

# PREFACE

Hubris is a grandiose sense of self, characterised by over-confidence, arrogance, pride, and contempt towards the advice and criticism of others. Hubristic leaders tend to over-estimate the likelihood of positive outcomes and under-estimate the likelihood of negative outcomes, and in the absence of the necessary checks and balances they create the conditions which invite unintended negative consequences. The hubris hazard's potentially destructive effects extend beyond individual leaders and organisations and make hubristic leadership a societal-level risk.

This book explains why hubris is a hazard and suggests some ways in which the risks emanating from hubris might be mitigated or eradicated. One of the book's main ideas is that risk is the product of a hazard and the level of exposure to it (i.e.  $\text{Risk} = \text{Hazard} \times \text{Exposure}$ ). The corollary of this is that we can avoid risk by reducing our exposure to hazard; if the exposure to the hazard is zero, then likewise, the risk will be non-existent.

*The Hubris hazard's* focal concept is 'hubris risk' (this is the title of Chapter 1), an idea first mooted by Dr Andrew Bailey, Governor of the Bank of England. The book explores how to minimise hubris risk by avoiding exposure to various hubris risk factors (i.e. intoxication of power; unbridled intuition; irrational exuberance; self-deception; narcissistic tendencies; excess; conducive context; complicit followers; and lack of checks and balances). The list of hubris risk factors covered in the book is not an exhaustive one. Other people will have different views about what the risk factors are and other factors will, no doubt, come to light as we learn more about hubris.

Following Chapter 1, which introduces hubris via the example of the global financial crisis of 2008, each of Chapters 2–9 deals with a specific hubris risk factor, for example: Chapter 2 looks at the risk of being exposed to a leader's intoxication with power as illustrated by, amongst others, Vladimir Putin, who at the time of writing is engaged in a long and costly war with his neighbour Ukraine. Chapter 3 explores the risks that come about when a leader's hubris is enabled by complicit followers in a conducive context as illustrated by the case Elizabeth Holmes, founder and CEO of the now-defunct medical devices

company Theranos, and who at the time of writing is beginning an 11-year jail sentence in Texas having been convicted on several counts of fraud. The final chapter, Chapter 10, introduces the idea of the Hubris Health Check as a way to estimate how exposed an organisation is to the hubris risk.

There are numerous crossovers between the various hubris risk factors and the ways in which they manifest in practice. They're separated out for ease of explanation only, for instance in the case of Putin several risk factors are at work: he's intoxicated with power but has also been enabled by complicit followers and the historical and geopolitical context of the demise of the Soviet Union and relationships with the USA and Europe.

Donald Trump, who is discussed mostly in Chapter 1, is both a gift to and low-hanging fruit for scholars of hubris, hence I have resisted the temptation to over-rely on him and coverage of his case in kept to a minimum. That said, Trump's hubris illustrates some of the deeper structural issues that are at work in early 21<sup>st</sup>-century society including nationalism and populism. These are two of the main driving forces behind what sometimes feels like a hubris epidemic in politics as elucidated in Lord David Owen's recent book *Hubris, the road to Donald Trump: Power, Populism and Narcissism* (Methuen, 2018). Barely a day goes by without a report in the press of some hubristic excess or other by a president or prime minister. The situation is no better in business and, even though the structural issues and driving forces are somewhat more opaque than in politics, there is nonetheless no shortage of CEOs to illustrate the potentially destructive effects of hubristic leadership in the corporate world. It seems as though many of our business organisations and political institutions have been infected with a hubristic 'tone at the top' thus making hubris an occupational hazard for CEOs, presidents, and prime ministers to be guarded against.

The examples used in the chapters are drawn more or less equally from business and politics. They are topical in the sense that they're drawn from a world which is a fast-moving 'living laboratory' of hubristic leadership. But being topical raised challenges for me in writing this book not least because some hubrists become quickly forgotten outside their immediate orbit whilst their legacy reverberates; for example, we're still living with the negative effects of hubris and the global financial crisis long after the main protagonists have left the scene. The effects of hubris can be nothing less than historic and monumental, for example the catastrophic impact of Russia's invasion of Ukraine will be felt for generations to come and will change the face of international geopolitics for ever.

A further issue with attempting to be topical in the writing of the book is the fact that the examples can quickly be overtaken by events; for example, Sam Bankman-Fried (SBF) co-founder and CEO of the now-defunct crypto-trading firm FTX, discussed in Chapter 8, is at the time of writing beginning his trial in a Federal court in Manhattan on numerous charges including conspiracy and wire fraud; the outcome of the legal process is unknown currently but if things go badly for him he could face a very long jail sentence. Future readers will be in a better position than I am to judge the appropriateness of SBF and some of the other cases used in this book as examples of the destructive effects of hubristic leadership. Hubris has been around since at least the Ancient Greeks, and there is no reason to suppose that business and politics in the future will be a hubris-free zone. There can be little doubt that in the immediate as well as the longer-term future, new examples will come to light.

The choice of examples also illustrates another of the challenges in researching hubris and writing about it: hubris is something of a ‘rear view mirror’ phenomenon, observable only after the leadership accident-in-waiting and subsequent derailment has actually happened. To get round this conundrum the essence of the book’s argument is that preventing hubris is better than curing it; this is the idea behind the Hubris Health Check (Chapter 10). The irony is that if this book were to have even just a scintilla of the much-hoped-for practical impact it might lead to less hubris and hence there’d be less for people like me to research and write about and less mess to be cleared up. That would be a very satisfactory outcome.

To conclude, my sincere thanks go to all those colleagues—too numerous to mention but who are acknowledged in the text and with requisite apologies for the inevitable errors and omissions—who have educated and supported me in my on-going endeavours to understand the hubris hazard. I would like to single out Dr Graham Robinson and thank him for kindling my interest in hubris in the first place and Dr Vita Akstinaite for her irrepressible enthusiasm and energy for the topic of hubris and leadership. I am very grateful to Lauren Whelan, Editorial Assistant at Routledge and copy editor Sue Cope, for their invaluable assistance in the editorial and production process. My particular thanks go to Rebecca Marsh, Senior Editor at Routledge, without whose support *The Hubris Hazard* would not have seen the light of day. I hope you enjoy the book.

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