

**“The fifth discipline” by Peter M Senge.  
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**Summarised by Andrew Gibbons**

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The five disciplines:

Systems thinking  
Personal mastery  
Mental models  
Building shared vision  
Team learning

- P 4 “The ability to learn faster than your competitors may be the only sustainable competitive advantage”.

Arie De Geus, Royal Dutch/Shell.

“Learning organisations are possible because, deep down, we are all learners. No one has to teach an infant how to learn. In fact, no one has to teach infants anything. They are intrinsically inquisitive, masterful learners who learn to walk, speak, and pretty much run their households all on their own”.

- P 6 The five disciplines: systems thinking; personal mastery; mental models; building shared visions, and team learning.

- P 11 “The more you learn, the more acutely aware you become of your ignorance”.

- P 12 “Systems thinking needs the disciplines of building shared vision, mental models, and personal mastery to realise its potential. Building shared vision fosters a commitment to the long term. Mental models focus on the openness needed to unearth shortcomings in our present ways of seeing the world. Team learning develops the skills of groups of people to look for the larger picture that lies beyond individual perspectives. And personal mastery fosters the personal motivation to continually learn how our actions affect our world.

Lastly, systems thinking makes understandable the subtlest aspect of the learning organisation - the new way individuals perceive themselves and their world. At the heart of a learning organisation is a shift of mind - from seeing ourselves as separate from the world to connected to the world, from seeing problems as caused by someone or something ‘out there’ to seeing how our own actions create the problems we experience”.

- P 13 “Most people’s eyes glaze over if you talk to them about ‘learning’ or ‘learning organisations’. Little wonder - for, in everyday use, learning has come to be synonymous with ‘taking in information’. ‘Yes, I learned all about that on the course yesterday’. Yet taking in information is only distantly related to real learning”.

- P 17 “Few large corporations live even half as long as a person. In 1983, a Royal Dutch/Shell survey found that one third of the firms in the ‘fortune 500’ in 1970 had vanished. Shell estimated that the average lifetime of the largest industrial enterprises is less than forty years, roughly half the lifetime of a human being! The chances are fifty-fifty that readers of this book will see their present firm disappear during their working career”.

- P 18 “Learning disabilities are tragic in children, especially when they go undetected. They are no less tragic in organisations, where they also go largely undetected. The first step in curing them is to begin to identify the seven learning disabilities”.

“1. ‘*I am my position*’. We are trained to be loyal to our jobs - so much so that we confuse them with our own identities...they ‘do their job’, put in their time, and try to cope with the forces outside of their control. Consequently, they tend to see their responsibilities as limited to the boundaries of their position”.

- P 19 “When people in organisations focus only on their position, they have little sense of responsibility for the results produced when all positions interact. Moreover, when results are

disappointing, it can be very difficult to know why. All you can do is assume that 'someone screwed up'".

"2. *'The enemy is out there'*. "There is in each of us a propensity to find someone or something outside ourselves to blame when things go wrong".

"When we focus only on our position, we do not see how our own actions extend beyond the boundary of that position. When those actions have consequences that come back to hurt us, we misconceive these new problems as externally caused".

P 20 "3. *'The illusion of taking charge'*. All too often, proactiveness is reactivity in disguise. If we simply become more aggressive fighting the 'enemy out there', we are reacting - regardless of what we call it. True proactiveness comes from seeing how we contribute to our own problems. It is a product of our way of thinking, not our emotional state".

"4. *'The fixation on events'*. We are conditioned to see life as a series of events, and for every event, we think there is one obvious cause...such explanations may be true as far as they go, but they distract us from seeing the longer-term patterns of change that lie behind the events and from understanding the causes of those patterns".

P 22 "Generative learning cannot be sustained in an organisation if people's thinking is dominated by short-term events. If we focus on events, the best we can ever do is predict an event before it happens so that we can react optimally. But we cannot learn to create".

P 23 "5. *'The parable of the dead frog'*. Learning to see slow, gradual processes requires slowing down our frenetic pace and paying attention to the subtle as well as the dramatic."

"6. *'The delusion of learning from experience'* "The most powerful learning comes from direct actions. What happens if the primary consequences of our actions are in the distant future, or in a distant part of the larger system within we operate?".

"We each have a 'learning horizon', a breadth of vision in time and space within which we assess our effectiveness. When our actions have consequences beyond our learning horizon, it becomes impossible to learn from direct experience".

"Herein lies the core learning dilemma that confronts organisations: *we learn best from experience but we never directly experience the consequences of many of our most important decisions*. The most critical decisions made in organisations have systemwide consequences that stretch over years or decades".

"Promoting the right people into leadership positions shapes strategy and organisational climate for years. These are exactly the types of decisions where there is the least opportunity for trial and error learning".

"Cycles are particularly hard to see, and thus learn from if they last longer than a year or two".

P 24 "7. *'The myth of the management team'* All too often, teams in business tend to spend their time fighting for turf, avoiding anything that will make them look bad personally, and pretending that everyone is behind the team's collective strategy - maintaining the *appearance* of a cohesive team".

P 25 "Argyris argues that most managers find collective inquiry inherently threatening...(when was the last time someone was rewarded in your organisation for raising difficult questions about the company's current policies rather than solving urgent problems?)".

"Even if we feel uncertain or ignorant, we learn to protect ourselves from the pain of appearing uncertain or ignorant. That very process blocks out any new understandings which might threaten us. The consequence is what Argyris calls 'skilled incompetence' - teams full of people who are incredibly proficient at keeping themselves from learning".

P 58 "Often we are puzzled by the causes of our problems; when we merely need to look at our own solutions to other problems in the past.

P 68 "I see systems thinking as a way of seeing wholes. It is a framework for seeing interrelationships

rather than things, for seeing patterns of change rather than static snapshots”.

P 69 “I call systems thinking the fifth discipline because it is the conceptual cornerstone that underlies all of the five learning disciplines of this book”.

“Without systems thinking, there is neither the incentive nor the means to integrate the learning disciplines once they have come into practice”.

P 72 “Seeing the major interrelationships underlying a problem leads to new insight into what might be done”.

P 73 “Reality is made up of circles, but we see straight lines”. Herein lie the beginnings of our limitation as systems thinkers”.

P 75 “The key to seeing reality systemically is seeing circles of influence rather than straight lines. This is the first step to breaking out of the reactive mindset that comes inevitably from ‘linear’ thinking. Every circle tells a story. By tracing the flows of influence, you can see patterns that repeat themselves, time after time, making situations better or worse”.

P 78 “In mastering systems thinking, we give up the assumption that there must be an individual, or individual agent, responsible...(and accept that) *everyone shares responsibility for problems generated by a system*”.

P 83 “Extinctions of species often follow patterns of slow, gradually accelerating decline over long time periods, then rapid demise. So do extinctions of corporations”.

P 88 “Resistance to change...almost always arises from threats to traditional norms and ways of doing things”.

“Rather than pushing harder to overcome resistance to change, artful leaders discern the source of the resistance. They focus directly on the implicit norms and powerful relationships within which the norms are embedded”.

P 101 “To change the behaviour of the system, you must identify and change the limiting factor. This may require actions you may not yet have considered, choices you never noticed, or difficult changes in rewards and norms”.

P 114 “The bottom line of systems thinking is leverage - seeing where actions and changes in structures can lead to significant, enduring improvements. Often leverage follows the principle of economy of means: where the best results come not from large-scale efforts but from small well-focused actions”.

“Our nonsystemic ways of thinking are so damaging specifically because they consistently lead us to focus on low-leverage changes: we focus on symptoms where the stress is greatest. We repair or ameliorate the symptoms. But such efforts only make matters better in the short run, at best, and worse in the long run”.

P 123 “The standards that are most important are those that matter the most to the customer”.

P 126 “The essence of mastering systems thinking as a management discipline lies in seeing patterns where others only see events and forces to react to”.

P 128 “I would suggest that the fundamental ‘information problem’ faced by managers is not too little information but too much. What we most need are ways to know what is important and what is not important, what variables to focus on and which to pay less attention to - and we need ways to do this which can help groups or teams develop shared understanding”.

P 139 “Organisations learn only through individuals who learn. Individual learning does not guarantee organisational learning, but without it no organisational learning occurs”.

P 141 “Personal mastery is the phrase my colleagues and I use for the discipline of personal growth

and learning. People with high levels of personal mastery are continually expanding their ability to create the results in life they truly seek. From their quest for continual learning comes the spirit of the learning organisation”.

“When personal mastery becomes a discipline - and activity we integrate into our lives - it embodies two underlying movements. The first is continually clarifying what is important to us. We often spend too much time coping with problems along our path that we forget why we are on that path in the first place. The result is that we only have a dim, or even inaccurate view of what’s really important to us”.

P 142 “The second is continually learning how to see current reality more clearly...in moving toward a desired destination, it is vital to know where you are now”.

“The essence of personal mastery is learning how to generate and sustain creative tension in our lives. ‘Learning’ in this context does not mean acquiring more information, but expanding the ability to produce the results we truly want in life. It is lifelong generative learning, and learning organisations are not possible unless they have people at all levels who practice it”.

“People with a high level of personal mastery share several basic characteristics. They have a special sense of purpose that lies behind their visions and goals...they see ‘current reality’ as an ally, not an enemy. They have learned how to perceive and work with forces of change rather than resist those forces. They are deeply inquisitive...they feel part of a larger creative process, which they can influence but cannot unilaterally control”.

“People with a high level of personal mastery live in a continual learning mode...personal mastery is not something you possess. It is a process. It is a lifelong discipline. People with a high level of personal mastery are acutely aware of their ignorance, their incompetence, their growth areas. And they are deeply self-confident. Paradoxical? Only for those who do not see that ‘the journey is the reward’ ”.

P 143 “People with high levels of personal mastery are more committed. They take more initiative. They have a broader and deeper sense of responsibility in their work. They learn faster”.

P 145 “Who could resist the benefits of personal mastery? Yet, many people and organisations do”.

P 146 “There are obvious reasons why companies resist encouraging personal mastery. It is ‘soft’, based in part on unquantifiable concepts such as intuition and personal vision. No one will be able to measure to three decimal places how much personal mastery contributes to productivity and the bottom line”.

“In combating cynicism, it helps to know its source. Scratch the surface of most cynics and you will find a frustrated idealist - someone who made the mistake of converting his ideals into expectations. For example, many of those cynical about personal mastery once held high ideals about people. They found themselves disappointed, hurt, and eventually embittered because people fell short of their ideals”.

“Some fear that personal mastery will threaten the established order of a well-managed company. This is a valid fear. *To empower people in an unaligned organisation can be counter-productive*”.

P 147 “Most adults have little sense of real vision. We have goals and objectives, but these are not visions. When asked what they want, many adults will say what they want to get rid of...‘negative visions’ are sadly commonplace, even among very successful people. They are the by-product of a life of fitting in, of coping, of problem solving. As a teenager in one of our programs once said, ‘we shouldn’t call them ‘grown ups’ we should call them ‘given ups’ ”.

P 148 “Real vision cannot be understood in isolation from the idea of purpose”.

P 150 “In many ways, clarifying vision is one is one of the easier aspects of personal mastery. A more difficult challenge, for many, comes in facing current reality”.

“The gap between vision and current reality is a source of energy. If there was no gap, there would be no need for any action to move toward the vision. Indeed, the gap is *the* source of

creative energy. We call this gap *creative tension*".

P 154 "Ed Land, founder, and president of Polaroid for decades and inventor of instant photography, had one plaque on his wall. It read: *A mistake is an event, the full benefit of which has not yet been turned to your advantage*".

P 156 Robert Fritz: "We have a dominant belief that we are not able to fulfil our desires. As children, we learn what our limitations are. Children are rightfully taught limitations essential to their survival. But too often this learning is generalised. We are constantly told we can't have or can't do certain things, and we may come to assume that we have an inability to have what we want".

P 161 "The power of the truth, seeing reality more and more as it is, cleansing the lens of deception, awakening from self-imposed distortions of reality - different expressions of a common principle in almost all the world's great philosophic and religious systems".

"Buddhists strive to achieve the state of 'pure observation', of seeing reality directly. Hindus speak of 'witnessing', observing themselves and their lives with an attitude of spiritual detachment. The Koran ends with the phrase 'what a tragedy that man must die before he wakes up'".

P 166 "An effective way to focus the subconscious is through imagery and visualisation. For example, world-class swimmers have found that by imagining their hands to be twice their actual size and their feet to be webbed, they actually swim faster. 'Mental rehearsal' of complex feats has become routine psychological training for diverse professional performers".

P 168 "Numerous studies show that experienced managers and leaders rely heavily on intuition - that they do not figure out complex problems entirely rationally. They rely on hunches, recognise patterns, and draw analogies and parallels to other seemingly disparate situations".

P 172 "It must be remembered that embarking on any path of personal growth is a matter of choice. No one can be forced to develop his or her personal mastery. It is guaranteed to backfire. Organisations can get into considerable difficulty if they become too aggressive in promoting personal mastery for their members".

"What then can leaders intent on fostering personal mastery do? They can work relentlessly to foster a climate in which the principles of personal mastery are practised in daily life. That means building an organisation where it is safe for people to create visions, where inquiry and commitment to the truth are the norm, and where challenging the status quo is expected - especially when the status quo includes obscuring aspects of current reality that people seek to avoid".

P 173 "There is nothing more important to an individual committed to his or her own growth than a supportive environment".

"The core leadership strategy is simple: be a model. Commit yourself to your own personal mastery. Talking about personal mastery may open some people's minds somewhat, but actions speak louder than words. There's nothing more powerful you can do to encourage others in their quest for personal mastery than to be serious in your own quest".

P 175 "Our 'mental models' determine not only how we make sense of the world, but how we take action".

"Mental models can be simple generalisations such as 'people are untrustworthy' or they can be complex theories, such as my assumptions about why members of my family interact as they do. But what is important to grasp is that mental models are *active* - they shape how we act. If we believe people are untrustworthy, we act differently than if we believed they were trustworthy".

"Why are mental models so powerful in affecting what we *do*? In part, because they affect what we *see*. Two people with different mental models can observe the same event and describe it differently, because they've looked at different details".

"As Albert Einstein once wrote, 'our theories determine what we measure' ".

- P 176 “The problems with mental models lie not in whether they are right or wrong - by definition, all models are simplifications. The problems with mental models arise when the models are tacit - when they exist below the level of awareness”.
- P 190 “People are more effective when they develop their own models - even if mental models from more experienced people can avoid mistakes”.
- P 192 Senge describes the work of Donald Schon, who suggests that professionals who become lifelong learners have mastered the process of ‘reflection in action’ - “the ability to reflect on one’s thinking while acting”.
- P 199 “One indicator of a team in trouble is when in a several hour meeting there are few, if any, questions”.
- Senge encourages managers in particular to get the balance right between ‘advocacy’ and ‘inquiry’, where the former focuses upon giving opinions, views, and making known your own mental models, and the latter concentrates on seeking the same from others, giving time and interest, at the expense of time spent on themselves.
- P 203 “If managers ‘believe’ their world views are facts rather than sets of assumptions, they will not be open to challenging those world views”.
- P 206 “At its simplest level, a shared vision is the answer to the question ‘what are we trying to create?’ ...shared vision is vital for the learning organisation because it provides the focus and energy for learning”.
- P 208 “In a corporation, a shared vision changes people’s relationship with the company. It is no longer ‘their company’ it becomes ‘our company’. A shared vision is the first step in allowing people who mistrusted each other to begin to work together”.
- P 209 “You cannot have a learning organisation without shared vision. Without a pull toward some goal which people truly want to achieve, the forces in support of the status quo can be overwhelming. Vision establishes an overarching goal”.
- “With a shared vision, we are more likely to expose our ways of thinking, give up deeply held views, and recognise personal and organisational shortcomings. All that trouble seems trivial compared with the importance of what we are trying to create. As Robert Fritz puts it, ‘in the presence of greatness, pettiness disappears’. In the absence of a great dream, pettiness prevails”.
- P 210 “It may simply not be possible to convince human beings rationally to take a long term view. People do not focus on the long term because they *have* to, but because they *want* to”.
- P 211 “Organisations intent on building shared visions continually encourage members to develop their personal visions. If people don’t have their own vision, all they can do is ‘sign up’ for someone else’s. The result is compliance, never commitment. On the other hand, people with a strong sense of personal direction can join together to create a powerful synergy toward what I/we really want”.
- P 217 “Managers who are skilled at building shared visions talk about the process in ordinary terms”.
- P 218 “It is our experience that, 90% of the time, what passes for commitment is compliance”.
- P 223 “Building shared vision is actually only one piece of a larger activity: developing the ‘governing ideas’ for the enterprise, its vision, purpose or mission, and core values. A vision not consistent with values that people live by day by day will not only fail to inspire genuine enthusiasm, it will often foster outright cynicism”.
- “These governing ideas answer three critical questions: ‘what?’ ‘why?’ and ‘how?’.
- “Vision is the ‘what?’ - the picture of the future we seek to create. Purpose (or ‘mission’) is the ‘why?’ the organisation’s answer to the question, ‘why do we exist?’ ”.
- “Great organisations have a larger sense of purpose that transcends providing for the needs of shareholders and employees. They seek to contribute to the world in some way, to add a

P 224 distinctive source of value”.

“Core values answer the question ‘how do we want to act, consistent with our mission, along the path toward achieving our vision? A company’s values might include integrity, openness, honesty, freedom, equal opportunity, leanness, merit, or loyalty. They describe how the company wants life to be on a day-to-day basis, while pursuing the vision”.

“Taken as a unit, all three governing ideas answer the question, ‘what do we believe in?’”.

P 225 “Core values are only helpful if they can be translated into concrete behaviours”.

“ ‘What do we want?’ is different from ‘what do we want to avoid?’. This seems obvious, but in fact negative visions are probably more common than positive visions”.

“There are two fundamental sources of energy that can motivate organisations: fear and aspiration. The power of fear underlies negative visions. The power of aspiration drives positive visions. Fear can produce extraordinary results in short periods, but aspiration endures as a continuing source of learning and growth”.

P 226 “Jay Forrester (of MIT) once remarked that the hallmark of a great organisation is ‘how quickly bad news travels upward’ “.

P 227 “Visions spread because of a reinforcing process of increasing clarity, enthusiasm, communication and commitment”.

“The visioning process can wither if, as more people get involved, the diversity of views dissipate focus and generates unmanageable conflicts”.

P 228 “In limits to growth structures, leverage usually lies in understanding the ‘limiting factor’ “.

“Visions can also die because discouraged by the apparent difficulty in bringing the vision into reality”.

P 229 “Emerging visions can also die because people get overwhelmed by the demands of current reality and lose their focus on the vision”.

P 236 “Individuals learn all the time and yet there is no organisational learning. But if teams learn, they become a microcosm for learning throughout the organisation”.

“Within organisations, team learning has three critical dimensions. First there is the need to think insightfully about complex issues. ..Second there is the need for innovative, co-ordinated action...Third, there is the role of team members on other teams”.

P 237 “Though it involves individual skills and areas of understanding, team learning is a collective discipline. Thus it is meaningless to say that ‘I’ as an individual, am mastering the discipline of team learning, just as it would be meaningless to say that ‘I am mastering the practice of being a great jazz ensemble”.

P 238 “Despite its importance, team learning remains poorly understood...until there are reliable methods for building teams that can learn together, its occurrence will remain a product of happenstance”.

P 243 “To suspend one’s assumptions means to hold them, as it were, constantly hanging in front of you, constantly accessible to questioning and observation. This does not mean throwing out our assumptions, suppressing them, or avoiding their expression...rather it means being aware of our assumptions and holding them up for examination. This cannot be done if we are defending our opinions. Nor can it be done if we are unaware of our assumptions, or unaware that our views are based on *assumptions* rather than incontrovertible fact”.

P 249 “Contrary to popular myth, great teams are not characterised by an absence of conflict”.

P 257 “A team committed to learning must be committed not only to telling the truth about what’s going on ‘out there’, in their business reality, but also what’s going on ‘in here’, within the team

itself. To see reality more clearly, we must also see our strategies for obscuring reality”.

“It cannot be stressed enough that team learning is a *team skill*. A group of talented individual learners will not necessarily produce a learning team, any more than a group of talented athletes will produce a great sports team. Learning teams learn how to learn together”.

P 267 “Because we see the world in simple obvious terms, we come to believe in simple, obvious solutions. This leads to the frenzied search for simple ‘fixes’ “.

“Today, the only universal language of business is financial accounting. But accounting deals with detail complexity not dynamic complexity. It offers ‘snapshots’ of the financial conditions of a business, but it does not describe how those conditions were created”.

P 271 “Prototypes are essential to discovering and solving the key problems that stand between an idea and its successful implementation. Significant innovation cannot be achieved by talking about new ideas; you must build and test prototypes”.

P 272 “Whether or not the five disciplines discussed in this book prove sufficient will depend on whether, in concert, they can resolve the practical problems and issues faced by prototype learning organisations. These include:

How can the internal politics and game playing that dominate traditional organisations be transcended?

How can an organisation distribute business responsibility widely and still retain co-ordination and control?

How do managers create the time for learning?

How can personal mastery and learning flourish at both work and home?

How can we learn from experience when we cannot experience the consequences of our most important decisions?

What is the nature of the commitment and skills required to lead learning organisations?”.

P 274 “Without a genuine sense of common vision and values there is nothing to motivate people beyond self-interest. But we can start building an organisational climate dominated by ‘merit’ rather than politics - where doing *what is right* predominates over *who wants what done*”.

“But a non-political climate also demands ‘openness’ - both the norm of speaking openly and honestly about important issues *and* the capacity continually to challenge one’s own thinking”. The first might be called participative openness, the second reflective openness”.

“Without openness it is generally impossible to break down the game playing that is deeply embedded in most organisations”.

P 277 “While participative openness leads to people speaking out, ‘reflective openness’ leads to people looking inward”.

P 281 “Nothing undermines openness more surely than certainty. Once we feel as if we have ‘the answer’, all motivation to question our thinking disappears”.

P 283 Senge quotes E F Schumacher: “there are two fundamentally different types of problems: ‘convergent problems’ and ‘divergent problems’. Convergent problems have a solution: ‘the more intelligently you study them the more the answers *converge*’.

Divergent problems have no ‘correct’ solution. The more they are studied by people with knowledge and intelligence the more they ‘come up with answers which contradict one another’ “.

P 287 “People learn most rapidly when they have a genuine sense of responsibility for their own actions. Helplessness, the belief that we cannot influence the circumstances under which we



live, undermines the incentive to learn, as does the belief that someone somewhere else dictates our actions. Conversely, if we know our fate is in our own hands, our learning matters”.

“Localness means unleashing people’s commitment by giving them the freedom to act, to try out their own ideas and be responsible for producing results”.

P 289 “While traditional organisations require management systems that control people’s behaviour, learning organisations invest in improving the quality of thinking, the capacity for reflection and team learning, and the ability to develop shared visions and shared understandings of complex issues”.

P 300 “To be effective, localness must encourage risk taking among local managers. But to risk taking is to practice forgiveness. Real forgiveness includes ‘forgive’ and ‘forget’. Sometimes, organisations will ‘forgive’ in the sense of not firing someone if he makes a mistake, but the screw-up will always be hanging over the offender’s head. Real forgiveness includes ‘reconciliation’, mending the relationships that may have been hurt by the mistake”.

P 301 “Learning organisations practice forgiveness because, as Cray Research’s CEO John Rollwagen says ‘ Making the mistake is punishment enough’ ”.

P 304 “If top managers are handling twenty problems in a workday, either they are spending too much time on ‘convergent’ problems that should be dealt with more locally in the organisation, or they are giving insufficient time to complex problems”.

P 305 “One useful starting point for all managers is to look at their time for thinking. If it isn’t adequate, why not? Are work pressures keeping us from taking the time, or to some degree, are we doing it to ourselves?”.

“The way each of us and each of our close colleagues go about managing our own time will say a good deal about our commitment to learning”.

P 312 “All the habits that an Executive learns in an authoritarian organisation are exactly the habits, as *Fortune*’s article showed, that make them unsuccessful parents”.

P 313 “Human beings learn best through first hand experience...but ‘learning by doing’ only works so long as the feedback from our actions is rapid and unambiguous”.

“When we act in a complex system the consequences of our actions are neither immediate nor unambiguous. Often, they are far removed from us in time and space. This leads to the ‘dilemma of learning from experience’ one of the learning disabilities described in chapter 2: we learn best from experience, but we never experience the consequences of our most important decisions. How, then, can we learn?”.

P 333 “Because service quality is intangible, there is a strong tendency to manage services by focusing on what is most tangible: such as numbers of customers served, costs of providing the service, and revenues generated. But focusing on what’s easily measured leads to ‘looking good without being good’ - to having measurable performance indicators that are acceptable yet not providing service. Work gets done but at a steadily poorer standard of quality, by servers who are increasingly overworked, underpaid, and underappreciated”.

“Entire industries are actually more vulnerable to this drift to mediocrity than individual firms. For one firm in a competitive industry, eroding quality will be corrected relatively quickly through loss of customers. But if there is no other place for customers to turn, the feedback signal from the market may be weak or nonexistent”.

“Moreover, expectations adjust to past experience. After a while, customers give up asking for better service. Firms set their standards by looking at each other. If quality erodes industry-wide, firms come to accept low standards without ever questioning them”.

“Oftentimes, the only way this ‘trance of mediocrity’ gets broken is when a new firm enters the market - for example a foreign competitor - who has not been a victim of the trance”.

P 340 “Our traditional views of leaders - as special people who set the direction, make the key decisions, and energise the troops - are deeply rooted in an individualistic and non-systematic

worldview...at its heart, the traditional view of leadership is based on assumptions of people's powerlessness, their lack of personal vision and inability to master the forces of change, deficits which can be remedied only by a few great leaders".

"The new view of leadership in learning organisations centres on subtler and more important tasks. In a learning organisation, leaders are designers, stewards and teachers. They are responsible for *building organisations* where people continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models - that is, they are responsible for learning".

- P 341 "Although *'leader as designer'* is neglected today, it touches a chord that goes back thousands of years. To paraphrase Lao-tzu, the bad leader is he who the people despise. The good leader is he who the people praise. The great leader is he who the people say 'we did it ourselves'".

"The functions of design are rarely visible; they take place behind the scenes. The consequences that appear today are the result of work done long in the past, and work today will show its benefits far in the future. Those who aspire to lead out of a desire to control, or gain fame, or simply be 'at the centre of the action' will find little to attract them to the quiet design work of leadership".

- P 345 "The leaders who fare best are those who continually see themselves as designers not crusaders. Many of the best intentioned efforts to foster new learning disciplines founder because those leading the charge forget the first rule of learning: people learn what they need to learn, not what someone else thinks they need to learn".

- P 355 "Many great 'charismatic' leaders, despite having a deep sense of purpose and vision, manage almost exclusively at the level of events. Such leaders deal in visions and crises, and little in between. They foster a lofty sense of purpose and mission. They create tremendous energy and enthusiasm. But, under their leadership, an organisation caroms from crisis to crisis".

"Such 'visionary crisis managers' often become tragic figures. Their tragedy stems from the depth and genuineness of their vision. They often are truly committed to noble aspirations. But noble aspirations are not enough to overcome systemic forces contrary to the vision".

- P 360 "Ultimately, people follow people who believe in something and have the abilities to achieve results in the service of those beliefs. Or, to put it another way, who are the natural leaders of learning organisations? They are the learners".