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The Consequences of Leaders' Blind Spots

'All decisions are based on models, and all models are wrong.'
John D. Sterman, Standish Professor of Management
and Director of the System Dynamics Group
at the MIT Sloan School of Management

In the last chapter we saw how we construct our living knowledge by filtering experiences in order to gain a degree of control, comfort and personal efficacy in the world. Our living knowledge comprises a complex matrix of 'facts', blind spots and biases that we regard as 'true', because they have been derived from our personal experience.

John D. Sterman, Professor of Management and Director of the System Dynamics Group at MIT Sloan School of Management claims:

> *'Most people are what philosophers call "naïve realists": they believe what they see **is**, that some things are just plain True – and that they know what they are. Instead, we stress that human perceptions and knowledge are limited, that we operate from the basis of mental models, that we can never place our mental models on a solid foundation of Truth because a model is a simplification, an abstraction, a selection, because our models are inevitably incomplete, incorrect – wrong.'*[1]

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[1] Sterman, J. D. (2002) 'All models are wrong: reflections on becoming a systems scientist.' *System Dynamics Review*, **18** (4), 501–531.

Because we 'construct' our truth, people with different experiences have vastly different understandings of reality, and this leads to a high potential for conflict – particularly when they believe that their understanding is 'complete' and 'true'.

Peter Senge quotes Ted Sizer, former Dean of the Harvard School of Education:

> *'It is not hyperbole to say that the growing gap between the complexities we face and our capacity to come to a shared understanding of that complexity poses an unprecedented challenge to our future.'*[2]

In order for our living knowledge to better reflect 'reality', we need to spend time in shared learning. It is only by listening to and absorbing the living knowledge that others have acquired that we expand our own understanding of reality and overcome our blind spots. This takes time and skill. As we saw in Chapter 2, people do not simply discard their beliefs. The process of changing beliefs can be painful and difficult. Moreover, in the West, we do not value time spent on reflection and we have not concentrated on developing the complex psychological skills involved in deep learning. Yet, it is the quality of our learning that will determine success in today's complex environments. Those Organizations that manage to update, enrich, share and deepen their organizational living knowledge will be those organizations that thrive in the more complex competitive world of the 21st century.[3]

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[2] Quoted in Senge, P. M. (2004) 'Creating Desired Futures in a Global Economy.' *Reflections – The SoL Journal on Knowledge, Learning and Change*, **5**.

[3] There is an extensive literature dedicated to examining the role of learning in helping organizations to adapt to changing complex environments. Examples include de Geus, A. (1988) 'Planning as Learning'. *Harvard Business Review*, March–April, 70–74. Crossan, M., Djurfeldt, L., Lane, H. W. and White, R. E. (1994) *Organizational Learning – Dimensions for a Theory*. Working Paper Series No. 94-09R. London, Canada: Western Business School, The University of Western Ontario. Crossan, M., Lane, H. W., Rush, J. C. and White, R. E. (1993) *Learning in Organizations*. Monograph from 1992 Workshop. London, Canada: Western Business School, The University of Western Ontario. Garvin, D. A. (1993) 'Building a Learning Organization'. *Harvard Business Review*, July–August, 78–91. Hayes, R. H., Wheelwright, S. C. and Clark, K. B. (1988) *Dynamic Manufacturing: Creating the Learning Organization*. New York: The Free Press. Hedberg, B. L. T. (1981) 'How Organizations Learn and Unlearn' in P. C. Nystrom

It is here that the role of leaders' learning is crucial. Leaders can choose to explore the limits of their (and their staff's) living knowledge and actively work to strengthen it; or leaders can choose to cling to the 'truth' of their living knowledge, making it easier for blind spots to infuse their decision making.

A study of over 160 companies examined what variables helped companies outperform their competitors over a period of five years. In reporting the research (known as the 'Evergreen Project'), the authors showed that CEOs directly influence a company's profitability or total return to shareholders.[4] But what was interesting about this study was that it was not the technical competencies of the leader that determined a company's success. What made the difference to organizational performance was the leader's ability to learn and to spread learning. Good leaders would:

- build relationships with people at all levels of the organization and inspire the rest of the management team to do the same;

- spot opportunities before competitors and address problems before they became 'nightmares'.

Both of these skills relate directly to a leader's learning. The leader is going straight to the front line and updating his living knowledge by talking to people who have direct experience of change. Indeed, in the same study, the authors refer to one effective CEO acting as a 'human sponge'. He spent his time regularly touring sites, talking to the people and absorbing information, ideas and new developments. He would then disseminate them throughout the company,

and W. H. Starbuck (Eds) *Handbook of Organizational Design*, Volume 1. New York: Oxford University Press. Huber, G. P. (1991) 'Organizational Learning: The Contributing Processes and the Literatures.' *Organization Science*, **2** (1), 88–115. Jones, A. M. and Hendry, C. (1992) *The Learning Organization: A Review of Literature and Practice*. Centre for Corporate Strategy and Change, Warwick Business School, The HRD Partnership. Kim, D. H. (1993) 'The Link Between Individual and Organizational Learning.' *Sloan Management Review*, Fall, 37–50. Lave, J. and Wenger, E. (1991) *Situated Learning – Legitimate peripheral participation*. Cambridge: Cambridge University Press. MacDonald, S. (1995) 'Learning to Change: An Information Perspective on Learning in the Organization'. *Organization Science*, **6** (5), 557–568.
[4] Nohria, N. Joyce, W. and Robinson, B. (2003) 'What Really Works.' *Harvard Business Review*, July, 42–52.

overcoming internal rivalries and divisions, spreading learning throughout the company through his extensive interpersonal network. This is a learning CEO in action, seeking out novel information and ideas, absorbing and making sense of them and then spreading them throughout the organization.

The ability to spot opportunities and address problems is also deeply relevant to a leader's ability to confront potential blind spots and learn. We shall see later that effective leaders face problems, whilst those who cannot tolerate discomfort deny them.

But maybe we are overstating the problem. Haven't leaders always winged it, got by through gut instinct? They have – but there are consequences. The following provide two examples of learning failures that occurred on an organizational level with devastating effects. Both are examples of what can happen when leaders succumb to blind spots and fail to learn.

The Collapse of Barings Bank – Blinded by Desire

In 1995 Nick Leeson became renowned as the person who single-handedly brought down Barings Bank. Leeson had gone into the Singapore money market and bought futures. Futures contracts enable you, for the cost of a 'margin' payment up front, to buy or sell shares commodities or currencies at a future date for a fixed price. If, in the meantime, the market price goes above the price you originally fixed, you are in profit; if it goes below your fixed price, you are in loss. Leeson bought futures and for a while made a profit. However, the price started to go against him and he started to make huge paper losses. Each time the loss reached a certain level, the bank had to put up a 'margin' – in effect, a percentage of the loss incurred in the future. Leeson's losses began to threaten the financial viability of the bank, but senior managers were unaware of this, as Leeson had hidden the losses in a secret account. Nevertheless, Leeson continued to ask for greater and greater 'margins' to be provided by senior management in London – this alone should have alerted some people to the fact that something unusual was occurring. In fact, some people did start to ask questions, but Leeson managed to convince his

senior management that he was about to make huge profits, beyond their wildest dreams, making them all personally extremely rich. Judith Rawnsley, a journalist who wrote about the Barings events, quotes a former director of Barings, who, seeing the way events were unfolding, left the bank before its collapse. According to him, Christopher Heath, the then CEO of Barings Securities, had:

'lost the plot. The success of the Eighties had gone to his head. He was interested only in his Bentleys and his race horses. He hadn't a clue what was going on'.[5]

In fact there were many clues and indications regarding the massive losses concealed by Nick Leeson before they became public in 1995. A number of people amongst the Baring's management *knew* there was something terribly wrong with regards to Nick's funding requests, and others guessed that his excessive earnings were unusual and unsustainable.[6] However, whenever the problem came to light, Leeson found it incredibly easy to fob people off. Following a meeting with Peter Norris, the then CEO of Barings Bank, and Leeson's manager Ron Baker, Leeson claimed:

'The only good thing about hiding losses from these people was that it was so easy. They were always too busy and too self-important, and were always on the telephone. They had the attention span of a gnat. They could not make the time to work through a sheet of numbers and spot that it didn't add up'.[7]

It is interesting to see Leeson instinctively focusing on a fundamental learning disability – the inability to get managers to pay attention to the issues concerned. When the Group

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[5] Rawnsley, J. (1995) *Going for Broke – Nick Leeson and the Collapse of Barings Bank.* London: HarperCollins, p. 88.
[6] Rawnsley, J. (1995) *Going for Broke – Nick Leeson and the Collapse of Barings Bank.* London: HarperCollins, p. 136 and p. 172. Also see Leeson, N. (1996) *Rogue Trader.* London: Little, Brown and Company, p. 185.
[7] Leeson, N. (1996) *Rogue Trader.* London: Little, Brown and Company, p. 141.

Treasurer spoke to one senior executive about a £50 million hole in Barings balance sheet, he was met with an exasperated:

> *'God . . . you're the guy who's always asking these time-consuming questions'.*[8]

Here is a clear example of another learning disability. The questions trigger annoyance and frustration. In order to get rid of the negative feelings, the senior executive dismisses the person and the questions!

Various people quizzed Nick regarding problems with the accounts. Auditors raised questions regarding unaccounted for liabilities. The Singapore financial authorities started sending letters to the bank questioning their liabilities. Whenever anyone raised these questions, Nick found it incredibly easy to dismiss them. On one occasion, Nick was quizzed by Simon Jones, the Regional Operations Manager and Director of Barings Futures Singapore. He had received a letter from the financial authorities warning him about the potential liabilities and the notorious 88888 account where all the losses were hidden. Nick found it incredibly easy to distract Simon, blaming the authorities for being overly bureaucratic. This is his account of the conversation:

> *'They're f★★★ing idiots', Simon agreed. 'And what's this calculation – it looks about £90 million out to me'.*
>
> *'Yeah, I know. Look, I'll draft an answer for you,' I said, holding out my hand for the letter. 'Don't worry about it'.*
>
> *'Yes, do that, will you? Get the reply on my desk by tomorrow . . . Now what are you betting on Man United?'*[9]

There are further accounts of similar conversations where Nick finds it easy to distract people's attention away from the evi-

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[8] Leeson, N. (1996) *Rogue Trader*. London: Little, Brown and Company, p. 169.
[9] Leeson, N. (1996) *Rogue Trader*. London: Little, Brown and Company, p. 159.

dence in front of them. It seemed as if everyone was eager to believe Nick's lies. Nick concluded:

> *'As each day went on, and my requests continued to be met, the explanation dawned on me: they wanted to believe it was all true. There was a howling discrepancy which would have been obvious to a child – the money they sent to Singapore was unaccounted for – but they wanted to believe otherwise, because it made them feel richer.'*[10]

This is supported by Rawnsley:

> *'Leeson's bosses were reluctant to upset their star trader . . . as Andrew Fraser commented, "in so far as one had a feeling about him [it was] for God's sake don't interfere."'*[11]

This is a classic case of a blind spot that infects the whole organization. Management wanted to believe that they were going to become amazingly wealthy. They had no doubt planned their futures around their bonuses – boasted to their friends and contacts and promised their families great things. They dismissed as 'bean counters' those who were asking questions and refusing to believe Nick's obviously fraudulent figures.

Their sensemaking was driven by desire, making them blind to the truth – even though other senior people tried to draw their attention to it.

It isn't easy to spot problems, because spotting problems can be scary. All of a sudden, a future consisting of six figure bonuses is blotted out and replaced by uncertainty and fear. Nick is right, these people wanted to believe the impossible was true, because the alternative was simply too painful to face. Barings' senior management had severe

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[10] Leeson, N. (1996) *Rogue Trader*. London: Little, Brown and Company, p. 161.
[11] Rawnsley, J. (1995) *Going for Broke – Nick Leeson and the Collapse of Barings Bank*. London: HarperCollins, p. 140.

blind spots which contributed to the downfall of an organization that, prior to that, had survived for over a century.

Learning from problems is not a rational business. It requires self discipline, courage, self awareness and painful honesty, particularly on the part of leaders. This is nowhere more obvious than in the next case – The Bristol Royal Infirmary.

The Bristol Royal Infirmary – 'Wilful Blindness, Professional Hubris and an Inappropriate Degree of Rigidity'[12]

The case of the Bristol Royal Infirmary shows how a failure to spot problems can result in truly appalling consequences – in this case, the avoidable deaths of over 30 young children.

The Bristol Royal Infirmary (BRI) had a paediatric open-heart surgery team which was found to be less competent than its peers in the rest of the UK, so that:

 'More children died than might have been expected in a typical PCS unit. In the period from 1991 to 1995, between 30 and 35 more children under 1 died after open heart surgery in the Bristol Unit than might be expected had the Unit been typical of other PCS units in England at the time'.[13]

Once again, people both inside and outside the hospital were aware of the problems. In 1998, the government announced that a Public Inquiry would be established, investigating what had taken place at the BRI. Subsequently, the Inquiry found that:

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[12] Quotes taken from the *Bristol Royal Infirmary Inquiry*, July 2001. Norwich: The Stationery Office Limited, pp. 163–164.
[13] *Bristol Royal Infirmary Inquiry*, July 2001. Norwich: The Stationery Office Limited, p. 2.

> *'Bristol was awash with data. There was enough information from the late 1980s onwards to cause questions about mortality rates to be raised both in Bristol and elsewhere had the mindset to do so existed'.*[14]

Dr Stephen Bolsin, the anaesthetist, had been harbouring doubts as to the competence of the surgeons involved for a few years. He, like others, hesitated to raise his doubts as he would have been challenging two very powerful and influential surgeons. However, in 1991, a six year old boy came in for surgery. Dr Bolsin considered raising some questions before the boy went into surgery. He didn't and tragically the boy died. As a result of this case, Bolsin decided it was his duty to raise his concerns regarding the mortality rates of the surgeons, despite the risks involved. This was an opportunity to take stock, reflect and learn. What happened instead was that, over a period of time, Dr Bolsin was at first ignored, then castigated and eventually subjected to harassment. He claimed that:

> *'No medical or non-medical professional in the NHS should have to endure the threats and discrimination that I was subjected to'.*[15]

He subsequently was unable to find work in the NHS in the UK and eventually decided to go to Australia. He is now highly respected in his field and writes and talks on the issues of ethics in medicine.

The Public Inquiry found that not only were the two surgeons implicated in the failings of the BRI, but so was the Chief Executive of the Bristol Healthcare Trust, Dr Roylance. Neither Roylance nor the Medical Director of the hospital, Mr Wisheart, did anything when presented with evidence of the problems. In other words, the two leaders denied the evidence and refused to learn, despite the fact that senior staff tried to raise concerns.

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[14] *Bristol Royal Infirmary Inquiry*, July 2001. Norwich: The Stationery Office Limited, p. 3.

[15] Dr Bolsin is quoted as having said this on the website: www.freedomtocare.org.

How could top management refuse to consider the evidence when there were babies' lives at stake? The Inquiry attributes this behaviour to 'wilful blindness', 'professional hubris' and 'an inappropriate degree of rigidity'[16] (in other words, an inability to open oneself to learning). In effect, the two leaders wanted desperately to be seen at the leading edge of developments and accorded the status of *Supra Regional Service*. With this goal in mind, 'no question could arise of withdrawing from any activity'.[17] In addition, Dr Roylance had a strong belief in the demarcation of managerial and clinical issues and strongly discouraged staff from bringing any clinical related problems to him – 'a managerial approach (that) could be categorized as managerial blindness'.[18]

These leaders contributed towards the creation of a 'club culture' in which there was an 'imbalance of power, with too much control in the hands of a few individuals'.[19] This style of management 'had a punitive element to it' which meant that 'it was difficult to raise what were considered to be legitimate concerns'. Indeed, to bring concerns into the open was not seen as either 'safe or acceptable'.[20]

In this climate 'the needs of very sick children in the 1980s and 1990s were not given a high priority'.[21] The only priority seems to have been the goals of the senior people, their self esteem, their psychological comfort and their deep-rooted needs for control, power and influence.

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[16] *Bristol Royal Infirmary Inquiry*, July 2001. Norwich: The Stationery Office Limited, pp. 164, 165 and 167.
[17] *Bristol Royal Infirmary Inquiry*, July 2001. Norwich: The Stationery Office Limited, p. 164.
[18] *Bristol Royal Infirmary Inquiry*, July 2001. Norwich: The Stationery Office Limited, p. 167.
[19] *Bristol Royal Infirmary Inquiry*, July 2001. Norwich: The Stationery Office Limited, p. 2.
[20] *Bristol Royal Infirmary Inquiry*, July 2001. Norwich: The Stationery Office Limited, p. 165.
[21] *Bristol Royal Infirmary Inquiry*, July 2001. Norwich: The Stationery Office Limited, p. 2.

The BRI case shows clearly how the goals, priorities, fears and desires of the leaders of an organization prevented learning from taking place, despite the fact that many other senior staff had raised concerns. As a result, the lives of at least 30 very young children were sacrificed.

Learning matters – everyone should take responsibility for what they learn and how they learn. But the learning of leaders is particularly important – the lives and wellbeing of thousands of people are affected by the judgements and decisions of leaders. Most of the time our leaders' blind spots and inability to learn do not result in death or the collapse of an organization. However, leaders' learning disabilities are common and always have deleterious effects on individuals and organizations.

Having acknowledged the significance of leaders' learning, it is probably true to say that it is even more difficult for leaders to learn than the rest of us. This is because:

- Leaders are paid to know the answers; people do not expect their leaders to admit to uncertainty or doubt and can interpret this as a sign of weakness.

- Leaders have been highly successful; it is tempting to repeat what has been successful in the past and to assume that previous strategies are 'right' whatever the context.

- Leaders' mistakes are highly visible. Learning often involves trying out untested behaviours and approaches; some mistakes are bound to occur, and when they do, the visibility can threaten a leader's credibility.

- Leaders are often surrounded by people wary of challenging their views. Leaders may encourage this by 'punishing' (often unconsciously) people who challenge them. On a more basic level, leaders often surround themselves with people who share their values and outlook on life – it is easier to communicate this way. Surrounding themselves with like-minded people means that differing views are not heard.

- Leaders are often alone and have little opportunity to discuss their concerns.

- Leaders are measured by results; they are not measured by how they deliver them, and as a result they may achieve short-term results at the expense of other valued outcomes, many of which only come to light years down the line.

- Leaders have a lot to lose if they take risks – position, power, influence, status and wealth.

- Leaders have to believe they are right in terms of their own vision; it can be very difficult for a leader to know when they are right and when they may be mistaken.

That is not to say that leaders should not have visions. Nor that they should not believe that their visions may be 'right'. But that they should hold these views with 'positive humility'. Peter Hyman, Tony Blair's advisor and strategist, who wrote many of Blair's speeches on education, gave up his political post and became a teacher in one of the most deprived inner-city comprehensives in London. He wrote a book based on his experience of what he calls his 'jolt of reality'. He writes about the challenges involved in applying a vision to the complexities of the real world:

> 'Those at the centre relish ideas and, in the main, are bored by practicalities. Those who suggest better ways of making policy work are too often dismissed as whingers or of obstructing change. Why isn't this more of a partnership? Why can't politicians acknowledge that those on the frontline might know more? Why can't they admit that good policy only works with good practice? I knew that, for my part, I was someone who loved the big vision and the symbolic policy. Now I realize that real 'delivery' is about the grind, not just the grand. It's about the combination of often small things that build over time, through individual relationships and genuine expertise and hard work'.[22]

Hyman acknowledged that the strategists write strategy because they love strategy – that's what they do and that's who they are. They dislike the boring, practical detail and have a tendency to dismiss people who see the limitations of the strategy as 'whingers' and 'obstructors of change'. From his new vantage point, however, Hyman virtually acknowledges that when leaders fail to listen, it is

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[22] Hyman, P. (2005) *1 out of 10*. London: Vintage.

they who are the whingers and obstructors of change. Stuck in their preferred modes of seeing the world, they dismiss others who do not share that view but who have so much practical experience to offer them. The problem is that practical people too often see why strategy will not work and the strategists interpret their objections as obstructions, complicating their vision and making things too difficult.

Peter Senge addresses the 'vision' problem, showing two easy ways for leaders to avoid the problems associated with having a vision:

> *'This "bringing of vision to reality" is also the essence of great social, political or business leadership. However, because this tension between vision and reality can be uncomfortable, creative tension becomes emotional tension and we often seek ways around it. One way to lessen the emotional tension is simply to reduce our true vision, to give up our dreams and aim for only "realistic goals". Whilst this might reduce our discomfort, it also reduces creative energy. The second way is even more troubling: we do not tell the truth about current reality. Just as the dynamics of compromise – lowering our vision – are common in human affairs, so too are the dynamics of denial. But to the extent that we misrepresent current reality, we lose the capacity to change that reality. The energy of the creative process is released not just by holding true to a vision, but also by telling the truth about what is.*[23]

Appreciating that none of us can be completely right about reality, Senge does not advocate giving up 'visions'. Rather, he extols us to craft a vision whilst engaging with the complexity, difficulty and emotional tension that invariably accompany its realization. Visionaries should not dismiss reality, they should not dismiss people who bring complexity as whingers and obstructors of change. Indeed, if the visions are going to succeed, leaders need to engage with the complexity, actively seeking it out and listening to alternative views and opinions.

This involves a major shift in some of the underlying assumptions regarding the management/leadership role. In the world of

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[23] Senge, P. M. (2004) 'Creating Desired Futures in a Global Economy'. *Reflections – The SoL Journal on Knowledge, Learning and Change*, **5**.

constant adaptation, it is the job of leaders to take people on a journey of continuous learning, making sense of events as they occur and ensuring their organizations adapt accordingly. In this paradigm, all leaders are *thought leaders* – not so much visionaries and prophets but co-crafters of meaning. This means their job is not to identify personally and in isolation 'what is right', but rather to engineer the systems and processes that will generate deeper, more accurate and inclusive truths that enable effective action. It involves developing the ability of 'learning how to learn' and engaging with others in making sense of our world. It means bringing people from widely differing preferences, values and perspectives together and forging deeper, more accurate ways of seeing reality. It means being able to contain the inevitable anxiety involved in this process, reassuring people through the inevitable conflicts, confusions and ebbs and flows in trust. It means being able to spot and overcome personal blind spots and helping others to do the same.

Adam Kahane gives some examples of this type of leadership in his book *Solving Tough Problems*.[24] In one situation he describes how a diverse and fragmented group of Argentinian leaders, from all parts of a divided society, came together to address unresolved issues in the justice system. According to Kahane:

> 'They all arrived with their own perspectives and projects, disconnected and in many cases at odds with those of others'.

The group experienced frustration, anger and despair. However, through the process of 'dialogue' that Kahane encouraged, the group managed to come together:

> 'success was achieved through a shift in the way the team members talked and listened. They came to the meeting prepared – as befitted a group of lawyers and judges – to make their arguments and to judge the arguments of others. At the beginning they were nervous and cautious, not so much listening as waiting for their turn to pontificate, to deliver their official, already-thought-through speeches. As they relaxed and got caught up in the excitement of the work and

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[24] Kahane, A. (2004) *Solving Tough Problems: an open way of talking, listening and creating new realities*. San Francisco: Berrett-Koehler, p. 98.

the engaging process, they started listening more openly and speaking more spontaneously and frankly'.[25]

The group started to generate new, shared insights into the problems and to create powerful new solutions. They began to expand their living knowledge of the issues by listening and opening themselves up to others who did not share their experiences, beliefs or values:

> *'That evening the participants listened intently, with empathy and wonder, and they spoke surprisingly personally and emotionally. They listened with and spoke from their hearts. Their stories were the window through which they could see two critical phenomena: each other as fellow humans and actors and, beyond the individuals, what was emerging in the situation as a whole and what it demanded of them.'*[26]

This is not 'touchy-feely'; it is tough, vulnerable and creative leadership. Furthermore, it is the only type of leadership that is capable of solving the tough problems that characterize our organizations and social institutions today.

It is not easy to learn like this. But the cases of Barings Bank and the Royal Bristol Infirmary show us that it is important to try. There has been a tendency to claim that people are learning all the time; that living necessarily entails learning. This comes from a US/European 1960s, humanist viewpoint that claims that all human beings are essentially driven to learn, grow, adapt and change.[27] The same viewpoint claims that all human beings want to learn and express their creativity at work.

In the 1950s, the management theorist Douglas McGregor claimed that all managers had a theory of human nature that drove their

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[25] Kahane, A. (2004) *Solving Tough Problems: an open way of talking, listening and creating new realities.* San Francisco: Berrett-Koehler, p. 98.

[26] Kahane, A. (2004) *Solving Tough Problems: an open way of talking, listening and creating new realities*. San Francisco: Berrett-Koehler, p. 102.

[27] Maslow, A. (1964) *Motivation and Personality*. New York: Harper and Row. McGregor, D. (1960) *The Human Side of Enterprise*. New York: McGraw Hill. Rogers, C. R. (1961) *On Becoming a Person*. Cambridge, MA: The Riverside Press.

management style. He described Theory X and Theory Y managers. Theory X managers assumed that all people were inherently selfish, lazy and would avoid work if at all possible. Theory Y managers assumed that people were motivated to learn and grow and employ creativity in their work. According to Theory Y, the desire to work and learn was as integral to the human spirit as the desire to play or rest. Since then, generations of managers have been taught that Theory Y is the 'correct' assumption and, as a result, have learned many techniques based upon that point of view.

The problem with this approach is that it is a gross oversimplification of reality (like all models!). Of course we want to learn – what suits us; we prefer to avoid what is painful and doesn't suit us. We are both self-actualizing and self-ish beings: we learn and we deny; we express creativity and we avoid risk; we are energetic and lazy. More than anything, we are happiness seekers – some seek happiness in 'freedom from pain', others seek happiness in the 'adrenalin of risk', others seek happiness in a 'retreat from reality' and others seek happiness in 'safety' and 'security'. We are all, all of these things. And, like the managers at Barings or the Bristol Royal Infirmary, we are creatures of desire and fear – and the desire and fear will determine exactly what we learn and how we learn it.

In fact, it is only when we recognize how difficult it is to 'really learn', that real leadership becomes possible.