history *comes into* being, not a world where the whole of history is complete and is merely revealed in successive stages to human consciousness."[11] The world becomes a place where history "has staged it untidy, unorganized, wild play."[12]

How Do We Decide?

What, then, is it that actors work with as they make decisions and create the future? How do we choose from among things that as yet have no existence? Here, I want to work forward from a starting point in the evolutionary economics underlying Raff's arguments. I want to suggest that the self-imposition of the question "what sort of historical methods would be appropriate to writing the history of a world in which evolutionary economics was (in a broad sense) true?" places a constraint on Raff that threatens to defeat his aims.

Undergirding his discussion of choices among alternatives amid certain constraints and selection conditions are three tenets drawn

8. Ibid; 76.
9. Ibid; 110–11.
10. Ibid. 106.
11. Ibid; 74.
12. Ibid; 135.

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from evolutionary economics: bounded rationality—to do with knowledge; routine—to do with practice; satisficing—to do with objectives or interests. Essentially, it is these assumptions about human cognition and behavior that structure the understanding of choice in Raff's vision of a forward-looking history. In doing so, it draws on a very strong tradition of thought March calls "consequentialist" in which "Action is seen as choice, and choice is seen as driven by anticipations, incentives, and desires."[13]

However, looking at these precepts on the page, I had a simple intuitive reaction: is that it? They suddenly seemed inadequate to me for capturing the full richness, and sometimes strangeness, of human action and choosing. More critically, they seemed to work against Raff's aim to write history forward. First, they all reside primarily in the realm of rationality, de-emphasizing important aspects of human cognition and creativity. Second, they each look to place limits. They adumbrate what we cannot think about, what we do not do, what we cannot have. Finally, they are all judgments possible only after the fact. We only recognize our boundedness when we discover what it was we did not know (we did not know); we only see practice as routine after we have stepped outside it; we only know what we will be satisfied with after we have attained it. They do not so much guide choice as rationalize it *post hoc*.

A series of antonyms came to me such that we might take each of these precepts and flip it over in order to see its reverse. Thus, in order, when considering human choice, even in the field of economics and management, why do we not inquire as to the power of imaginative capacities, the effects of immersive moments, and the pull of a hopeful engagement with the world?

Imagination is not perfectly unbounded. Even the most outlandish dreams have their foundation in the things we already know. Instead, what is different about it, in contrast to rationality, is that its boundedness is its least important characteristic; we are not constrained always to think about where its furthest reaches may lie. The edges become only starting points. In contrast, insistence on the idea of the boundedness of rationality does not abandon the assumption of completeness that Shackle says empties choice of meaning but instead says only that it is veiled from us. It still necessarily implies a complete and knowable realm of knowledge beyond the boundary, which is there but simply not yet revealed—just as overdetermined visions of history imply the existence of the future, waiting beyond the boundary of the present to be revealed. In this sense, the concept of bounded rationality is a good corollary for the overdetermination

13. James March, "A Scholar's Quest," *Journal of Management Inquiry* 12 (2003): 205–7, quote from 205.

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of history that Shackle attacks. Both presuppose a completeness of things. We should perhaps heed historian Carolyn Steedman's observation that "Historians want ends, quite as much as anybody else . . . [but they] are the only narrators who cannot have what they want."[14] However, while there may be much we cannot know, we can imagine both what we cannot calculate and what is not yet.

As well as working with the familiar, imagination also occurs in concrete situations and contexts. Our individual subjectivities from which imagination emerges do not stand out starkly against a contextualizing background. Much of life is *immersive* in that we do not notice its passage. It flows through us, like time's stream of solitary present moments. It occurs during those passages when we stop reaching compulsively after completeness. At its best, immersion can be a willingness to be with things, a "reticence" in the sense of letting things come forward. Abetting rather than forcing one's will upon things is both our normal state and can be a surprising source of creativity (especially perhaps compared with executing managerial plans or initiatives, which so often end up frustrating and frustrated). By letting go of the chimera of complete ordered control, immersion can open the space for imagination to work. Moreover, this approach corresponds to much of the daily experience of managerial life, which preoccupies itself with the ephemeral and apparently inconsequential. The bulk of managing might be said to be a simple attempt to cope, in which planning and strategy are squeezed out—a subtle distinction that differentiates the immersive from the routine.

Hopeful engagement means to suggest a toying with living: an attitude of experiment, tinkering, and a taking of pleasure in all of these, without overly defined ends. It has to be hopeful because the ends are not simply unknown but as yet unmade. As with the limitations to rationality, satisficing suggests a (resented) condition of constraint—it depends on the conceit that "making do," the incomplete achievement of our ends and interests, is a temporary setback, a failure to achieve the complete satisfaction that awaits us, if only we try hard enough. We might call this a belief in the real existence of an optimum—again a corollary to a belief in the real existence of both complete knowledge and the future. Taking this further, playfulness might also invoke a kind of intuitive "sensing," which connects us back into our imaginative immersive engagement. Here, we celebrate the human ability to grasp wider contexts in the absence of detailed information, unconstrained

14. Carolyn Steedman, *Dust*, Manchester, UK: Manchester University Press, 2002, 149.

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by our belief in the possibility of full knowledge and control—beliefs on which faith in management, strategy, and ends depend.

Concluding Remarks: Doing History?

So, yes, we should think about choice and action before outcomes (which are not outcomes in any case, but only waypoints) and before attainments (which are not attainments but only intermediary stages passing on new possibilities), in a history always coming into being, never arriving at completion. But if we are to do that, we need an understanding of choice and acting commensurate with this vision of a forward-looking history. What I have tried to do here is sketch, however hazily, an outline of such an understanding. It is one of marked contrasts to that derived from the evolutionary economics that underpins Raff's account. These observations raise questions—can history be written like this, and what is history for?

Raff is clear that history's primary purpose remains explanatory—and that explanation is possible, manifest for example in a hope that the Chandlerian synthesis can be "fixed." The apparent falsification of the Chandlerian synthesis over the last three decades suggests to me not that we need a new (presumably "better," more complete) synthesis but that we might be suspicious of all syntheses that claim to be more than *representations* of the world. The quest for completeness is without end. So, in the absence of a desire for explanations complete and immune to alteration or alternatives, what is history for? For me, it is a way of thinking, and, in its practice, demands first and foremost, an imaginative engagement—just as historical actors create their futures through affordance and imagination. Despite these somewhat abstract musings, I remain a highly empirical historian. I work hard in the archives and (re)assemble accounts of past lives and actions. But increasingly I do that with an eye on exploring experience rather than on producing satisfying narratives (that is, narratives with the structure we expect of them, in particular with endings). One technique is to present accounts (as Raff notes quite rightly, all accounts are in some sense also an attempt at explanation) and then to disrupt or unsettle them within the same space.[15] Explanation is explored but not allowed to solidify, alternatives remain, asserting their claims, mimicking the questionability we all know from trying

15. Andrew Popp and Robin Holt, "Entrepreneurship and the Organization of Being: The Case of the Shaws," *Entrepreneurship and Regional Development* (forthcoming).

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to move forward in a world being made and whose frayed incompleteness negates the very idea of boundaries and boundedness.

This is getting to the nub. I have come to realize that all of our work, whether we ever make it explicit or not, has an ontological foundation. For myself, it is to be found in a phenomenological understanding of the world as coming into being. This is a vision that accepts and works with the incompleteness of both our experience of being in the world and the incompleteness of our attempts to account for that experience. It is a vision that leads me to conclude with the following vision, adduced by John Keats in December 1818:

> . . . several things dovetailed in my mind, & at once it struck me, what quality went to form a Man of Achievement . . . I mean *Negative Capability*, that is when a man is capable of being in uncertainties, Mysteries, doubts, without any irritable reaching after fact & reason – Coleridge, for example, would let go by a fine versimilitude caught from the Penetralium of mystery, from being incapable of remaining content with half knowledge.[16]

The historical actors we study had to be content with half knowledge—it is all any of us have. As historians, we might do well to follow them.

16. John Keats, *Selected Letters*, Oxford: Oxford University Press, 2002.

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