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# BIG IDEA

## Failure

You are supposed to learn from it, but hardly anyone does. It is the F-word of business: it destroys careers, and shreds company images. The chief and least useful lesson people derive from failure is to avoid it at all costs. This instinct is hardwired, so don't be surprised to find yourself as irrational as you can be in its evasion, compensation and cover-up.

Research has shown that we wrap ourselves in the false comfort of magical control beliefs, which come in three kinds. One, we say to ourselves: next time I will see it coming and know what to do. Two, we say: it was an error of performance and I will do better next time. Three, we say: it is because I am deficient in my qualities, so I will strive to be a better person and failure-proof.

None of these gets to the root of failure, which is why the F-word remains a hazard on trading desks. Managers have to coach traders to escape from those fallacious beliefs and be dispassionate, not only in seeking to understand the causes of major losses, but also to accept their fallibility and to forgive themselves.

➤ To see Nigel Nicholson's book, *The 'I' of Leadership: Strategies for seeing, being and doing* (Jossey-Bass), go to [iofleadership.com](http://iofleadership.com)

