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Thomas W. Camm
Montana Tech

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LUCK & SKILL: BLACK SWANS & MACHIAVELLI'S IDEAS ON POWER, FORTUNE, VIRTÙ

T. W. Camm, Montana Tech of the Univ. of Montana, Butte, MT

ABSTRACT

We hear all the time about the value of hard work and perseverance, and the part they play in the professional life of successful people. What we do not hear so much about are the many professionals who work hard and persevere, yet never seem to quite reach the level of success they aim for. Some current authors are beginning to give more attention to the part luck/black swans/outliers play in success. This is not a new phenomenon, Machiavelli had a lot to say about it back in the Renaissance. So how can knowledge of this dynamic help in a modern organization?

INTRODUCTION

Work hard and you will succeed. Go to the right school, major in the right degree, study hard, and get a good job. Look at the lives of successful people, and do what they do. Be all that you can be. You can be anything you want to be. Really?

Those who are successful always get attention, people want to know what they did to reach such a high position. Invariably, at least part of their narrative will include hard work, wise insight, taking advantage of opportunities, etc. If they are of a more generous nature, they might also allow that building the right friendships and collaborations also played a role. All of this may be true; what we do not often hear are the stories of those who did all of these very same things, but did not find success.

An example from pop culture: *The Voice*. I have watched this show occasionally the past couple of years. One of the things I like about the show is that the initial screening of contestants is based solely on their singing voice (hence the name of the show), and not on their appearance. At the time of this writing (early November), the judges have just finished elimination rounds for their final teams to go on to the live shows. Here is my point—in almost every case the judges *agonized* over choosing who would go forward and who would be eliminated. And the reason is because all of them are really talented singers. It is impressive how gifted they are. At the end of each season, only one is declared a winner, out of that gifted pool of singers. When you hear their stories, they are all talented, hard-working individuals sacrificing for their art. And as far as I know, none of them has ever become a star.

Hard work, dedication, sacrifice, talent—sometimes it is enough, sometimes not.

I will be looking at the part uncertainty/luck/black swans play in our lives, but I want to make it clear at the beginning that I am not saying *everything* that happens to us is out of our hands or beyond our control. Taleb makes this same point (2007, p. 52):

“This problem is chronic: if you tell people that the key to success is not always skills, they think that you are telling them that it is never skills, always luck.”

MACHIAVELLI

Niccolò Machiavelli lived in Florence during the Renaissance period (1469-1527), serving a variety of diplomatic functions for the Republican government until the Medici returned to power in 1512. He was subsequently exiled to his farm outside Florence, where he pursued literary activities (Nederman, 2014).



[From Google free images]

In *The Prince*, Machiavelli writes about the character and actions that are necessary for a prince (leader) to be successful. He writes a lot about how a leader should conduct himself, where more often than not morality and virtuous conduct are impediments to effective rule. After all, this is the author who wrote:

“...for the distance is so great between how we live and how we ought to live that he who abandons what is done for what ought to be done learns his ruin rather than his preservation; because a man who wants to make a profession of goodness in everything is bound to come to ruin among so many who are not good. Therefore, it is necessary...if he wants to preserve himself, to learn how not to be good” (Machiavelli, 1513/2003, p. 66, Chapter 15).

[Note: There are numerous editions and translations of *The Prince*; for the convenience of the reader who may wish to look up quotes in this preprint I am including the relevant chapter along with the page number for the particular edition I am quoting.]

Machiavelli is more concerned with authority and power than with the difference between legitimate and illegitimate authority; indeed he sees this differentiation as irrelevant from the perspective of an effective leader. The main concern of a leader is the acquisition and maintenance of power, and this is accomplished mainly through the threat and use of coercive force (Nederman, 2016). This is addressed throughout *The Prince*, but is most famously explained in one of the most quoted sections of the book (pp. 71-72, Chapter 17):

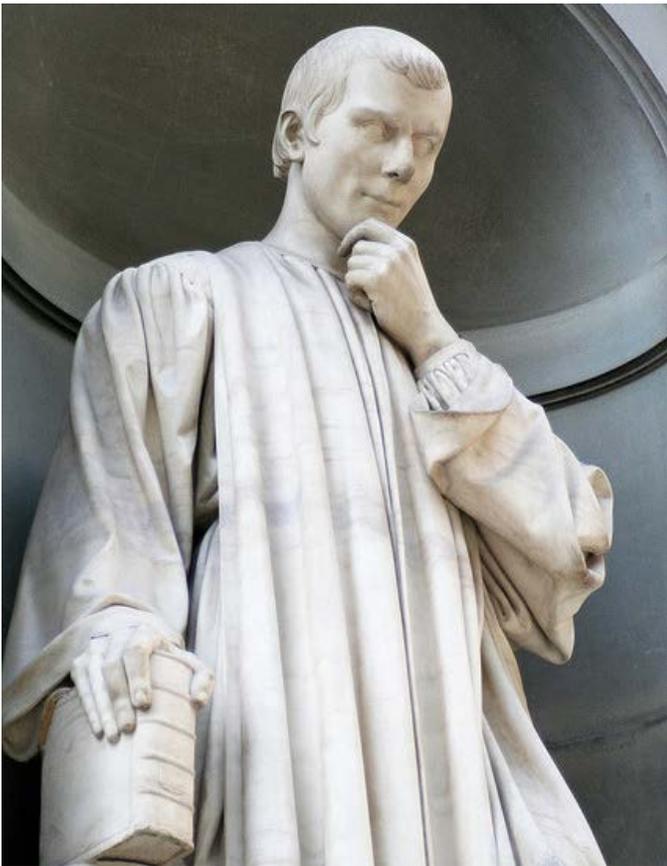
“A prince, therefore, must not mind acquiring a bad reputation for cruelty in order to keep his subjects united and loyal...From this there arises a dispute: whether it is better to

be loved than feared...it is much better to be feared than loved..."

Which brings us to the discussion of *virtù* and Fortune. *Virtù* is the term that Machiavelli uses most often to describe the requirements of power politics. This Italian word is often translated into English as "virtue," which typically signifies moral goodness. This is decidedly not the meaning intended by Machiavelli when describing *virtù*—he uses the term to describe the range of personal characteristics a leader needs to maintain power (Nederman, 2016). As we saw in the previous quotes, the English virtue is not one of these characteristics. Some translations use the nearest English equivalent and omit the word *virtù* altogether (Thomson Trans., 1992). The translation I am using in this preprint, particularly for quotes (1513/2003, Webhorn Trans.) emphasizes the various meanings Machiavelli employs with the word *virtù*, enclosing it in brackets next to the best English equivalent wherever it appears in the text: [referring to the Romans] "...but they trusted in their own prowess [*virtù*] and prudence..." (p. 14, Chapter 3).

Machiavelli contrasts the personal strength and power associated with *virtù* to the whims and often malice of the goddess *Fortuna* (most commonly translated as "Fortune," as in the Webhorn translation). His use of this term is often debated with no clear consensus on all that he intended to convey with this concept. Nederman (2014, p. 8) provides a descriptive explanation:

"Suffice it to say that, as with *virtù*, *Fortuna* is employed by him in a distinctive way. Where conventional representations treated *Fortuna* as a mostly benign, if fickle, goddess, who is the source of human goods as well as evils, Machiavelli's fortune is a malevolent and uncompromising fount of human misery, affliction, and disaster."



Machiavelli—Uffizi statue [from Google free images]

In chapter 6, he describes the leader who follows in the paths of great men, to "...attain the level of skill [*virtù*] of those you imitate...paths beaten by great men and imitate those who have been most excellent, so that, if his own skill [*virtù*] does not come up to

theirs, at least it will give something of the odor of theirs" (Machiavelli, 1513/2003, p. 24). He goes on to discuss great men who "received nothing from Fortune but an opportunity...and that without that opportunity the strength [*virtù*] of their spirit would have been extinguished, and without that strength [*virtù*] the opportunity would have come in vain" (p. 25). This is also the chapter where he describes effective leader's ability [*virtù*] and outstanding ability [*virtù*] to spot opportunities and become prosperous. This is also where he gives the warning about the difficulty of introducing change (a new order of things), and the danger and doubtfulness of success in leading change.

Fortune is most explicitly described in Chapter 25 of *The Prince*. Machiavelli compares Fortune to a raging river (p. 105), which has the capacity to destroy everything in her path. He states that Fortune is the arbiter of half of our actions, but we have the capacity to influence the other half. However, we are only capable of resisting Fortune where *virtù* and wisdom have already prepared for her (Nederman, 2014).

In Machiavelli's world, human history is guided by these two concepts. *Virtù* embodies all that we commonly associate with the characteristics of success—prowess/strength, power, ability/skill, valor—whatever allows us to control events and others. Fortune embodies the forces that we are unable to control. "In other words, chance or luck, whether for good or bad" (Kreeft, 2003, p. 24).

BLACK SWANS

And speaking of chance or luck, we now turn our attention to Black Swans. As Taleb tells us in his book of the same name, before the discovery of Australia, people in the Old World thought all swans were white. Until the first black swan was seen in Australia, this belief was supported by empirical observation for all of known history. From this historic anecdote, he sets the overarching theme for his book (Taleb, 2007, p. xvii):

"It illustrates a severe limitation to our learning from observations or experience and the fragility of our knowledge. One single observation can invalidate a general statement derived from millennia of confirmatory sightings of millions of white swans."



[From: <http://anysnapshot.com/black-swan-silhouette-free-vector-download>]

What Taleb calls a Black Swan event has three characteristics:

- 1) It is an *outlier*—an event outside the realm of regular expectations;
- 2) It carries an extreme impact;
- 3) Human nature causes us to make it explainable and predictable after the fact, despite its outlier status.

He summarizes this as rarity, extreme impact, and retrospective predictability. "A small number of Black Swans explain almost everything in our world, from the success of ideas and religions, to the dynamics of historical events, to elements of our own personal lives" (p. xviii).

The central idea of Black Swan events is our blindness regarding randomness, especially regarding large deviations from the norm (what we customarily expect). Black Swan events are significant and unexpected, making what you do not know far more relevant than what you do know.

This makes living in a modern society problematic. Particularly in professions that require intellectual, scientific, or artistic skills, there is often a severe concentration of success, with a small number of



winners. There is only one general manager at a mine, one CEO of a corporation, one selection for each part in a play, one lab director. The dilemma for many (most?) in each profession—even though there is a small group at the top, there often are many of their peers that are equally qualified. “Many people labor in life under the impression that they are doing something right, yet they may not show solid results for a long time” (Taleb, 2007, p. 87). He points out that often the “winners” in this situation describe what they did to accomplish their success, yet among those who are not chosen there are many who are doing exactly the same things.

We tend to think in a linear fashion, looking for a causal link to explain events. Emotionally, we are designed for linear causality. But as Taleb makes clear, Black Swan events make a mockery of linear thinking; nonlinear relationships are ubiquitous in life. Our minds seek patterns. We attempt to find structure in meaningless data (Eagleman, 2011).

Power is often seen as an antidote to the capriciousness of Fortune. In current organizations, a belief in the certainty of information analysis, and the power to be derived from controlling events through analysis, is a central feature of corporate structure. The desire to quantify every aspect of organizational life creates the illusion of control (Camm, 2013; Pfeffer, 1992).

A dynamic that makes this even more maddening is when there are so many obviously gifted individuals available for selection, and the person who is chosen is incompetent. Taleb addresses this in *Fooled by Randomness*, where he shows statistically that given a typical sample population, you are inevitably going to get a distribution of varying competencies among different individuals chosen (Taleb, 2004). Invariably, we seek to explain our success as a result of our own skill and talent, even when it is obvious to everyone else that we have serious blind spots (Argyris & Schön, 1974). What we think we know and what is true are often quite dissimilar. The successful managers see their accomplishments as a result of their own skill and intelligence (their *virtù*), while their contemporaries might see it more as the result of luck (Fortune).

OUTLIERS

One of the characteristics of Black Swans is that they are outliers. Gladwell (2013; 2016) describes outliers as things or phenomena that lie outside normal experience. He describes the 10,000 hour rule, citing numerous examples of exceptionally talented and successful individuals who only excelled once they had invested years in reaching a high level of expertise. This obviously relates to what Machiavelli described as *virtù*. But Gladwell also stresses the part that luck plays in high achievement (2013, p. 1):

“In cognitively demanding fields, there are no naturals... — and more crucially for the theme of *Outliers*—the amount of practice necessary for exceptional performance is so extensive that people who end up on top need help. They invariably have access to lucky breaks or privileges or conditions that make all those years of practice possible.”

Gladwell seems to be saying that to reach the top levels of achievement in challenging professions, you are typically going to need both *virtù* and Fortune to reach the highest levels of success.

PERSONAL BLACK SWANS

Taleb writes that life is the cumulative effect of a handful of significant shocks (Taleb, 2007, p. xix). Some significant events in my life bear this idea out. Soon after I completed my Master’s degree, I happened to be visiting the University of Idaho mining engineering department for a work-related project. I ran into the department head, who had been one of my professors during my undergraduate days. When I told him I had just completed my graduate degree, he asked when I was going to get my Ph.D. I pointed out I had a family to support, and could not take time off. He told me if I was willing to do the work, they could make it happen. Long story short, I was able to complete my Ph.D., but I would never have even considered the possibility if it were not for that one conversation.

A few years after that conversation, I had completed my Ph.D. just as my employment with the U.S. Bureau of Mines was coming to an end. I was planning on opening a consulting company with one of my colleagues. One morning, I ran into another colleague in the lunchroom, and he mentioned the other Bureau of Mines facility in Spokane, the research lab across the river, was advertising for engineers. This lab was being transferred to another federal agency, and so was not closing. As a result of that conversation, I decided to apply, got the job, and stayed employed by the feds. That decision led to a lot of circumstances that brought me to my present position at Montana Tech, doing the thing I love. Again, one seemingly random conversation set me on a unique trajectory.

So, how does my experience relate to the subject of this preprint? In both cases, I needed to have the requisite skills and education to take advantage of each opportunity, so Machiavelli’s idea of *virtù* was present. However, in both cases there were also many other equally qualified individuals who could have filled those roles, so certainly Fortune was smiling on me at those particular times. Or was it just a Black Swan event, a random occurrence that I happened to be the beneficiary of on those particular days? I think Gladwell and Taleb would say it was both—there was certainly a large investment of time and effort that was necessary to have the required skills and credentials to be able to take advantage of each opportunity, but there was also a random quality to the specific circumstance (Taleb, 2004, 2007).

FINAL THOUGHTS

Being able to name something is an important step in gaining understanding; anxiety is often the result of not understanding, not *knowing*, the dynamics of a situation. I think Machiavelli got it wrong when he said life events were either because of *virtù* or Fortune. As Taleb suggests, a good dose of skepticism is appropriate, but we do not want to let it overwhelm the joy of life. We are not well served by total fatalism (everything is out of our hands), nor by self-congratulatory arrogance. To recognize the part both *virtù* and Fortune play in our lives will give us wisdom to negotiate the inevitable Black Swan events we are faced with:

“...all I will be showing you in this book is how to avoid crossing the street *blindfolded*” (Taleb, 2007, p. 49).

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